

**NEW ISSUE
BOOK ENTRY ONLY**

RATING: Fitch: “BB+” (Stable Outlook)
(See “RATING” herein”)

In the opinion of Smith, Gambrell & Russell, LLP, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the limitations and conditions described herein, and assuming continuous compliance with certain covenants described herein, interest on the Series 2021 Bonds is excludable from gross income for federal and Georgia state income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax. See “TAX MATTERS.”



\$15,085,000*
RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY
REVENUE BONDS
(WESLEY WOODS OF NEWNAN – PEACHTREE CITY PROJECT)
SERIES 2021

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

Residential Care Facilities for the Elderly Authority of Coweta County (the “**Issuer**”) is issuing its \$15,085,000* Revenue Bonds (Wesley Woods of Newnan – Peachtree City Project) Series 2021 (the “**Series 2021 Bonds**”) pursuant to the provisions of Official Code of Georgia Annotated Section 31-7-110 *et seq.* (the “**Act**”) under a Bond Trust Indenture, dated as of December 1, 2021 (the “**Bond Indenture**”), between the Issuer and UMB Bank, National Association, as bond trustee (the “**Bond Trustee**”). The proceeds of the Series 2021 Bonds will be lent to Wesley Woods of Newnan – Peachtree City, Inc., a Georgia nonprofit corporation (the “**Borrower**”), a controlled affiliate of Wesley Woods Senior Living, Inc., a nonprofit corporation organized and existing under the laws of the State of Georgia (the “**Corporation**”) pursuant to a Loan Agreement dated as of December 1, 2021 (the “**Loan Agreement**”), between the Issuer and the Borrower. The Borrower owns and operates a continuing care retirement community known as Wesley Woods of Newnan in Newnan, Georgia (the “**Community**”). The Borrower will use the proceeds of the Series 2021 Bonds to provide funds to finance some or all of the following: (i) defeasing and refunding the \$16,300,000 original principal amount Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A, issued March 24, 2016 (the “**Refunded Bonds**”); (ii) acquiring, constructing, installing, placing into service and equipping certain continuing care retirement facilities located within the jurisdiction of the Authority (the “**New Facilities**,” and together with the facilities financed by the Refunded Bonds, the “**Facilities**”); (iii) certain reserves for the Series 2021 Bonds; and (iv) expenses incurred in connection with the issuance of the Series 2021 Bonds.

The Series 2021 Bonds and the interest payable thereon are limited obligations of the Issuer and, except as described in this Official Statement, are payable solely from and secured exclusively by the funds pledged thereto under the Bond Indenture, the payments to be made by the Borrower pursuant to the Loan Agreement and the Series 2021 Master Obligation (as defined herein) issued by the Borrower under that certain Master Trust Indenture, dated as of December 1, 2021, between the Borrower and UMB Bank National Association, as Master Trustee (the “**Master Trustee**”), as supplemented by Supplemental Master Indenture Number 1, dated as of December 1, 2021 (as supplemented, the “**Master Indenture**”). The sources of payment of, and security for, the Series 2021 Bonds are more fully described in this Official Statement. The Series 2021 Bonds are subject to acceleration of maturity and optional and mandatory redemption, in whole or in part, prior to maturity at the prices and under the circumstances described herein. See “**THE SERIES 2021 BONDS – Redemption**” herein.

The Series 2021 Bonds when issued will be registered only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Series 2021 Bonds. Purchasers of the Series 2021 Bonds will not receive certificates representing their interest in the Series 2021 Bonds purchased. Ownership by the beneficial owners of the Series 2021 Bonds will be evidenced by book-entry only. Principal of and interest on the Series 2021 Bonds will be paid by the Bond Trustee to DTC, which in turn will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Series 2021 Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2021 Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. See “**BOOK ENTRY ONLY SYSTEM**” in APPENDIX E hereto.

An investment in the Series 2021 Bonds involves risk related to, among other things, the nature of the Borrower’s business, the regulatory environment, and the provisions of the principal documents. A prospective Bondholder is advised to read “**SECURITY FOR THE SERIES 2021 BONDS**” and “**BONDHOLDERS’ RISKS**” herein for a discussion of certain risk factors that should be considered in connection with an investment in the Series 2021 Bonds. **The Series 2021 Bonds are limited obligations of the Issuer. None of the Issuer, the State of Georgia, Coweta County, Georgia or any other political subdivision thereof, shall be obligated to pay the Series 2021 Bonds or the interest thereon except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Issuer, the State of Georgia, Coweta County, Georgia or of any other political subdivision thereof is pledged to the payment of the principal of or the interest on the Series 2021 Bonds. The Issuer has no taxing power.**

The Series 2021 Bonds are being offered, subject to prior sale and withdrawal of such offer without notice, when, as and if issued by the Issuer and accepted by Herbert J. Sims & Company, Inc. (the “**Underwriter**”) subject to the approving opinion of Smith Gambrell & Russell LLP, Atlanta, Georgia, Bond Counsel. Certain legal matters will be passed upon for the Issuer by its counsel, Glover & Davis, P.A., Newnan, Georgia; for the Borrower by its counsel, Smith Gambrell & Russell LLP, Atlanta, Georgia; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia. It is expected that the Series 2021 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about December 2, 2021.



Dated: November __, 2021

* Preliminary, subject to change

THE SERIES 2021 BONDS

Dated: Date of Delivery

Due: As shown below

The Series 2021 Bonds will be issuable in fully registered form without coupons in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof. Interest on the Series 2021 Bonds will be payable on each March 1 and September 1, commencing March 1, 2022. The Series 2021 Bonds will be subject to redemption prior to maturity, as more fully described herein.

\$1,690,000*	____%	Due: March 1, 2026	Price: _____	Yield: _____%	CUSIP ^{®†}
\$2,515,000*	____%	Due: March 1, 2031	Price: _____	Yield: _____%	CUSIP ^{®†}
\$3,055,000*	____%	Due: March 1, 2036	Price: _____	Yield: _____%	CUSIP ^{®†}
\$3,715,000*	____%	Due: March 1, 2041	Price: _____	Yield: _____%	CUSIP ^{®†}
\$4,110,000*	____%	Due: March 1, 2046	Price: _____	Yield: _____%	CUSIP ^{®†}

*Preliminary, subject to change

[†] CUSIP is a registered trademark of the American Bankers Association. The CUSIP numbers herein are provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. The CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Borrower or the Underwriter and are included solely for the convenience of the holders of the Series 2021 Bonds. None of the Issuer, the Borrower or the Underwriter are responsible for the selection or use of these CUSIP numbers, and no representation is made as to their correctness on the Series 2021 Bonds or as indicated above. 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 the Series 2021 Bonds.

PRELIMINARY NOTICES

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

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

In making an investment decision, investors must rely on their own examination of the Series 2021 Bonds, the Obligated Group, and the terms of the offering, including the merits and risks involved. The Series 2021 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, no such commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information contained in this Official Statement has been furnished by the Borrower, the Issuer, DTC and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by and is not to be construed as a representation of, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

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

THE SERIES 2021 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2021 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2021 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITER MAY OVERALLOT 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, AND IF CONTINUED, MAY BE RECOMMENCED AT ANY TIME.

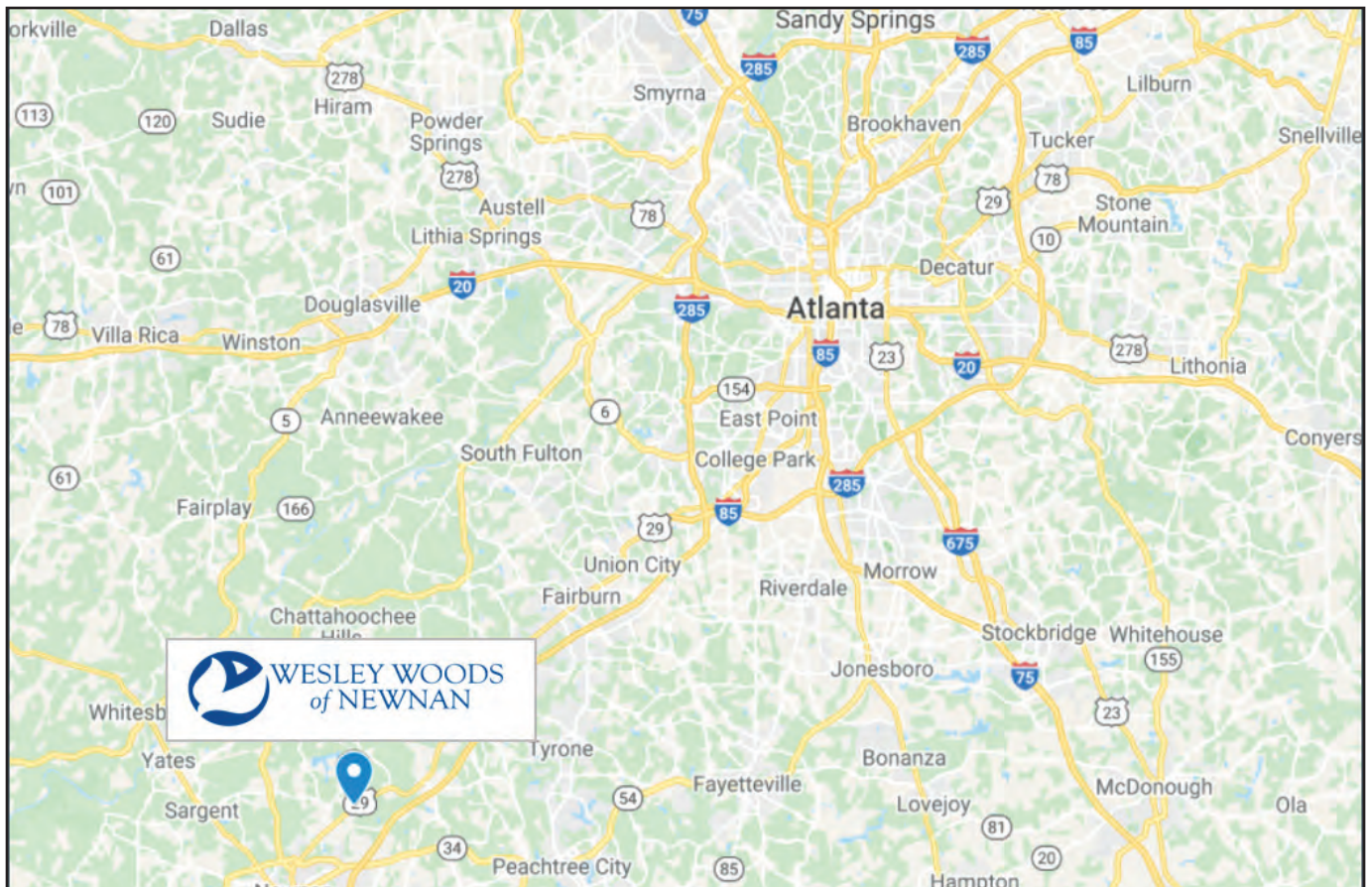
**CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING
STATEMENTS IN THIS OFFICIAL STATEMENT**

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

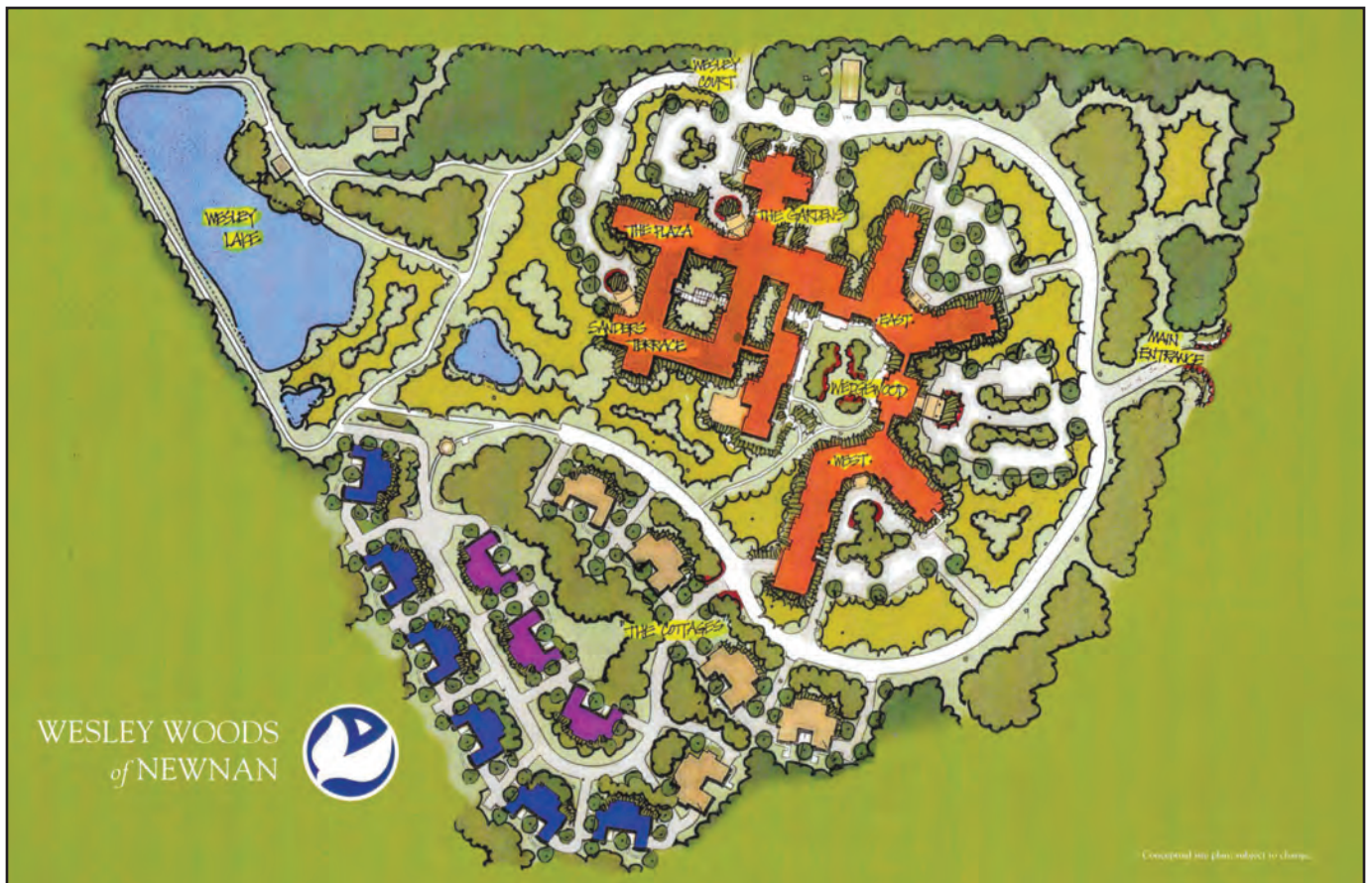
THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATION CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE BORROWER DOES NOT PLAN TO ISSUE AN UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

THIS OFFICIAL STATEMENT IS BEING PROVIDED TO PROSPECTIVE PURCHASERS IN EITHER BOUND OR PRINTED FORMAT (“*ORIGINAL BOUND FORMAT*”), OR IN ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THIS OFFICIAL STATEMENT MAY BE RELIED ON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT, OR IF IT IS PRINTED OR SAVED IN FULL DIRECTLY FROM THE AFOREMENTIONED WEBSITE OR WWW.EMMA.MSRB.ORG.

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Location of Community



Community Site Map



Community Entrance



Community Lobby



Community Lake



Interior of Apartment

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TABLE OF CONTENTS

SHORT STATEMENT	iv
The Issuer	iv
Plan of Finance	iv
Description of the Series 2021 Bonds	iv
The Borrower	v
Security for the Series 2021 Bonds	v
Debt Service Reserve Fund	vi
Certain Financial and Operating Covenants of the Borrower	vi
Certain Bondholders' Risks	vii
Continuing Disclosure	viii
Miscellaneous	viii
INTRODUCTION	1
THE ISSUER	1
THE BORROWER	2
PLAN OF FINANCE	2
ESTIMATED SOURCES AND USES OF FUNDS	3
ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS	4
THE SERIES 2021 BONDS	5
Introduction	5
Payment of Principal and Interest	5
Transfers and Exchanges; Persons Treated as Owners	6
Redemption Provisions Related to Series 2021 Bonds	6
SECURITY FOR THE SERIES 2021 BONDS	9
General	9
Limited Obligations	10
Debt Service Reserve Fund for the Series 2021 Bonds	10
The Loan Agreement	10
The Master Indenture	10
Covenants	12
Certain Amendments to Bond Indenture and Master Indenture after an Event of Default	17
Revenue Fund	17
BONDHOLDERS' RISKS	19
General Risk Factors	19
Limited Obligations	20
Caution Regarding Forward-Looking Statements	21
COVID-19 and the Infectious Disease Outbreak	21
General Risks of Long-Term Care Facilities	23
Accounting Changes	24
The Mortgaged Property; Mortgage and Security Interest Securing the Series 2021 Master Obligation is of Limited Value	24
State Regulation	26
Risks of Real Estate Investment	27
Uncertainty of Occupancy and Entrance and Service Fee Collection	28
Sale of Homes	29
Financial Assistance and Obligation to Residents	29
Nature of Income and Assets of the Elderly	29
Utilization Demand	30
Potential Refund of Entrance Fees	30

Discounting of Entrance Fees.....	30
Rights of Residents.....	30
Competition.....	30
Additions and Changes in the Obligated Group.....	31
Availability and Enforceability of Remedies	31
Certain Matters Relating to Enforceability of the Master Indenture	32
Bankruptcy	33
Personnel.....	34
Organized Resident Activity	34
Factors Affecting Real Estate Taxes	34
Cybersecurity	35
Malpractice Claims and Losses	35
Insurance and Legal Proceedings	35
Nursing Shortage.....	36
Present and Prospective Federal and State Regulation.....	36
Fraud and Abuse Enforcement	38
Other Sources of Liability for Health Care Providers	42
Medicare Program.....	43
Private Health Plans and Insurers.....	43
Environmental Matters	44
Additional Indebtedness	44
Labor Union Activity	45
Amendments to Documents	45
Uncertainty of Investment Income	46
Risk of Early Redemption	46
Risk of Loss Upon Redemption	46
Licensing, Surveys, Accreditation and Audits	47
Federal Tax Matters	47
Limited Market for the Series 2021 Bonds	50
Other Possible Bondholders' Risks	51
FINANCIAL REPORTING AND CONTINUING DISCLOSURE	52
Financial Reporting	52
Continuing Disclosure.....	54
Prior Compliance.....	54
LITIGATION	55
Issuer	55
Obligor	55
LEGAL MATTERS	55
TAX MATTERS	56
General Matters.....	56
FINANCIAL STATEMENTS.....	58
VALIDATION PROCEEDINGS	58
RATING	58
UNDERWRITING	59
FINANCIAL ADVISOR.....	59
ROLE OF BOND TRUSTEE AND MASTER TRUSTEE.....	59
MISCELLANEOUS	59

APPENDIX A - WESLEY WOODS OF NEWNAN – PEACHTREE CITY, INC	A-1
APPENDIX B: AUDITED FINANCIAL STATEMENTS OF THE BORROWER	B-1
APPENDIX C: FORMS OF PRINCIPAL FINANCING DOCUMENTS	C-1
APPENDIX D: PROPOSED FORM OF BOND COUNSEL OPINION	D-1
APPENDIX E: BOOK-ENTRY ONLY SYSTEM	E-1
APPENDIX F: FORM OF CONTINUING DISCLOSURE AGREEMENT	F-1

SHORT STATEMENT

The information set forth in this short statement is subject in all respects to more complete information set forth elsewhere in this Official Statement, including the appendices, which should be read in its entirety. The offering of the Series 2021 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this short statement from this Official Statement or otherwise to use it without this entire Official Statement. For the definitions of certain words and terms used in this short statement, see “**FORMS OF PRINCIPAL FINANCING DOCUMENTS**” in **APPENDIX C** hereto.

The Issuer

Residential Care Facilities for the Elderly Authority of Coweta County (the “**Issuer**”), is a public body corporate and politic created and existing under the laws of the State of Georgia, pursuant to O.C.G.A. Section 31-7-110 *et seq.*, as amended (the “**Act**”). See “**THE ISSUER**” herein.

Plan of Finance

The Borrower will use the proceeds of the Series 2021 Bonds to provide funds to finance some or all of the following: (i) defeasing and refunding the \$16,300,000 original principal amount Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A, issued March 24, 2016 (the “**Refunded Bonds**”); (ii) acquiring, constructing, installing, placing into service and equipping certain continuing care retirement facilities located within the jurisdiction of the Authority (the “**New Facilities**,” and together with the facilities financed by the Refunded Bonds, the “**Facilities**”); (iii) certain reserves for the Series 2021 Bonds; and (iv) expenses incurred in connection with the issuance of the Series 2021 Bonds. The Obligor expects to use the proceeds of the Series 2021 Bonds in the approximate amount of \$360,000 to reimburse previously incurred expenses relating to the New Facilities and use the proceeds of the Series 2021 Bonds in the approximate amount of \$640,000 for future expenses for the New Facilities.

Description of the Series 2021 Bonds

Redemption. The Series 2021 Bonds are subject to redemption prior to their stated maturity. See “**THE SERIES 2021 BONDS – Redemption Provisions Related to Series 2021 Bonds**” herein.

Denominations. The Series 2021 Bonds will be issued only in fully registered form without coupons in the denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof.

Registration, Transfers and Exchanges. The Series 2021 Bonds when issued will be registered only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“**DTC**”) and will be available to ultimate purchasers (the “**Beneficial Owners**”) under the book-entry only system maintained by DTC, only through brokers and dealers who are, or act through, DTC Participants. Purchasers of the Series 2021 Bonds will not receive certificates representing their interest in the Series 2021 Bonds purchased. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. See “**BOOK ENTRY ONLY SYSTEM**” in **APPENDIX E** hereto.

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

Tax Exemption. In the opinion of Smith, Gambrell & Russell, LLP, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the limitations and conditions described herein, and assuming continuous compliance with certain covenants described herein, interest on the Series 2021 Bonds is excludable from gross income for federal and Georgia state income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax, all subject to the qualifications described herein under the heading “**TAX MATTERS.**”

The Borrower

The Borrower was organized in 1992 by Wesley Woods Senior Living, Inc., a nonprofit corporation organized and existing under the laws of the State of Georgia and a controlled affiliate (the “**Corporation**”) for the purpose of owning and operating a continuing care retirement community located in Newnan, Coweta County, Georgia (the “**Community**”). The Community currently consists of 84 independent living apartments and 16 independent living cottage apartments (collectively, the “**Independent Living Units**”), and a healthcare center comprised of 8 memory care units, 37 personal care units and 23 skilled nursing beds and is situated on an approximately 54-acre campus in Newnan, Georgia. The Borrower has received a determination letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. See **APPENDIX A** for more information about the Borrower and the Community.

Security for the Series 2021 Bonds

Loan Agreement. Under the Loan Agreement, the Borrower is required duly and punctually to pay the principal of, premium, if any, and interest on the Series 2021 Bonds and to make payments to the Bond Trustee to make certain other payments. See “**FORM OF THE LOAN AGREEMENT**” in **APPENDIX C** hereto.

Master Indenture. The Master Indenture is intended to provide assurance for the repayment of obligations entitled to its benefits by imposing financial and operating covenants that restrict the Borrower and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Borrower has pledged and granted to the Master Trustee (a) a security interest in all Personal Property owned or hereafter acquired by the Obligated Group, (b) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (c) a security interest 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. See “**FORM OF THE MASTER INDENTURE**” in **APPENDIX C** hereto.

Mortgaged Property. The obligations of the Obligated Group under the Master Indenture, including the Series 2021 Master Obligation, are secured under the terms of a Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement, and Fixture Filing, dated as of December 1, 2021 (the “**Security Deed**”). The Security Deed conveys to the Master Trustee security title in certain real property of the Obligated Group consisting of the approximately 54-acre tract of real property, which is the site of the Community (the “**Mortgaged Property**”), including all property later acquired by the Obligated Group Members and is affixed or attached or annexed to the Premises. The lien on the Mortgaged Property is hereinafter referred to as the “Mortgage.” Simultaneously with the delivery of the Series 2021 Bonds and as required by the Master Indenture, the Borrower will deliver to the Master Trustee a mortgagee title insurance policy or endorsement insuring that the Mortgage executed and recorded in connection with the issuance of the Series 2021 Bonds constitutes a first priority lien of record, subject to Permitted Encumbrances, on the Mortgaged Property described therein. The total stated amount of such title policy will be equal to at least the Outstanding principal amount of the Series 2021 Master Obligation. See

“BONDHOLDERS’ RISKS - The Mortgaged Property; Mortgage and Security Interest Securing the Series 2021 Master Obligation is of Limited Value.”

Debt Service Reserve Fund

The Master Indenture creates and establishes with the Master Trustee a Debt Service Reserve Fund (the “*Debt Service Reserve Fund*”). Moneys on deposit in the Debt Service Reserve Fund will be used to provide a reserve for the payment of the principal of and interest on the Series 2021 Bonds. The Debt Service Reserve Fund is required to be funded in an amount equal to \$_____ (the “*Debt Service Reserve Fund Requirement*”). See “**SECURITY FOR THE BONDS – Debt Service Reserve Fund.**” The Debt Service Reserve Fund only secures Series 2021 Master Note, and therefore the Bonds, and does not secure any other bonds or Obligations that now exist, but, at the Obligor’s determination, could secure future Obligations under the Master Indenture. See “**FORM OF THE MASTER INDENTURE**” and “**FORM OF THE BOND INDENTURE**” in APPENDIX C hereto.

Certain Financial and Operating Covenants of the Borrower

Debt Service Coverage Ratio Covenant. The Historical Debt Service Coverage Ratio is calculated as the ratio of Income Available for Debt Service divided by the Maximum Annual Debt Service Requirement. The Obligated Group has agreed to set rates and collect charges for its facilities, services and products such that the Historical Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, is at least 1.20.

If the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00), the Obligated Group Representative is required to, within 30 days after delivery of the Officer’s Certificate disclosing such deficiency, 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 increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future.

If the Obligated Group has not corrected the deficiency by the end of the first Fiscal Year immediately subsequent to delivery of the Officer’s Certificate required to be delivered by the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with the Master Indenture) of the Officer’s Certificate disclosing such deficiency, engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future. A copy of the Consultant’s report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member shall use the recommendations 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.

Notwithstanding the foregoing, if the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00) and the Obligated Group has 250 or greater Days Cash on Hand, the Obligated Group is not required to engage a Consultant.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of 1.20, but achieves a Historical Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure will not constitute a default or an Event of Default under the Master Indenture if the Obligated Group has taken all action necessary to comply with the procedures set forth in the Master Indenture for preparing a report and adopting a plan and uses the recommendations contained in such report to the extent feasible (as determined

in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

Failure to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years is an Event of Default under the Master Indenture. See “**SECURITY FOR THE SERIES 2021 BONDS – Covenants – Debt Service Coverage Ratio Covenant**” herein.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of each February 28 and August 31 (each such date being a “***Testing Date***”), commencing February 28, 2022, and that the Obligated Group shall have no less than 120 Days Cash on Hand (the “***Liquidity Requirement***”). The Obligated Group will deliver an Officer’s Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture.

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

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer’s Certificate required to be delivered by the preceding paragraph, the Obligated Group Representative is required, within 30 days after delivery of the Officer’s Certificate disclosing such deficiency, to engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant’s report and recommendations, if any, is required to be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member will use the recommendations 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. The Obligated Group is not required to cause the Consultant’s report referred to in this paragraph to be prepared if (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant’s report, which request may not be made more frequently than each Testing Date) a Consultant’s report referred to above was prepared two Testing Dates prior to the current Testing Date and the Obligated Group provides to the Master Trustee and each Related Bond Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying the last Consultant’s report have not changed in any material way.

Failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date will not constitute a Default or an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant’s report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Master Trustee has no duty or obligation to monitor the Obligated Group’s compliance with any such recommendations. See “**SECURITY FOR THE SERIES 2021 BONDS – Covenants – Liquidity Covenant**” herein.

Certain Bondholders’ Risks

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 TITLED “SECURITY FOR THE SERIES 2021 BONDS” AND “BONDHOLDERS’ RISKS” HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH 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 and assets of the Borrower, careful evaluation should be made of certain factors (including, but not limited to, the ability of the Borrower to attract residents and enter into Residence and Service Agreements and manage the Community in a manner that maintains high occupancy levels), that may adversely affect the ability of the Borrower to generate sufficient revenues to pay its expenses of operation including the principal, premium, if any, and interest on the Series 2021 Bonds.

Continuing Disclosure

Upon the issuance of the Series 2021 Bonds, the Borrower will enter into a Continuing Disclosure Agreement with UMB Bank, National Association, as dissemination agent, for the benefit of the holders of the Series 2021 Bonds. Pursuant to the Continuing Disclosure Agreement, the Borrower will agree to provide certain operating and financial information annually and to provide notice of certain listed events. See **“FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure”** herein and **“FORM OF CONTINUING DISCLOSURE AGREEMENT”** in **APPENDIX F** hereto. The Borrower has previously entered into an agreement with respect to the Refunded Bonds to provide continuing disclosure. See **“FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Prior Compliance”** herein.

Miscellaneous

No dealer, broker, salesman or other person has been authorized by the Issuer, the Borrower 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. The 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 Borrower since the date hereof.

This Official Statement contains a general description of the Series 2021 Bonds, the Issuer, the Borrower, the Project, the Community and the plan of finance and sets forth certain provisions of the Bond Indenture, the Loan Agreement, the Master Indenture and the Security Deed. The description and summaries herein do not purport to be complete. The Issuer has furnished only the information included herein under the sections titled **“SHORT STATEMENT – The Issuer,” “THE ISSUER”** and **“LITIGATION – Issuer.”** The Issuer assumes no responsibility for the accuracy or completeness of any other information in this Official Statement. Persons interested in purchasing the Series 2021 Bonds should review carefully the Appendices attached hereto, including **“FORMS OF PRINCIPAL FINANCING DOCUMENTS”** in **APPENDIX C**.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed a determination of relevance, materiality or importance, and this Official Statement, including the Appendices, must be considered in its entirety.

OFFICIAL STATEMENT
relating to
\$15,085,000*
RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY
REVENUE BONDS
(WESLEY WOODS OF NEWNAN – PEACHTREE CITY PROJECT)
SERIES 2021

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is provided to furnish information with respect to the issuance, sale and delivery by the Issuer of its \$15,085,000* Revenue Bonds (Wesley Woods of Newnan – Peachtree City Project) Series 2021 (the “**Series 2021 Bonds**”). The Series 2021 Bonds are being issued pursuant to Section 31-7-110, *et seq.*, Official Code of Georgia Annotated, known as the Residential Care Facilities for the Elderly Authorities Act (the “**Act**”). Additionally, the Series 2021 Bonds are being issued pursuant to the Bond Indenture. The Series 2021 Bonds are payable from and equally and ratably secured by a promissory note (the “**Series 2021 Master Obligation**”) issued under the Master Indenture described below and any supplements thereto. See “**SECURITY FOR THE SERIES 2021 BONDS**” herein.

Concurrently with the issuance of the Series 2021 Bonds, the Issuer will enter into a Loan Agreement dated as of December 1, 2021 (the “**Loan Agreement**”), with Wesley Woods of Newnan – Peachtree City, Inc., a Georgia nonprofit corporation (the “**Borrower**”) a controlled affiliate of Wesley Woods Senior Living, Inc., a nonprofit corporation organized and existing under the laws of the State of Georgia (the “**Corporation**”). Pursuant to the Loan Agreement, the Borrower will use the proceeds of the Series 2021 Bonds to provide funds to finance some or all of the following: (i) defeasing and refunding the \$16,300,000 original principal amount Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A, issued March 24, 2016 (the “**Refunded Bonds**”); (ii) acquiring, constructing, installing, placing into service and equipping certain continuing care retirement facilities located within the jurisdiction of the Authority (the “**New Facilities**,” and together with the facilities financed by the Refunded Bonds, the “**Facilities**”); (iii) certain reserves for the Series 2021 Bonds; and (iv) expenses incurred in connection with the issuance of the Series 2021 Bonds.

Certain capitalized terms used herein are defined in “**FORMS OF PRINCIPAL FINANCING DOCUMENTS**” in **APPENDIX C** hereto. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to each document.

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

THE ISSUER

The Issuer is a public body, corporate and politic, duly organized under the validly existing by virtue of the laws of the State of Georgia, including particularly Georgia Laws 1980, p. 1466, *et seq.*, as

* Preliminary, subject to change

amended, codified as Section 31-7-110, *et seq.*, Official Code of Georgia Annotated, known as the Residential Care Facilities for the Elderly Authorities Act, and a resolution adopted by the governing body of Coweta County, Georgia. The general purpose of the Issuer is to alleviate the shortage in the State of Georgia of adequate residential care facilities for the elderly by assisting certain nonprofit corporations in financing the costs of such facilities. The Act provides that any authority created thereunder may finance only facilities which are to be operated and used by a “qualified sponsor,” which is defined as a nonprofit corporation meeting criteria established by the Issuer and which has undertaken to provide residential care facilities for the elderly. The Issuer is authorized by the Act (i) to extend credit or make loans to any qualified sponsor to enable it to plan, design, construct, acquire and carry out any project, (ii) to issue revenue bonds payable solely from the revenues and receipts derived by the Issuer from such loan, and (iii) to secure such bonds by a pledge and assignment of such revenues and receipts and its interest in and rights under any loan agreements relating to such facilities and any collateral therefor.

The Issuer has no taxing power and neither the State of Georgia, Coweta County, Georgia, nor any other political subdivision of the State of Georgia is liable for the payment of the principal or redemption price of or interest on the Series 2021 Bonds.

The powers of the Issuer as exercised by the Board of Directors consisting of seven persons who are appointed by the governing body of Coweta County, Georgia, each for a term of six years.

THE BORROWER

The Borrower was organized in 1992 for the purpose of owning and operating a continuing care retirement community located in Newnan, Coweta County, Georgia (the “**Community**”). The Community currently consists of 84 independent living units and 10 independent living cottage apartments (collectively, the “Independent Living Units”), and a healthcare center comprised of 8 memory care units, 37 personal care units and 23 skilled nursing beds and is situated on an approximately 54-acre campus in Newnan, Georgia. The Borrower has received a determination letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The State of Georgia has licensed the Borrower to operate the Community. See **APPENDIX A** for more information about the Borrower and the Community.

Audited financial statements of the Borrower for the fiscal years ended August 31, 2020 are included in **APPENDIX B** hereto.

PLAN OF FINANCE

The Borrower will use the proceeds of the Series 2021 Bonds to provide funds to finance some or all of the following: (i) defeasing and refunding the \$16,300,000 original principal amount Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A, issued March 24, 2016 (the “**Refunded Bonds**”); (ii) acquiring, constructing, installing, placing into service and equipping certain continuing care retirement facilities located within the jurisdiction of the Authority (the “**New Facilities**,” and together with the facilities financed by the Refunded Bonds, the “**Facilities**”); (iii) certain reserves for the Series 2021 Bonds; and (iv) expenses incurred in connection with the issuance of the Series 2021 Bonds.

The Obligor expects to use the proceeds of the Series 2021 Bonds in the approximate amount of \$360,000 to reimburse previously incurred expenses relating to the New Facilities and use the proceeds of the Series 2021 Bonds in the approximate amount of \$640,000 for future expenses for the New Facilities.

The proceeds of the Refunded Bonds were used to (i) refund the Issuer's Variable Rate Demand Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2005 (the "*Series 2005 Bonds*"), (ii) finance and refinance the costs of the construction of two Independent Living Units, (iii) fund a debt service reserve fund for the Refunded Bonds.

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

Principal Amount	
Original Issue Premium	
Release of Reserve Fund for Refunded Bonds	
Release of Bond Fund for Refunded Bonds	
Equity Contribution	
Total	

USES OF FUNDS

Defease the Refunded Bonds	
Costs of the New Facilities	
Debt Service Reserve Fund	
Costs of Issuance ⁽¹⁾	
Total	

⁽¹⁾ The bond issuance costs will approximate this amount and will include legal fees, accounting fees, rating agency fees, Issuer fees, Underwriter's discount, and other costs associated with the issuance of the Series 2021 Bonds.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the amounts required for the payment of principal and interest of the Series 2021 Bonds at maturity or by mandatory sinking fund redemption.

Bond Year Ending March 1	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
Total			

THE SERIES 2021 BONDS

Introduction

The Series 2021 Bonds, together with interest thereon, are limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, are payable solely from the Trust Estate, and are a valid claim of the respective Owners thereof only against the Trust Estate. The Series 2021 Bonds and interest thereon shall not constitute a general or moral obligation of the Issuer nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of the Issuer, the State or any other political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of the Issuer the State, or any other political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2021 Bonds or other costs incident thereto. The Issuer has no taxing power. Neither the Borrower nor the governing body, officers, or employees of the Issuer nor any person executing Series 2021 Bonds shall be liable personally on the Series 2021 Bonds by reason of the issuance thereof.

So long as DTC acts as securities depository for the Series 2021 Bonds, as described in **APPENDIX E** hereto, all references herein to “Owner,” “owner,” “Holder” or “holder” of any Bonds or to “Bondowner,” “Bondholder,” “bondowner” or “bondholder” are deemed to refer to Cede & Co., as nominee for DTC, and not to Direct Participants, Indirect Participants or Beneficial Owners (as defined herein).

So long as the Series 2021 Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, premium, if any, and interest on the Series 2021 Bonds will be paid as described in **APPENDIX E** hereto. The following information is subject in its entirety to the provisions described in **APPENDIX E** hereto.

Payment of Principal and Interest

The Series 2021 Bonds will be issued only in fully registered form without coupons in the denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof. The Series 2021 Bonds will be dated their date of issuance. The Series 2021 Bonds will bear interest (based on a 360 day year of twelve 30 day months) at the rates set forth on the inside cover hereof, payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022 (each an “**Interest Payment Date**”), and mature on the dates set forth on the inside cover page hereof.

Payment of principal and interest on the Series 2021 Bonds will be made as described in **APPENDIX E - “Book-Entry Only System.”** However, in the event the book-entry system shall be discontinued, the following provisions shall pertain. On each Interest Payment Date, the interest on each Series 2021 Bond will be paid by (i) check or draft mailed to the Owner at his or her address as it appears on the registration books of the Issuer maintained by the Bond Trustee, as bond registrar, on behalf of the Issuer, at the close of business on the first day of the month next preceding such Interest Payment Date (the “**Regular Record Date**”), or (ii) by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$500,000 or more in aggregate principal amount of Series 2021 Bonds. In the event of any default in the payment of interest due on such Interest Payment Date, 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 (a “**Special Record Date**”) for the payment of such defaulted interest established by notice mailed by the Bond Trustee to the Owners of such Series 2021 Bonds entitled to such notice not less than 15 days preceding such Special Record Date.

Transfers and Exchanges; Persons Treated as Owners.

While the Series 2021 Bonds are in book-entry form, transfers of beneficial 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 the Series 2021 Bonds. In the event that use of the book-entry system for the Series 2021 Bonds is discontinued, the Series 2021 Bonds will be fully transferable by the registered owner in person or by his or her duly authorized attorney on the registration books kept at the designated corporate trust office of the Bond Trustee upon surrender of the Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee.

Upon such transfer a new fully registered Series 2021 Bond of authorized denomination or denominations for the same aggregate principal amount, series, maturity and interest rate will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Series 2021 Bond after the mailing of notice calling such Series 2021 Bond or any portion thereof for redemption has been given as provided in the Bond Indenture, nor during the period beginning at the opening of business 15 days next preceding either an Interest Payment Date, any Record Date, any date of selection of Series 2021 Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

The Issuer and the Bond Trustee may deem and treat the Person in whose name a Series 2021 Bond is registered as the absolute owner thereof for the purpose of making payment and for all other purposes, and neither the Issuer nor the Bond Trustee will be affected by any notice to the contrary.

Redemption Provisions Related to Series 2021 Bonds

Mandatory Sinking Fund Redemption of Series 2021 Bonds. The Series 2021 Bonds are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, as shown below.

As and for a sinking fund for the redemption of such Series 2021 Bonds, the Issuer shall cause to be deposited into the Principal Account of the Bond Fund a sum which is sufficient to redeem on March 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2021 Bonds, plus accrued interest to the redemption date:

Bonds Maturing March 1, _____

<u>March 1</u>	<u>Principal</u>	<u>March 1</u>	<u>Principal</u>
<u>of the Year</u>	<u>Amount</u>	<u>of the Year</u>	<u>Amount</u>

(Leaving \$_____ to mature March 1, _____)

Bonds Maturing March 1, _____

<u>March 1</u>	<u>Principal</u>	<u>March 1</u>	<u>Principal</u>
<u>of the Year</u>	<u>Amount</u>	<u>of the Year</u>	<u>Amount</u>

(Leaving \$_____ to mature March 1, _____)

The Issuer will be entitled to receive a credit in respect of its mandatory redemption obligation under the Bond Indenture for Series 2021 Bonds delivered, purchased, or redeemed, as hereinafter provided, if the Borrower at its option purchases in the open market and delivers to the Bond Trustee for cancellation Series 2021 Bonds or redeems Series 2021 Bonds (other than through mandatory redemption) and such Series 2021 Bonds have not theretofore been applied as a credit against any mandatory redemption obligation. Each such Series 2021 Bond so purchased or redeemed will be credited by the Bond Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such mandatory redemption payment date, and any excess will be credited on future mandatory redemption obligations in chronological order, and the principal amount of such Series 2021 Bonds to be redeemed by operation of mandatory redemption and the Basic Loan Payments specified in the Loan Agreement for mandatory redemption will be accordingly reduced.

Optional Redemption of Series 2021 Bonds. The Series 2021 Bonds are subject to redemption by the Issuer upon written direction of the Borrower pursuant to the Loan Agreement prior to maturity on or after _____ 1, 20__ in whole or in part on any date, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
____ 1, 20__ through ____ 31, 20__	____%
____ 1, 20__ through ____ 31, 20__	____%
____ 1, 20__ and thereafter	____%

Extraordinary Optional Redemption. The Series 2021 Bonds may be called for redemption, in whole or in part, at the option of the Issuer, at the direction of the Borrower: (1) in the event of damage to or destruction of the Facilities or any part thereof to the extent that the Borrower is permitted to exercise its option to prepay all or a portion of the Series 2021 Master Obligation as provided in the Master Indenture, (2) in the event of condemnation of all or a portion of the Facilities to the extent that the Borrower is permitted to exercise its option to prepay all or a portion of the Series 2021 Master Obligation as provided in the Master Indenture, (3) if as a result of changes to the Constitution of the United States or of the State, or as a result of legislative, executive, or judicial action of the United States, the State, or any political subdivision thereof, or a regulatory body, in the opinion of Independent Counsel or Bond Counsel, the Loan Agreement has become void, unenforceable, or impossible of performance in accordance with the present intentions of the parties, (4) in the event Net Proceeds of the Title Policy are available to prepay the Series 2021 Master Obligation and redeem Series 2021 Bonds pursuant to the Master Indenture, or (5) in the event proceeds of the Series 2021 Bonds remain in the Construction Fund on the date of completion of the Project, as evidenced by an Officer's Certificate certifying completion, and are transferred to the Bond Fund by the Master Trustee pursuant to the Loan Agreement.

If the Series 2021 Bonds are called for redemption in the events described in the preceding paragraph, Series 2021 Bonds will be redeemed by the Issuer at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If Series 2021 Bonds are redeemed upon the occurrence of any of the events described in the paragraph above, Series 2021 Bonds will be redeemed within 180 days of such event.

In addition, the Series 2021 Bonds are subject to redemption with respect to a Determination of Taxability at a price equal to the greater of (a) the unamortized amount of any original issue premium on the Bonds being redeemed and (b) three percent (3%) of the principal amount of such Bonds.

"Determination of Taxability" means (a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that an Event of Taxability has occurred, (b) the deposit by the Borrower with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the Date of Taxability; the Borrower will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability, (c) the rendering of a final and unappealable decision, judgment, decree, or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred, or (d) the deposit by Bond Counsel with the Bond Trustee of an unqualified opinion to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Bonds is excluded from gross income for purposes of federal income taxation.

Partial Redemption. If less than all of the Series 2021 Bonds of any series are called for redemption in any of the circumstances set forth above, other than mandatory redemption, the Series 2021 Bonds will be redeemed as directed in writing by the Borrower and if less than all of the Series 2021 Bonds of a maturity are to be redeemed, and in the case of mandatory redemption, the particular Series 2021 Bonds or portions thereof of such series to be redeemed within a maturity will be selected by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot in such manner as the Bond Trustee determines. If the Bond Trustee receives no such direction from the Borrower, Series 2021 Bonds shall be redeemed in inverse order of maturity and if less than all of the Series 2021 Bonds of a maturity are to be redeemed, the particular or portions thereof within a maturity to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot in such manner as the Bond Trustee determines. If a Series 2021 Bond is of a denomination larger than \$25,000, a portion of such Series 2021 Bond may be redeemed, but Series 2021 Bonds will be redeemed only in an amount that causes the unredeemed portion to be in an Authorized Denominations. Upon surrender of any Series 2021 Bond for redemption in part, the Issuer will execute

and the Bond Trustee will authenticate and deliver to the Owner thereof a new Series 2021 Bond or Series 2021 Bonds of the same series, interest rate, and maturity and of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Series 2021 Bond so surrendered.

Notice of Redemption. If any Series 2021 Bonds are called for redemption pursuant to the Bond Indenture, notice thereof identifying the Series 2021 Bonds or portions thereof to be redeemed will be given by the Bond Trustee by mailing a copy of the redemption notice by first class mail not fewer than 20 nor more than 60 days prior to the date fixed for redemption to the Owner of each Series 2021 Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on the fifth day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any Owner of Series 2021 Bonds, or any defect therein, will not affect the validity of any proceedings for the redemption of any other Series 2021 Bonds. Each notice will specify the CUSIP numbers of the Series 2021 Bonds being called, numbers of the Series 2021 Bonds of each series being called, if less than all of the Series 2021 Bonds of any series are being called, redemption date, redemption price, and place or places where amounts due upon such redemption will be payable. Such notice will further state that upon deposit with the Bond Trustee of payment of the applicable redemption price plus accrued interest to the date fixed for redemption, interest on will cease to accrue on and after such date. If the Series 2021 Bonds are no longer in book-entry form, such notice will also state that payment will be made upon only presentation and surrender of the Series 2021 Bonds to be redeemed. Any notice mailed as provided in this paragraph will be conclusively presumed to have been duly given, whether or not the Owner of such Series 2021 Bonds actually receives the notice.

Notwithstanding the foregoing, upon the written direction of the Borrower, the notice of redemption for optional redemption of Series 2021 Bonds will contain a statement to the effect that the redemption of the Series 2021 Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2021 Bonds to be redeemed, and that if such moneys will not have been so received, the notice and the provisions of the Bond Indenture will be of no force and effect and the Issuer will not be required to redeem such Series 2021 Bonds and such Series 2021 Bonds will not become due and payable.

Purchase in Lieu of Optional Redemption. At the direction of the Borrower, the Bond Trustee will apply moneys in the Bond Fund held for redemption or payment of Series 2021 Bonds, in excess of any amount set aside for payment of Series 2021 Bonds theretofore matured or called for redemption and unpaid interest in all cases where such Series 2021 Bonds have not been presented for payment, to the purchase on the open market of Outstanding Series 2021 Bonds subject to redemption or payment from such moneys as herein provided, and upon such purchase such Series 2021 Bonds will be canceled and the amount of such redemption or principal payment will thereupon be reduced by the principal amount of such Series 2021 Bonds so purchased and canceled, provided that no credit will be given for such Series 2021 Bonds so purchased within the 45 days next preceding the redemption or payment date.

Subject to the above limitations, the Bond Trustee will, if directed by the Borrower, purchase Series 2021 Bonds on the open market for cancellation at such times, for such prices (not to exceed the redemption price to redeem such bonds pursuant to the optional redemption provisions of the Bond Indenture), in such amounts, and in such manner as so directed by the Borrower and as may be possible with the amount of money available in the Bond Fund.

SECURITY FOR THE SERIES 2021 BONDS

General

The Series 2021 Bonds are being issued under and are equally and ratably secured under the Bond Indenture, pursuant to which the Issuer has assigned and pledged to the Bond Trustee (1) the Series 2021

Master Obligation, (2) certain rights of the Issuer under the Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee holds under the terms of the Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for such Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2021 Master Obligation.

The proceeds of the Series 2021 Bonds will be lent to the Borrower, and the obligation of the Borrower to repay such loan will be evidenced by the Series 2021 Master Obligation of the Borrower issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Limited Obligations

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE STATE OF GEORGIA, COWETA COUNTY, GEORGIA, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, SHALL BE OBLIGATED TO PAY THE SERIES 2021 BONDS OR THE INTEREST THEREON EXCEPT FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA, COWETA COUNTY, GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2021 BONDS. THE ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT. THE ISSUER HAS NO TAXING POWER.

Debt Service Reserve Fund for the Series 2021 Bonds

The Master Indenture creates and establishes with the Master Trustee a Debt Service Reserve Fund (the “***Debt Service Reserve Fund***”). Moneys on deposit in the Debt Service Reserve Fund will be used to provide a reserve for the payment of the principal of and interest on the Series 2021 Bonds. The Debt Service Reserve Fund is required to be funded in an amount equal to \$_____ (the “***Debt Service Reserve Fund Requirement***”). See “**SECURITY FOR THE BONDS – Debt Service Reserve Fund for the Series 2021 Bonds.**” The Debt Service Reserve Fund only secures Series 2021 Master Note, and therefore the Bonds, and does not secure any other bonds or Obligations that now exist, but, at the Obligor’s determination, could secure future Obligations under the Master Indenture. See “**FORM OF THE MASTER INDENTURE**” and “**FORM OF THE BOND INDENTURE**” in **APPENDIX C** hereto.

The Loan Agreement

Under the Loan Agreement, the Borrower is required duly and punctually to pay the principal of, premium, if any, and interest on the Series 2021 Bonds and to make certain other payments. See “**FORM OF THE LOAN AGREEMENT**” in **APPENDIX C** hereto.

The Master Indenture

General. The Master Indenture is intended to provide assurance for the repayment of obligations entitled to its benefits by imposing financial and operating covenants that restrict the Borrower and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Borrower has pledged and granted to the Master Trustee (a) a security interest in all Personal Property owned or

hereafter acquired by the Obligated Group, (b) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (c) a security interest 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. See “**FORM OF THE MASTER INDENTURE**” in **APPENDIX C** hereto.

“Gross Revenues” means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees, Federal Subsidy Payments and other moneys received by or on behalf of any Obligated Group Member, including, without limitation, revenues derived from

(a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired,

(b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and

(c) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities;

provided, however, that Gross Revenues does not include:

(i) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law cannot be granted, assigned or pledged under the Master Indenture or which would become void or voidable if granted, assigned or pledged under the Master Indenture by the Obligated Group Members, or which cannot be granted, assigned or pledged under the Master Indenture without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions of the Master Indenture, or which otherwise may not be, or are not, hereby lawfully and effectively granted, assigned and pledged by the Obligated Group Members,

(ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent,

(iii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use as payments required under the Master Indenture,

(iv) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants,

(v) all deposits made pursuant to Residence and Service Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued, and

(vi) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

The security interest in the Gross Revenues and the other Personal Property described above and the proceeds thereof is subject to Permitted Encumbrances that exist prior to or that may be created subsequent to the time such security interest attaches and is subject to the right of the Obligated Group Members to transfer such Personal Property free of such security interest under certain circumstances. See **“FORM OF THE MASTER INDENTURE”** in **APPENDIX C** hereto.

The Series 2021 Master Obligation will constitute joint and several obligations of the Borrower and each future Obligated Group Member, if any, and each Series 2020 Master Obligation will be secured on a parity basis with any other Master Obligations hereafter issued under the Master Indenture by a lien on the trust estate pledged thereunder, which includes the Mortgaged Property and the Gross Revenues of the Obligated Group.

Currently, only the Borrower and the Master Trustee are parties to the Master Indenture, and the Borrower is the only Obligated Group Member. Each additional Obligated Group Member is, and will be, jointly and severally liable for the payment for all obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. See **“FORM OF THE MASTER INDENTURE –Admission of Obligated Group Members”** and **“- Withdrawal of Obligated Group Members”** in **APPENDIX C** hereto for a description of the limitations on admission and release of Obligated Group Members.

Mortgaged Property. The obligations of the Obligated Group under the Master Indenture, including the Series 2021 Master Obligation, are secured under the terms of a Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement, and Fixture Filing, dated as of December 1, 2021 (the ***“Security Deed”***). The Security Deed conveys to the Master Trustee security title in certain real property of the Obligated Group consisting of the approximately 54-acre tract of real property, which is the site of the Community (the ***“Mortgaged Property”***), including all property later acquired by the Obligated Group Members and is affixed or attached or annexed to the Premises. The lien on the Mortgaged Property is hereinafter referred to as the “Mortgage.” Simultaneously with the delivery of the Series 2021 Bonds and as required by the Master Indenture, the Borrower will deliver to the Master Trustee a mortgagee title insurance policy or endorsement insuring that the Mortgage executed and recorded in connection with the issuance of the Series 2021 Bonds constitutes a first priority lien of record, subject to Permitted Encumbrances, on the Mortgaged Property described therein. The total stated amount of such title policy will be equal to at least the Outstanding principal amount of the Series 2021 Master Obligation. See **“BONDHOLDERS’ RISKS - The Mortgaged Property; Mortgage and Security Interest Securing the Series 2021 Master Obligation is of Limited Value.”**

Covenants

The Master Indenture and Supplemental Indenture Number 1 contain covenants which, among other things, restrict the issuance of debt, the granting of liens and the disposition of assets by the Borrower and the Obligated Group Members. For the definitions of certain words and terms used in this section, see **“FORMS OF PRINCIPAL DOCUMENTS”** attached as **APPENDIX C** hereto.

Debt Service Coverage Ratio Covenant. Pursuant to the Master Indenture, each Obligated Group Member has covenanted 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. The Obligated Group has agreed to set rates and collect charges for its facilities, services and products such that the Historical Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, is at least 1.20.

The Historical Debt Service Coverage Ratio is calculated as the ratio of Income Available for Debt Service divided by the Maximum Annual Debt Service Requirement.

If the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00), the Obligated Group Representative is required to, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, 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 increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future.

If (i) the Obligated Group has not corrected the deficiency by the end of the first Fiscal Year immediately subsequent to delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative is required to, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future. A copy of the Consultant's report and recommendations, if any, is required to be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member is required to use the recommendations 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. However, if the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00) and the Obligated Group has 250 or greater Days Cash on Hand, the Obligated Group is not required to engage a Consultant.

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 is not obligated to engage a Consultant to make such recommendations if a Consultant's report was prepared for the previous Fiscal Year (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report).

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of 1.20, but achieves a Historical Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure will not constitute a default or an Event of Default under the Master Indenture if the Obligated Group has taken all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and used the recommendations contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

Failure to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years is an Event of Default under the Master Indenture

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

"Revenues" means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived

from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees received minus (A) Entrance Fees amortized during such period, (B) Entrance Fees refunded to residents, and (C) Entrance Fees deposited in an Entrance Fee Fund and used to pay Indebtedness, plus (vi) payments received from any Affiliate of an Obligated Group Member, plus (vii) any Federal Subsidy Payments; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments or Hedge Agreements, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to Entrance Fees, and (v) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations under 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.

“Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (f) non-cash expenses or losses, (g) any expenses paid with proceeds of any Related Bonds and (h) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

See “**FORM OF THE MASTER INDENTURE – Debt Service Coverage Ratio Covenant**” in **APPENDIX C** hereto.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of each February 28 and August 31 (each such date being a “***Testing Date***”), commencing February 28, 2022 and that the Obligated Group shall have no less than 120 Days Cash on Hand (the “***Liquidity Requirement***”). The Obligated Group will deliver an Officer’s Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture.

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

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer’s Certificate required to be

delivered by the preceding paragraph, the Obligated Group Representative is required, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, to engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant's report and recommendations, if any, is required to be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member will use the recommendations 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. The Obligated Group is not required to cause the Consultant's report referred to in this paragraph to be prepared if (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report, which request may not be made more frequently than each Testing Date) a Consultant's report referred to above was prepared two Testing Dates prior to the current Testing Date and the Obligated Group provides to the Master Trustee and each Related Bond Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying the last Consultant's report have not changed in any material way.

Failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date will not constitute a Default or an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations. See **"FORM OF THE MASTER INDENTURE – Liquidity Covenant"** in **APPENDIX C** hereto.

Approval of Consultants. The Master Indenture provides that if at any time the Obligated Group Representative is required to engage a Consultant under the provisions of the Master Indenture, such Consultant will be engaged in the manner set forth below.

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

For further information about the approval of Consultants, including the ability of the Holders of the Master Obligations Outstanding to object to the selection of a Consultant, see **"FORM OF THE MASTER INDENTURE –Approval of Consultants"** in **APPENDIX C** hereto.

Actuarial Study. Commencing with the Fiscal Year ending August 31, 2022 and at least once every five Fiscal Years thereafter, the Obligated Group Representative shall provide a management summary of the actuarial study described below to each Required Information Recipient. The actuarial study shall be prepared by a Consultant and include (a) the amount, if any, of the Obligated Group's obligations to provide services under the Residence and Service Agreements anticipated to be in excess of those that could be satisfied using the rates, fees and charges for the Facilities then in effect, and (b) recommendations, if any, with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to enable the Obligated Group to satisfy such obligations. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

Needs Assessment Analysis. Commencing on the eighth (8th) year anniversary of the date of the Series 2021 Bonds and every eight (8) years thereafter, the Obligated Group Representative shall order or cause to be conducted and delivered a Needs Assessment Analysis from a consulting engineer that, in the objective and reasonable opinion of the Obligated Group Representative, is experienced in conducting needs assessment analyses for senior living facilities such as the Facilities. The Needs Assessment Analysis shall be filed with the Master Trustee.

Disposition of Property. The Master Indenture affords the Obligated Group the option to sell, lease or otherwise dispose of their property so long as they comply with certain requirements or meet certain financial tests. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property: (a) transfers among Members of the Obligated Group are permitted without limit; (b) dispositions of property which has been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other property substantially equivalent in value; (c) the Property sold, leased, donated, transferred or otherwise disposed of does not, for any Fiscal Year, exceed 5% of the total Book Value of all Property of the Obligated Group, provided, however, that Days Cash on Hand shall not be less than 150 after giving effect to such sale, lease, donation, transfer or other disposition of assets; provided, further, if the Historical Debt Service Coverage Ratio as calculated above is not less than 1.20, the foregoing percentage of the total Book Value may be increased as follows under the following conditions: (i) to 7.5%; provided, however, Days Cash on Hand shall not be less than 300 after the effect of such sale, lease, donation, transfer or other disposition of assets; or (ii) to 10%; provided, however, Days Cash on Hand shall not be less than 350 after the effect of such sale, lease, donation, transfer or other disposition of assets; or (d) except as permitted as described below, cash and investments may not be transferred outside the Obligated Group, except that current assets (i.e. cash and cash equivalents, investment securities, accounts receivable, accrued interest or other investment income, funds permitted to be designated by the governing bodies of the Obligated Group for any specific purpose, and any other tangible or intangible assets of the Obligated Group ordinarily considered to be current assets under generally accepted accounting principles) may be transferred and used in payment for property or services of substantially equivalent value, for Obligated Group capital expenditures, or as an investment of the Obligated Group funds, in each case subject to independent third party transactions. Notwithstanding the foregoing, advances to Affiliates in an aggregate amount not to exceed \$500,000 in the aggregate is permitted as long as, after giving effect to such advances, the Obligated Group remains in compliance with the Liquidity Requirement. See **"FORM OF THE BOND INDENTURE –Disposition of Property"** in **APPENDIX C**.

Certain Amendments to Bond Indenture and Master Indenture after an Event of Default

Except for the amendments, changes, or modifications as provided in the Bond Indenture, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than the Bond Indenture without giving notice to and obtaining the written approval or consent of Majority Bondowners, however, that nothing in this Section or Section 1301 hereof shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every Owner of Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Owners of all Bonds at the time Outstanding which would be affected by the action to be taken; **provided, however, that amendments may be made with respect to (a) above with the consent of the Owners of 80% of all Bonds at the time Outstanding if an Event of Default has occurred and continuing. See “BONDHOLDERS’ RISKS – Amendments to Documents.”**

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

Revenue Fund

If an Event of Default under the Master Indenture occurs due to failure to pay any debt service on any Master Obligations when due and continues for a period of five days following the expiration of any

cure period with respect thereto, each Obligated Group Member is required to deposit with the Master Trustee for deposit into the Revenue Fund all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrance) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no payment default under the Master Indenture then exists.

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

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

FIRST: to the payment of all amounts due to the Master Trustee under the Master Indenture;

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

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

FOURTH: to restore any deficiency in a Debt Service Reserve Fund for outstanding Master Obligations which are secured by amounts in deposit in such Debt Service Reserve Fund, on a pro-rata basis;

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

SIXTH: any balance shall be kept in the Revenue Fund for application as set forth above until the Event of Default has been waived or cured, and when the Event of Default has been waived or cured, to the Obligated Group Representative.

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

FIRST: to the payment of all amounts due to the Master Trustee under the Master Indenture;

SECOND: (a) unless, in its sole discretion, the Master Trustee determines payment under subparagraph (b) below is in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of the Master Obligations then Outstanding to proceed under subparagraph (b) below, to pay the Expenses due or expected to become due

in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget; and (b) as an alternative to subparagraph (a) above, if, in its sole discretion, the Master Trustee determines payment under this subparagraph (b) is in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of the Master Obligations then Outstanding to proceed under this subparagraph (b), to pay the amounts required by paragraph Third below;

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

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

FIFTH: to the Obligated Group Representative.

BONDHOLDERS' RISKS

General Risk Factors

The Series 2021 Bonds are special and limited obligations of the Issuer, payable solely from and secured exclusively by the funds pledged thereto, including the payments to be made by the Borrower under the Master Indenture.

A BONDOWNER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND SPECIAL REFERENCE IS MADE TO THE SECTION "SECURITY FOR THE SERIES 2021 BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2021 BONDS.

As described herein under the caption "SECURITY FOR THE SERIES 2021 BONDS," except to the extent that the principal of, premium, if any, and interest on the Series 2021 Bonds may be payable from the proceeds thereof or investment income thereon or, under certain circumstances, proceeds of insurance, sale or condemnation awards or net amounts by recourse to the Project, such principal, premium and interest will be payable solely from amounts paid by the Borrower under the Loan Agreement or by the Obligated Group (currently consisting solely of the Borrower) under the Master Indenture.

No representation or assurance is given or can be made that revenues will be realized by the Obligated Group (which in the context of this discussion of risk factors, should be understood to include the Borrower individually and together with future Members of the Obligated Group, if any) sufficient to ensure the payment of the principal and interest on the Series 2021 Bonds in the amounts and at the times required to pay debt service on each series of the Series 2021 Bonds when due. Neither the Underwriter nor the Issuer have made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group. The ability of the Obligated Group to generate sufficient revenues may be impacted by a number of factors. Some, but not necessarily all of these risk factors are discussed in this section below; these risk factors should be considered by investors considering

any purchase of the Series 2021 Bonds. Neither the Underwriter nor the Issuer have made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group.

Limited Obligations

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE. NONE OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, SHALL BE OBLIGATED TO PAY THE SERIES 2021 BONDS OR THE INTEREST THEREON EXCEPT FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE SERIES 2021 BONDS. THE ISSUANCE OF THE SERIES 2021 BONDS DOES NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE, MORALLY OR OTHERWISE, THE STATE OF GEORGIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE ISSUER, TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER THEREFOR OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT.

The Series 2021 Bonds are special limited obligations of the Issuer and have three sources of payment, as follows:

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

(2) ***Revenues received from operation of the Community by a receiver upon a default under the Master Indenture or the Bond Indenture.*** Attempts to have a receiver appointed to take charge of properties pledged to secure loans are frequently met with defensive measures such as the initiation of protracted litigation and/or the initiation of bankruptcy proceedings, and such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. It is therefore likely that prospects for uninterrupted payment of principal and interest on the Series 2021 Bonds in accordance with their terms are largely dependent upon the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating the Community in a profitable manner.

(3) ***Proceeds realized from the sale or lease of the Community to a third party by the Bond Trustee or Master Trustee.*** Attempts to sell or foreclose on commercial property or otherwise realize upon security for obligations may be met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. In addition, the Bond Trustee or Master Trustee could experience difficulty in selling or leasing any of the Community upon foreclosure due to the special-purpose nature of continuing care retirement facilities and the proceeds of such sale may not be sufficient to fully pay the owners of the Series 2021 Bonds.

The best prospects for uninterrupted payment of principal and interest on the Series 2021 Bonds in accordance with their terms is the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating the Community in a profitable manner. Even if the Community is operated profitably, other factors could affect the Obligated Group's ability to make loan payments under the Loan Agreement and Series 2021 Master Obligation.

Caution Regarding Forward-Looking Statements

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

COVID-19 and the Infectious Disease Outbreak

The Borrower's business and financial results may be harmed by an international, national or localized outbreak of a highly contagious or epidemic disease. The current pandemic of the novel coronavirus ("**COVID-19**") is having numerous and varied medical, economic, and social impacts, any and all of which have and may again adversely affect the Borrower's business and financial results. Business disruptions could also include temporary closures of the Borrower's facilities or the facilities of suppliers and their contract manufacturers. Material operational disruptions could also arise due to the impacts such an event would cause on the labor markets, and global supply chains. A substantial portion of the population is subject to voluntary or involuntary quarantine, leading to general and substantial reductions in economic activity. Health care providers are disproportionately likely to become ill from COVID-19, which may limit the ability of the Borrower to provide care to its residents. Throughout the United States, health care providers have been, are experiencing, or expect to experience, shortages of pharmaceuticals, protective gear, testing materials, medical equipment, and blood. Although the Borrower has been able to find alternate sources for such products, they could again become scarce or may cost more, which could adversely impact profitability and the financial condition of the Borrower. Changes in operations at the Community may result in additional costs being incurred related to adjustments to the use of various facilities and to staffing during this outbreak, including overtime wages, wages paid to employees who are unable to work due to quarantine, and utilization of more expensive contract staff to provide care. The effects of COVID-19 could further and severely affect the Borrower's ability to conduct normal business operations and, as a result, the future operating results of the Borrower could be materially adversely affected.

National, state, and local governments have taken, and are expected to continue to take, various actions, including the passage of laws and regulations, on a wide array of topics, in an attempt to slow the spread of COVID-19 and to address the health and economic consequences of the outbreak. Many of these government actions are expected to cause substantial changes to the way healthcare is provided, and how society in general functions. It is not clear how long such measures will remain in place.

Various states, including Georgia and local governments have issued general “shelter-in-place” orders or directives that mandate or strongly encourage social distancing, closed school systems and closed or limited non-essential business activities in an effort to slow the spread of COVID-19. While such measures are expected to assist in responding to the recent outbreak, self-quarantines, shelter-in-place orders, and suspension of voluntary procedures and surgeries will likely have an adverse impact on the operations and financial position of health care providers due to increased costs, potential reduction in overall patient volume, and shifts in payor mix. Even if such actions help reduce the rate of increase in COVID-19 cases in the near term, they may prove to be ineffective in reducing the total number of cases. COVID-19 outbreak developments, and attendant governmental and regulatory responses, are rapidly changing. The Borrower cannot presently quantify or estimate the cumulative impact of these recent developments taken as a whole. Although the federal government is considering additional legislation that may assist health care providers, including economic stimulus packages and other financial assistance, passage of any such legislation is uncertain.

The federal government is working with private companies to increase the manufacture and supply of personal protective equipment, such as masks, respirators, and gloves, and ventilators needed to treat COVID-19 patients. In addition, the federal government may, from time to time, distribute ventilators and various personal protective equipment nationwide and to make certain military hospital facilities, including hospital ships, available to provide additional bed capacity for COVID-19 patients in hard hit areas. The Centers for Medicare & Medicaid Services (“CMS”) has issued guidance that all elective surgeries and procedures, including medical and dental, should be postponed nationwide to mitigate the burden on health systems due to increasing COVID-19 incidence and to make necessary facilities, equipment, supplies (including personal protective equipment), and personnel available to treat patients presenting COVID-19 symptoms, and may do so again as necessary. Several state and local governments, have previously issued directives, in varying forms, mandating such postponement, or placing certain conditions on performance of elective procedures.

As these actions are far-reaching and rapidly changing, management of the Borrower cannot yet fully predict the impacts of the COVID-19 outbreak, financial or otherwise. See “**THE EXISTING COMMUNITY – Response to COVID-19 Pandemic**” in **APPENDIX A**.

Market Disruption. In addition, the COVID-19 outbreak has affected, and is expected to continue to affect, travel, commerce and financial markets in the United States and globally and is widely expected to affect economic growth worldwide. The COVID- 19 outbreak has resulted in volatility in the U.S. and global financial markets, and significant realized and unrealized losses in investment portfolios. Access to capital markets may be hindered and increased costs of borrowing may occur as a result. The impact of the outbreak on the Borrower’s operations, business and financial results cannot be predicted at this time due to the dynamic nature of the outbreak, including uncertainties relating to its duration and severity, as well as what actions may be taken by governmental authorities and other institutions to contain or mitigate its impact. The continued spread of COVID-19 and containment and mitigation efforts could have a material adverse effect on the Borrower’s operations and on the national, and global economies and the economies of the states in which the Borrower operates.

Families First Coronavirus Response Act. A variety of federal, state and local government efforts have been initiated in response to the recent COVID-19 outbreak. On March 13, 2020, President Trump

declared a national emergency with respect to the COVID-19 outbreak. Thereafter, the United States Congress enacted several COVID-19 related bills. President Trump signed the Families First Coronavirus Response Act (the “*FFCRA*”) on March 18, 2020, which provided additional support for the domestic COVID-19 response. The FFCRA included provisions for establishing a federal emergency paid leave program for individuals unable to work as a result of COVID-19, expanded state unemployment benefits, required employers to provide paid sickleave, provided SARS-CoV-2 diagnostic testing free of charge to consumers, and provided liability protection for “respiratory protective devices” used as part of the COVID-19 response. The FFCRA also increases the Federal Medicaid Assistance Percentage (“*FMAP*”) for state Medicaid programs by 6.2%. The enhanced federal funding began in the calendar quarter of the emergency period and will end in the quarter when the emergency period ends.

Paycheck Protection Program and Health Care Enhancement Act. On April 24, 2020, President Trump signed the Paycheck Protection Program and Health Care Enhancement Act, which amended the CARES Act to increase the amounts authorized for the Paycheck Protection Program and authorized an additional \$75 billion in funding for the Provider Relief Fund, reimbursing eligible health care providers for health care-related expenses or lost revenues that are attributable to COVID-19. It also appropriated \$25 billion to the Provider Relief Fund for necessary expenses to research, develop, validate, manufacture, purchase, administer, and expand capacity for COVID-19 tests. The Borrower received funds under the Paycheck Protection Program, as described further in “**FINANCIAL INFORMATION – Paycheck Protection Program Loan**” in **APPENDIX A**.

State of Georgia. State and local authorities in Georgia have issued guidance and requirements as to long term care facilities and nursing homes with respect to the COVID-19 pandemic. Such guidance and requirements have addressed PPE, screening, testing, visitation, social distancing, and isolation, among other matters. The Borrower has monitored and complied with the guidance and requirements applicable to it. Compliance with some of the requirements is expensive and can be disruptive to regular operations and to resident day to day life and care. While generally the applicable requirements are becoming somewhat less burdensome, the Borrower anticipates that it will have to comply with some level of such requirements and incur the extra expense and burden associated therewith until the pandemic subsides. Further, should COVID-19 cases increase in the local area or should the Borrower experience an outbreak of cases within its facilities, such expense and burden could increase substantially.

General Risks of Long-Term Care Facilities

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

New and changing methods of care delivery, such as web-based home monitoring, telemedicine, mobile health, and smartphone technology will likely change the way in which providers of health services to the elderly deliver home health, hospice and other community-based services. These developments will further the ability of the home health and hospice industry to care for patients in their homes. The

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

Accounting Changes

From time to time, accounting policies and procedures change based upon mandatory authoritative guidance updates to generally accepted accounting principles in the United States of America (“GAAP”). The auditors of the Obligated Group have provided letters stating the audited financial statements of the Obligated Group are fairly presented in conformity with GAAP. The Master Indenture provides that the character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes of the Master Indenture, shall be determined or made in accordance with GAAP in effect on the date of the Master Indenture, or at the option of the Obligated Group Representative, at the time in effect (provided that such GAAP is applied consistently with the requirements existing either on the date of the Master Indenture or at the time in effect) except where such principles are inconsistent with the requirements of the Master Indenture.

The Mortgaged Property; Mortgage and Security Interest Securing the Series 2021 Master Obligation is of Limited Value

The Borrower will execute the Security Deed which will convey to the Master Trustee security title to the Mortgaged Property to secure the Borrower's obligations on the Series 2021 Master Obligation and all other Master Obligations issued under the Master Indenture. Similar deeds to secure debt may be executed and delivered under certain circumstances involving Additional Indebtedness or admission of any new Obligated Group Members.

In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on or sell the Mortgaged Property under certain circumstances. Although it is uncertain whether a foreclosure and sale of the Mortgaged Property would produce sufficient proceeds to satisfy all defaulted obligations, the purchasers of the Series 2020B Bond and Series 2020C Bond are obtaining an appraisal (the “*Appraisal*”) of the Community which will provide estimates of the Mortgaged Property's market value. Appraisals are estimates of value and not an assurance of what any particular property would bring on sale. Appraisals also are subject to numerous other limitations set forth therein. Potential investors should not assume that the value described above represents a reliable estimate of what the Community or the Project would bring in liquidation or foreclosure following an Event of Default.

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

In the event that the power of sale under the Security Deed is exercised, then, in addition to the customary costs and expenses of operating and maintaining the Community, the party or parties succeeding to the interest of the Borrower in the Mortgaged Property (including the Master Trustee, if such party was

to acquire the interest of the Borrower in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Community, such as the Americans with Disabilities Act; costs associated with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation and costs associated with paying any deferred or suspended loan payments due the Issuer under Loan Agreement.

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

The lien on the Mortgaged Property and lien on property granted under the Master Indenture provides limited security. The Community is not comprised of general purpose buildings and generally would not be suitable for industrial or commercial use. Additionally, parts of the Community require a license from the State to operate. The Community is intended to be used as an independent living facility for seniors and other types of senior living, such as personal care, skilled nursing care and health care services. Consequently, it would be difficult to find a buyer for the Community, and, upon any default, the Master Trustee may not realize the amount of the outstanding Series 2021 Bonds from the sale or lease of the Community in the event of sale following an Event of Default.

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

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

Any valuation of the Community is based on future projections of income, expenses, capitalization rates, and the availability of a partial property tax exemption. Additionally, the value of the Community will at all times be dependent upon many factors beyond the control of the Borrower, 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 or sale of the Community after the payment of costs will be sufficient to pay the amounts owing by the Borrower on the Series 2021 Bonds.

In the event of sale, a prospective purchaser of the Mortgaged Property may assign less value to the Mortgaged Property than the value of the Mortgaged Property while owned by the Borrower 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 or sale may require more time to solicit nonprofit buyers interested in assuming the financing now applicable to the Mortgaged Property. In addition, there can be no assurance that the Mortgaged Property could be sold at 100% of its fair market value in the event of sale. Although the Master Trustee will have available the remedy of public sale under the Master Indenture in the event of a default (after giving effect to any applicable grace periods, and subject to any legal rights which may operate to delay or stay such sale, such as may be applicable in the event of the Borrower'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 Borrower's obligations. See **"FORM OF THE MASTER INDENTURE"** and **"FORM OF THE DEED TO SECURE DEBT"** in **APPENDIX C**.

State Regulation

The Community is subject to State licensing requirements. Following is a summary of some of these requirements and the possible effect of some of these requirements on the operation of the Community.

General. Under State laws, the Community's personal care units are regulated by the Georgia Department of Social Services as "adult care residences" and the skilled nursing beds are subject to extensive legislative, regulatory and inspection requirements of various federal and state agencies. The Georgia Continuing Care Provider Registration and Disclosure Act, Section 38.2-4900 *et seq.* of the Official Code of Georgia Annotated (the **"Georgia Continuing Care Law"**) requires the Borrower to provide to the State and each resident a detailed disclosure statement and in certain circumstances requiring the escrowing of deposits of Entrance Fees. The Georgia Continuing Care Law also regulates the form of resident contracts and establishes certain rights of residents, including the right to organize, to obtain refunds under certain circumstances and not to have resident contracts cancelled except for good cause. The Georgia Continuing Care Law gives the State Corporation Commission of Georgia the power to promulgate regulations and issue injunctions and cease-and-desist orders.

Rights of Residents. On May 7, 2018, Georgia Governor Nathan Deal signed Act 410, the "Long-term Care Background Check Program," codified at O.C.G.A. § 31-7-350, *et seq.*, which amended Article 1 of Chapter 2 of Title 49 of the O.C.G.A. and became effective in October 2019. The law will be applicable to all owners, applicants, and employees of long-term care facilities, and will require care workers with "direct access" to seniors in long-term care facilities to pass a national background check. Penalties for violations may subject the Borrower to civil monetary penalties of \$500 for each day that a violation occurs (up to \$10,000).

Certificate of Public Need. Regarding the Borrower's skilled nursing beds only, under the Georgia Medical Care Facilities Certificate of Public Need Law, the Borrower must obtain a Certificate of Public Need ("**CON**") for any significant changes in its capacity to provide health care services, for the addition of certain health care services, or for certain capital expenditures. In accordance with O.C.G.A. § 31-6-40(a)(2), the threshold amount of capital expenditures, effective as of July 1, 2019, for which, when exceeded, will require the Borrower to obtain a CON is \$10,000,000 (the "**Threshold Amount**"). In the event the Borrower desires to make capital expenditures in excess of the Threshold Amount, the CON law generally may affect the Borrower's ability to undertake other improvements to the Community necessary to attract new residents.

State of Georgia Skilled Nursing Sheltered Nursing Bed Exemption. The Borrower's approval to develop and occupy skilled nursing beds under Georgia's Certificate of Need laws is subject to the skilled nursing beds only being available for continuing care residents after the first five years of operations, and only partially available to residents who are not continuing care residents during the first five years of operations. If the Community's continuing care residents do not have sufficient need for skilled nursing care, the financial performance of the Borrower may be negatively impacted, perhaps materially. Although the certificate of need law limits the Borrower's ability to offer new services, facilities or equipment, it also limits the ability of other healthcare providers to do so. If the certificate of need law were repealed and all healthcare providers were free to offer new services, facilities or equipment without regard to need or cost, the Borrower's financial condition could be adversely affected. Independent living and assisted living facilities are not subject to the certificate of need requirement, so the barriers to entry are significantly lower than with respect to skilled nursing facilities.

The enactment of additional legislation restricting or regulating the operation of residential care facilities, creating additional residents' rights or requiring certain financial reserves could adversely affect the financial condition of the Borrower and may limit the terms and enforceability of and remedies under Residence and Service Agreements. In addition, the ability of the Master Trustee or Bond Trustee to sell the Security Property or enforce other rights and remedies under the Bond Indenture, Master Indenture or Security Deed may be adversely affected by litigation on behalf of residents. Although under the current Residence and Service Agreements, residents have no special lien or claim against any property of the Borrower, there can be no certainty that residents could not successfully bring claims or otherwise restrict the use of the Borrower's property in bankruptcy proceedings or other disputes. Although the Borrower expects to continue to use the continuing care concept of contracting with residents, it is under no obligation to do so. See **APPENDIX A** for more information.

Risks of Real Estate Investment

Ownership and operation of real estate, such as the Community, involves certain risks, including the risk of adverse changes in general economic and local conditions (such as the possible future oversupply and lagging demand for rental housing for seniors), adverse use of adjacent or neighboring real estate, initial and continued community acceptance of the Community, increased competition from other senior living facilities, changes in the cost of operation of the Community, difficulties or restrictions in the Borrower's ability to raise rents charged, damage caused by adverse weather, climate change and delays in repairing such damage, population decreases, uninsured losses, failure of residents to pay rent, operating deficits and mortgage foreclosure, lack of attractiveness of the Community to residents, adverse changes in neighborhood values, and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Community, or any parts of the Community, become uninhabitable during restoration after damage or destruction, the residence units or common areas affected may not be available during the period of restoration, which could adversely affect the ability of the Borrower to generate sufficient revenues to pay debt service on the Series 2021 Bonds and the Outstanding Master Obligations.

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

Uncertainty of Occupancy and Entrance and Service Fee Collection

As noted elsewhere, except to the extent that the Series 2021 Bonds will be payable from the proceeds of insurance, sale or condemnation awards, the Series 2021 Bonds will be payable solely from payments or prepayments to be made by the Borrower under the Loan Agreement and the Series 2021 Master Obligation. The ability of the Borrower to make payments under the Loan Agreement and the Series 2021 Master Obligation is dependent upon the generation by the Borrower of revenues in the amounts necessary for the Borrower to pay the principal, premium, if any, and interest on the Series 2021 Bonds, as well as other operating and capital expenses.

The financial feasibility of the Community and payment, when due, of the Series 2021 Bonds is dependent on the continuing ability of the Borrower to maintain high levels of occupancy of the Community and to (i) fill those facilities that accept residents who purchase the right to live there by paying “entrance fees” (“**Entrance Fees**”), (ii) collect new Entrance Fees from residents occupying apartment units vacated by deceased residents, residents permanently transferred to personal care or nursing care facilities operated by the Obligated Group or residents leaving such facilities for other reasons, and (iii) keep the Community substantially occupied by residents who can pay the full amount of the Entrance Fees and/or monthly service fees. This depends to some extent on factors outside the Borrower’s control, such as the residents’ right to terminate their Residence and Service Agreements in accordance with the terms of the Residence and Service Agreements and by general economic conditions. In particular, a depressed housing market may prevent prospective residents from selling their homes and generating cash to pay Entrance Fees. If the Community fails to maintain a high level of occupancy, there may be insufficient funds to pay debt service on the Series 2021 Bonds or the Outstanding Master Obligations. In addition, the economic feasibility of the Community also depends on the Borrower’s ability to remarket units becoming available when residents die, withdraw, or are permanently transferred to a healthcare facility, skilled nursing facility or any other facility.

Moreover, if a substantial number of independent living unit residents live beyond their anticipated life expectancies or if admissions or transfers to the health care components of the Community are substantially less than anticipated by the Borrower, or if market conditions or market changes prevent an increase in the amount of the resident Entrance Fees payable by new residents of the Community or the monthly fees payable by all residents, the receipt of additional resident entrance fees and/or monthly fees would be curtailed or limited, with a consequent impairment of the Borrower’s revenues. Such impairment would also result if the Borrower is unable to remarket independent living units becoming available when residents die, withdraw, or are permanently transferred to the health care components of the Community.

It is assumed that regular increases in both Entrance Fees and monthly service fees will be necessary to offset increasing operating costs due primarily to inflation. There can be no assurance that such increases can or will be made or that increases in expenses will not be greater than assumed. Also, since many of the residents may be living on fixed incomes or incomes that do not readily change in response to changes in economic conditions, there can be no assurance that any such fee increases can be paid by residents or that such increases will not adversely affect the occupancy of the Community. While the Community can accept new residents unable to pay in full the Entrance Fees and monthly service fees, it intends to do so only to the extent of available funds to pay their expenses. It is possible that residents who unexpectedly become

unable to make such payments would be allowed to remain residents, even though the costs of caring for them could have an adverse effect on the financial condition of the Borrower. As a non-profit tax-exempt organization, the Borrower may be unable or unwilling to require residents who lack adequate financial resources to leave the Community. In the future, the Borrower could possibly be required to accept residents unable to pay all fees or be required to provide services to a certain number of indigent persons unable to pay any fees, in order to maintain its tax-exempt status.

The Entrance Fees and monthly fees for the Community are described in **APPENDIX A** hereto. As set forth therein, the Borrower has set such fees based on, among other things, anticipated revenue needs and analysis of the market areas. If actual operating experience is substantially different from that anticipated, the revenues of the Borrower could be less than needed. Should methods of payment other than Entrance Fees, including straight rental, become prevalent as the form of payment for senior housing, the ability to charge resident entrance fees to potential future residents may decrease. If this should happen, the Borrower may be forced to alter its method of charging for senior housing services and could encounter a significant cash flow problem. Inflation or other circumstances that adversely affect the ability of residents to pay for the Borrower's services could have a material adverse effect on the Borrower's business, financial condition, and results of operations. There can be no assurance that the Borrower's revenues from operations will be sufficient to enable the Borrower to service its debt and meet its other obligations.

Sale of Homes

The number of persons who can afford payment of the monthly service fees may be affected by general economic conditions. It is anticipated that a number of prospective residents of the Community will need to sell their current homes to pay the Entrance Fee prior to occupancy or to meet other financial obligations under their Residence and Service Agreements. Should prospective residents encounter difficulties in selling their current homes due to local or national economic conditions affecting the sale of residential real estate, such prospective residents may not have sufficient funds to pay the Entrance Fee or to meet other obligations under their Residence and Service Agreements, thereby causing a delay in the scheduled occupancy of the Community or the remarketing of vacated units, which could have an adverse effect on the revenues of the Borrower.

Financial Assistance and Obligation to Residents

The Borrower only intends to enter into Residence and Service Agreements with residents who it judges to be creditworthy. The Borrower intends to provide, but does not guarantee, financial assistance to residents unable to pay Monthly Service Fees by reasons of circumstances beyond their control. The Borrower, as an organization described in Section 501(c)(3) of the Code (an "**Exempt Organization**"), is required by applicable laws relating to its status as an Exempt Organization to maintain a policy of generally not requiring residents to leave the Community because of the inability to pay, and the Borrower has such a policy. Such requirement and policy may require the Borrower in the future to provide increased financial assistance or absorb greater operating losses. There may be circumstances, however, under which the requirements for greater financial assistance may have a material adverse effect on the financial condition of the Borrower and any future Members of the Obligated Group that qualify as Exempt Organizations.

Nature of Income and Assets of the Elderly

A large percentage of the monthly income of the residents of the Community is expected to be fixed in amount, consisting of income derived from savings, pensions, investments and Social Security payments. If, due to inflation or otherwise, substantial increases in monthly fees are required to cover increases in operating costs and other expenses, residents may have difficulty paying or may be unable to pay increased fees. Furthermore, residents' investment income may be adversely affected by market and stock price

fluctuations, which may also result in payment difficulties. The Borrower'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 Borrower to pay amounts due under the Loan Agreement and the Series 2021 Master Obligation.

Utilization Demand

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

Potential Refund of Entrance Fees

Under certain circumstances, the Borrower is obligated to refund all or a portion of a resident's Entrance Fee upon the resident's departure from the Community based on certain conditions. The payment of such refunds could adversely affect the Borrower's ability to make payments required by the Loan Agreement, the Series 2021 Bonds and the Series 2021 Master Obligation. The Borrower is not required to refund entrance fees until it resells the same unit, provided such refund is paid within one year of the resident's termination of the related Residence and Service Agreement. See **"RESIDENCE AND SERVICE AGREEMENT – Terminations and Refunds Under the Residence and Service Agreement"** in **APPENDIX A** hereto.

Discounting of Entrance Fees

The Obligated Group may feel compelled to offer discounts to Entrance Fees in the future to achieve desired levels of occupancy of the Community. Discounting of Entrance Fees could significantly affect the cash flow of the Obligated Group and have a material adverse effect on the ability of the Obligated Group to make payments required by the Loan Agreement, the Series 2021 Bonds and Series 2021 Master Obligation and the other indebtedness of the Obligated Group.

Rights of Residents

The Borrower enters into Residence and Service Agreements with its residents. For more information about the Residence and Service Agreements, see **"RESIDENCE AND SERVICE AGREEMENT"** in **APPENDIX A** hereto. Although the Residence and Service Agreements give to each resident of the Community a contractual right to use space and not any ownership rights in the Community, in the event that the Bond Trustee or the holders of the Series 2021 Bonds seek to enforce any of the remedies provided by the Bond Indenture upon the occurrence of a default or the Master Trustee seeks to enforce remedies under the Master Indenture, it is impossible to predict the resolution that a court might make of competing claims among the Master Trustee, the Bond Trustee, the Issuer or the holders of the Series 2021 Bonds and a resident of the Community who has fully complied with all the terms and conditions of his or her Residence and Service Agreement.

Competition

The Borrower provides services in an area where other competitive facilities exist and may face additional competition in the future as a result of the construction or renovation of competitive facilities in the geographic area served by the Community. The Borrower will also face competition from other forms of retirement living including condominiums, apartment buildings and facilities not specifically designed

for the elderly, some of which may offer similar facilities, but not necessarily similar services, at lower prices. In addition, there are few entry barriers to future competitors because competing facilities generally do not require a certificate of need approval for residential living facilities. All of these factors combine to make the elderly housing industry volatile and subject to material change that cannot be currently predicted. See **“THE EXISTING COMMUNITY – Market Area and Competition”** and **“– Recent Development Regarding Competition”** in APPENDIX A.

Additions and Changes in the Obligated Group

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

When an entity becomes an Obligated Group Member, the allowable amount of debt which may be incurred under the Master Indenture by the Obligated Group Members may increase because the amount of such debt that the Obligated Group Members may incur is based on the historical or projected combined revenues of the Obligated Group Members. If an Obligated Group Member incurred additional debt based upon the revenues of another Obligated Group Member whose guaranty or assumption subsequently was held unenforceable, the interests of the owners of the Series 2021 Bonds would be diluted, because all outstanding debt then must be paid from a diminished, legally accessible flow of revenues.

Availability and Enforceability of Remedies

The remedies available to the Bond Trustee, the Master Trustee and the Bondholders upon an event of default under the Bond Indenture and the Master Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Bond Indenture and the Master Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principals of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors’ generally and laws relating to fraudulent conveyances.

The security interest in Gross Revenues granted by the Obligated Group Members to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws which could, among other things, preclude enforceability of the security interest as to Gross Revenues arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to Gross Revenues arising prior to such commencement, to the extent a security interest therein would constitute a voidable preference, (ii) rights of third parties in cash, securities and instruments not in possession of the Master Trustee, including accounts and general intangibles converted to cash, (iii) rights arising in favor of the United States of America or any agency thereof, (iv) present or future prohibitions against assignment in any federal statutes or regulations, (v) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (vi) claims that might obtain priority if continuation statements are not filed in accordance with applicable laws, (vii) the rights of holders of prior perfected security interest in equipment and other goods owned by the Obligated Group Members and in the proceeds of sale of such

property, (viii) statutory liens, and (ix) the rights of parties secured by Permitted Encumbrances (as defined in **APPENDIX C** hereto). If an event of default does occur, it is uncertain that the Master Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Series 2021 Bonds. See **“FORM OF THE MASTER INDENTURE — Remedies of the Master Trustee and Holders of Master Obligations in Event of Default”** in **APPENDIX C** hereto.

Certain Matters Relating to Enforceability of the Master Indenture

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

The accounts of the Borrower and any future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Master Obligations, including the Series 2021 Master Obligation pledged under the related Bond Indenture as security for the related series of bonds. The obligations described herein of the Obligated Group to make payments of debt service on Master Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors’ rights and by general equitable principles and (2) such payments (a) are requested with respect to payments on any Master Obligations issued by a member other than the member from which such payment is requested, issued for a purpose which is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or issued for the benefit of a Member of the Obligated Group which is not a Tax-Exempt Organization; (b) are requested to be made from any moneys or assets which are donor-restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; (c) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (d) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (b) and (c) above with respect to the Series 2021 Master Obligation cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Master Obligation, or portion thereof, the proceeds of which were not lent or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on the Series 2021 Master 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 Georgia fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under the Georgia 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 Georgia fraudulent conveyance statutes, or the guarantor is undercapitalized.

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

The effectiveness of the security interest in the Obligated Group’s Gross Revenues granted in the Master Indenture may be limited by a number of factors, including: (i) present or future prohibitions against assignment contained in any applicable statutes or regulations; (ii) certain judicial decisions which cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any Member of the Obligated Group, to collect and retain accounts receivable from Medicare, general assistance and other governmental programs; (iii) commingling of the proceeds of Gross Revenues with other moneys of a Member of the Obligated Group not subject to the security interest in Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws which may affect the security interest in the Gross Revenues of the Obligated Group which are earned by the Obligated Group within 90 days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against a Member of the Obligated Group; (viii) rights of third parties in Gross Revenues converted to cash and not in the possession of the Master Trustee; and (ix) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Georgia Uniform Commercial Code as from time to time in effect.

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

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

Bankruptcy

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

In a bankruptcy proceeding, the petitioner could file a plan for the adjustment of its debts which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other

conditions, the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly in favor of junior creditors. Certain judicial decisions have cast doubt upon the right of a trustee, in the event of a health care facility's bankruptcy, to collect and retain for the benefit of bondholders portions of revenues consisting of Medicare and other governmental receivables.

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

In the event of bankruptcy of the Borrower, there is no assurance that certain covenants, including tax covenants, contained in the Bond Indenture, the Loan Agreement, the Master Indenture and certain other documents would survive. Accordingly, the Borrower, as debtor in possession, or a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the Series 2021 Bonds from gross income of the Owners for federal income tax purposes.

Personnel

Management of the Borrower believes that its salary and benefits package is competitive with other comparable institutions in the respective areas in which the Borrower operates and that its employee relations are satisfactory. The health care industry has at times experienced a shortage of qualified health care personnel. The Borrower competes with other health care providers and with non-health care providers for both professional and nonprofessional employees. The Borrower, like many similar institutions, has experienced turnover with its personnel. However, while the Borrower has been able to retain the services of an adequate number of qualified personnel to staff the Community appropriately and maintain its standards of quality care, there can be no assurance that continued shortages will not in the future affect its ability to attract and maintain an adequate staff of qualified health care personnel. A lack of qualified personnel could result in significant increases in labor costs or otherwise adversely affect its operating results.

Organized Resident Activity

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

Factors Affecting Real Estate Taxes

The Community is currently exempt from the payment of property taxes and such facilities are assumed by management of the Borrower to remain exempt. There can be no assurance that future changes in the laws and regulations of the State or local governments will not materially and adversely affect the operation and revenues of the Obligated Group by requiring the Borrower to pay real estate taxes for such facilities. See “**THE BORROWER – Property Taxes**” in **APPENDIX A** hereto.

Cybersecurity

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

Malpractice Claims and Losses

The Obligated Group has covenanted in the Master Indenture to 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. Pursuant to the Master Indenture, the Obligated Group or any Member may self-insure if an Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the Master Indenture and is prudent under the circumstances. However, such amounts could still result in claims which are effectively uninsured. The operations of the Borrower may be affected by increases in the incidence of malpractice lawsuits against elder care facilities and care providers in general and by increases in the dollar amount of client damage recoveries. These may result in increased insurance premiums and an increased difficulty in obtaining malpractice insurance. It is not possible at this time to determine either the extent to which malpractice coverage will continue to be available to the Borrower or the premiums at which such coverage can be obtained.

Insurance and Legal Proceedings

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

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

In its role as an owner and operator of real properties, the Obligated Group may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its real property, including any such substances that may have migrated off of its real property. In addition, the Borrower's operations include the handling, use, storage and disposal of hazardous, infectious and toxic materials and wastes. Such handling, use or release by the Borrower may produce risks of damage to individuals, property or the environment; interruption of operations or increased costs; legal liability, damages, injunctions or fines, or the triggering of investigations, administrative proceedings, penalties or

other government agency actions. There can be no assurance that the Borrower will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of the Borrower. The Borrower is not aware of any environmental liability with respect to any of its properties that it believes would have a material adverse effect on the Borrower's business, financial condition, or results of operations. The Borrower believes that its operations and Facilities are in compliance in all material respects with all federal, state, and local laws, ordinances, and regulations regarding hazardous or toxic substances or petroleum products.

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

Nursing Shortage

The health care industry has suffered from a shortage of skilled and unskilled nursing personnel that has forced nursing wage scales to increase. The Borrower's management believes that it will be able to hire required staff, but the presence of other health care providers may make it difficult over time to attract and retain skilled personnel. If the Borrower is forced to employ temporary staff through employment agencies, its employment costs will substantially increase.

Present and Prospective Federal and State Regulation

General. The operations of the Community, like other health care facilities throughout the country, will be affected on a day-to-day basis by numerous legislative, regulatory and industry-imposed operations and financial requirements which are administered by a variety of federal and state governmental agencies as well as by self-regulatory associations and commercial medical insurance reimbursement programs. It is impossible to predict the effects of any such legislative or regulatory changes on the operations or financial condition of the Borrower.

Additionally, nursing care facilities and assisted living facilities, including those such as the Community, are subject to numerous licensing, certification, accreditation, and other governmental requirements. These include, but are not limited to, requirements relating to Medicare participation and payment, requirements relating to state licensing agencies, private payors and accreditation organizations and certificate of need approval by state agencies of certain capital expenditures. Renewal and continuance of certain of these licenses, certifications, approvals and accreditations are based upon inspections, surveys, audits, investigations or other review, some of which may require or include affirmative action or response by the Borrower. An adverse determination could result in a loss, fine or reduction in the Borrower's scope of licensure, certification or accreditation, could affect the ability to undertake certain expenditures or could reduce the payment received or require the repayment of the amounts previously remitted. The Borrower currently anticipates no difficulty in renewing or continuing currently held licenses, certifications and accreditations.

Federal Health Care Reform. The "Patient Protection and Affordable Care Act" and "The Health Care and Education Affordability Reconciliation Act of 2010" (together referred to herein as the "**Health Care Reform Act**") were enacted in March 2010. Some of the provisions of the Health Care Reform Act took effect immediately while others will take effect over a ten-year period. Because of the complexity of the Health Care Reform Act generally, additional legislation modifying or repealing portions of the Health Care Reform Act is likely to be enacted over time. The Health Care Reform Act provides changes on how consumers pay for their own and their families' health care and how employers procure health insurance for their employees. In addition, the Health Care Reform Act requires insurers to change certain underwriting practices and benefit structures in order to cover individuals who previously would have been ineligible for health insurance coverage. As a result, since the enactment of the Health Care Reform Act,

there has been a significant increase in the number of individuals eligible for health insurance coverage. Associated with increased utilization will be increased variable and fixed costs of providing health care services, which may or may not be offset by increased revenues.

Some of the specific provisions of the Health Care Reform Act that may impact the Community include the following (this listing is not, is not intended to be, nor should be considered to be comprehensive):

With varying effective dates, the annual Medicare market basket updates for many providers, including skilled nursing, would be reduced, and adjustments to payment for expected productivity gains would be implemented.

The Health Care Reform Act includes the Community Living Assistance Services and Supports (CLASS) Act, which creates a national, voluntary, long-term care insurance program to supplement Medicaid and provide long-term care insurance, effective August 1, 2014.

With varying effective dates, the Health Care Reform Act mandates a reduction of waste, fraud and abuse in public programs by allowing provider enrollment screening, enhanced oversight periods for new providers and suppliers, and enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, and by requiring Medicare and Medicaid program providers and suppliers to establish compliance programs. The legislation requires the development of a database to capture and share healthcare provider data across federal healthcare programs and also provides for increased penalties for fraud and abuse violations, and increased funding for anti-fraud activities.

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

Health Care Reform Act provisions relating to skilled nursing facilities (“*SNFs*”) include requirements that facilities (i) make certain disclosures regarding ownership; (ii) implement compliance and ethics programs; and (iii) make certain disclosures regarding expenditures for wages and benefits for direct care staff. In addition, the Health Care Reform Act may affect SNF reimbursement through the creation of value-based purchasing payment and post-acute care payment bundling programs and may place limitations on SNF payments for health care acquired conditions. Investors are encouraged to review legislative, legal and regulatory developments as they occur and to assess the elements and potential effects of the health care reform initiative as it evolves.

Health care providers are likely to be subjected to decreased reimbursement as a result of implementation of recommendations of the Health Care Reform Act-created Independent Payment Advisory Board, whose directive is to reduce Medicare cost growth. The recommended reductions would be automatically implemented unless Congress adopts alternative legislation that meets equivalent savings targets.

It is difficult to predict the full long-term impact of the Health Care Reform Act due to the law's complexity, lack of implementing regulations or interpretive guidance and gradual implementation, as well as an inability to foresee how states, businesses and individuals will respond to the choices afforded them by the law.

Fraud and Abuse Enforcement

Health care fraud and abuse laws were enacted at the federal and state levels to regulate both the provision of services to government program beneficiaries and the submission of claims for services rendered to such beneficiaries. Under these laws, individuals and organizations, such as the Borrower, can be punished for submitting claims for services that were not provided, not medically necessary, incorrectly coded, provided by an improper person, accompanied by an illegal inducement to utilize or refrain from utilizing a service or product, billed in a manner that does not comply with applicable government requirements, furnished in a substandard manner, or other similar reasons.

Federal and state governments have a range of criminal, civil and administrative sanctions available to penalize and remediate health care fraud and abuse, including recoveries of amounts paid to the provider, imprisonment, exclusion of the provider from participation in the Medicare and Medicaid programs, civil monetary penalties and suspension of payments. Fraud and abuse cases may be prosecuted by one or more government entities and/or private individuals, and more than one of the available penalties may be imposed for each violation. The federal government has made the investigation and prosecution of health care fraud and abuse a priority and Congress has authorized significant funding of this effort. As a result, there have been a substantial number of investigations, prosecutions and civil enforcement proceedings of health care-related fraud and abuse in recent years.

Laws governing fraud and abuse apply to virtually all individuals and entities with which a health care provider does business, including hospitals, home health agencies, long-term care entities, infusion providers, pharmaceutical providers, insurers, health maintenance organizations (“*HMOs*”), preferred provider organizations (“*PPOs*”), third party administrators, physicians, physician groups, physician practice management companies, ambulatory care entities, laboratories, diagnostic testing facilities, suppliers of medical items and services and other potential referral sources. Fraud and abuse prosecutions can have a catastrophic effect on such entities and a material adverse impact on the financial condition of other entities in the health care delivery system of which that entity is a part.

Federal Criminal Fraud and Abuse Liability of Health Care Providers. Both individuals and organizations may be subject to prosecution under several federal criminal fraud and abuse statutes. Criminal conviction for an offense related to a health care provider's participation in the Medicare program may result in substantial fines and/or the provider's suspension, exclusion or debarment from all government programs, including the Medicare program. Any such fines, exclusions or debarment could have a material adverse effect on the Borrower's financial condition. Even the assertion of a violation could have an effect. The following is a brief discussion of some (but not all) of these federal criminal statutes:

Criminal False Claims Act. The criminal False Claims Act (“*Criminal FCA*”) prohibits anyone from knowingly and willfully making a false statement or misrepresentation of a material fact in submitting a claim to a government health care program (defined as “any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government” other than the Federal Employees Health Benefit Program). There are numerous specific rules that a health care provider must follow with respect to the submission of claims. Violation of the Criminal FCA can result in up to five years imprisonment and a fine of up to \$250,000 for an individual and \$500,000 for a corporation for a felony conviction, or \$100,000 for an individual and

\$200,000 for a corporation for a misdemeanor conviction. Violation of the Criminal FCA also results in mandatory exclusion from participation in the government health care programs.

Anti-Kickback Law. The federal anti-kickback law ("**Anti-Kickback Law**") is a criminal statute that prohibits the offering, payment, solicitation or receipt of remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, for (i) the referral of patients or arranging for the referral of patients to receive services for which payment may be made in whole or in part under a government health care program or any state health care program; or (ii) the purchase, lease, order, or arranging for the purchase, lease or order of any good, facility, service or item for which payment may be made under a government health care program. Generally, courts have taken a broad interpretation of the scope of the Anti-Kickback Law. Courts have held that the Anti-Kickback Law may be violated if merely one purpose of a financial arrangement is to induce future referrals of federal or state health care program covered items or services.

The criminal sanctions for a conviction under the Anti-Kickback Law are imprisonment for not more than five years, a fine of not more than \$25,000 or both, for each incident or offense, although this fine may be increased to \$250,000 for individuals and \$500,000 for organizations. If a party is convicted of a criminal offense related to participation in the Medicare program or any state health care program, or is convicted of a felony relating to health care fraud, the secretary of the United States Department of Health and Human Services ("**DHHS**") is required to bar the party from participation in federal health care programs and to notify the appropriate state agencies to bar the individual from participation in state health care programs.

Because of the government's vigorous enforcement efforts, many health care providers may be subject to some type of government investigation for alleged Anti-Kickback Law violations involving relationships such as those between health care providers and physicians, as well as the operations of any nursing homes, home health agencies, hospices and ancillary service providers owned or operated by a health care provider. The outcome of any government efforts to enforce the Anti-Kickback Law against health care providers is difficult to predict and defense efforts can be costly. Violations of Anti-Kickback Law may also implicate civil False Claims Acts (discussed below) if the violating claim results from an illegal referral.

However, imposition of such penalties or exclusions may result in a significant loss of reimbursement and may have a material adverse effect on the Borrower's financial condition. Even the assertion of a violation could have a material adverse effect on the financial condition and results of operations of the Borrower.

OIG Advisory Opinions. In the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"), Congress provided for an advisory opinion process in conjunction with the Anti-Kickback Law. These advisory opinions are issued only to the requestors and cannot be relied on by any other individual or entity. The Obligated Group has not requested, and does not plan to request, an Office of the Inspector General ("**OIG**") Advisory Opinion with respect to issues or arrangements that the Obligated Group may have relating to Anti-Kickback Law, including compliance with the safe harbor provisions discussed below.

"Safe Harbor" Regulations. The Medicare and Medicaid Patient and Program Protection Act of 1987 required the DHHS to promulgate regulations to clarify that certain investment and payment practices in the health care industry would not violate the Anti-Fraud and Abuse Statute. In response, the DHHS has promulgated final "safe harbor" regulations that set forth requirements that, if met, will protect certain payment arrangements. The scope of these safe harbors is narrow, and the requirements are specific.

The scope of the Anti-Kickback Law is not expanded by way of the safe harbor regulations; these regulations give those who comply completely with a safe harbor the assurance that they will likely not be prosecuted under the statute. Parties to a particular venture or contemplating entering into a specific arrangement may seek an Advisory Opinion from the OIG to ascertain whether the arrangement will meet the requirements of a safe harbor or otherwise will violate the Anti-Kickback Law.

Federal Civil Fraud and Abuse Liability of Health Care Providers. Unlike criminal statutes, which require the government to prove that the health care provider intended to violate, or recklessly disregarded, the law, civil statutes may be violated simply by the provider's participation in a prohibited financial arrangement or actual or assumed knowledge that its claims procedures are not in full compliance with the law.

Civil False Claims Act/Qui Tam Actions. The civil False Claims Act ("***Civil FCA***"), which has become one of the federal government's primary weapons against health care fraud, allows the government to recover significant damages from persons or entities that submit false or fraudulent claims for payment to a federal agency. With respect to certain types of required information, the Civil FCA and the Social Security Act may be violated by mere negligence or recklessness in the submission of information to the government even without any specific intent to defraud. New billing systems, new medical procedures and procedures for which there is not clear guidance may all result in liability. If a health care provider is found to have violated the Civil FCA, the potential liability is substantial and, for serious or repeated violations, may include significant fines and/or civil monetary penalties and exclusion from participation in the Medicare program.

The Civil FCA also provides for a private individual to initiate a civil action for a violation of the Act. These actions are referred to as Qui Tam actions. In this way, an individual, known as a whistleblower would be able to sue on behalf of the U.S. Government upon belief that a healthcare entity has violated the Civil FCA. If the government proceeds with an action brought by this individual, then the whistleblower could receive as much as 25 percent of any money recovered. The potential exists that a Qui Tam action could be brought against the Borrower or any future Members of the Obligated Group.

Stark Law. Current federal law (known as the "Stark" law provisions) prohibits providers of "designated health services" from billing Medicare when the patient is referred by a physician or an immediate family member with a financial relationship with the provider, unless the financial relationship fits into a statutory or regulatory exception. The sanctions under the Stark law include denial and refund of payments, civil monetary penalties and exclusions from the Medicare program.

The Stark law includes specific reporting requirements providing that each entity furnishing covered items or services, upon request, must provide the Secretary of DHHS with certain information concerning its ownership, investment and compensation arrangements. Failure to adhere to these reporting requirements may subject the entity to significant civil money penalties.

In light of the scarcity of case law interpreting the Stark law, there can be no assurances that the Obligated Group will not be found to have violated the Stark law, and if so, whether any sanction imposed would have a material adverse effect on the operations or the financial condition of the Borrower.

Civil Provisions of Anti-Kickback Law. The federal Anti-Kickback Law, discussed above, also includes civil standards and penalties for conduct that implicates this statute but falls short of the necessary level of intent and knowledge to be criminal. In the Balanced Budget Act of 1997, Congress expanded civil sanctions under the Anti-Kickback Law to include civil money penalties of \$50,000 for each prohibited act and up to "three times the total amount of remuneration offered, paid, solicited, or received, without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose."

Administrative Enforcement. As with civil laws, administrative enforcement provisions require a lower standard of proof of a violation than the criminal standard. Thus, health care providers have a risk of incurring monetary penalties as a result of an administrative enforcement action.

Civil Monetary Penalties Law. The Civil Monetary Penalties Law in part authorizes the government to impose money penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, a health care provider may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare or Medicaid patients under the physician's direct care. Pursuant to the health care reform statutes, Congress amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the OIG timely access for audits, investigations, or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil monetary penalties plus three times the amount claimed. CMS rules adopted to implement applicable provisions of the health care reform statutes also provide that assessed civil monetary penalties may be collected and placed in whole or in part into an escrow pending final disposition of the applicable administrative and judicial appeals processes. To the extent the Borrower is assessed large civil monetary penalties that are collected and placed into an escrow account pending lengthy appeals, such actions could adversely affect its results of operations.

Exclusions from Medicare Participation. The term "exclusion" means that no Medicare or state health care program reimbursement (Medicaid) will be made for any services rendered by the excluded party or for any services rendered on the order or under the supervision of an excluded physician. The Secretary of DHHS is required to exclude from federal health care program participation for not less than five years any individual or entity convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program; any criminal offense relating to patient neglect or abuse in connection with the delivery of health care; a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility or other misdemeanor in connection with the delivery of health care services or with respect to any act or omission in a health care program (other than Medicare or a state health care program) operated by or financed in whole or in part by a governmental agency; or a felony offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The Secretary also has permissive authority to exclude individuals or entities under certain other circumstances, such as a misdemeanor conviction for fraud in connection with delivery of health care services or conviction for obstruction of an investigation of a health care violation. The minimum period of exclusion for certain permissive exclusions is three years. Exclusion of the Borrower could have a material impact on the ability of the Borrower to make payments on the Series 2021 Master Obligation.

Enforcement Activity. Enforcement activity against health care providers is increasing, and enforcement authorities are adopting more aggressive approaches. In the current regulatory climate, it is anticipated that many nursing facilities, hospitals, physician groups and other health care providers will be subject to investigation, audit or inquiry regarding billing practices or false claims. As with other health care providers, the Borrower may be the subject of Medicare, OIG, U.S. Attorney General, Department of Justice, state attorney general investigations, audits or inquiries in the future. Because of the complexity of these laws, the instances in which an alleged violation may arise to trigger such investigations, audits or inquiries is increasing and could result in enforcement action against the Borrower.

Regardless of the merits of a particular case or cases, the Borrower could incur significant legal and settlement costs. Prolonged and publicized investigations could be damaging to the reputation, business and credit of the Borrower, regardless of the outcome, and could have material adverse consequences on the financial condition of the Borrower.

Other Sources of Liability for Health Care Providers

Health care providers may be subject to criminal prosecution and civil penalties under a variety of federal laws in addition to those discussed in the previous paragraphs, notably the following:

Deficient Care. The Health Care Reform statutes mandate increased coordination between the Department of Justice and other federal, state and private agencies relating to elder abuse and neglect. In light of this mandate, nursing facilities should expect an increase in federal criminal and civil investigations, where quality-of-care complaints have been made. The federal government has numerous avenues it can pursue if it determines that a nursing facility has provided deficient care. It can seek repayment of charges for substandard care via the Civil FCA, or bring civil complaints for injunctive and other relief pursuant to other statutes such as the Fair Housing Act, 42 U.S.C. § 3601 et seq.; the Rehabilitation Act, 29 U.S.C. § 794 et seq.; and the Americans with Disabilities Act, 42 U.S.C. §§ 12131-12134, 12181-12189. In addition, when the government determines that the nursing home's services are so deficient as to constitute a crime, it can choose to initiate criminal charges under various criminal laws and regulations. In addition to these potential consequences, a nursing home that is under civil complaint or criminal indictment can also expect collateral administrative consequences, including licensure suspension and Medicare reimbursement suspension.

Privacy and Security Regulations. The confidentiality and security of patient medical records and other health information is subject to considerable regulation by state and federal governments. The administrative simplification provisions of HIPAA as amended by the Health Information Technology for Economic and Clinical Health Act, or the "HITECH Act," under the American Recovery and Reinvestment Act of 2009 ("**ARRA**") which was signed into law on February 17, 2009, established programs under Medicare and Medicaid for privacy and security of patient identifiable information, provided incentive payments for the "meaningful use" of certified electronic health records technology, and mandated that standards and requirements be adopted for the electronic transmission of certain health information. DHHS has issued a series of regulations to comport with these requirements.

The ARRA contained significant changes to HIPAA including a new requirement that covered entities must make notification in the event of a material breach of privacy, security or integrity of protected health information to individuals, DHHS, and in certain instances, depending on the number of people whose information was subject to the breach, to the media. In addition, the ARRA increased the liability of business associates of covered entities and places additional administrative responsibilities on health care providers and other covered entities regarding the privacy and security of health information. Pursuant to the ARRA, DHHS will be required to conduct periodic HIPAA compliance audits to ensure that covered entities, including health care providers, are complying with HIPAA and the new requirements created by the ARRA.

Congress also established criminal penalties for knowingly violating patient privacy. Criminal penalties include up to \$50,000 and one year in prison for obtaining or disclosing protected health information; up to \$100,000 and up to five years in prison for obtaining protected health information under "false pretenses"; and up to \$250,000 and up to ten years in prison for obtaining or disclosing protected health information with the intent to sell, transfer or use it for commercial advantage, personal gain or malicious harm. In addition, the ARRA authorizes state attorneys general to bring civil actions seeking

either an injunction or damages in response to violations of HIPAA privacy and security regulations that threaten state residents.

While the effect of the HITECH Act and the Budget cannot be predicted at this time, the obligations imposed by the HITECH Act and the Budget could have a material adverse effect on the financial condition of the Borrower. In addition, there is no guarantee that the financial incentives for adopting the qualified electronic health records system will be sufficient to offset the Borrower's costs for development and implementation of such a system.

These standards impose very complex procedures and operational requirements with which the Borrower is required to comply. There can be no assurance that differing interpretations of existing laws and regulations or the adoption of new laws and regulations would not have a material adverse effect on the ability of the Borrower to obtain or use health information which, in turn, could have a material adverse effect on the business of the Borrower. Similarly, because of the complexity of these regulations, there can be no assurances that the Borrower would not be reviewed, found to violate these standards and assessed penalties for such violations.

Medicare Program

The Borrower is not presently certified to provide services that are reimbursed by Medicare in the Community. A portion of the net resident service revenues of the Borrower will be from third party payors that reimburse or pay for the services and items provided to residents covered by such third parties for such services, including the federal Medicare program and private health plans and insurers. In addition or alternative to the provisions relating to Medicare described above, these third-party payors may make payments to the Borrower at rates other than the direct charges of the Borrower, which rates may be determined other than on the basis of the actual costs incurred in providing services and items to residents and may even be able to restrict or refuse participation by the Borrower. Accordingly, there can be no assurance that payments made under these programs will be adequate to cover the actual costs incurred by the Borrower in furnishing health care services and items or that such payment programs will even be available. In addition, the financial performance of the Borrower could be adversely affected by the insolvency of, or other delay in receipt of payments from, third-party payors, which provide coverage for services to their residents. Changes to reimbursement rates or reimbursement methodologies in the future are likely to directly affect the Borrower and those effects could be material and adverse.

Private Health Plans and Insurers

In many markets, managed care plans, including HMOs, PPOs, point of service providers, consumer-driven care and other similar mechanisms for arranging for healthcare payment have largely replaced indemnity insurance. Such "managed care" plans generally use discounts and economic incentives to reduce or limit the cost and utilization of healthcare services.

In the environment of increasing managed care, the Borrower can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors typically direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than stand-alone SNFs; however, the risk may increase and the Borrower may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the healthcare industry continue to grow. The effect of managed care on the Borrower's future financial condition is difficult to predict and may be different in the future than that reflected in the historical financial information included herein.

Environmental Matters

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

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

The Borrower has secured a Phase I Environmental Site Assessment (the “**Phase I Assessment**”) in connection with the issuance of the Series 2021 Bonds from Peachtree Environmental dated as of October 26, 2021. The Phase I Assessment did not reveal any evidence of recognized environmental conditions.

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

Additional Indebtedness

The Master Indenture permits the Obligated Group to incur Additional Indebtedness which may be secured *pari passu* with Series 2021 Master Obligation. See “**FORM OF THE MASTER INDENTURE –Permitted Additional Indebtedness**” in **APPENDIX C** hereto. Any such Additional Indebtedness would be entitled to share ratably with the holders of Series 2021 Master 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 Pro Forma 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 D** hereto. There is no assurance that, despite compliance with the conditions upon which such Additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligated Group to make the necessary payments to repay Series 2021 Master 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 Master Obligation will constitute approximately 100% of the Obligated Group’s Outstanding parity obligations and the Series 2021 Master Obligation will constitute all of the Obligated Group’s Outstanding parity obligations under the

Master Indenture. See “**ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS**” herein. See also “**FINANCIAL INFORMATION – Other Indebtedness**” in **APPENDIX C** hereto.

Labor Union Activity

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

Amendments to Documents

Except for the amendments, changes, or modifications as provided in the Bond Indenture, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than the Bond Indenture without giving notice to and obtaining the written approval or consent of Majority Bondowners, however, that nothing in this Section or Section 1301 hereof shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every Owner of Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Owners of all Bonds at the time Outstanding which would be affected by the action to be taken; **provided, however, that amendments may be made with respect to (a) above with the consent of the Owners of 80% of all Bonds at the time Outstanding if an Event of Default has occurred and continuing.**

With the Consent of the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness), each Obligated Group Member and the Master Trustee may enter into supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Master Indenture or modifying in any manner the rights of the Holders of the Master Obligations under the Master Indenture; provided, however, that no such supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or (b) reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of the Master Indenture or certain defaults thereunder and their consequences) provided for in the Master Indenture, or (c) modify any of the provisions of the Master Indenture relating to Supplements with consent of Holders or any of the provisions of the Master Indenture relating to waivers. **The Master Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the Holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bond over any other Master Obligation or Related Bond (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment**

described in clauses (a), (b), or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

These provisions are intended to make it easier for the Borrower to restructure its indebtedness, including the Series 2021 Bonds, if an Event of Default has occurred, without having to file for bankruptcy under the federal Bankruptcy Code. If the holders of at least 80% in aggregate principal amount of the Series 2021 Bonds consent to an amendment described in the clauses above after an Event of Default, such as an amendment reducing the interest rate on the Series 2021 Bonds or extending their maturity date, then the holders of all Series 2021 Bonds of that maturity would be bound by such amendment, including those who did not consent. In the absence of a provision such as this in the Master Indenture and the Bond Indenture, such a change in payment terms on the Series 2021 Bonds could only be made under a plan of reorganization approved by a Bankruptcy Court. The consent of the holders of 100% of the Series 2021 Bonds would be extremely difficult to obtain, and a bankruptcy filing would necessarily involve delay and expense which could affect the ability of the Borrower to accomplish a successful reorganization. The 80% consent requirement would only be in effect if an Event of Default occurred and was continuing.

Prospective purchasers of the Series 2021 Bonds are advised that this provision means there is a risk that if an Event of Default occurs, there may be an amendment made to the Master Indenture and the Bond Indenture which affects the payment provisions of the Series 2021 Bonds such purchaser holds, the priority of payment of such Series 2021 Bonds or other matters described above. This amendment may be made without the consent of such purchasers, if the holders of at least 80% in aggregate principal amount of the Series 2021 Bonds of the same maturity consent to such amendment, and the other conditions to such amendment described above are met.

See “**FORM OF THE MASTER INDENTURE — Supplements and Amendments**” and “**FORM OF THE BOND INDENTURE — Amendments to Indenture and Supplemental Indentures,**” and “**– Amendment of Other Bond Documents**” in APPENDIX C hereto.

Uncertainty of Investment Income

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

Risk of Early Redemption

Purchasers of the Series 2021 Bonds, including those who purchase Series 2021 Bonds at a price in excess of their principal amount or who hold such bonds trading at a price in excess of par, should consider the fact that the Series 2021 Bonds are subject to optional and mandatory redemption at a redemption price equal to their principal amount plus accrued interest upon the occurrence of certain events. This could occur, for example, in the event that the Series 2021 Bonds are prepaid as a result of a casualty or condemnation award affecting the Community or there is a default under the Mortgage. See “**THE SERIES 2021 BONDS – Redemption Provisions Related to the Series 2021 Bonds.**” Under such circumstances, a purchaser of the Series 2021 Bonds whose bonds are called for early redemption may not have the opportunity to hold such bonds for a time period consistent with such purchaser’s original investment intentions and may lose any premium paid for the Series 2021 Bonds.

Risk of Loss Upon Redemption

The rights of Beneficial Owners to receive interest on the Series 2021 Bonds will terminate on the date, if any, on which such Series 2021 Bonds are to be redeemed pursuant to a call for redemption, notice

of which has been given under the terms of the Bond Indenture, and interest on such Series 2021 Bonds will no longer accrue on and after such date of redemption. There can be no assurance that the Borrower will be able or will be obligated to pay for any amounts not available under the Bond Indenture. In addition, there can be no guarantee that present provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Series 2021 Bonds taxable for federal income tax purposes. Interest earned on the principal amount of the Series 2021 Bonds may or may not be subject to state or local income taxes under applicable state or local tax laws. Each prospective purchaser of Beneficial Ownership Interests in the Series 2021 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2021 Bonds in a particular state or local jurisdiction.

Licensing, Surveys, Accreditation and Audits

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

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

Federal Tax Matters

Possible Changes in Tax Status of Obligor. The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Borrower of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the revenues of the Obligated Group. The Borrower has obtained a determination letter from the Internal Revenue Service (the "**IRS**") to the effect that the Borrower is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code. As an exempt organization, the Borrower is subject to a number of requirements affecting its operation. The failure of the Borrower to remain qualified as an organization described in Section 501(c)(3) of the Code would affect the funds available to the Obligated Group for payments to be made under the Loan Agreement and Series 2021 Master Obligation. Failure of the Obligated Group or the Issuer to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as those being financed or refinanced with proceeds of the Series 2021 Bonds, could cause interest on the Series 2021 Bonds to be included in the gross income of holders of Series 2021 Bonds or former holders of Series 2021 Bonds for federal income tax purposes. It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of charitable organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Borrower by requiring it to pay income taxes.

Intermediate Sanctions. Section 4958 of the Code, provides the IRS with an “intermediate” tax enforcement tool to combat violations by tax-exempt organizations of the private inurement prohibition of the Code. Previous to the “intermediate sanctions law,” the IRS could punish such violations only through revocation of an entity’s tax-exempt status. Intermediate sanctions may be imposed where there is an “excess benefit transaction,” defined to include a disqualified person (*i.e.*, a director, officer or other related party) (1) engaging in a non-fair market value transaction with the tax-exempt organization; (2) receiving excessive compensation from the tax-exempt organization; or (3) receiving payment in an arrangement that violates the private inurement proscription. A disqualified person who benefits from an excess benefit transaction will be subject to a “first tier” penalty excise tax equal to 25 percent of the amount of the excess benefit. Organizational managers who participate in an excess benefit transaction knowing it to be improper are subject to a first-tier penalty excise tax of 10 percent of the amount of the excess benefit, subject to a maximum penalty of \$10,000. A “second tier” penalty excise tax of 200 percent of the amount of the excess benefit may be imposed on the disqualified person (but not the organizational manager) if the excess benefit transaction is not corrected in a specified time period.

Bond Audit. IRS officials have stated that more resources will be allocated to audits of tax-exempt bonds in the charitable organization sector. The Series 2021 Bonds may be subject to audit, from time to time, by the IRS. The Borrower believes that the Series 2021 Bonds properly comply with applicable tax laws and regulations. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Series 2021 Bonds, as described under the heading “**TAX MATTERS.**” No ruling with respect to the tax-exempt status of the Series 2021 Bonds has been or will be sought from the IRS, however, and opinions of counsel are not binding on the IRS or the courts and are not guarantees. There can be no assurance, therefore, that an audit of the Series 2021 Bonds will not adversely affect the tax-exempt status or price of the Series 2021 Bonds.

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

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

IRS Form 990. IRS Form 990 is used by 501(c)(3) not-for-profit organizations to submit information required by the federal government for tax-exemption. Form 990 requires detailed public disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities and other areas the IRS deems to be compliance

risk areas. Form 990 also requires the reporting of detailed community benefit information on Schedule H to the Form 990 and establishes uniform standards for the reporting of charity care. Form 990 also contains a separate schedule requiring detailed reporting of information relating to tax-exempt bonds, including compliance with the arbitrage rules and rules limiting private use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. Form 990 allows for enhanced transparency as to the operations of exempt organizations. It is likely to result in enhanced enforcement, as Form 990 makes available a wealth of detailed information on compliance risk areas to the IRS and other stakeholders, including state attorneys general, unions, plaintiff's class action attorneys, public watchdog groups and others.

Proposed Income Tax Law Changes Affecting Tax Exemption. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2021 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Series 2021 Bonds from realizing the full current benefit of the tax status of such interest. Federal legislation has previously been introduced at various times which, if enacted, would have either limited the exclusion from gross income of interest on obligations like the Series 2021 Bonds to some extent for certain individual taxpayers, or eliminated the federal income tax exemption for interest on new obligations like the Series 2021 Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2021 Bonds. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

Post-Issuance Compliance. Because the existence and continuation of the excludability of the interest on the Series 2021 Bonds from federal gross income depends upon events occurring after the date of issuance of the Series 2021 Bonds, the opinion of Bond Counsel described under the caption "**TAX MATTERS**" herein assumes the compliance by the Obligated Group and the Issuer with the provisions of the Code and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Series 2021 Bonds in the event of noncompliance with such provisions. The failure of the Obligated Group or the Issuer to comply with the provisions of the Code and the regulations thereunder may cause the interest on the Series 2021 Bonds to become includable in gross income as of the date of issuance. For example, federal arbitrage rules require monitoring over the life of the Series 2021 Bonds to ensure that the yield on investments acquired with proceeds of the Series 2021 Bonds are properly restricted and whether the Issuer must pay yield reduction and/or rebate payments. Given such requirements, the Obligated Group must actively monitor compliance while the Series 2021 Bonds are outstanding to improve their ability to identify, avoid, and/or correct noncompliance that may threaten the tax-exempt status of the Series 2021 Bonds.

Other Legislation. Section 7872 of the Code (Treatment of Loans with Below Market Interest Rates), provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below market rate loan is the avoidance of federal income taxation. A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a "safe harbor" exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether the Residence and Service Agreements come within the scope of the continuing care facility safe harbor or within the statute itself. Provided the Residence and Service Agreement falls within the scope of Section 7872, the safe harbor exemption under Section 7872(h) is applicable (i) if such loan was made pursuant to

a continuing care contract, (ii) if the resident (or the resident's spouse) has attained age 62 before the close of the year and (iii) irrespective of the amount of the "loan" by the resident (or the resident's spouse) to the continuing care facility. Section 425 of the Tax Relief and Health Care Act of 2006 amended Section 7872(h) to make the exemption for loans to qualifying care facilities permanent. Any determination of applicability of Section 7872 could have the effect of discouraging potential residents from becoming or remaining residents of the Facility.

In recent years the IRS and members of Congress have expressed concern about the need for more restrictive rules governing the tax-exempt status of 501(c)(3) organizations generally and of retirement communities in particular. Legislation has been previously introduced restricting the ability of such organizations to utilize tax-exempt bonds unless they maintain a required percentage of low to moderate income residents. Although the Obligated Group has covenanted in the Loan Agreement to take all appropriate measures to maintain the tax-exempt status of each of the Members of the Obligated Group, compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Obligated Group to charge and collect revenues at the level required by the Loan Agreement and Series 2021 Master Obligation, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2021 Bonds.

Limited Market for the Series 2021 Bonds

Credit Rating. There is no assurance that the credit rating assigned to the Series 2021 Bonds at the time of issuance or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for the Series 2021 Bonds. A rating agency rating the Series 2021 Bonds may revise the criteria under which it rates the Series 2021 Bonds at any time, which revision could result in significant changes to or withdrawal of the credit rating assigned to the Series 2021 Bonds. In addition, in determining the initial credit rating for the Series 2021 Bonds, and in conducting its annual rating surveillance, such rating agency may use assumptions regarding occupancy, revenues, expenses and values related to the Community that differ materially from those used by the Borrower. Such differences could result in a lowering or withdrawal of the rating on the Series 2021 Bonds, if, for example, the rating agency's calculations resulted in a failure of the Borrower to meet the required coverage tests for the Series 2021 Bonds. In addition, there is no requirement or covenant that the Borrower maintains any rating for any Series of the Series 2021 Bonds. See "**RATING**" herein.

Secondary Market. It is the present practice of the Underwriter to make a secondary market in the bond issues it offers. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular bond issue, these secondary marketing practices in connection with a particular bond issue are suspended or terminated. In addition, prices of issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially lower than the original purchase price. While there can be no guarantee or assurance that the Underwriter will always continue its present secondary marketing practices, the Underwriter presently intends to make a secondary market in the Series 2021 Bonds, subject to the foregoing limitations. Nevertheless, there can be no guarantee that there will be a secondary market for the Series 2021 Bonds or, if a secondary market exists, that the Series 2021 Bonds can be sold for any particular price. Any prospective purchaser of beneficial ownership interests in the Series 2021 Bonds should therefore undertake an independent investigation through its own advisors regarding the desirability and practicality of the investment in the Series 2021 Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Series 2021 Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Series 2021 Bonds that does not intend or that is not able to hold the Series 2021 Bonds for a substantial period of time is advised against investing in the Series 2021 Bonds.

Other Possible Bondholders' Risks

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

- (1) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, given an inability to obtain corresponding increases in revenues from residents whose incomes will largely be fixed;
- (2) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;
- (3) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Borrower and any future member of the Obligated Group;
- (4) A decline in the population, a change in the age composition of the population or a decline in the economic conditions of the Community's market area;
- (5) The cost and availability of energy and utilities;
- (6) Increased unemployment or other adverse economic conditions in the Borrower's service area and any future member of the Obligated Group, which would increase the proportion of patients who are unable to fully pay for the cost of their care;
- (7) Any increase in the quantity of indigent care provided, which is mandated by law or required due to increased needs of the community in order to maintain the charitable status of the Borrower and any future member of the Obligated Group;
- (8) Inflation or other adverse economic conditions;
- (9) Reinstatement or establishment of mandatory governmental wage, rent or price controls;
- (10) Changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;
- (11) Inability to control the diminution of patients' assets or insurance coverage with the result that the patients' charges are reimbursed from government reimbursement programs rather than private payments or funded from assets of the Borrower or any future Members of the Obligated Group;
- (12) Scientific and technological advances that could reduce demand for services offered by the Borrower and any future members of the Obligated Group;
- (13) The occurrence of natural disasters, including tornados and floods, or failures of storm water detention devices during such naturally occurring events, which may damage the facilities of the Obligated Group, interrupt utility service to the facilities, or otherwise impair the operation and generation of revenues from said facilities; or
- (14) Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability, that organizations such as the Borrower and any future members of the Obligated Group generally carry.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Master Indenture requires that the Obligated Group Representative provide to each Required Information Recipient (defined as the Master Trustee, each Related Bond Trustee and the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through EMMA), the following:

Quarterly Reporting. Commencing with the quarter ending February 28, 2022, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such fiscal quarter, along with a payor mix for skilled nursing beds, occupancy levels of the Facilities as of the end of such quarter including the number of Independent Living Units occupied, average occupancy of assisted living units and skilled nursing beds for such fiscal quarter and a calculation of the Historical Debt Service Coverage Ratio for such fiscal quarter, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative. Such financial statements and calculations shall be accompanied by a comparison of income to the budgeted income included in the Annual Budget. In addition, there shall be a calculation of Days Cash on Hand as of the end of each fiscal quarter prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

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

Annual Reporting. Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ending August 31, 2021, the audited annual financial statements of the Obligated Group examined by an Accountant, which shall include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year; provided, however, that if the audited financial report of the Obligated Group is not available by such date, unaudited financial statements are required to be provided and the audited financial report will be provided if and when available.

On or before the date of delivery of the annual financial reports referred to in the paragraph above, a management's discussion and analysis of results for the applicable fiscal period, together with an Officer's Certificate of the Obligated Group Representative (A) calculating the Obligated Group's Historical Debt

Service Coverage Ratio and Days Cash on Hand of the Obligated Group at the end of such Fiscal Year, (B) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or, if not, specifying all such defaults and the nature thereof and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the Fiscal Year and average occupancy of assisted living units and skilled nursing beds, including a comparison to the prior year's occupancy of the Independent Living Units and average occupancy of the assisted living units and skilled nursing beds, (2) sources of revenue for the skilled nursing units, (3) net entrance fees received from Independent Living Unit turnover for the Fiscal Year, (4) material changes in services offered at the Facilities, (5) a statement whether the Facilities are in compliance with State regulations and statutes and (6) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System.

Other Disclosures. Copies of (A) any board approved revisions to the summary of the Annual Budget provided pursuant to the Master Indenture (as described under "Annual Budget" below), or (B) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

Subject to industry standards relating to the financing of facilities similar to the Facilities, the Obligated Group Representative shall, upon the request of the Master Trustee or the holders of any Related Bonds, use its best efforts to make available one or more representatives for a semi-annual telephone conference call (quarterly if Related Bonds are not investment grade rated) with the holders of the Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the holders of the Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least two weeks prior to the scheduled date of each call, but shall provide such notice to the Master Trustee.

To the extent that any Obligated Group Member incurs permitted Additional Indebtedness of a form for which there is not a CUSIP number, or a CUSIP number which is not indexed on EMMA (the "**non-Public Debt**"), the Obligated Group Representative 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 aggregate debt service of the Obligated Group; provided, however, to the extent that the non-Public Debt is used to construct additional units at the Facilities, the Obligated Group Representative will provide monthly reports (1) regarding whether the construction of additional units is within the construction budget and if not, a brief explanation and a copy of any revised budget, and on schedule with the construction timetable and if not, a brief explanation and a copy of any revised timetable and (2) reconciling the amount of construction contingency remaining and the uses of contingency funds to date.

The Obligated Group Representative shall provide status reports on any future Capital Addition in excess of \$15 million that are funded with Indebtedness secured by a Master Obligation.

The Obligated Group Representative shall provide notice within 10 Business Days of the occurrence of any of the material events required to be reported to the Municipal Securities Rulemaking Board pursuant to any continuing disclosure undertaking or agreement.

Annual Budget. No later than 30 days after the last day of each Fiscal Year, the Obligated Group Representative will prepare the Annual Budget (consisting of a statement of income and expenses) for such Fiscal Year. If the Obligated Group Representative fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Annual Budget shall be provided to each Required Information

Recipient no later than 30 days after the start of each Fiscal Year, and any amendment to the Annual Budget shall be provided to each Required Information Recipient within 30 days after its completion.

Continuing Disclosure

General. Inasmuch as the Series 2021 Bonds are limited obligations of the Issuer, the Issuer has determined that no financial or operating data concerning it is material to any decision to purchase, hold or sell the Series 2021 Bonds, and the Issuer will not provide any such information. The Borrower has undertaken all responsibilities for any continuing disclosure to holders of the Series 2021 Bonds as described below, and the Issuer will have no liability to the holders or any other person with respect to such disclosures.

In addition to the reporting requirement described above under “**Financial Reporting**,” the Borrower has covenanted for the benefit of the holders of the Series 2021 Bonds and the Beneficial Owners (as hereinafter defined under this caption), pursuant to a Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) between the Borrower and Digital Assurance Certification LLC, as dissemination agent, dated as of the delivery date of the Series 2021 Bonds, to provide or cause to be provided (i) each year, certain financial information and operating data relating to the Obligated Group (the “**Annual Report**”) by not later than the date 150 days after the last day of the Fiscal Year of the Obligated Group, commencing with the Annual Report for the Fiscal Year ended August 31, 2021; provided, however, that if the audited financial report of the Obligated Group is not available by such date, unaudited financial statements will be included in the Annual Report and audited financial statements will be provided if and when available and (ii) timely notices of the occurrence of certain enumerated events, if material. Currently the Fiscal Year of the Obligated Group commences on September 1. “**Beneficial Owners**” means the beneficial owner of any Series 2021 Bond held in a book-entry only system. The form of the Continuing Disclosure Agreement is attached hereto as **APPENDIX F**.

The Annual Report will be filed by or on behalf of the Borrower and made available to holders of the Series 2021 Bonds through EMMA (<http://emma.msrb.org>), the information repository of the Municipal Securities Rulemaking Board, to comply with Rule 15c2-12 (as amended from time to time the “**Rule**”) of the Securities and Exchange Commission (the “**SEC**”). These covenants have been made in order to assist the Underwriter and registered brokers, dealers and municipal securities dealers in complying with the requirements of the Rule.

Failure to Comply. In the event of a failure of the Borrower to comply with any provision of the Continuing Disclosure Agreement, any owner of Series 2021 Bonds or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Borrower to comply with the obligations under the Continuing Disclosure Agreement. A failure to comply with the Continuing Disclosure Agreement will not be deemed an Event of Default under the Bond Indenture, the Loan Agreement or the Master Indenture. The sole remedy under the Continuing Disclosure Agreement in the event of any failure of the Borrower to comply with the Continuing Disclosure Agreement will be an action to compel performance, and no person or entity will be entitled to recover monetary damage thereunder under any circumstances.

Prior Compliance

The Borrower has previously entered into a Disclosure Dissemination Agent Agreement dated as of March 24, 2016 (the “**2016 CDA**”), with UMB Bank National Association, as dissemination agent, in connection with the issuance of the Series 2012 Bonds. The 2016 CDA required the Borrower to file with EMMA certain annual financial and operating data.

Since 2016, the Borrower has filed various financial and operating data reports on EMMA as required by the 2016 CDA. However, the Borrower filed certain of these reports after the required time for filing and the Borrower failed to file certain required certificates evidencing compliance with certain covenants for the Refunded Bonds. The Borrower is committed to filing complete and timely disclosure on a going forward basis. To this end, the Borrower has reengaged Digital Assurance Certification, L.L.C. to act as its dissemination agent with respect to the disclosure obligations required by the Continuing Disclosure Agreement for the Series 2021 Bonds.

LITIGATION

Issuer

There is not now pending or, to the Issuer's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2021 Bonds or the execution and delivery by the Issuer of the Bond Indenture, or the Loan Agreement or questioning or affecting the validity of the Series 2021 Bonds or the security therefor or the proceedings or Issuer under which they are or are to be issued, respectively.

Obligor

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

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2021 Bonds are subject to the unqualified approval of Bond Counsel. Smith Gambrell & Russell LLP has acted in the capacity as Bond Counsel for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Series 2021 Bonds and for the purpose of rendering an opinion on the exclusion of the interest on the Series 2021 Bonds from gross income for federal income tax purposes and certain other tax matters. Such firm has not been requested to examine, and has not investigated or verified, any statements, records, material or matters relating to the financial condition or capabilities of the Borrower or its affiliates, and has not assumed responsibility for the preparation of this Official Statement, except that, in its capacity as Bond Counsel, such firm has reviewed the information in this Official Statement under the captions "**SHORT STATEMENT – Description of the Series 2021 Bonds,**" "**SHORT STATEMENT – Security for the Series 2021 Bonds,**" "**SHORT STATEMENT – Debt Service Reserve Fund,**" "**SHORT STATEMENT – Certain Financial and Operating Covenants of the Borrower,**" "**THE SERIES 2021 BONDS,**" "**SECURITY FOR THE SERIES 2021 BONDS**" (other than under the subheading "**– The Master Indenture – Mortgaged Property**"), "**FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting**" and "**TAX MATTERS,**" and in **APPENDICES C and D** attached hereto.

Certain matters will be passed upon for the Issuer by its counsel, Glover & Davis P.A., Newnan, Georgia; for the Borrower by its counsel, Smith Gambrell & Russell LLP, Atlanta, Georgia; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

Smith, Gambrell & Russell LLP serves as Bond Counsel and is counsel to the Borrower in connection with the issuance of the Series 2021 Bonds and has served as counsel to the Borrower and the Corporation, the Foundation and certain affiliates of the Corporation in matters unrelated to the Series 2021 Bonds. Mr. John Ethridge, a member of the Board of Directors of the Borrower and the Corporation, is a

partner at Smith, Gambrell and Russell, LLP, which is acting as counsel to the Borrower and as Bond Counsel in connection with the issuance of the Series 2021 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General Matters

Legal matters incident to the authorization, validity and issuance of the Series 2021 Bonds are subject to the unqualified approving opinion of Smith, Gambrell & Russell, LLP, Atlanta, Georgia, Bond Counsel, available at the time of delivery of the Series 2021 Bonds. It is anticipated that the approving opinion will be in substantially the form attached to this Official Statement as Appendix D.

The Internal Revenue Code of 1986, as amended (the “*Code*”), contains a number of requirements and restrictions which apply to the Series 2021 Bonds. These include restrictions on investments, requirements for periodic payment of arbitrage profits to the United States, requirements regarding the use of Bond proceeds and other restrictions and requirements. Failure to comply with certain of such requirements and restrictions may cause interest on the Series 2021 Bonds to become subject to federal income taxation, retroactive, in some cases, to the date of issuance of the Series 2021 Bonds.

In the opinion of Bond Counsel, under existing law, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes. Moreover, in the opinion of Bond Counsel, interest on the Series 2021 Bonds is not a specific “item of tax preference” for purposes of calculating the federal alternative minimum tax. The foregoing opinions are subject to the condition that the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2021 Bonds in order that the interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of the interest on the Series 2021 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2021 Bonds.

In concluding that interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, Bond Counsel will rely, as to questions of fact material to its opinion, upon certified proceedings and other certifications of the Borrower and other public officials furnished to Bond Counsel, without undertaking to verify any of them by independent investigation. If certain of these items are incorrect, interest on the Series 2021 Bonds may become included in gross income for federal income tax purposes retroactive, in some cases, to the date of issuance of the Series 2021 Bonds.

Bond Counsel expresses no opinion regarding any other federal tax consequences arising with respect to the Series 2021 Bonds. Bond Counsel rendered its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretation thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

In the further opinion of Bond Counsel, the interest on the Series 2021 Bonds is exempt from State of Georgia income taxation. Bond Counsel has not opined as to whether interest on the Series 2021 Bonds is subject to state or local income taxation in jurisdictions other than Georgia; interest on the Series 2021 Bonds may or may not be subject to state or local income taxation in jurisdictions other than Georgia under applicable state or local laws. Each purchaser of the Series 2021 Bonds should consult its own tax advisor regarding the tax-exempt status of the interest on the Series 2021 Bonds in a particular state or local jurisdiction other than Georgia.

Bond Premium. Certain maturities of the Series 2021 Bonds are being sold at prices in excess of the principal amount thereof. Under the Code, the excess of an owner's cost basis of a bond over the principal amount of such bond (other than a bond held as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the related bond. An owner will therefore be required to decrease its basis in the Series 2021 Bonds by the amount of amortizable bond premium attributable to each taxable year it holds Bonds. The amount of amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes. Purchasers of Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption or other disposition of Bonds.

Original Issue Discount. To the extent the issue price of any maturity of the Series 2021 Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2021 Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Series 2021 Bonds is the first price at which a substantial amount of such maturity of the Series 2021 Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2021 Bonds accrued daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including same, redemption or payment on maturity) of such Bonds. Beneficial Owners of the Series 2021 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Collateral Federal Tax Consequences for the Series 2021 Bonds. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series 2021 Bonds.

Prospective owners of the Series 2021 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from

gross income for federal income tax purposes. Interest on the Series 2021 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Possible Changes in Tax Law. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2021 Bonds under federal or state law, or otherwise prevent Holders of the Series 2021 Bonds from realizing the full current benefits of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series 2021 Bonds. Each Bond purchaser should consult its own tax advisor.

PROSPECTIVE PURCHASERS OF THE SERIES 2021 BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE SERIES 2021 BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE SERIES 2021 BONDS.

FINANCIAL STATEMENTS

The financial statements of the Borrower as of August 31, 2020, and for the years then ended, included in this Official Statement in **APPENDIX B**, have been audited by Mauldin & Jenkins, LLC, independent auditors, as stated in their report appearing herein.

VALIDATION PROCEEDINGS

Prior to the issuance of the Series 2021 Bonds and in accordance with the procedures set forth in the Revenue Bond Law (O.C.G.A. §36-82-60 *et seq.*), as amended (the “**Revenue Bond Law**”), the Superior Court of Coweta County, Georgia entered a final order validating and confirming the Series 2021 Bonds. Under Georgia law, the judgment of validation is final and conclusive with respect to the validity of the Series 2021 Bonds. Any judgment entered by the Superior Court of Fulton County in connection with the validation of the Series 2021 Bonds also adjudicates the security for the payment of the Series 2021 Bonds.

RATING

The Series 2021 Bonds have been assigned a bond rating of “BB+” (Stable Outlook) from Fitch Rating Services, Inc. (“**Fitch**”), as indicated on the cover of this Official Statement, based on the credit strength of the Borrower. Such rating reflects only the views of such rating agencies at the time the ratings are given, and the Issuer makes no representation as to the appropriateness of the ratings. An explanation of the significance of any rating may be obtained only from the rating agencies.

The Borrower has furnished the rating agency with certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such change in or withdrawal of such rating could have an adverse effect on the market price for or marketability of the Series 2021 Bonds.

None of the Issuer, the Underwriter or the Borrower has an obligation to oppose any proposed revision or withdrawal of the ratings on the Series 2021 Bonds. Neither the Issuer nor the Underwriter has any responsibility to bring to the attention of the holders of the Series 2021 Bonds any proposed revision or withdrawal of the ratings on the Series 2021 Bonds.

UNDERWRITING

The Series 2021 Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$_____ (representing the par amount of the Series 2021 Bonds less an underwriter's discount of \$_____ and plus/less original issue premium/discount on the Series 2021 Bonds of \$_____) pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Borrower and the Underwriter (the "***Purchase Agreement***").

The Borrower has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2021 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2021 Bonds are subject to various conditions contained in the Purchase Agreement. The Purchase Agreement provides that the Underwriter will purchase all of the Series 2021 Bonds if any Series 2021 Bonds are purchased.

FINANCIAL ADVISOR

First Tryon Advisors has served as financial advisor (the "***Financial Advisor***") to the Borrower with respect to the sale of the Series 2021 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2021 Bonds is contingent on the issuance and delivery of the Series 2021 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendixes thereto.

ROLE OF BOND TRUSTEE AND MASTER TRUSTEE

UMB Bank, National Association has been appointed to serve as Bond Trustee and Master Trustee under the Bond Indenture and Master Indenture, respectively. The Bond Trustee and Master Trustee are to carry out those duties it has agreed to under the Bond Indenture and Master Indenture. The Bond Trustee and Master Trustee have not reviewed or participated in the preparation of this Official Statement and assume no responsibility for the contents, accuracy, fairness or completeness of the information given in this Official Statement or for the recitals contained in the Bond Indenture and Master Indenture or for the validity, sufficiency, or legal effect of any of such documents. Furthermore, the Bond Trustee and Master Trustee have no oversight responsibility, and are not accountable, for the use or application by Issuer of the proceeds from the sale of the Series 2021 Bonds. The Bond Trustee and Master Trustee have no duty to, have not undertaken to evaluate, and have not evaluated, the risks, benefits, or propriety of any investment in the Series 2021 Bonds and makes no representation, and have reached no conclusions, regarding the investment quality of the Series 2021 Bonds, about all of which the Bond Trustee and Master Trustee express no opinion and expressly disclaims the expertise to evaluate.

MISCELLANEOUS

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

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

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

It is anticipated that CUSIP identification numbers will be printed on the Series 2021 Bonds, but neither the failure to print such numbers on any Series 2021 Bond nor any error in the printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Series 2021 Bonds.

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

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APPENDIX A

WESLEY WOODS OF NEWNAN – PEACHTREE CITY, INC.

TABLE OF CONTENTS

	<u>Page</u>
THE BORROWER.....	A-1
Overview	A-1
Mission and Vision.....	A-1
The Corporation and other Affiliates of the Borrower	A-2
The Corporation	A-4
Board of Directors.....	A-5
Reserved Powers of Corporation.....	A-6
Management Support	A-7
Executive Level Management of the Borrower.....	A-8
Employees	A-9
Memberships and Licenses	A-9
Retirement Plan	A-9
Insurance	A-10
Property Taxes.....	A-10
Litigation.....	A-10
THE COMMUNITY	A-10
Location of Campus	A-10
Independent Living Units and Cottages	A-10
Assisted Living Apartments	A-11
Memory Care Apartments.....	A-12
Skilled Nursing.....	A-12
Turnover and Net Entrance Fees Received	A-13
Increases in Monthly Service Fees	A-13
Monthly Fees.....	A-13
Financial Inability to Pay	A-14
Medical Insurance	A-14
Occupancy.....	A-14
Capital Improvements	A-14
Response to COVID-19 Pandemic	A-15
RESIDENCY CONTRACTS	A-16
Admission Criteria	A-16
Entrance Fees	A-16
Transfer to Health Care Center.....	A-17
MARKETING AND COMPETITION.....	A-18
Marketing	A-18
Market Area	A-18
The Target Market.....	A-19
Competitors	A-19
FINANCIAL INFORMATION.....	A-20
Statements of Operations.....	A-20
Budget and Budgetary Process.....	A-23
Management’s Discussion of Financial Performance	A-23
Historical Debt Service Coverage Ratios	A-24
Historical Days Cash on Hand	A-25
Pro Forma Debt Service Coverage and Days Cash on Hand.....	A-25
Investment Policy	A-25
Other Indebtedness	A-26
FUTURE PLANS	A-26

THE BORROWER

Overview

Wesley Woods of Newnan-Peachtree City, Inc. (the “Borrower”), a nonprofit corporation organized and existing under the laws of the State of Georgia (the “State”), was formed in 1995 for the purpose of constructing, acquiring and equipping a life plan community located in the Newnan area of Coweta County, Georgia which consists of 84 independent living apartments, 16 independent living cottages (collectively, the “Independent Living Units”), and a healthcare center comprised of 8 memory care apartments (the “Memory Care Apartments”), 37 assisted living apartments (the “Assisted Living Apartments”) and 23 skilled nursing care suites (the “Skilled Nursing Beds”) which is situated on an approximately 54 acre campus located at the intersection of Edgeworth Road and Highway 29 (collectively, the “Community”).

The Borrower is a controlled affiliate of Wesley Woods Senior Living, Inc. (the “Corporation”), a nonprofit corporation organized and existing under the laws of the State. The Corporation provides management services to the Borrower and other affiliates of the Corporation. See “Governance and Management of Borrower -- Management Support” herein. The Corporation is affiliated with the North Georgia Conference of the United Methodist Church, Emory Healthcare, and Emory University. The Internal Revenue Service issued a determination letter dated February 29, 1996 determining that the Borrower is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the “Code”), as an organization described in Section 501(c)(3) of the Code.

The Borrower offers a variety of programs geared toward the delivery of residential and health care services for the elderly (the “Residents”) and derives its revenues from (i) the non-refundable portion of each entrance fee paid when a Resident moves into an Independent Living Unit (the “Entrance Fee”), (ii) monthly service fees paid by such Residents (the “Monthly Service Fees”), (iii) monthly service fees related to care at the Assisted Living Apartments and Memory Care Apartments and (iv) per diem for skilled nursing care in the Skilled Nursing Beds. See “RESIDENCY AGREEMENT” herein.

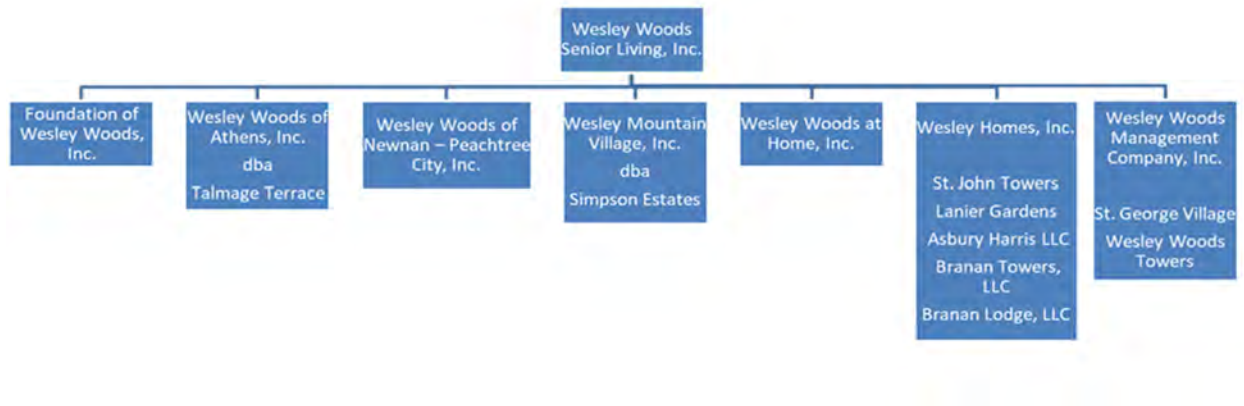
Terms used but not defined in this Appendix A that are defined in the forepart of this Offering Memorandum shall have the meanings set forth therein unless otherwise required by the context in which such terms are used.

Mission and Vision

The Corporation’s mission is to create communities of connection, well-being and promise. It envisions a world in which older adults are celebrated for the lives they have lived, the wisdom they share and everything they have yet to teach us.

The Corporation and other Affiliates of the Borrower

The current corporate structure of the Corporation and other affiliates of the Borrower is illustrated in the following organizational chart.



A map showing the location of the facilities managed by the Corporation is shown below.



The Corporation

The Corporation and its affiliates, other than Wesley Woods Management Corporation Inc., are organized as 501(c)(3) corporations. *None of the entities shown above other than the Borrower are obligated to make payments under the Loan Agreement or the 2021 Note or to pay the principal of, the premium, if any, or the interest on any of the Series 2021 Bonds.*

The Corporation was formed in 1956 and provides management and support services to its affiliates, including executive level management support, development services, human resources support, financial operations and information technology support, as well as organizing and controlling philanthropic activity of the Foundation of Wesley Woods, Inc. (the “Foundation”). The Borrower has entered into a management agreement with the Corporation under which the Corporation manages the Community. See “Governance and Management of Borrower -- Management Support.” In addition to managing all activities of its affiliates, including the Borrower, the Corporation appoints the members of each affiliate’s board of directors, including the board of directors for the Borrower. See “Governance and Management of Borrower – Governance of Borrower.”

The level of care delivered at the various communities of the affiliates of the Corporation is comprehensive and includes the following:

- Life plan communities offering private living space and a wide range of social, cultural, recreational, fitness and fellowship opportunities for older adults;
- Assisted living and personal care services that bridge the gap between independent living and living in a nursing home;
- Contracted behavioral health services for those in need of assessment and referral, crisis intervention and case management;
- Memory care services to assist residents with Alzheimer’s disease and other forms of dementia; and
- Contracted outpatient therapy and rehabilitative services offering clients speech, physical, occupational and other programs.

In addition to the Community, senior living communities owned or managed by the Corporation or its affiliates include:

- Wesley Homes, Inc. which includes the following locations and is described more fully below:
 - a. Lanier Gardens, located in Athens, Georgia;
 - b. Branan Lodge, located in Blairsville, Georgia;
 - c. St. John Towers, located in Augusta, Georgia;
 - d. Ashbury Harris Epworth Towers, located in Atlanta, Georgia; and
 - e. Branan Towers, located in Atlanta, Georgia;
- Wesley Woods of Athens, Inc. which is described below;
- Wesley Mountain Village, Inc. which is described below;
- St. George Village, a 222-apartment life plan community in Roswell, Georgia which is managed by Wesley Woods Management Corporation Inc.;

- Wesley Woods Towers in Atlanta, Georgia which offers independent living and personal care services to approximately 158 residents and is managed by Wesley Woods Management Corporation Inc.;

Wesley Homes, Inc.

Wesley Homes, Inc., a Georgia corporation, owns, either directly or as the sole member of certain limited liability companies, five low income retirement communities originally financed by the U.S. Department of Housing and Urban Development. Two of the communities are located in Atlanta, Georgia, one is located in Augusta, Georgia, one is located in Athens, Georgia and the other is located in Blairsville, Georgia. The communities serve approximately 800 residents.

Wesley Woods of Athens, Inc.

Wesley Woods of Athens, Inc., a Georgia corporation, owns a life plan retirement community in Athens, Georgia which is home to approximately 90 residents. This community opened in 1999 and offers independent living and personal care services to its residents.

Wesley Mountain Village, Inc.

Wesley Mountain Village, Inc., a Georgia corporation, owns an independent living facility in Blairsville, Georgia which consists of 60 independent living cottages. It opened in 1982 and is home to approximately 90 residents.

Wesley Woods Management Corporation, Inc.

Wesley Woods Management Corporation, Inc., a Georgia corporation (“Wesley Woods Management”), manages a life plan community for the Roman Catholic Archdiocese of Atlanta in Roswell, Georgia known as St. George Village which serves approximately 275 residents. In addition, Wesley Woods Management manages Wesley Woods Towers in Atlanta, Georgia for Wesley Woods Center of Emory University which offers independent living and personal care services to approximately 158 residents.

Foundation of Wesley Woods, Inc.

Foundation of Wesley Woods, Inc., a Georgia corporation, is the fundraising entity for the Corporation and its affiliates. For the fiscal year ended August 31, 2020, the Foundation raised approximately \$1.3 million through its fundraising efforts for the Corporation and its affiliates.

Board of Directors

The Borrower is governed by a board of directors (the “Board” or the “Board of Directors”), the members of which serve without compensation. The Board has the sole legal responsibility for overseeing and managing the affairs of the Borrower and for appointing the officers of the Borrower. The members of the Board (the “Directors”) that are not ex-officio members shall be elected by a majority vote of the Board of Directors of the Corporation. The Board shall consist of not less than three Directors and not more than seven Directors. Each Director is elected to serve a term of three years and is eligible, if reelected, to serve another term of three years. Directors may not be elected to more than two consecutive terms, but former Directors are eligible for re-election after a one-year absence from service. Any Directors serving as an ex-officio Director will be a standing Director and may serve unlimited successive terms. The Chief Executive Officer of the Borrower serves as an ex-officio Director with a vote and the Chief Financial Officer of the Borrower serves as a non-voting ex-officio Director.

The officers of the Board of the Borrower consist of the Chairman and a Vice Chairman and are selected from and among the Board and hold office for a term of one year.

The current Directors of the Board are as follows:

<u>Name</u>	<u>Occupation</u>	<u>Term</u>
Jim Chapman, Chair	Home Builder, Jim Chapman Communities	2 nd term (2023)
Kristen Lewis, Vice Chair	Attorney, The Bowden Law Firm	1 st term (2024)
Terry Barcroft, Ex-Officio	President and CEO, WWSL	Ex-Officio
Brandon Valasek, Secretary	Chief Financial Officer	Ex-Officio

The Board holds at least one regular meeting a year and the Chairman may call regular meetings of the Board from time to time. Special meetings of the Board may be called at any time by the Chairman of the Board or the Chief Executive Officer or at the request of at least two Directors. The Board may create committees as required. The Board of the Corporation includes the following committees that act on behalf of the Borrower: Strategic Planning, Nominating, Finance and Audit.

The Corporation is governed by a board of directors (the “Corporation Board”) with no less than eleven (11) members and no more than fourteen (14), serving a term of three years per term. The current members of the Corporation Board are as follows:

<u>Member</u>	<u>Occupation</u>	<u>Term Expiration</u>
John Ethridge, Chair	Partner, Smith, Gambrell & Russell, LLP	8/31/2022 (1 st term)
Glenn Warren, Vice Chair	President, Warren Capital Corporation	8/31/2022 (1 st term)
Meredith Barclay	Senior Director, The Home Depot	8/31/2024 (1 st term)
Cathie Berger	Director, Atlanta Regional Commission - Retired	8/31/2022 (1 st term)
Keith Cox	Treasurer & Director of Administrative Services, NGUMC	8/31/2023 (1 st term)
Ted Johnson, MD, MPH	Professor and Director of the Division of Geriatric Medicine and Gerontology, Dept of Medicine, Emory University School of Medicine	8/31/2022 (1 st term)
Kristen M. Lewis	Attorney, The Bowden Law Firm	8/31/2024 (2 nd term)
Martin McGahan	Managing Director of Alvarez and Marsal Healthcare Industry Group	8/31/2023 (1 st term)
Rev. Chuck Savage	Pastor, Sardis United Methodist Church	8/31/2024 (1 st term)
Ex- Officio:		
Terry Barcroft	President & CEO, Wesley Woods Senior Living	-
Sharon Pappas, PhD, RN, FAAN	Chief Nurse Executive, Emory Healthcare	-
Rev. Bill Burch	Pastor in charge, Northside United Methodist Church	-
Bishop Sue Hauptert-Johnson	Resident Bishop, North Georgia Area of The United Methodist Church	-
Diane Vaughan	President, Foundation of Wesley Woods	-

Reserved Powers of Corporation

The following matters are reserved exclusively for the Corporation Board: (i) the adoption of short-term and long-term capital and operating budgets of income and expenditures, and any expenditures which materially vary from operating budgets; (ii) any capital expenditure or the incurrence of indebtedness with respect to any transaction or group of related transactions in excess of \$1,000,000 (excluding any amounts approved as a part of the Borrower’s capital budget); (iii) formation of any subsidiary entity, acquisition of control of any other entity, or affiliation with

any other entity; (iv) adoption of any amendment to the articles of incorporation or bylaws of the Borrower or of any direct or indirect subsidiary of the Borrower; (v) the acquisition, sale, transfer or other disposition of any asset (excluding any such transaction occurring in the ordinary course of business or approved by the Corporation as part of the Borrower's budget); (vi) the reorganization, merger or consolidation with or into any corporation or other entity; and (vii) the liquidation or dissolution of the Borrower or the filing of any voluntary petition in bankruptcy with respect to the Borrower. In addition to the foregoing, the bylaws of the Borrower require the unanimous vote of the members of the entire Corporation Board in order to file for any bankruptcy or other insolvency protection for the Borrower.

Management Support

Since 1996, the Corporation has provided the Borrower with operational assistance comprising financial management, purchasing, public relations, personnel recruitment and day-to-day operational supervision (collectively, "Management Services") under management agreement. The current agreement is a Management Contract dated effective as of December 20, 2015 (the "Management Contract"). Under the Management Contract, the Corporation has agreed to provide management services to the Borrower for a monthly fee, which shall approximate 4% multiplied by an estimate of residential income collected for a given month (the "Estimated Monthly Fee"), and other periodic fees for financial services, accounting and marketing.

The Management Contract automatically renews for successive terms ("Renewal Term") of three (3) years each, unless either party gives the other party prior written notice of non-renewal of the existing Renewal Term no later than one (1) year prior to the expiration of the Renewal Term then in effect. The next Renewal Term is scheduled to commence on December 20, 2021.

In the event of a breach of the Management Contract which does not pose an imminent threat of harm to patients or Residents of the Community, the non-breaching party shall give the breaching party notice of such breach. The Chairman of the Corporation Board, the CEO of the Corporation and the Manager of the Borrower shall meet within thirty (30) days of the breaching party's receipt of such notice and shall negotiate in good faith to resolve such breach. If the non-breaching and breaching parties are unable to resolve such breach within the initial thirty (30)-day period, the breaching party shall have an additional sixty (60) days immediately thereafter within which to cure such breach to the reasonable satisfaction of the non-breaching party. If the breach is not resolved or cured to the satisfaction of the non-breaching party within ninety (90) days of the breaching party's receipt of notice, then the non-breaching party may seek any and all remedies available at law or equity and may terminate the Management Contract.

In the event of a breach of the Management Contract which poses an imminent threat of harm to patients or residents of the Community or in the event of a material failure by a party to make timely payments under the Management Contract, the non-breaching party shall give the breaching party notice of such breach. If the breaching party does not cure such breach to the reasonable satisfaction of the non-breaching party within fifteen (15) days of the breaching party's receipt of notice or, if earlier, by such date as is reasonably necessary to avoid a threat of harm to patients or residents, then the non-breaching party may seek any and all remedies available at law or equity and may terminate the Management Contract.

Pursuant to the Management Contract, the Corporation assists and supports the Borrower's performance of the following services for or on behalf of the Borrower:

- Operating the Community and developing operating strategies and a management plan;
- Developing and implementing an annual budget for the Community;
- Making capital improvements as provided in the annual budget, making ordinary repairs and alterations and keeping the Community furnished with all necessary fixtures, equipment and supplies;
- Obtaining appropriate professional services, at the expense of the Borrower, including attorneys and independent auditors;

- Obtaining and maintaining the appropriate licenses and permits for the facilities;
- Performing financial and accounting services;
- Performing other clerical support functions and services including bookkeeping and record-keeping services;
- Implementing, maintaining and monitoring human resource and employee relations issues, including the hiring, promoting and supervising of full-time and part-time employees of the Community;
- Assisting with risk management issues involving the facilities and their residents, patients, customers and guests, including the evaluation of and obtaining the appropriate insurance coverage for the Community;
- Investigating, hiring, promoting, supervising and discharging (if necessary) full-time and part-time on-site personnel necessary for the efficient and proper operation of the Community;
- Conducting, arranging for and implementing marketing strategies;
- Arranging for utilities, maintenance and other services to be furnished to the Community and negotiating contracts with third party providers;
- Operating and maintaining various infrastructure and systems for the Community;
- Issuing monthly bills to residents, customers and patients of the Community and monitoring of collection of billing; and
- Monitoring and ensuring compliance with applicable statutes, ordinances, rules, and regulations of all governmental authorities and advising the Borrower of any changes in such statutes, rules, and ordinances and the budgetary impact of compliance.

Executive Level Management of the Borrower

The executive level management personnel for the Borrower include the following individuals:

Terry Barcroft, age 53. Ms. Barcroft has worked in the field of aging for over 29 years and has worked for the Corporation in a variety of roles for 25 years. She briefly left the organization in 2007 to become the Administrator of a Low-Income Housing Tax Credit community undergoing a \$12 million refinance and redevelopment. She returned to the Corporation at the conclusion of the redevelopment as the Executive Director of the Athens community. Terry has served the Corporation as its President and CEO since 2016. Prior to her current position, she served as Vice President of Operations, in which she was instrumental in launching an industry-leading wellness program, overseeing day-to-day operations, and shepherding the organization's strategic planning process. Terry has served in Board positions with both state and national Senior Housing Associations. Terry is currently the Vice Chair of the Board of Directors for LeadingAge Georgia and serves as Chair of its Advocacy Committee.

Lauri Ann Brooks, age 48. Ms. Brooks has served the Corporation in a variety of roles and currently serves as Vice President of Operations for the Corporation. Lauri Ann served as activities coordinator, marketing coordinator, resident care manager, assistant administrator and executive director of Wesley Woods of Athens before moving to the corporate office to take her current position. Lauri Ann is active in LeadingAge having served on the board of the Georgia chapter. She also serves her community as a member of the Kiwanis Club of Athens (President, 2012 – 2013), the Georgia District Kiwanis Board of Trustees (Lieutenant Governor, 2014 - 2016) and other service organizations including The Food Bank of Northeast Georgia and Hands on Athens. Lauri Ann earned her B.S. in Health & Physical Education from Augusta State University where she also rowed crew.

Brandon Valasek, age 33. Mr. Valasek will be joining the Corporation December 1, 2021 as the Chief Financial Officer and Secretary. A native of Pittsburgh, Pennsylvania, Brandon has over 10 years of executive finance experience. He worked four years as a senior auditor for Sisterson & Co. and the last four years as the Director of Finance for Concordia Lutheran Ministries Senior Living, a large not-for-profit provider offering independent living, assisted living, skilled care, hospice and home health services, located in Pittsburgh, Pennsylvania.

Keith Gadd, age 55. Mr. Gadd served as Secretary / Treasurer and Chief Financial Officer of the Borrower, the Corporation and its related entities from 2009 to 2020. Keith now serves as Controller of the Corporation. Prior to serving as the CFO, Keith held various positions, including: staff accountant, senior accountant and controller. As a result of a recent vacancy in the Corporation's CFO position, Keith currently serves in this capacity.

Steve Threlkeld, age 68. Mr. Threlkeld has worked with the Borrower since 1997 and currently serves as the Executive Director. He was hired during construction as the Plant Maintenance Director. His position was expanded to oversee maintenance, housekeeping, food service, transportation and activities. Steve was promoted to Executive Director after a nationwide search in 2018.

Employees

As of September 1, 2021, the Borrower had 73 full-time employees and 27 part-time employees for a total of 86.5 full-time equivalent employees. The Borrower employs approximately 3 registered nurses and 8 licensed practical nurses.

Benefits for the Borrower's full-time employees include paid time off, health insurance with medical, dental, vision and prescription coverage, a health savings account with employer contribution, life insurance, short term disability insurance, long term disability insurance, tuition reimbursement, scholarship program, free lunches during the week, employee assistance program, team member recognition programs, and access to a 403(b) retirement plan with a matching contribution of up to 3% after one year of service (the "Retirement Plan"). The Retirement Plan has employee self-selection investment options. The employee portion of the Retirement Plan is 100% vested immediately, and the Borrower contribution to the plan is 100% vested immediately. Currently, 49 employees participate in the Retirement Plan with 47 of the employees enjoying Borrower matching contributions. Employees of the Borrower are not represented by any labor unions, and management believes its relationship with its employees is good. The Borrower had staff turnover of approximately 29% during fiscal year 2020. In addition, the Borrower has contracts with third party companies for dining services and physical therapy and rehabilitation services.

Memberships and Licenses

The Borrower is also licensed by Georgia Department of Community Health to conduct and maintain an assisted care living facility with 45 beds and to conduct and maintain a nursing home with 23 beds. The Borrower has obtained from the State the assisted living and skilled nursing facilities licenses that are required to operate the assisted living and skilled nursing components of the Community. The Community is a member of LeadingAge, Georgia Healthcare Association and United Methodist Association.

See "**BONDHOLDERS' RISKS – State Regulation**" in the front part of this Official Statement.

Retirement Plan

The Borrower has a 403(b) Tax Sheltered Annuity Plan (the "Plan"). The Borrower makes a basic 2% contribution for all participants who have at least one year of service for the Borrower, regardless of whether or not that participant makes a salary reduction contribution to the Plan. In addition, the Borrower matches a percentage of participants' voluntary salary reduction contributions to the Plan. Because of certain requirements that the Plan must satisfy, the Borrower may elect to make additional contributions in order for the Plan to satisfy certain provisions of the Code or other applicable law. The Borrower's contributions charged to operations totaled \$109,242 for the fiscal year ended August 31, 2020.

Insurance

The Borrower is a named insured party on the insurance policies maintained by the Corporation. Such insurance includes \$3,000,000 professional liability (\$1,000,000 per occurrence), \$3,000,000 commercial general liability (\$1,000,000 per occurrence) and \$10,000,000 in excess umbrella coverage. The amount of real property and personal property insurance is \$39,560,145.00. The Master Indenture provides for regular review and adjustment to the content of the Corporation's insurance.

Property Taxes

The Borrower's property is exempt from property taxes pursuant to State law regarding non-profit life plan communities.

Litigation

From time to time, there are certain actions pending against the Borrower that arise in the ordinary course of business. Management of the Borrower believes that adequate provision has been made to cover estimated losses and that the ultimate disposition of any such pending actions will not adversely affect the financial condition of the Borrower or the operations of the Community.

THE COMMUNITY

Location of Campus

The Community is an elegant life plan community situated on 52 manicured acres with a pond in Newnan, GA that is owned and operated by the Corporation. The Community, originally constructed in 1998 and updated in phases through 2005, currently consists of 100 Independent Living Units, 84 of which are independent living apartments and 16 of which are independent living cottages, and a healthcare center comprised of 45 Assisted Living Apartments, eight of which are Memory Care Apartments, and 23 Skilled Nursing Beds (collectively, the "Health Care Center"). The original construction of the Community was financed and refinanced with a series of the Issuer's revenue bonds issued on behalf of the Borrower which were refunded with a portion of the proceeds of the Refunded Bonds.

The Community reflects a "Life Care" concept, which recognizes that the evolving needs of older adults along a continuum from independent living to increasing health care. The various living and care options offered at the Community address the physical, social, psychological, and emotional needs of its Residents.

The Borrower provides levels of care which reflect the varying levels of intensity of care needed to meet the changing needs of the Residents. All applications for residency are considered equally without regard to an individual's marital status, race, sex, creed, or national origin. The Community has been designed to meet all applicable building codes as well as The Fair Housing Act of 1988 and The Americans with Disabilities Act.

Independent Living Units and Cottages

Amenities for the Residents of Independent Living Units at the Community include utilities, refrigerator, trash removal, basic cable television and internet connections, washer and dryer, window treatments, and emergency call-buttons. The common areas at the Community include formal and private dining rooms, central kitchen, library, wellness studio and bistro. Residents of the Independent Living Units are provided access to a 24-hour emergency call system, bi-weekly housekeeping, scheduled transportation services and planned social activities. The residents receive a monthly dollar amount for meals as part of their monthly fee.

If a resident or couple go over the amount allotted for meals, an additional ancillary charge for meals over the allowance will be included in their monthly bill. Uncovered parking is available free of charge. Covered, garage parking is available for an additional fee.

The following table summarizes the types, numbers and approximate sizes of the various Independent Living Units currently offered at the Community as well as monthly fees and Entrance Fees as of 9/1/2021:

Independent Living Units					
Type of Unit	Number of Units	Approximate Square Footage	Entrance Fee	Monthly Fee*	Type of Contract
Apartments					
(Madison) 1 bedroom 1 bath	5	630	\$115,151	\$2,638	Modified Life Care, Type C
(Decatur) 1 Bedroom 1 bath	18	700	137,106	3,137	Modified Life Care, Type C
(Cumberland) 1 Bedroom 1 bath	2	720	137,106	3,175	Modified Life Care, Type C
(Vinings) 1 bedroom 1 bath w/ Den	2	950	144,790	3,544	Modified Life Care, Type C
(Athens) 1 Bedroom 1 bath w Den	6	950	153,571	3,544	Modified Life Care, Type C
(Toccoa) 1 Bedroom 1 bath w/ Den	6	1,025	157,500	3,684	Modified Life Care, Type C
(Blueridge) 2 Bedroom 2 bath	6	950	162,353	3,730	Modified Life Care, Type C
(Macon) 2 bedroom 2 bath	13	975	162,353	3,730	Modified Life Care, Type C
(Emory) 2 bedroom 2 bath	2	975	182,112	3,819	Modified Life Care, Type C
(Peachtree) 2 bedroom 2 bath	13	1,025	197,480	4,363	Modified Life Care, Type C
(St. Simon) 2 bedroom 2 bath	6	1,235	208,458	4,879	Modified Life Care, Type C
Two Bedroom Two bath	1	1,350	179,000	4,879	Modified Life Care, Type C
Three Bedroom Three Bath	1	1,675	233,100	5,179	Modified Life Care, Type C
Four Bedrooms Three Baths	1	2,470	280,000	5,560	Modified Life Care, Type C
Cottages					
(Savannah) 2 bedroom 2 bath	2	1,800	284,311	5,179	Modified Life Care, Type C
(Augusta) 2 Bedroom 2 bath	8	2,100	313,950	5,560	Modified Life Care, Type C
(Dunwoody) 2 Bedroom 2 bath	2	1,886	335,895	5,179	Modified Life Care, Type C
(Buckhead) 2 Bedroom 2 bath	2	2,250	367,395	5,560	Modified Life Care, Type C
Total/Weighted Average	100		186,664	3,989	Modified Life Care, Type C

*Second person monthly fee: \$978.

Assisted Living Apartments

A full staff of professionals provide services and programs to residents residing in the Assisted Living Apartments. Services include social services, recreational programs, meals, assistance with daily activities, and limited healthcare as allowed under State licensure programs. Services are available 24 hours a day to residents who require

it. Residents have a specialized nurse call system and will be provided three meals a day in the dining room and will be able to choose from a variety of social and recreational programs.

The following table summarizes the types, numbers, and approximate sizes of the various Assisted Living Apartments currently offered at the Community as well as monthly fees as of 9/1/2021:

Assisted Living	Number of Units	Approximate Square Footage	Entrance Fee	Monthly Fee*
Studio	6	361	\$3,000	\$4,631
Alcove	8	370	3,000	4,836
Alcove Deluxe	1	370	3,000	5,077
1 Bedroom 1 bath	17	376	3,000	5,206
1 Bedroom Suite	5	495	3,000	5,497
Total	37			

*Second person monthly fee: \$1,575.

Memory Care Apartments

In addition to the Assisted Living Apartments and skilled nursing components of the Health Care Center, the Community offers eight Memory Care Apartments designed to accommodate special programs, including those for residents with different levels of Alzheimer's disease and other dementia.

The following table summarizes the types, numbers, and approximate sizes of the various Memory Care Apartments currently offered at the Community as well as the monthly fees as of 9/1/2021:

Memory Care	Number of Units	Approximate Square Footage	Entrance Fee	Monthly Fee*
Alcove	1	339	\$3,000	\$6,962
1 Bedroom	7	376	3,000	7,332
Total	8			

* This fee is only applicable to direct admits.

**Second person monthly fee: \$1,527.

Skilled Nursing

The skilled nursing component of the Health Care Center is included in a residential setting separate from the independent living portion of the Community and includes a kitchen, dining area, private dining room, activity space and a living room. The Community does not presently allow direct admissions in accordance with State law. The following table summarizes the types, numbers, and approximate sizes of the various Skilled Nursing Beds currently offered at the Community:

Skilled Nursing Beds			
Type of Suite	Number of Beds	Approximate Square Footage	Daily Rate
Studio	23	339	\$305

Turnover and Net Entrance Fees Received

Information related to historical turnover in the Independent Living Units and Entrance Fees received for fiscal years 2017 through 2020 and the first 11 months of fiscal year 2021 is set forth in the following table.

Fiscal Year	Move Ins	Turnover	Entrance Fees Received	Entrance Fees Refunded	Net Entrance Fees Received
2017	18	10	\$3,105,484	\$(1,583,021)	\$1,522,463
2018	14	11	2,069,554	(1,727,010)	342,544
2019	17	19	2,105,004	(1,724,493)	380,511
2020	12	17	3,119,897	(1,949,286)	1,170,611
7/31/2021	11	12	2,287,331	(1,612,028)	675,303

Increases in Monthly Service Fees

The percentage increase in the Monthly Service Fees at the Community for Fiscal Years 2016 through 2021 were as follows.

Fiscal Year	Monthly Service Fee Increase from Previous Year
2016	3.00%
2017	2.50%
2018	3.00%
2019	3.00%
2020	2.85%
2021	3.00%

Monthly Fees

Monthly Service Fees are due on the first day of each month and entitle residents of the Independent Living Units, Assisted Living Apartments, and occupying a Skilled Nursing Bed at the Health Care Center to receive the following services and amenities:

- One meal per day
- Flooring, mini blinds, and appliances
- Water, electricity, heat, air conditioning, sewer and municipal services, and trash removal
- Basic cable services
- Weekly housekeeping and laundering of flat linens
- Necessary repairs and maintenance and periodic painting and recarpeting
- An Emergency Alert System
- Grounds keeping
- Social, recreational, spiritual, educational, cultural, and health programs
- Scheduled local transportation service
- One uncovered reserved parking space
- Additional unassigned parking for residents and guest
- Use of community areas

In addition, Residents in Assisted Living Apartments, Memory Care Apartments and those in Skilled Nursing Beds are entitled to the following:

- Three meals and two snacks per day
- Medication management assistance

Financial Inability to Pay

It is the Borrower's policy that a Resident's occupancy shall not be terminated solely for the reason of the Resident's financial inability to pay the Monthly Service Fee. A waiver or deferral of fees due may be granted by the Borrower, in its sole discretion, provided such special treatment does not impair the ability of the Borrower to operate on a sound financial basis.

Medical Insurance

Residents are required to maintain, at their own expense, coverage available under Medicare Parts A and B as well as hospital or medical insurance benefit programs which supplement Medicare. Equivalent coverage may be accepted if a Resident is not covered under Medicare or is insured under other adequate programs.

Occupancy

Historical average annual occupancy by level of care for fiscal years 2017 up to year to date 2021 is shown in the table below:

Average Annual Occupancy	2017	2018	2019	2020	11 Months Ending July 31, 2021
Independent Living	85%	92%	88%	86%	79%
Assisted Living / Memory Care	92%	85%	89%	98%	87%
Skilled Nursing	95%	97%	90%	93%	87%

Because the Community does not participate in Medicare, Residents must use private insurance or personal funds.

Capital Improvements

The Corporation regularly invests in the improvement, modernization, and redevelopment of the existing facilities to remain marketable, attractive, and competitive. The following table provides the expenditures for capital improvements over the past four fiscal years as well as the current fiscal year through July 31, 2021. The Corporation's capital budget for 2022 is \$954,266.

Amount of Capital Expenditures	
Fiscal Year	Amount
2018	\$450,646
2019	1,506,897
2020	425,881
2021	1,137,848

Since 2017, as turnover has occurred with the existing Independent Living Units, they have undergone a complete renovation including upgrades to countertops, flooring, cabinetry, and hardware. Additionally, a large section of the roof was replaced. In 2018, the common area spaces, flooring and draperies were replaced and updated in the Plaza Assisted Living neighborhood. The Corporation renovated and relocated the wellness center, allowing for the creation of a secondary bistro dining location. Additionally, the Corporation resurfaced the popular putting green. In 2019, the Corporation replaced all signage and wayfinding at the Community, purchased a new bus for Resident

transportation, installed Touchtown (an in-house CCTV system) and invested \$60,000 to replace kitchen equipment within the commercial kitchen.

The Corporation has plans to renovate the common area space and remove the large nursing station within the Skilled Nursing neighborhood, which will allow for more casual and group spaces and further promote the Community's person-centered care culture.

Response to COVID-19 Pandemic

Since March 2020, the Corporation has continuously monitored federal, state and local guidance as to COVID-19 and has complied with applicable federal, state and local requirements relating to COVID-19. Without limiting the foregoing, in March 2020, the Corporation implemented strict proactive measures to mitigate and limit exposure to COVID-19 at properties it manages, including the Community, including (i) regular screening of Residents, patients and employees followed by appropriate steps to address possible risk; (ii) enforcing a no visitor policy except for (A) families whose loved ones were at end of life, (B) agency staff and professional caregivers who assisted with bathing, eating, dressing, and grooming and (C) hospice providers (in each case subject to appropriate screening); (iii) enhancing sanitation and housekeeping throughout the Community; (iv) closing all common areas including dining venues; (v) delivering food to each unit for all levels of living; (vi) suspending all group activities; (vii) providing wellness and social activities via virtual tools (e.g. Zoom, YouTube, etc.); (viii) delivering groceries, medicine and household items to each Resident utilizing campus resources or in partnership with local stores; and (ix) communicating regularly with all Residents electronically.

In accordance with applicable governmental guidelines, the Corporation also enacted the following additional measures: (i) effective July 6, 2020, initiated weekly testing of all employees at the Community and all residents in assisted living and skilled nursing; (ii) notified all Residents in the Community and their family members, staff members, and the Metro Public Health Department and State Department of Health of any positive COVID-19 cases on the campus; (iii) transferred Residents in assisted living and skilled nursing who tested positive for COVID-19 to a separate floor of the Health Center; and (iv) provided thorough and regular communication to all constituents. Recently, the applicable governments have eased the various and the Corporation has started relaxing some of its restrictions. Despite the easing of restrictions, the Corporation remains cautious as its Residents are in the highest risk categories across the Community's continuum of services. The Corporation has developed a plan and protocols for slowly "reopening" the Community. Community leadership is committed to transparency and is working closely with Residents, and family members to determine the right balance of caution and the need to meet the psychological well-being of Residents.

As of September 30, 2021, the Borrower has had a total of 33 people test positive for COVID-19, consisting of 14 residents and 19 employees. The Community's infection control protocols are working, as contact tracing indicates that all positive cases of Covid-19 were acquired outside of the Community. There have not been "in building" outbreaks of Covid-19. As of such date, all persons who tested positive have recovered and there have been no fatalities. Because of this success in keeping Covid-19 out of the Community, the Borrower's census remained above industry averages during the first 18 months of the pandemic. Industry reports indicate that providers lost as much as 20% of their resident census. The Corporation has only seen a decline of 4% overall, a drop from 95% to 91% within this same period at all properties. The Borrower has experienced a drop in census of only 10%. The Corporation recognizes that it will be dealing with COVID-19 for the foreseeable future. The Corporation presently has ample supplies of personal protection equipment for staff and Residents. The Corporation will continue to monitor applicable federal, state and local guidance and comply with applicable federal, state and local requirements.

The Corporation obtained a loan in the amount of \$2,170,000 under the Paycheck Protection Program ("PPP"). The Corporation received forgiveness July 1, 2021 and granted the Borrower \$618,943. Additionally, the Corporation qualified for the second round of PPP and received an additional \$1.2 million. The Corporation has not yet determined what funds, if any, will be granted to the Borrower, but any funds granted to the Borrower will be contingent upon obtaining forgiveness for the second round.

RESIDENCY CONTRACTS

Each Resident of the Independent Living Units or the Assisted Living Apartments must enter into a contract with the Borrower (a “Residency Contract” or a “Residency Agreement”). Currently, there are four Independent Living Units classified as rental units at the Community (the “Rental Units”). The rent charged by the Borrower for a person to occupy a Rental Unit ranges from \$1,700 to \$3,000 per month. All references in this Appendix to “Residents” refer to residents of the Community who enter into a Residency Contract.

Admission Criteria

Residents of the Community must be at least 62 years of age. In the case of a married couple or roommates, both husband and wife or both roommates must be 62 years of age or older. In the case where only one of the two individuals have achieved the age of 62, the Borrower may in its sole discretion grant provisional residency status to the individual who is not yet at least 62 years of age.

Residents must demonstrate, to the satisfaction of the Borrower, the financial ability to pay the Monthly Fees and other reasonable living expenses on an on-going basis. Residents must also be of a physical and mental condition that the Borrower, in its sole determination, is capable of serving.

Entrance Fees

Each Resident, other than the residents of the Rental Units, must pay an Entrance Fee upon occupancy. Each prospective resident of the Community must pay a deposit equal to 10% of the Entrance Fee applicable to the particular unit selected by the prospective resident and sign an agreement (the “Reservation Deposit Agreement”) at the time of their acceptance, with the balance of the Entrance Fee due on or before the date of occupancy. The deposit is refundable, less an administrative charge, if the prospective resident terminates the Reservation Deposit Agreement prior to entering into a Residency Contract.

When Independent Living Units at the Community are ready for occupancy, persons that entered into Reservation Deposit Agreements and other persons wishing to become residents will be required to sign a Residency Contract and pay the balance of the Entrance Fee. Pursuant to applicable State law, residents will be entitled to rescind their Residency Contracts within seven days following execution of their Residency Contracts.

Under the Residency Contract, the prospective resident will have the right to occupy an Independent Living Unit of a particular type and size at the Community, subject to the payment of the Entrance Fee, and thereafter the payment of Monthly Fees. Monthly Fees are subject to adjustment by the Borrower with at least 60 days’ written notice to Residents. At any time after initial occupancy, the Resident may terminate the Agreement by giving the Borrower at least 30 days prior written notice of such termination. If the Agreement is terminated after initial occupancy, then the Resident may receive a refund of a portion of the Entrance Fee, without interest, in accordance with the provisions of the Entrance Fee Plans set forth below:

The Traditional (or non-refundable) Plan. If the Resident has selected the Traditional Plan, then the Borrower shall refund to the Resident the “unearned” portion of the Entrance Fee upon termination of the Agreement within the first 48 months after the occupancy date. The “earned” and “unearned” portions of the Entrance Fee will be calculated as follows (i) as of the Occupancy Date, the Borrower will be deemed to have “earned” a processing fee equal to four percent (4%) of the Entrance Fee; and (ii) the remaining ninety-six percent (96%) of the Entrance Fee will be “earned” by the Borrower on a pro rata basis at the rate of two percent (2%) per month of occupancy, so that the Entrance Fee will be fully “earned” (and will therefore not be refundable) at the end of the 48th month following the occupancy date. If the Resident has elected the Traditional Plan, then, upon termination of the Residency Agreement, the Borrower shall refund to the Resident (or the Resident’s estate) the “unearned” portion of the Entrance Fee within 120 days after written notification of termination.

The 90% and 85% Refundable Plans. If the Resident has selected the 90% (or 85%) Refundable Plan, then, in the event the Residency Agreement is terminated after the Occupancy Date, the Resident may receive a refund of at least 90% (or 85%) of the Entrance Fee paid, provided that no financial assistance has been provided to the

Resident by the Borrower. In particular, the Borrower shall refund to the Resident the “unearned” portion of the Entrance Fee upon termination of the Residency Agreement after the occupancy date. The “earned” and “unearned” portions of the Entrance Fee will be calculated as follows (i) as of the occupancy date, the Borrower will be deemed to have “earned” a processing fee equal to four percent (4%) of the Entrance Fee; and (ii) 6% of the Entrance Fee will be “earned” by the Borrower on a pro-rata basis at the rate of 1% per month of occupancy for the first 6 months of occupancy, so that 10% of the Entrance Fee will be fully “earned” (and therefore will not be refundable) at the end of the 6th month of occupancy of the living accommodation.

If the initial living accommodation is an Independent Living Unit, then the Borrower shall not be obligated to refund the “unearned” portion of the Resident’s Entrance Fee until the Borrower has received a new Entrance Fee from a new resident with respect to the same style of living accommodation as that of the initial living accommodation and the new resident has occupied the living accommodation, unless, at the time the agreement terminates, all living accommodations of the same style as the initial living accommodation are occupied, in which case the Borrower shall refund to the Resident the “unearned” portion of the Entrance Fee within 120 days. For purposes of this refund process, the Borrower shall pay residents with the same style initial living accommodation the “unearned” portion of their Entrance Fees in the order in which their agreements with the Borrower terminate.

If the initial living accommodation is in the personal care center, then the Borrower shall refund to the Resident the “unearned” portion of the Entrance Fee within 120 days after written notification of termination of the Residency Agreement. Notwithstanding any provision of this Residency Agreement to the contrary, this paragraph shall not apply if the initial living accommodation is in the personal care center and the Residency Agreement terminates after the Resident has transferred to the independent living center. In such a circumstance, the parties shall have executed an amendment to the Residency Agreement or a new written agreement setting forth the entrance fee refund terms and conditions.

Transfer to Health Care Center

The Residency Contracts provide that the Borrower has the right to transfer a Resident in need of assisted living or health care to a higher level of care if the Borrower determines, in consultation with the Resident and the Resident’s attending physician, that such transfer is appropriate. Upon such a transfer, the Resident will pay the rate for the enhanced level of care, less \$300 per month for a maximum of 24 months.

When, and if, a Resident transfers from an Independent Living Unit to an Assisted Living Apartment or to a Skilled Nursing Bed, the Resident’s original Entrance Fee follows the Resident until the Resident leaves the Community. All services not covered by the Monthly Fee or the daily fee, including health care services provided in the assisted living center for the Assisted Living Apartments and the Health Care Center, will be provided on a fee-for-service basis.

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MARKETING AND COMPETITION

Marketing

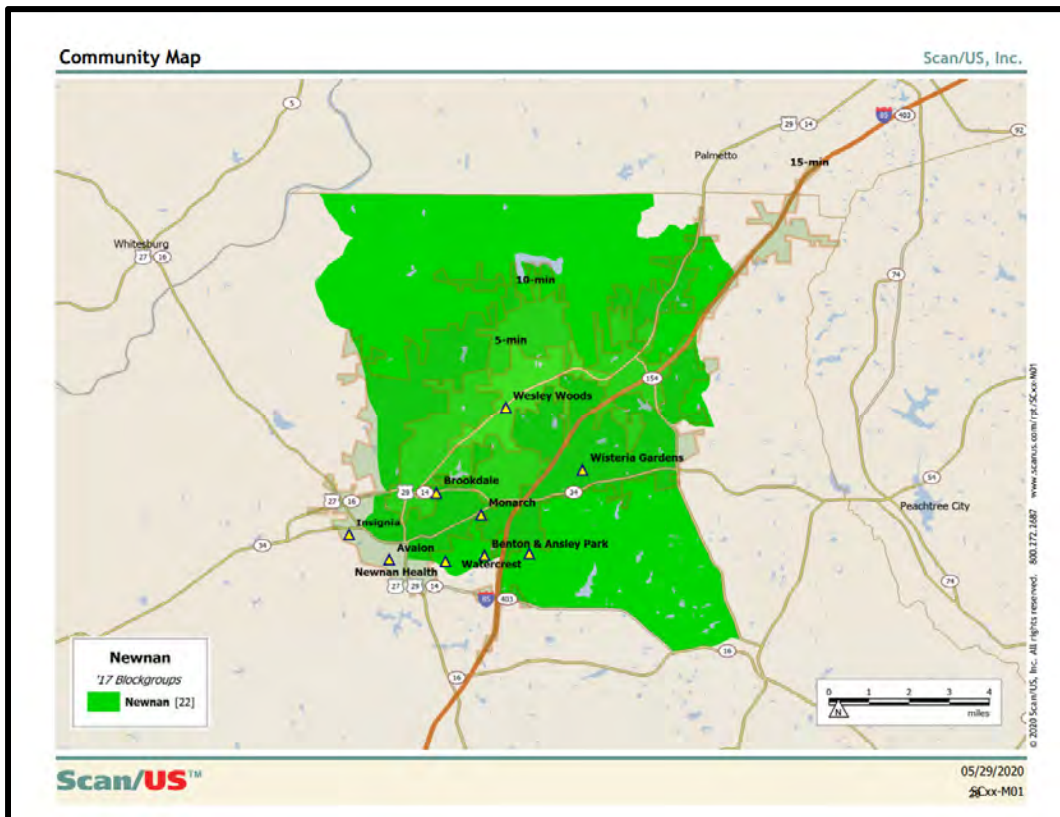
Marketing and advertising are essential to building awareness and increasing the list of qualified leads. The Borrower broadcasts regularly and frequently on all channels (digital/print/radio/television/billboards) to reach both prospective residents and their children. The Community is expanding its footprint into the Atlanta market to reach potential residents who are looking to downsize not only their home but their city. The marketing team at the Community and the Corporate Director of Marketing meet weekly to review occupancy, evaluate strategy and work the marketing plan established annually.

Market Area

Newnan, founded in 1828, is the county seat of Coweta County. It has an estimated population of 38,000 and is known as the “City of Homes” for its classic Victorian style houses. Newnan is also the home of the Cancer Treatment Center of America and a new Piedmont Hospital of Newnan.

The primary marketing strategy focuses on age- and income-qualified prospects in Coweta, Fayette, and Carroll counties (the “Primary Market Area” or the “PMA”), as well as their adult children aged 50 - 65 living in Newnan/Coweta. A secondary marketing strategy focuses on community outreach and influencers. According to data from Sherpa, the percentage of new inquiries moving to the Community originating from Newnan and Peachtree City during the last three fiscal years was 73%, a shift that likely reflects the influence COVID has had on how far people are willing to travel away from home. The balance of move-ins from new inquiries originated from other cities and towns in the State or from out of state (one each from Florida, North Carolina, South Carolina and Tennessee).

A market study was conducted in 2020 and the net market penetration rate is 3.7%. Benchmarks range from 10% to 18%, indicating strong market demand.



The Target Market

The Borrower's target market is older adults 62 years of age and older with an annual income of at least \$73,000 and assets of \$327,000 as well as their adult children who reside in the PMA. While the Borrower's primary marketing efforts align with the PMA, the Borrower has recently focused on single adults in an effort to sell the Community's one bedroom apartments.

Competitors

There are no other life plan communities in the Primary Market Area which is believed to be a competitive advantage. The table below provides a description of other rental retirement communities which the Borrower believes to be its primary competitors.

	<u>Borrower</u>	<u>Arbor Terrace</u>	<u>Somerby</u>	<u>Brookdale</u>	<u>Claiborne at Newnan Lakes</u>
Distance from Community	--	11.7 miles	16 miles	4.8 miles	4.8 miles
Services	Independent living, assisted living, memory care, skilled nursing	Independent living, assisted living	Independent living, assisted living, memory care	Independent living, assisted living	Independent living, assisted living, memory care
Number of Independent Living Units	100 Units	95 Units	N/A	32 Units	75 Units
Independent Living Monthly Fees	Monthly fees: \$2,638 - \$5,560	Monthly fee: \$3,000	Monthly fee: \$3,500	Monthly fee: \$2,500	Community Fee \$2,500; Monthly fees: \$3,200 - \$3,800; Second person fees: \$600
Number of Healthcare Units	AL Units: 45; MC: 8; SN: 23	N/A	AL Units: 68; MC: 24	AL Units: 21	AL Units: 40; MC: 20
Healthcare Monthly Fees	AL: \$4,631 - \$5,497; MC: \$6,962 - \$7,332	AL: \$3,595	AL: \$4,595 - \$6,895; MC: \$6,395	AL: \$4,600	AL: \$3,700 - \$4,700; MC starts at \$5,000

FINANCIAL INFORMATION

Statements of Operations

The following statements of operations of the Borrower for the years ended August 31, 2018 through August 31, 2020 are derived from its audited financial statements. Financial statements of the Borrower as of August 31, 2018 through August 31, 2020 are included in Appendix B to this Offering Memorandum. The statements of operations for the periods ended July 31, 2020 and 2021 were derived from unaudited financial data.

Operating results for the one-year periods ended August 31, 2018 through 2020 are not necessarily indicative of the results that may be expected for the year ending August 31, 2021. Operating results for the eleven-month period ended July 31, 2021 as compared to the eleven-month period ended July 31, 2020, which are derived from unaudited financial statements of the Borrower, are included below. The data should be read in conjunction with the Management's Discussion of Financial Performance included herein.

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Statements of Financial Position (commonly referred to as “Balance Sheets”)

	Audited Fiscal Year Ended	Audited Fiscal Year Ended	Audited Fiscal Year Ended	Unaudited Eleven-Month Period Ended	Unaudited Eleven-Month Period Ended
	8/31/2018	8/31/2019	8/31/2020	7/31/2020	7/31/2021
ASSETS					
Current assets:					
Cash and cash equivalents	\$1,718,919	\$1,159,678	\$2,106,711	\$1,966,751	\$2,731,969
Deposits and down payments	55,126	158,894	702,643	90,964	653,263
Due from affiliates, net	-	3,580	-	18,755	40,774
Resident fees receivable	171,433	37,564	40,706	63,114	43,511
Accrued investment income receivable	8,828	8,828	8,828	8,828	8,828
Notes receivable, entrance fees	117,520	319,576	-	-	-
Prepaid expenses	91,151	94,514	106,549	110,327	119,208
Investments	2,693,258	2,760,014	2,994,637	2,925,674	3,685,079
Other current assets	47,605	54,750	50,967	54,750	50,967
Total current assets	4,903,840	4,597,398	6,011,041	5,239,163	7,333,599
Non-current assets:					
Funded reserves	3,546,396	3,158,422	3,167,634	3,054,125	2,573,700
Interest in net assets of affiliate	536,635	534,115	536,376	534,115	536,376
Property and equipment, at cost, net of accumulated depreciation	16,950,485	17,191,942	16,270,204	16,335,161	16,347,077
Total non-current assets	21,033,516	20,884,479	19,974,214	19,923,401	19,457,153
Total assets	\$25,937,356	\$25,481,877	\$25,985,255	\$25,162,564	\$26,790,752
LIABILITIES AND NET ASSETS (DEFICIT)					
Current liabilities:					
Accounts payable	\$215,820	\$248,978	\$248,269	\$99,995	\$281,030
Accrued salaries and benefits	193,654	195,360	296,616	212,977	226,758
Due to affiliates, net	108,887	1,315	-	132	478
Accrued interest	543,950	536,483	532,099	398,303	406,478
Other accrued expenses	37,468	38,753	44,548	53,712	37,669
Other deferred revenues	2,500	11,000	9,000	-	-
Current maturities of long-term debt	155,000	200,000	220,000	200,000	220,000
Total current liabilities	1,257,279	1,231,889	1,350,532	965,119	1,172,413
Long-term liabilities:					
Long-term debt, less current maturities and unamortized deferred bond costs	15,664,817	14,500,555	14,316,628	14,333,315	14,129,387
Note payable - vehicle	-	1,048	-	-	-
Note payable – related parties	-	1,112,410	1,112,410	1,112,410	1,112,410
Entrance fee deposits	236,384	336,667	345,955	-	-
Refundable entrance fees	13,874,945	14,168,127	14,613,193	14,561,388	15,643,451
Deferred revenue from entrance fees	1,260,609	1,260,609	1,376,121	1,260,609	1,376,121
Other liabilities	7,334	-	-	11,163	19,863
Total long-term liabilities	31,044,089	31,379,416	31,764,307	31,278,885	32,281,232
Net assets (deficit):					
Without donor restrictions	(6,900,647)	(7,663,543)	(7,665,960)	(7,615,555)	(7,199,269)
With donor restrictions	536,635	534,115	536,376	534,115	536,376
Total net assets (deficit)	(6,364,012)	(7,129,428)	(7,129,584)	(7,081,440)	(6,662,893)
Total liabilities and net assets (deficit)	\$25,937,356	\$25,481,877	\$25,985,255	\$25,162,564	\$26,790,752

Statements of Activities (commonly referred to as “Income Statements”)

	Audited Fiscal Year Ended 8/31/2018*	Audited Fiscal Year Ended 8/31/2019*	Audited Fiscal Year Ended 8/31/2020*	Unaudited Eleven-Month Period Ended 7/31/2020	Unaudited Eleven-Month Period Ended 7/31/2021
Revenues, gains and other support:					
Net resident services, including amortization of entrance fees	\$254,942	\$355,831	\$395,816	\$349,584	\$370,931
Elderly and congregate service revenues	4,401,045	4,528,969	4,982,436	4,545,802	4,230,432
Rental revenues, net	3,633,752	3,496,373	3,699,842	3,420,917	3,249,633
Contributions and grants, net	18,517	53,790	41,653	45,190	675,856
Net realized and unrealized gains (losses) on investments	152,898	(50,066)	172,136	55,551	524,148
Investment income	105,444	150,286	123,678	125,597	128,994
Other	20,926	39,520	43,774	35,838	17,951
Total Revenues**	8,857,524	8,574,703	9,459,335	8,578,479	9,197,945
Expenses:					
Salaries and wages	2,949,029	3,172,482	3,379,506	3,062,919	3,041,015
Fringe benefits	590,727	669,507	670,703	609,576	581,622
Payroll taxes	213,860	230,815	245,585	221,511	228,044
Supplies	231,432	249,757	221,215	170,362	217,246
Contracted services	1,331,984	1,451,056	1,323,729	1,227,841	1,291,641
Advertising and public relations	47,397	73,038	69,643	54,126	88,337
Office expenses	185,489	253,558	211,344	193,297	177,359
Repairs and maintenance	302,556	274,898	308,062	264,115	390,730
Other operating expenses	25,677	23,539	8,452	4,893	2,122
Utilities	431,195	446,768	444,271	404,895	377,617
Insurance	67,394	78,643	90,033	82,444	93,296
Travel and meetings	25,769	26,131	16,372	14,988	7,840
Depreciation	1,174,979	1,262,440	1,347,619	1,233,884	1,250,942
Interest and amortization	1,171,311	1,127,487	1,122,957	985,640	983,443
Total expenses	8,748,799	9,340,119	9,459,491	8,530,491	8,731,254
Change in net assets (deficit)	(161,275)	(765,416)	(156)	(47,988)	(466,691)
Net deficit, beginning of year	(6,202,737)	(6,364,012)	(7,129,428)	(7,129,428)	(7,129,584)
Net deficit, end of year	\$(6,364,012)	\$(7,129,428)	\$(7,129,584)	\$(7,081,440)	\$(6,662,893)

*Includes with donor restricted items, such as contributions and grants

**The Borrower presents its financial statements in accordance with the FASB's Not-For-Profit presentation and disclosure guidance. Under this guidance, the Borrower is required to report revenue, gains, and other support according to two categories: without donor restrictions and with donor restrictions. In Appendix A, the Borrower has combined the two in order to present a total summarized financial statement presentation.

Budget and Budgetary Process

The management of the Borrower in collaboration with the Corporation's executive leadership, develops the Borrower's budget. Together, they analyze the current financial condition of the Borrower and establish assumptions for the next fiscal year's budget. Occupancy projections are developed for the remainder of the current fiscal year and into the next year based on current trends. Expense budgets are developed based on trends over the past 3 fiscal years, current year-to-date expenditures and occupancy projections. Input from employees and Residents through Resident and employee satisfaction surveys, comment cards, department committee meetings, and staff meetings are used to evaluate services provided. Once the Chief Financial Officer finalizes the draft budget, it is submitted to the Finance Committee for review and approval. The Chief Financial Officer also seeks input through advisory meetings with the Finance Committee, the Executive Committee and Residents. The Chief Financial Officer then presents the budget to the Finance Committee for approval and recommendation to the Corporation's Board for final approval.

Management's Discussion of Financial Performance

The following are management's comments regarding the operation and finances of the Borrower for the fiscal years 2018 through 2020 as well as for the eleven-month period ended July 31, 2021.

Eleven-Month period ended July 31, 2021. With the COVID-19 pandemic continuing into fiscal year 2021, occupancy continued to decrease slowly until December, dropping to 82%. For the remainder of the eleven month period ended July 31, 2021, occupancy remained consistently around 80-82%, with an average of 81.4%. Although total revenue increased by approximately \$619,000 over the same period in the prior year, this was primarily due to grant revenues of approximately \$619,000 from U.S. Small Business Administration's (SBA) Paycheck Protection Program. Operating revenues for the period decreased by approximately \$468,000, or 5%, over the eleven month period ended July 31, 2021 while operating expenses increased by approximately \$191,000, or 3%. Although overall demand has been down this year, interest in new cottages has increased substantially. During the fiscal year, one additional cottage (two apartments) was added and a second cottage was under construction as of July 31, 2021. Net entrance fees of approximately \$675,000 have been received during the eleven month period ended July 31, 2021 while capital expenditures have increased to \$1.3 million. For the eleven month period ended July 31, 2021, Days Cash on Hand was 350 days and the Debt Service Coverage Ratio was 2.33x.

Fiscal year ended August 31, 2020. At the beginning of the fiscal year, overall occupancy at the Community was 91%, with 100% Assisted Living and Memory Care Apartments and 96% in Skilled Nursing. The COVID-19 pandemic began to negatively impact occupancy numbers starting in May, with occupancy percentages dropping slightly each month thereafter. The average occupancy for the fiscal year was 90%. Total revenue for fiscal year ended August 31, 2020 increased by approximately \$885,000, or 10%, while operating revenues increased by approximately \$662,000, or 8%. Operating expenses remained fairly constant, with an increase of approximately \$39,000, or 0.5%, over the prior fiscal year. \$1.2 million in new entrance fees were received in the fiscal year ended August 31, 2020. Due to COVID-19 restrictions, several capital projects were delayed and, as a result, capital expenditures were approximately \$426,000, well below the annual budget of \$699,000. Days Cash on Hand increased to 297 days, an increase of 80 days, while the Debt Service Coverage Ratio improved to 2.42x.

Fiscal year ended August 31, 2019. Occupancy at the Community for the fiscal year ended August 31, 2019 was 88.5%, which was 3% below budget. This resulted in an increase in operating revenue of approximately \$190,000 for the fiscal year and a negative budget variance in core monthly service fee revenue of \$440,000. Total expenses were \$9.3 million, an increase of approximately \$591,000. Operating expenses also increased by \$548,000, an increase primarily related to wages and corresponding taxes and benefits. Seventeen (17) new entrance fees totaling \$2.1 million were collected. Capital expenditures were \$1.5 million, of which, approximately \$650,000 was used to construct a new duplex cottage (two rental units) that was completed in July of 2019. Due to revenues under budget and substantial capital expenditures, Days Cash on Hand decreased to 219 days while the Debt Service Coverage Ratio also decreased to 1.32x.

Fiscal year ended August 31, 2018. Total revenues for the fiscal year ended August 31, 2018 were \$8.8 million, an increase of \$355,000, or 4.3%, over the prior fiscal year. Operating revenues were \$8.2 million, an increase of approximately \$301,000, or 3.7%, over the prior fiscal year, while corresponding operating expenses decreased by \$144,000 to \$6.5 million. Overall occupancy in the Community was 90%, or 1.8% above budget, with Skilled Nursing

having the highest rate of occupancy at 97%. For the fiscal year ended August 31, 2018, fourteen (14) new entrance fees totaling \$2.1 million were collected. The Community invested approximately \$451,000 in capital improvements, primarily for unit renovations, appliance replacements and common area HVAC systems. During the fiscal year ended August 31, 2018, the Community prepaid the outstanding principal of \$500,000 on the Series 2016B Revenue Bond. The Series 2016 Bonds were initially issued to provide funding for construction of one new cottage, which was completed in fiscal year 2017. At fiscal year-end, Days Cash on Hand was 252 days, an increase of 7 days over the prior year, while the Debt Service Coverage Ratio for the period was 1.91x.

Historical Debt Service Coverage Ratios

The following table sets forth, for the fiscal years ended August 31, 2018, 2019, 2020 as well as YTD through July 31, 2021, historic and *pro forma* coverage ratios of the Borrower. The *pro forma* coverage ratios are based upon the assumption that the Series 2021 Bonds were issued, and the Refunded Bonds were refunded as of the first date of each of the fiscal years shown below and the calculations underlying such *pro forma* coverage ratios applies the definition of Maximum Annual Debt Service as set forth in the proposed form of Loan Agreement included in Appendix D.

	FYE 2018	FYE 2019	FYE 2020	YTD through 7/31/2021
Change in Net Assets	(\$161,275)	(\$765,416)	(\$156)	\$466,691
Deduct:				
Entrance Fee Amortization	113,879	289,385	290,457	320,946
Unrealized Gains (Losses) on Investments	(53,702)	13,147	228,612	490,387
	60,177	302,532	519,069	811,333
Add:				
Depreciation and Amortization	1,210,717	1,298,178	1,383,692	1,393,860
Interest Expense	1,125,638	1,081,814	1,073,949	1,024,515
Entrance Fees Received, Net of Refunds	342,544	380,511	1,170,611	675,303
	2,678,899	2,760,503	3,628,252	3,093,678
Income Available for Debt Service	2,457,447	1,692,555	3,109,027	2,749,036
Maximum Annual Debt Service	1,284,600	1,284,600	1,284,600	1,177,550
Maximum Annual Debt Service Coverage	1.91x	1.32x	2.42x	2.33x
Maximum Annual Debt Service Coverage – Revenue Only	1.65x	1.02x	1.51x	1.66x

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Historical Days Cash on Hand

	FYE2018	FYE2019	FYE2020	YTD through 7/31/2021
Unrestricted Cash and Investments				
Cash and Cash Equivalents	\$1,718,919	\$1,159,678	\$2,106,711	\$2,731,969
Entrance Fee Deposits	55,126	158,894	702,643	653,263
Investments	2,693,258	2,760,014	2,994,637	3,685,079
Operating Reserve Fund	746,752	749,174	758,063	750,905
Total	5,214,055	4,827,760	6,562,054	7,821,216
Total Expenses for Period	8,748,799	9,340,119	9,459,491	8,731,254
Less: Depreciation and Amortization	1,210,717	1,298,178	1,383,692	1,277,882
Total Operating Expenses	7,538,082	8,041,941	8,075,799	7,453,372
Average Days' Expenses	20,652	22,033	22,125	22,315
Days' Cash on Hand	252	219	297	350

Pro Forma Debt Service Coverage and Days Cash on Hand

Pro Forma Metrics	FYE 2018	FYE 2019	FYE 2020	YTD through 7/31/2021
Coverage				
Funds Available for Debt Service	\$2,455,284	\$1,692,555	\$3,109,027	\$2,749,056
Pro Forma Maximum Annual Debt Service	1,007,600	1,007,600	1,007,600	923,633
Pro Forma Debt Service Coverage Ratio	2.44x	1.68x	3.09x	2.85x
Liquidity				
Cash/Investments	5,214,055	4,827,800	6,562,094	7,821,216
Pro Forma Daily Operating Expenses ¹	19,221	20,722	20,836	21,312
Pro Forma Days Cash on Hand	271	233	315	367

¹Based on pro-forma interest expense for fiscal year 2023.

Investment Policy

The Borrower's current investment policy was adopted by the Corporation Board in May 2020. The focus of the investment policy is on preservation of capital, diversification to control risk, liquidity consistent with cash needs, and balance between current needs and future growth. The Borrower and the Corporation have charged the Foundation of Wesley Woods, Inc. Finance Committee (the "Foundation") with the oversight of its investments. The Foundation is responsible for the overall operation and implementation of the investment policy, including the appointment of investment managers and consultants. The Foundation meets with each investment manager at least annually to review fund performance, investment guidelines and strategies. The outcome of those meetings are reported to the Chief Financial Officer of the Corporation.

The Borrower's investment policy establishes a target mixture of asset classes. The asset allocation targets may be changed pursuant to the recommendation of the Board. Any investment managers engaged by the Borrower may vary from the target allocation but must stay within the stated range detailed in the investment policy. Investment managers are expected to perform within the top third of other professional managers who manage similar funds. In addition, the investment policy establishes guidelines for investment managers on various matters including (without

limitation): proxy voting, short sales, credit ratings, cash holdings, stock exchanges and notices. Investment managers must have specific approval in writing from the Board to vary from the investment policy requirements.

The Investment Policy establishes the following target allocation and the tolerance range for the investments of the Borrower. Also included is the actual investment allocation as of June 30, 2021.

Asset Class (Non-Endowment Funds)	Minimum	Target	Maximum	Actual as of 06/30/2021
Fixed Income/Bonds	10%	20%	40%	17%
Equities - US	40%	50%	60%	54%
Equities - International	10%	20%	25%	19%
Non-Traditional Strategies	0%	10%	25%	10%

Other Indebtedness

In addition to the Series 2021 Bonds, the Borrower is an obligor under (i) a promissory note in the original principal amount of \$1,000,000 in favor of the Corporation (the “Corporation Note”), (ii) two (2) promissory notes in favor of the Foundation (together, the “Foundation Notes” and together with the Corporation Note, the “Notes”). The Corporation Note has an outstanding principal balance of \$1,000,000 and bears no interest. The Foundation Notes were issued in the form of draw-down notes and have a zero balance because the Borrower has made no draws to date. Each of the Notes was required to be put in place by the holder of the Refunded Bonds as a condition to its marketing and sale of the Refunded Bonds. After the Refunded Bonds are refinanced by the Series 2021 Bonds, the Notes are no longer required to be maintained. The Corporation Note is expected to be repaid in full within 12 months of issuance of the Series 2021 Bonds. The Foundation Notes will be cancelled at or after the issuance of the Series 2021 Bonds and the Borrower will have no further liability on the Foundation Notes.

FUTURE PLANS

Given the size of land, the Borrower has the opportunity to continue to expand the Community subject to market demand. The Borrower plans to complete the build out of the cottage duplex sites which will provide 4 additional duplex cottages serving 8 additional Residents. Additionally, the Borrower has developed pro-forma and completed a site study to add up to 60 Brownstone type apartments. The Borrower will continue to evaluate which product, cottages or Brownstone apartments, is most desirable in the market and respond accordingly.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS
OF THE BORROWER**

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**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**

FINANCIAL REPORT

AUGUST 31, 2020

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

FINANCIAL REPORT AUGUST 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of financial position	2
Statements of activities and changes in net assets (deficit)	3
Statements of functional expenses	4 and 5
Statements of cash flows	6 and 7
Notes to financial statements.....	8-27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wesley Woods of Newnan-Peachtree City, Inc.
Atlanta, Georgia

We have audited the accompanying financial statements of **Wesley Woods of Newnan-Peachtree City, Inc.** (a nonprofit organization), which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wesley Woods of Newnan-Peachtree City, Inc. as of August 31, 2020 and 2019, and the changes in its net assets (deficit) and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Mauldin & Jenkins, LLC'.

Atlanta, Georgia
December 23, 2020

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENTS OF FINANCIAL POSITION AUGUST 31, 2020 AND 2019

<u>Assets</u>	<u>2020</u>	<u>2019</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,106,711	\$ 1,159,678
Deposits and down payments	702,643	158,894
Due from affiliates, net	-	3,580
Resident fees receivable	40,706	37,564
Accrued investment income receivable	8,828	8,828
Notes receivable, entrance fees	-	319,576
Prepaid expenses	106,549	94,514
Investments	2,994,637	2,760,014
Other current assets	50,967	54,750
Total current assets	6,011,041	4,597,398
FUNDED RESERVES	3,167,634	3,158,422
OTHER ASSETS		
Interest in net assets of affiliate	536,376	534,115
PROPERTY AND EQUIPMENT, at cost, net of accumulated depreciation	16,270,204	17,191,942
Total assets	\$ 25,985,255	\$ 25,481,877

<u>Liabilities and Net Assets</u>	<u>2020</u>	<u>2019</u>
CURRENT LIABILITIES		
Accounts payable	\$ 248,269	\$ 248,978
Accrued salaries and benefits	296,616	195,360
Due to affiliates, net	-	1,315
Accrued interest	532,099	536,483
Other accrued expenses	44,548	38,753
Other deferred revenues	9,000	11,000
Current maturities of long-term debt	220,000	200,000
Total current liabilities	<u>1,350,532</u>	<u>1,231,889</u>
LONG-TERM LIABILITIES		
Long-term debt, less current maturities and unamortized deferred bond costs	14,316,628	14,500,555
Note payable - vehicle	-	1,048
Note payables - related parties	1,112,410	1,112,410
Entrance fee deposits	345,955	336,667
Refundable entrance fees	14,613,193	14,168,127
Deferred revenue from entrance fees	1,376,121	1,260,609
Total long-term liabilities	<u>31,764,307</u>	<u>31,379,416</u>
NET ASSETS (DEFICIT)		
Without donor restrictions	(7,665,960)	(7,663,543)
With donor restrictions	536,376	534,115
Total net assets (deficit)	<u>(7,129,584)</u>	<u>(7,129,428)</u>
Total liabilities and net assets (deficit)	<u>\$ 25,985,255</u>	<u>\$ 25,481,877</u>

See Notes to Financial Statements.

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020			2019		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions	With donor restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT						
Net resident services, including amortization of entrance fees of \$290,457 in 2020; \$289,385 in 2019	\$ 395,816	\$ -	\$ 395,816	\$ 355,831	\$ -	\$ 355,831
Elderly and congregate service revenues	4,982,436	-	4,982,436	4,528,969	-	4,528,969
Rental revenue, net	3,699,842	-	3,699,842	3,496,373	-	3,496,373
Contributions and grants, net	39,225	2,428	41,653	42,273	11,517	53,790
Net realized and unrealized gains (losses) on investments	172,303	(167)	172,136	(50,066)	-	(50,066)
Investment income	123,678	-	123,678	150,286	-	150,286
Other	43,774	-	43,774	39,520	-	39,520
Total revenues	9,457,074	2,261	9,459,335	8,563,186	11,517	8,574,703
Net assets released from restrictions	-	-	-	14,037	(14,037)	-
Satisfaction of restricted purpose	-	-	-	-	-	-
Total revenues, gains, and other support	9,457,074	2,261	9,459,335	8,577,223	(2,520)	8,574,703
EXPENSES						
Program services						
Residential services	6,230,384	-	6,230,384	6,010,897	-	6,010,897
Dining	1,416,111	-	1,416,111	1,527,595	-	1,527,595
Plant operations	882,234	-	882,234	898,703	-	898,703
Total program services	8,528,729	-	8,528,729	8,437,195	-	8,437,195
Supporting services						
General and administrative	930,762	-	930,762	902,924	-	902,924
Total expenses	9,459,491	-	9,459,491	9,340,119	-	9,340,119
CHANGE IN NET ASSETS (DEFICIT)	(2,417)	2,261	(156)	(762,896)	(2,520)	(765,416)
NET ASSETS (DEFICIT), BEGINNING	(7,663,543)	534,115	(7,129,428)	(6,900,647)	536,635	(6,364,012)
NET ASSETS (DEFICIT), ENDING	<u>\$ (7,665,960)</u>	<u>\$ 536,376</u>	<u>\$ (7,129,584)</u>	<u>\$ (7,663,543)</u>	<u>\$ 534,115</u>	<u>\$ (7,129,428)</u>

See Notes to Financial Statements.

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED AUGUST 31, 2020

	Program Services			Total	Supporting Services	
	Residential Services	Dining	Plant Operations	Program Services	General and Administrative	Total
Salaries and wages	\$ 2,024,773	\$ 647,942	\$ 173,220	\$ 2,845,935	\$ 533,571	\$ 3,379,506
Fringe benefits	400,880	128,569	35,299	564,748	105,955	670,703
Payroll taxes	145,825	47,931	13,064	206,820	38,765	245,585
Supplies	146,596	46,439	23,757	216,792	4,423	221,215
Contracted services	659,322	473,607	140,905	1,273,834	49,895	1,323,729
Advertising and public relations	55,714	-	-	55,714	13,929	69,643
Office expenses	169,076	-	-	169,076	42,268	211,344
Repairs and maintenance	246,450	-	-	246,450	61,612	308,062
Other operating expenses	6,761	-	-	6,761	1,691	8,452
Utilities	-	-	435,385	435,385	8,886	444,271
Insurance	72,026	-	-	72,026	18,007	90,033
Travel and meetings	13,097	-	-	13,097	3,275	16,372
Depreciation	1,249,047	39,068	33,058	1,321,173	26,446	1,347,619
Interest and amortization	1,040,817	32,555	27,546	1,100,918	22,039	1,122,957
	<u>\$ 6,230,384</u>	<u>\$ 1,416,111</u>	<u>\$ 882,234</u>	<u>\$ 8,528,729</u>	<u>\$ 930,762</u>	<u>\$ 9,459,491</u>

See Notes to Financial Statements.

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED AUGUST 31, 2019

	Program Services			Total Program Services	Supporting Services	
	Residential Services	Dining	Plant Operations		General and Administrative	Total
Salaries and wages	\$ 1,871,058	\$ 632,911	\$ 167,417	\$ 2,671,386	\$ 501,096	\$ 3,172,482
Fringe benefits	395,405	133,737	34,464	563,606	105,901	669,507
Payroll taxes	134,690	47,318	12,357	194,365	36,450	230,815
Supplies	122,896	93,070	28,796	244,762	4,995	249,757
Contracted services	687,884	551,273	159,211	1,398,368	52,688	1,451,056
Advertising and public relations	58,430	-	-	58,430	14,608	73,038
Office expenses	202,848	-	-	202,848	50,710	253,558
Repairs and maintenance	219,919	-	-	219,919	54,979	274,898
Other operating expenses	18,832	-	-	18,832	4,707	23,539
Utilities	-	-	437,832	437,832	8,936	446,768
Insurance	62,915	-	-	62,915	15,728	78,643
Travel and meetings	20,904	-	-	20,904	5,227	26,131
Depreciation	1,170,099	36,599	30,968	1,237,666	24,774	1,262,440
Interest and amortization	1,045,017	32,687	27,658	1,105,362	22,125	1,127,487
	<u>\$ 6,010,897</u>	<u>\$ 1,527,595</u>	<u>\$ 898,703</u>	<u>\$ 8,437,195</u>	<u>\$ 902,924</u>	<u>\$ 9,340,119</u>

See Notes to Financial Statements.

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from residents and third party payers	\$ 8,782,495	\$ 8,120,654
Entrance fees received	3,119,897	2,105,004
Entrance fees refunded	(1,949,286)	(1,724,493)
Investment income received	123,511	87,073
Contributions received	39,559	92,048
Other receipts from operations	53,062	231,435
Cash paid to employees, suppliers, and other third parties	(6,888,560)	(6,917,643)
Interest paid	(1,091,268)	(1,125,019)
Net cash provided by operating activities	<u>2,189,410</u>	<u>869,059</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments, net	(62,487)	(53,609)
Purchases of property and equipment	<u>(425,881)</u>	<u>(1,503,897)</u>
Net cash (used in) investing activities	<u>(488,368)</u>	<u>(1,557,506)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on long-term debt	<u>(201,048)</u>	<u>(155,000)</u>
Net cash (used in) financing activities	<u>(201,048)</u>	<u>(155,000)</u>
Net increase (decrease) in cash and cash equivalents	1,499,994	(843,447)
Cash and cash equivalents, beginning of year	<u>4,476,994</u>	<u>5,320,441</u>
Cash and cash equivalents, end of year	<u><u>\$ 5,976,988</u></u>	<u><u>\$ 4,476,994</u></u>
Cash - operations	2,106,711	1,159,678
Deposits and downpayments	702,643	158,894
Restricted deposits and funded reserves	3,167,634	3,158,422
Cash and cash equivalents, end of year	<u><u>\$ 5,976,988</u></u>	<u><u>\$ 4,476,994</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid (excluding capitalized interest)	<u><u>\$ 1,078,298</u></u>	<u><u>\$ 1,089,224</u></u>

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets (deficit)	\$ (156)	\$ (765,416)
Adjustments to reconcile decrease in total net assets to net cash provided by operating activities:		
Entrance fees received	3,119,897	2,105,004
Entrance fees refunded	(1,949,286)	(1,724,493)
Bad debts	5,766	21,872
Depreciation	1,347,619	1,262,440
Amortization of deferred bond costs and discounts	36,073	35,738
Amortization of entrance fees	(290,457)	(289,385)
Change in interest in net assets of affiliate	(2,261)	2,520
Unrealized loss on interest-rate swap obligation payable	3,580	-
Unrealized gains on investments	(172,136)	(13,147)
(Increase) decrease in assets:		
Resident fees receivable	(8,908)	111,997
Prepaid expenses	(12,035)	(3,362)
Other current assets	3,783	(7,145)
Increase (decrease) in liabilities:		
Operating portion of amounts due to affiliates	(1,315)	1,257
Accounts payable	(709)	33,158
Accrued salaries and benefits	101,256	1,706
Accrued interest payable	(4,384)	(7,467)
Entrance fee deposits	9,288	100,283
Deferred revenues	(2,000)	8,500
Other accrued expenses	5,795	1,285
Other liabilities	-	(6,286)
Net cash provided by operating activities	<u>\$ 2,189,410</u>	<u>\$ 869,059</u>

See Notes to Financial Statements.

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Business:

Wesley Woods of Newnan-Peachtree City, Inc. ("the CCRC"), a Georgia nonprofit corporation, is a controlled affiliate of Wesley Woods Senior Living, Inc., a Georgia nonprofit corporation. Wesley Woods Senior Living, Inc. acts as the controlling entity for certain affiliated entities, including the Foundation of Wesley Woods, Inc., Wesley Woods of Athens, Inc., Wesley Mountain Village, Inc., Wesley Woods Management Corporation, Inc. and Wesley Homes, Inc.

The CCRC was organized on May 15, 1995, to construct and operate a continuing care retirement community in the Newnan area of Coweta County, Georgia. The CCRC provides housing, health care and other related services to residents through the operation of a retirement center containing 87 one or two bedroom, apartment style independent living units, and 6 personal cottages with a total of 12 units. The CCRC also operates a health care center comprised of 45 personal and memory care apartments, licensed up to 55 beds and 23 skilled nursing facility beds. Units comprising the personal care center are utilized for persons in need of assistance in activities of daily living, but not nursing care. The CCRC was opened and occupied in January 1998.

Significant Accounting Policies:

Basis of presentation

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The CCRC presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance. Under this guidance, the CCRC is required to report information regarding its financial position and activities according to two categories of net assets: net assets without donor restriction and net assets with donor restriction.

Net assets without donor restrictions consists of net assets that are not subject to donor-imposed stipulations, which are used to account for resources available to carry out the purposes of the CCRC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Basis of presentation (Continued)

The principal sources of funds generated for net assets without donor restrictions are net resident service revenues, food services revenues, elderly and congregate service revenues, rental revenues, and contributions and grants. Board designated net assets are without donor restriction but are designated by the Board to be spent for specific purposes. As of August 31, 2020 and 2019, the CCRC did not have any board designated net assets.

Net assets with donor restrictions consists of net assets that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions may be perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor-restricted contributions whose restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

The CCRC reports gifts of property and equipment (or other long-lived assets) as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the CCRC reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

During the years ended August 31, 2020 and 2019, all contribution revenue was received from the Foundation of Wesley Woods, Inc.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Management estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, the CCRC considers all cash accounts, excluding amounts whose use is restricted by indentures, and all liquid investments with initial maturities of 90 days or less to be cash and cash equivalents. Periodically the CCRC has deposits with banks in excess of federally insured limits; however, the CCRC believes it is not exposed to any significant credit risk on cash.

Deposits and down payments

Deposits and down payments consist of cash set aside by management consisting of certain deposits and down payments received from potential residents of the CCRC. Since these are available to meet current liabilities of the CCRC, they are classified as current assets in the statement of financial position at August 31, 2020 and 2019.

Property and equipment

Property and equipment is recorded at cost. Donated property is recorded at its estimated fair value at the date of receipt. Depreciation is computed using the straight-line method based on the following estimated useful lives:

Land improvements	7 - 35 years
Building and improvements	5 - 35 years
Equipment	3 - 10 years
Furniture and fixtures	5 - 7 years
Vehicles	5 years
Software	3 years

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Property and equipment (Continued)

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gain or loss is included in operations.

Deferred bond costs

Deferred bond costs at August 31, 2020 and 2019 consist primarily of costs incurred in issuing the Series 2016A and 2016B revenue bonds described in Note 6, the proceeds of which were used primarily to advance refund the Series 2005 variable rate demand revenue bonds. These costs are being amortized using the effective interest method over the life of the bond issue. Amortization of deferred bond costs was \$36,073 and \$35,738 for the years ended August 31, 2020 and 2019, respectively, and is included in interest expense. Net unamortized deferred bond costs at August 31, 2020 and 2019 are included as a direct deduction from the carrying amount of the long-term debt.

Fair value of financial instruments

The CCRC follows FASB's fair value measurements and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in the FASB issued guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the CCRC uses various methods including market, income and cost approaches.

Based on these approaches, the CCRC often utilizes certain assumptions that market participants would use in pricing the assets or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The CCRC utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Fair value of financial instruments (Continued)

Based on the observability of the inputs used in the valuation techniques the CCRC is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker-traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets and liabilities.

For the years ended August 31, 2020 and 2019, the application of valuation techniques applied to similar assets and liabilities has been consistent. The CCRC's investments are traded in active markets and the fair value is based on readily available pricing sources. The fair value of the interest-rate swap obligation payable is based on calculated mathematical approximations of market values using certain assumptions regarding past, present, and future market conditions.

If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of these instruments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Fair value of financial instruments (Continued)

Furthermore, although the CCRC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Advertising costs

Advertising costs are charged to income as they are incurred. Advertising costs amounted to \$69,643 and \$73,038 for the years ended August 31, 2020 and 2019, respectively.

Income taxes

The CCRC qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not as a private foundation. However, income from certain activities not directly related to the CCRC's tax-exempt purpose is subject to taxation as unrelated business income. The CCRC follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination. Management believes any liability resulting from taxing authorities imposing additional income taxes from activities deemed to be unrelated to the CCRC's tax-exempt status would not have a material effect on the CCRC's financial statements.

The CCRC files Form 990 in the U.S. federal jurisdiction and the State of Georgia.

Charity care

The CCRC provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the CCRC does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Entrance fees

Potential residents are required to pay reservation deposits equal to 10% of the total entrance fee prior to the execution of the residency agreement. These deposits are refundable until such time as the prospective resident pays the remaining balance of the entrance fees or requests a refund of such advance payment. These amounts have been reflected as deposit and down payment obligations in the accompanying statement of financial position.

Residents are required to pay the remaining portion of entrance fees upon occupancy. Entrance fees are refundable under certain terms, as defined in the residency agreements. The nonrefundable portion, as defined, is recorded as deferred revenue and amortized to income over the estimated life of the resident. Refundable entrance fees that are contingent upon re-occupancy by a subsequent resident but are not limited to the proceeds of re-occupancy are accounted for as a liability.

The CCRC will accept a promissory note as payment of entrance fees in certain circumstances. Residents are required to pay the promissory note in full prior to the occupancy date unless the period for payment is extended. There were \$- and \$319,576, of promissory notes for entrance fees receivable at August 31, 2020 and 2019, respectively.

Monthly service fees

Monthly service fees include monthly charges for residents' occupancy of the CCRC and related services, including meals, personal assistance, and other services typical of retirement communities such as the CCRC.

Interest in net assets of affiliate

In accordance with FASB's *Not-For-Profit* presentation and disclosure guidance, the CCRC has determined they are financially interrelated organizations with the Foundation of Wesley Woods, Inc. (the "Foundation"). Therefore, as prescribed by FASB, the CCRC has recorded its interest in contributions and pledges received by the Foundation that were restricted by the donor for use by the CCRC, as a component of net assets with donor restrictions.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Obligation to provide future services

The CCRC annually calculates the present value of the net cost of future services and the use of facilities to be provided to current residents and compares that amount with the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and the use of facilities exceed the deferred revenue from entrance fees, a liability is recorded with the corresponding charge to income. As of August 31, 2020 and 2019, no such liability was determined to be required. For the years ending August 31, 2020 and 2019, the discount rate used to estimate the future service obligation was 5.0%.

Functional allocation of expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries and wages, employee benefits, payroll taxes, utilities, supplies, contract services and professional fees, repairs and maintenance, travels and meetings, insurance, and other expenses include certain expenses that are allocated on the basis of estimates of time and effort. Interest and amortization and depreciation include certain expenses that are allocated on a square footage basis.

Recent accounting pronouncements

In May 2014, FASB issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606) affects contracts with customers to transfer goods or services and contracts for the transfer of non-financial assets (unless those contracts are within the scope of other standards). The core principle of this ASU is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the good or services. This ASU requires entities to make new judgements and estimates and provide expanded disclosures about revenue.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant Accounting Policies: (Continued)

Recent accounting pronouncements

The adoption of the new standard did not have an impact on the recognition of revenues for any period prior to adoption and has been adopted effective September 1, 2019 using the full retrospective approach.

For the year ending August 31, 2020, the CCRC adopted ASU 2014-09 and has adjusted the presentation in these financial statements accordingly. The adoption of ASU 2014-09 did not have an impact on the timing of revenue recognition. The CCRC recognizes certain net resident services, food services revenues – intercompany, and other income in accordance with ASC Topic 606, which is recognized at the time the transaction is executed, as that is the point in time the CCRC fulfills the performance obligation. Amortization of entrance fee revenues and elderly and congregate service revenues are recognized over time in accordance with the period the CCRC fulfills the ongoing performance obligations.

In June 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), which provides clarity in distinguishing grants or similar contracts between exchange transactions or contributions and guidance on classifying whether or not a transaction is conditional. For the year ending August 31, 2020, the CCRC adopted ASU 2018-08 and has adjusted the presentation in financial statements accordingly. The adoption of ASU 2018-08 did not have an impact on the timing of the revenue recognition related to contribution revenue.

In November 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. The CCRC adopted the provisions of this new standard during the year ended August 31, 2020. The update requires that the statement of cash flows explains the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents have been included with cash and cash equivalents when reconciling the beginning of year and end of year cash total amounts shown on the statement of cash flows. This adjustment did not have an effect on total net assets or the change in net assets for fiscal year ending 2020.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. LIQUIDITY AND AVAILABILITY

The CCRC manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the CCRC are expected to be met on a monthly basis from the program service revenues generated and contributions. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date as of August 31, 2020 and 2019, comprise the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,106,711	\$ 1,159,678
Resident fee receivable	40,706	37,564
Investments	<u>2,994,637</u>	<u>2,760,014</u>
Financial assets available to meet cash needs for expenditures within one year	<u>\$ 5,142,054</u>	<u>\$ 3,957,256</u>

As of August 31, 2020 and 2019, the CCRC has funded reserves of \$3,167,634 and \$3,158,422, respectively, that is available to be used for various purposes, which includes making debt service payments (see Note 5).

NOTE 3. INVESTMENTS

Investments at August 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Mutual funds – equity	\$ 2,366,442	\$ 2,102,637
Mutual funds – international equity	397,823	354,753
Mutual funds – international bonds	<u>230,372</u>	<u>302,624</u>
	<u>\$ 2,994,637</u>	<u>\$ 2,760,014</u>

As of August 31, 2020 and 2019, all of the above investments are considered Level 1 by the CCRC under the fair value hierarchy described in Note 1.

Investment income included in the accompanying statements of activities for the years ended August 31, 2020 and 2019 includes interest and dividends of \$134,537 and \$160,785, respectively, and investment expenses of \$(10,859) and \$(10,499), respectively.

Realized (losses) of \$(56,476) and \$(63,213) included in the accompany statements of activities for the years ending August 31, 2020 and 2019, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. INVESTMENTS (Continued)

Unrealized gains of \$228,612 and \$13,147 included in the accompany statements of activities for the years ending August 31, 2020 and 2019, respectively.

NOTE 4. PROPERTY AND EQUIPMENT

A summary of the property and equipment accounts and the related accumulated depreciation at August 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Land and improvements	\$ 1,593,401	\$ 1,577,849
Building and improvements	31,144,519	30,828,218
Equipment	2,430,406	2,336,378
Furniture and fixtures	328,969	328,969
Vehicles	161,225	161,225
Software	17,418	17,418
	<u>35,675,938</u>	<u>35,250,057</u>
Less accumulated depreciation	<u>(19,405,734)</u>	<u>(18,058,115)</u>
	<u><u>\$ 16,270,204</u></u>	<u><u>\$ 17,191,942</u></u>

NOTE 5. FUNDED RESERVES

Under the 2016 bond agreements, the CCRC is required to maintain cash for various purposes. The following funds were established to accomplish this. The balances in these funded reserves at August 31, 2020 and 2019 are as follows and are invested in interest-bearing cash accounts:

	<u>2020</u>	<u>2019</u>
Operating reserve fund	\$ 758,103	\$ 749,214
Debt service reserve fund	1,297,207	1,278,594
Bond payment reserve	663,149	684,528
New facilities fund	440,150	437,061
Cottage account fund	9,025	9,025
	<u><u>\$ 3,167,634</u></u>	<u><u>\$ 3,158,422</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

Series 2016 Series A and B revenue bonds were issued through the Residential Care Facilities for the Elderly Authority of Coweta County, Georgia. The bonds were subsequently purchased by a private investment group. The bond funds were used to pay the Bank and to establish the reserve funds described in Note 5. Interest is due on the bonds semiannually at rate of 7.05%. Principal payments are due on the Series A bonds annually through 2046. The full principal on the Series B bonds is due in 2020. The bonds are secured by property and equipment of the CCRC.

As part of the bond purchase agreement, CCRC entered into a non-interest bearing promissory note payable with Wesley Woods Senior Living, Inc. (a related party) in the amount of \$1,000,000. Payments on this note are to be made upon achieving certain financial benchmarks as specified in the loan agreement.

In addition to the Wesley Woods Senior Living, Inc. note, as part of the bond purchase agreement, the CCRC entered into two promissory notes with the Foundation of Wesley Woods, Inc. (the "Foundation"). The first note allows for advances from the Foundation of up to \$425,000, bearing interest at a rate of one month LIBOR (not to exceed 3.25%). The second note allows for advances from the Foundation of up to \$1,075,000 and is non-interest bearing. Amounts advanced are due upon demand. The balance of both notes was \$- at August 31, 2020 and 2019. Funds from these note agreements are not to be drawn until certain funded reserves have been fully exhausted.

The CCRC entered into another loan agreement with the Foundation of Wesley Woods, Inc. for \$112,410 to cover a resident's entrance fee. The loan will be paid off upon resident's departure from the community and is non-interest bearing.

A summary of the components of long-term debt at August 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
2016 Series A bonds payable	\$ 15,095,000	\$ 15,295,000
Promissory note A (related party)	1,000,000	1,000,000
Promissory note B (related party)	112,410	112,410
Promissory note – vehicle	-	1,048
Long-term debt before current maturities	<u>16,207,410</u>	16,408,458
Less current maturities	220,000	200,000
Less bond issuance costs	558,372	594,445
	<u><u>\$ 15,429,038</u></u>	<u><u>\$ 15,614,013</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (Continued)

Total interest expense, including amortization of loan cost on the bonds for the years ended August 31, 2020 and 2019 was \$1,122,957 and \$1,127,487, respectively.

Among other restrictions, the bond agreement requires the CCRC to maintain minimum debt service ratios, cash on hand, and insurance coverage, as defined by the agreement.

Aggregate maturities as of August 31, 2020 required on long-term debt are as follows:

2021	\$	220,000
2022		235,000
2023		250,000
2024		270,000
2025		285,000
Thereafter		14,947,410
	\$	<u>16,207,410</u>

NOTE 7. ENDOWMENT

The CCRC's endowment consists of one individual donor-restricted endowment fund established for financial assistance to residents and prospective residents of the CCRC in order to pay all or portions of their initial deposits or monthly fees. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the CCRC has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. The CCRC's endowment does have donor stipulations that allow for certain appropriations to be made at the end of each fiscal year; however, amounts not appropriated are to be accumulated and added to the trust principal. As a result of this interpretation, the CCRC classifies as net assets with donor restrictions (a) the original value of gifts donated to be held as donor-restricted endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations (appreciation and depreciation in value) that are not appropriated for the various purposes specified by the donor. The remaining portion of the donor-restricted endowment fund that is not classified as net assets with donor restrictions to be held in perpetuity is classified for accounting and financial statement purposes in accordance with requirements of the Financial Accounting Standards Board and the law.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. **ENDOWMENT (Continued)**

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the CCRC and the donor-restricted endowment funds
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the CCRC
- (7) The investment policies of the CCRC

Endowment Net Asset Composition by Type of Fund as of August 31, 2020:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
Donor-restricted endowment fund	\$ -	\$ 419,565	\$ 419,565
Total funds	<u>\$ -</u>	<u>\$ 419,565</u>	<u>\$ 419,565</u>

Endowment Net Asset Composition by Type of Fund as of August 31, 2019:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
Donor-restricted endowment fund	\$ -	\$ 419,732	\$ 419,732
Total funds	<u>\$ -</u>	<u>\$ 419,732</u>	<u>\$ 419,732</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. ENDOWMENT (CONTINUED)

Changes in Endowment Net Assets for the year ended August 31, 2020:

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
Endowment net assets, beginning of year	\$ -	\$ 419,732	\$ 419,732
Investment return:			
Investment income	-	(167)	(167)
Total investment return	-	(167)	(167)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 419,565</u>	<u>\$ 419,565</u>

Changes in Endowment Net Assets for the year ended August 31, 2019.

	Quasi- Endowment (Without Donor Restrictions)	Endowment (With Donor Restrictions)	Total
Endowment net assets, beginning of year	\$ -	\$ 426,973	\$ 426,973
Investment return:			
Investment income	-	1	1
Total investment return	-	1	1
Appropriation of endowment assets for expenditure	-	(7,242)	(7,242)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 419,732</u>	<u>\$ 419,732</u>

Description of Amounts Classified as Net Assets With Donor Restrictions (Endowment Only) as of August 31, 2020 and 2019:

	2020	2019
The portion of perpetual endowment fund that is required to be retained permanently by explicit donor stipulation and/or UPMIFA interpretation	<u>\$ 419,565</u>	<u>\$ 419,732</u>
Total endowment funds classified as net assets with donor restrictions	<u>\$ 419,565</u>	<u>\$ 419,732</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. ENDOWMENT (CONTINUED)

The above amounts are included in interest in net assets of affiliate on the statement of financial position as of August 31, 2020 and 2019.

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donors or UPMIFA require the CCRC to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in net assets without donor restrictions. There were no such deficiencies as of August 31, 2020 or 2019.

Return Objective and Risk Parameters

The CCRC has adopted investment and spending policies for endowment assets that attempt to promote the ongoing capacity of the invested funds to provide an ever increasing cash flow for use by the CCRC while maintaining the earning power of the assets through capital growth. In order to strike the appropriate balance of meeting current needs with those of the future, the CCRC seeks to invest funds to achieve a total rate of return that exceeds inflation by 3% over the most recent five year period.

In order to meet the aforementioned goals while incurring an acceptable level of risk, the Board of Directors has established the following guidelines:

- Security of assets is a primary consideration that should be applied in each investment decision. Security means the protection of assets against loss.
- Diversification to control risk is of primary importance as is the quality of the investments chosen.
- Liquidity and marketability consistent with anticipated cash requirements will be considered in any investment decision.

Strategies Employed for Achieving Objectives

The Board of Directors understands that investment returns are volatile. The CCRC's philosophy is that the best money managers available to the CCRC with skills in a full spectrum of asset classes will generally provide a total portfolio which yields adequate returns and reduced volatility. The design of such a portfolio is best achieved by combining academic theory, historical experience and informed market judgment. After significant study of long-term historical capital market performance, the CCRC developed a target mixture of asset classes considered ideal to produce the desired performance at acceptable fluctuation levels over time.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. ENDOWMENT (CONTINUED)

The Board of Directors will review, on a periodic basis, asset allocation mixes as recommended by the Investment Committee or any approved portfolio or investment advisor.

NOTE 8. RELATED PARTY TRANSACTIONS

Under the terms of a management agreement, Wesley Woods Senior Living, Inc. manages certain operations (including substantially all accounting and finance functions) of the CCRC for monthly fees of \$29,426 and \$28,478 for the years ended August 31, 2020 and 2019, respectively, with the potential for certain incentives, as defined in the agreement. The agreement commenced in July 1997 and had an initial term of three years with automatic one-year extensions, subject to termination with 30 days written notice by either party. For the years ended August 31, 2020 and 2019, the CCRC incurred annual management fees of \$353,768 and \$341,732, respectively, which are included in contract services in the accompanying statements of operations.

The following amounts are due from affiliates at August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Wesley Homes, Inc. (Lanier Gardens)	\$ -	\$ 290
Foundation of Wesley Woods	-	3,290
	<u>\$ -</u>	<u>\$ 3,580</u>

The following amounts are due to affiliates at August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Wesley Homes, Inc. (Asbury Harris)	\$ -	\$ 194
Wesley Woods of Athens	-	982
Wesley Woods Senior Living	-	139
	<u>\$ -</u>	<u>\$ 1,315</u>

These liabilities are due on demand, non-interest bearing, and unsecured.

The Foundation of Wesley Woods, Inc. made contributions without donor restrictions of \$41,653 and \$56,310 during the years ended August 31, 2020 and 2019, respectively, to support the CCRC's operations.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. RELATED PARTY TRANSACTIONS (CONTINUED)

In accordance with FASB's *Not-For-Profit* presentation and disclosure guidance, the CCRC includes on its statements of financial position its share of the net assets of the Foundation of Wesley Woods, Inc. arising from contributions solicited on its behalf. At August 31, 2020 and 2019, the Foundation of Wesley Woods, Inc. held \$536,376 and \$534,115 of assets designated for the benefit of the CCRC.

NOTE 9. RISK MANAGEMENT

The CCRC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; employee injuries and illness; natural disasters; and professional and general liability claims and judgments. Commercial insurance coverage is purchased for claims arising from such matters.

The limits of professional and general liability coverage are \$1 million per occurrence and \$3 million in the aggregate. A \$10 million umbrella policy covers both the general and professional liability policies.

The CCRC's liability insurance coverage discussed above is provided under a claims-made policy. To the extent that any claims-made coverage is not renewed or replaced with equivalent insurance, claims based on occurrences during the term of such coverage, but reported subsequently, would be uninsured (unless the CCRC obtained a related tail coverage policy). Management believes, based on incidents identified through the CCRC's incident reporting system, that any such claims would not have a material effect on the CCRC's operations or financial position. In any event, management anticipates that the claims-made coverage currently in place will be renewed or replaced with equivalent insurance as the term of such coverage expires.

NOTE 10. RETIREMENT PLAN

Wesley Woods Senior Living maintains a defined contribution retirement plan covering all regular and part-time employees over the age of 21. Participation in the plan begins after the completion of 12 consecutive months of employment during which the employee worked at least 1,000 hours. For each plan year, the employer contributes 2% of each participant's compensation. The employer will match additional participant contributions to the plan on a dollar for dollar basis up to a maximum of 3%. Vesting in employer contributions occurs immediately. Total retirement expense reported in the statements of operations for the years ended August 31, 2020 and 2019, was \$109,242 and \$110,224, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions at August 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Cash and unconditional promises to give –		
Barron Memorial, chaplaincy, landscaping,		
Community of Caring, Grace, general	<u>\$ 116,811</u>	<u>\$ 114,383</u>
Perpetual in nature:		
Endowment assets (see Note 7)	<u>419,565</u>	<u>419,732</u>
	<u><u>\$ 536,376</u></u>	<u><u>\$ 534,115</u></u>

As illustrated above, the CCRC has recorded its interest in contributions and pledges received by the Foundation of Wesley Woods, Inc., which were restricted by donors for use by the CCRC, as a component of net assets with donor restrictions. At August 31, 2020 and 2019, the Foundation of Wesley Woods, Inc. held \$536,376 and \$534,115 of assets designated for the benefit of the CCRC which are shown on the statement of financial position as interest in net assets of affiliate. Releases from each of the restricted categories of net assets are presented on the statements of changes in net assets.

NOTE 12. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years ended August 31, 2020 and 2019 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

	<u>2020</u>	<u>2019</u>
Barron Memorial, chaplaincy, landscaping,		
Community of Caring, Grace, general	<u>\$ -</u>	<u>\$ 14,037</u>

NOTE 13. EFFECTS OF COVID-19 CORONAVIRUS

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact the change in net assets. Other financial impacts could occur though the extent of potential impact is unknown at this time.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through December 23, 2020, the date the financial statements were available to be issued.

APPENDIX C

FORMS OF PRINCIPAL FINANCING DOCUMENTS

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MASTER TRUST INDENTURE
by and between
WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.,
as the Initial Obligated Group Member
and
UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

Dated as of December 1, 2021

This instrument prepared by:
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

TABLE OF CONTENTS

	Page
ARTICLE I. DEFINITION OF TERMS, CONSTRUCTION AND CERTAIN GENERAL PROVISIONS	5
Section 1.01. Definition of Terms.	5
Section 1.02. Compliance Certificates and Reports.	31
Section 1.03. Form of Documents Delivered to Master Trustee.	31
Section 1.04. Acts of Holders of Master Obligations	32
Section 1.05. Notices, etc. to Master Trustee and Obligated Group Members.	33
Section 1.06. Notices to Holders of Master Obligations; Waiver.	34
Section 1.07. Notices to Rating Agencies.	35
Section 1.08. Effect of Headings and Table of Contents.	35
Section 1.09. Successors and Assigns.	35
Section 1.10. Separability Clause.	35
Section 1.11. U.S.A. PATRIOT Act.	35
ARTICLE II THE MASTER OBLIGATIONS.....	36
Section 2.01. Series and Amount of Master Obligations.	36
Section 2.02. Appointment of Obligated Group Representative.	36
Section 2.03. Execution and Authentication of Master Obligations.	37
Section 2.04. Supplement Creating Master Obligations.	37
Section 2.05. Conditions to Issuance of Master Obligations Hereunder.	38
Section 2.06. List of Holders of Master Obligations.	39
Section 2.07. Optional and Mandatory Redemption.	39
Section 2.08. Mutilated, Destroyed, Lost and Stolen Master Obligations.	39
Section 2.09. Cancellation.	40
ARTICLE III FUNDS AND ACCOUNTS	41
Section 3.01. Revenue Fund.	41
Section 3.02. Investment of Funds.	43
Section 3.03. Allocation and Transfers of Investment Income.	43
Section 3.04. Master Trustee Relieved From Responsibility.	43
Section 3.05. Subordinated Indebtedness.	44
Section 3.06. Debt Service Reserve Fund.	44
ARTICLE IV COVENANTS OF THE OBLIGATED GROUP MEMBERS	47
Section 4.01. Title to Trust Estate; Title Insurance.	47
Section 4.02. Further Assurances.	47
Section 4.03. Recording and Filing.	48
Section 4.04. Payment of Principal, Premium and Interest.	48
Section 4.05. Payment of Taxes and Other Claims.	49
Section 4.06. Maintenance of Properties.	49
Section 4.07. Corporate Existence; Status of Obligated Group Members.	50
Section 4.08. Preservation of Qualifications.	50
Section 4.09. Additions to Facilities.	51

Section 4.10.	Insurance.	51
Section 4.11.	Debt Service Coverage Ratio Covenant.	52
Section 4.12.	Damage or Destruction.	54
Section 4.13.	Condemnation.	56
Section 4.14.	Other Provisions with Respect to Net Proceeds.	57
Section 4.15.	Financial Statements, Etc.	58
Section 4.16.	Permitted Additional Indebtedness.	62
Section 4.17.	Calculation of Debt Service and Debt Service Coverage.	65
Section 4.18.	Disposition of Property.	68
Section 4.19.	Liens on Property.	70
Section 4.20.	Liquidity Covenant.	70
Section 4.21.	Management.	71
Section 4.22.	Licenses and Qualifications; Third-Party Payments.	71
Section 4.23.	Environmental Condition of Facilities and Indemnification.	71
Section 4.24.	Approval of Consultants.	72
Section 4.25.	Actuarial Study.	73
Section 4.26.	Needs Assessment Analysis.	74
ARTICLE V	MERGER, CONSOLIDATION, CONVEYANCE AND TRANSFER.	75
Section 5.01.	Merger, Consolidation, Sale or Conveyance.	75
ARTICLE VI	MEMBERSHIP IN THE OBLIGATED GROUP	77
Section 6.01.	Admission of Obligated Group Members.	77
Section 6.02.	Obligated Group Members.	78
Section 6.03.	Withdrawal of Obligated Group Members.	78
Section 6.04.	Successor Obligated Group Representative.	79
ARTICLE VII.	REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF MASTER OBLIGATIONS IN EVENT OF DEFAULT	81
Section 7.01	Events of Default.	81
Section 7.02.	Acceleration of Maturity; Rescission and Annulment.	82
Section 7.03.	Entry; Powers of Sale, Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement.	83
Section 7.04.	Incidents of Sale.	84
Section 7.05.	Collection of Indebtedness and Suits for Enforcement by Master Trustee.	85
Section 7.06.	Master Trustee May File Proofs of Claim.	86
Section 7.07.	Master Trustee May Enforce Claims Without Possession of Master Obligations.	87
Section 7.08.	Application of Money Collected.	87
Section 7.09.	Limitation on Suits.	88
Section 7.10.	Unconditional Right of Holders of Master Obligations to Receive Principal, Premium and Interest.	88
Section 7.11.	Restoration of Rights and Remedies.	89
Section 7.12.	Rights and Remedies Cumulative.	89
Section 7.13.	Delay or Omission Not Waiver.	89
Section 7.14.	Control by Holders of Master Obligations.	89

Section 7.15.	Waiver of Past Defaults and Future Covenant Requirements.	89
Section 7.16.	Undertaking for Costs.	90
Section 7.17.	Waiver of Stay or Extension Laws.	90
ARTICLE VIII	CONCERNING THE MASTER TRUSTEE	91
Section 8.01.	Duties and Liabilities of Master Trustee.	91
Section 8.02.	Notice of Defaults.	92
Section 8.03.	Certain Rights of Master Trustee.	92
Section 8.04.	Not Responsible for Recitals or Issuance of Master Obligations.	95
Section 8.05.	Master Trustee or Registrar May Own Master Obligations.	96
Section 8.06.	Money to Be Held in Trust.	96
Section 8.07.	Compensation and Expenses of Master Trustee.	96
Section 8.08.	Corporate Master Trustee Required; Eligibility.	97
Section 8.09.	Resignation and Removal; Appointment of Successor.	98
Section 8.10.	Acceptance of Appointment by Successor.	99
Section 8.11.	Merger or Consolidation.	99
Section 8.12.	Co-Master Trustee.	100
ARTICLE IX	SUPPLEMENTS AND AMENDMENTS	101
Section 9.01.	Supplements Without Consent of Holders of Master Obligations.	101
Section 9.02.	Supplements With Consent of Holders of Master Obligations.	102
Section 9.03.	Execution of Supplements.	103
Section 9.04.	Effect of Supplement.	103
Section 9.05.	Master Obligations May Bear Notation of Changes.	103
ARTICLE X	SATISFACTION AND DISCHARGE OF INDENTURE	104
Section 10.01.	Satisfaction and Discharge of Indenture.	104
Section 10.02.	Master Obligations Deemed Paid.	104
Section 10.03.	Application of Trust Money.	105
Section 10.04.	Payment of Related Bonds.	105
ARTICLE XI	MISCELLANEOUS PROVISIONS	106
Section 11.01.	No Personal Liability.	106
Section 11.02.	Choice of Law.	106
Section 11.03.	Legal Holidays.	106
Section 11.04.	Benefits of Provisions of Master Trust Indenture and Master Obligations.	106
Section 11.05.	Execution in Counterparts.	106
Section 11.06.	UCC Financing Statements.	107
Section 11.07.	Providers of Credit Facilities Deemed Holders.	107
Section 11.08.	Electronic Signatures.	107
Section 11.09.	Electronic Transactions and Storage.	108
SIGNATURES		109
EXHIBIT A – Excluded Property		A-1

THIS MASTER TRUST INDENTURE, dated as of December 1, 2021 (this “Master Trust Indenture”), between **WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.**, a Georgia nonprofit corporation, as the obligor and the initial Obligated Group Member (the “Obligor”), and **UMB Bank, National Association**, a national banking association with trust powers, as master trustee (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligor is authorized and deems it necessary and desirable to enter into this Master Trust Indenture for the purpose of providing for the issuance from time to time by the Obligor or other Persons (as defined herein) electing to become Obligated Group Members (as defined herein) of Master Obligations (as defined herein) to finance or refinance the acquisition or betterment of continuing care retirement facilities, including independent living, assisted living, and skilled nursing facilities or other facilities or for other lawful and proper purposes; and

WHEREAS, all acts and things necessary to constitute this Master Trust Indenture a valid indenture and agreement according to its terms have been done and performed, the Obligor has duly authorized the execution and delivery of this Master Trust Indenture, and the Obligor, in the exercise of the legal right and power invested in it, executes this Master Trust Indenture and proposes to make, execute, issue and deliver Master Obligations hereunder; and

WHEREAS, the Master Trustee agrees to accept and administer this Master Trust Indenture upon the terms set forth herein,

GRANTING CLAUSES

NOW, THEREFORE, THIS MASTER TRUST INDENTURE WITNESSETH that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Master Obligations (defined herein), the obligations to the Master Trustee, and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Master Obligations are secured, and in consideration of the premises, of the purchase of the Master Obligations by the Holders thereof and of the sum of One Dollar (\$1.00) to the Obligated Group Members in hand paid by the Master Trustee at or before the execution and delivery hereof, the receipt and sufficiency of which are hereby acknowledged, the Obligated Group Members by these presents do hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over and confirm to the Master Trustee, forever, all and singular the following described properties and grant a security interest therein for the purposes herein expressed (the “Trust Estate”), to wit:

GRANTING CLAUSE FIRST

All of the rights, titles, interests and estates, now owned or hereafter acquired by the Obligated Group Members, in and to the following and any and all other personal property of any kind or character defined in and subject to the provisions of the Uniform Commercial Code, including the supporting obligations thereof, proceeds and products of and from any and all of such personal property used in connection with or arising out of the operation and use of the improvements located on the Premises and any substitutions or replacements therefor (collectively, the “Personal Property”):

- (a) Equipment,
- (b) Accounts,
- (c) General Intangibles,
- (d) Contract Documents,
- (e) Gross Revenues and Hedge Receipts, including, without limitation, rights to receive payments from third-party payors such as Medicare and Medicaid, but except and excluding all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, or which cannot be granted, assigned or pledged hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, assigned and pledged by the Obligated Group Members, provided that the Obligated Group Members may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property,
- (f) all accessions to, substitutions and replacements for and products and cash and non-cash proceeds of any or all of the foregoing Personal Property described in (a), (b), (c), (d) and (e) above, including, without limitation, all payments of insurance (whether or not the Master Trustee is the loss payee thereof) and any indemnity, condemnation award, performance, labor and material payment bond, warranty or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the Personal Property described in (a), (b), (c), (d) and (e) above, and
- (g) all books and records, including, without limitation, customer lists, credit files, computer programs, print-outs and other computer or electronic materials and records, of the Obligated Group Members pertaining to any of the Personal Property described in (a), (b), (c), (d), (e) and (f) above.

The security interest granted hereby is subject to only Permitted Encumbrances and shall encumber any and all rights, titles and interests of the Obligated Group Members in and to any and all the aforementioned Personal Property, whether tangible or intangible, and wherever situated; and

GRANTING CLAUSE SECOND

Any amounts on deposit from time to time in any fund or account created hereunder, subject to the provisions of this Master Trust Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE THIRD

Any and all property that may, from time to time hereinafter, by delivery or by writing of any kind, be subjected to the security interest hereof by the Obligated Group Members or by anyone on their behalf (and the Master Trustee is hereby authorized to receive the same at any

time as additional security hereunder), which, subject to the security interest hereof in any such property as additional security, may be made subject to any reservations, limitations or conditions which shall be set forth in a written instrument executed by the grantor or the person so acting on its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD, IN TRUST, WITH THE POWER OF SALE, all said property, rights, privileges and franchises of every kind and description hereby and hereafter (by supplemental instrument or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, transferred, hypothecated, pledged, set over or confirmed as aforesaid, or intended, agreed or covenanted so to be, together with all the appurtenances thereto appertaining, unto the Master Trustee and its successors and assigns forever;

SUBJECT AND SUBORDINATE, HOWEVER, to all the Permitted Encumbrances (as defined herein);

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Master Obligations without any priority of any such Master Obligations over any other such Master Obligations except as herein or by Supplement otherwise expressly provided;

UPON CONDITION that, if the Obligated Group Members or their successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Outstanding Master Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Master Obligations shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then, upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, the rights, titles, liens, security interests and assignments herein granted shall cease, determine and be void and this grant shall be released by the Master Trustee in due form at the expense of the Obligated Group Members, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

UPON FURTHER CONDITION as to any property included in the Trust Estate that, upon Request (as defined herein) of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel (as such terms are defined herein) to the effect that the conditions precedent for the disposition of such property set forth in Section 4.18 hereof have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and this grant shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members;

ALL THINGS NECESSARY to make this Master Trust Indenture a valid agreement and contract for the security of the Master Obligations in accordance with the terms of such Master Obligations and this Master Trust Indenture have been done;

IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions and trusts

hereinafter set forth, and the Obligated Group Members do hereby covenant and agree to and with the Master Trustee, for the equal and proportionate benefit of all Holders of the Master Obligations, except as herein otherwise expressly provided; and

THIS MASTER TRUST INDENTURE FURTHER WITNESSETH and it is expressly declared that all Master Obligations issued and secured hereunder are to be issued, authenticated and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed and the Obligated Group Members have agreed and covenanted, and do hereby agree and covenant, with the Master Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Master Obligations as follows:

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**ARTICLE I.
DEFINITION OF TERMS, CONSTRUCTION
AND CERTAIN GENERAL PROVISIONS**

Section 1.01. Definition of Terms. For all purposes of this Master Trust Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) This “Master Trust Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of the Master Obligations.

(b) All references in this instrument designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Master Trust Indenture as a whole and not to any particular Article, Section or other subdivision.

(c) The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular number.

(d) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP applied in accordance with Section 1.02 of this Master Trust Indenture.

“**2021 Project**” means the improvements to the Facilities described in Exhibit A to the Series 2021 Loan Agreement.

“**Account Debtor**” means any Person who is or may become obligated under or on account of an Account.

“**Accountant**” means a certified public accountant, or a firm of certified public accountants, who or which is “independent” as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to any Member or its Affiliates (but who or which may be regularly retained by a Member or its Affiliates).

“**Accounts**” means all accounts, contract rights, chattel paper, instruments and documents (excluding Contract Documents) received by or on behalf of the Obligated Group Members from or in connection with the ownership, operation or leasing of any Facilities located at the Premises and all rights to receive the same, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master

Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“**Act**” when used with respect to any Holder of Master Obligations has the meaning specified in Section 1.04 and not the meaning assigned such term in any documents delivered in connection with the issuance of Master Obligations or Related Bonds, unless specifically provided for in such documents.

“**Additional Indebtedness**” means Indebtedness incurred by any Member subsequent to the issuance of the Series 2021 Master Obligations.

“**Additional Master Obligations**” means any evidence of Indebtedness or evidence of any repayment obligation under any Hedge Agreement issued after the issuance of the Series 2021 Master Obligations, which are authorized to be issued by a Member pursuant to this Master Trust Indenture and which has been authenticated by the Master Trustee pursuant to Section 2.03 hereof.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors (or other members of its Governing Body), the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Annual Budget**” means the annual budget of the Obligated Group required to be provided by the Obligated Group Representative pursuant to Section 4.15 hereof.

“**Authorized Obligor Representative**” shall mean, with respect to the Obligated Group Representative and each Obligated Group Member, the Chairman or Vice Chairman of its Governing Body, the Chief Executive Officer or Vice Chief Executive Officer, Secretary/Treasurer or Vice Secretary/Treasurer, or any other person or persons at the time designated by an Officer’s Certificate of the Obligated Group Representative or the Obligated Group Member and delivered to the Master Trustee.

“**Balloon Indebtedness**” means Long-Term Indebtedness 25% or more of the original principal of which matures during any consecutive 12-month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12-month period. Balloon Indebtedness does not include Indebtedness which otherwise would be classified hereunder as Put Indebtedness.

“**Board Resolution**” of any specified Person means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification and delivered to the Master Trustee.

“**Bond Counsel**” means Smith, Gambrell & Russell, LLP, or any other attorney at law or firm of attorneys of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of

states and their political subdivisions as may be selected by the Obligated Group Representative, but is reasonably acceptable to each issuer of the Related Bonds.

“Book Value” when used with respect to Property of a Member means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member prepared in accordance with GAAP, and when used with respect to Property of all Members means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

“Business Day” means any day other than a day on which (a) banks located in the city in which the Corporate Trust Office of the Master Trustee is located are authorized or required by law to close, or (b) the payment system of the Federal Reserve System is closed.

“Capital Addition” means the 2021 Project and any other addition, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or replacement of or to the Facilities and the cost of which is properly capitalized under GAAP applied in accordance with Section 1.02 hereof.

“Cash and Investments” means the sum of cash, cash equivalents, Short Term Resident Notes, marketable securities of the Obligated Group Members, including, without limitation, Related Bonds held by the Obligated Group Members, board-designated assets and amounts, if any, on deposit in any Operating Reserve Fund, Working Capital Fund, Entrance Fee Fund and any other funds created pursuant to any Supplement, but at all times excluding (a) any Debt Service Reserve Fund and other trustee-held funds other than those described above in this definition, (b) funds restricted by the donor to a use that would not permit the use of such funds to pay expenses or debt service on Indebtedness of the Obligated Group and (c) any funds pledged or otherwise subject to a security interest for debt other than the Master Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“Commitment Indebtedness” means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member or

(b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of Section 4.16 hereof, and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including, without limitation, any penalties payable in the event of such enforcement.

“Completion Long-Term Indebtedness” means any Long-Term Indebtedness for borrowed money: (a) incurred for the purpose of financing the completion of the acquisition, construction, remodeling, renovation or equipping of Facilities or a Capital Addition thereto or marketing or other pre-opening expenses of such Facilities with respect to which Long-Term Indebtedness has been incurred in accordance with the provisions hereof; and (b) with a principal amount not in excess of the amount which is required to provide completed and equipped Facilities or a Capital Addition thereto of substantially the same type and scope contemplated at the time such prior Long-Term Indebtedness was originally incurred, to provide for Funded Interest during the period of construction, to provide any reserve fund relating to such Completion Long-Term Indebtedness and to pay the costs and expenses of issuing such Completion Long-Term Indebtedness.

“Consent” or **“Request”** of any specified Person mean, respectively, a written consent or request signed in the name of such Person by the Chairman or Vice Chairman of the Governing Body, the Chief Executive Officer, the President, a Vice President, the Treasurer, the Secretary/Treasurer, an Assistant Treasurer or the Chief Financial Officer of such Person or any other person or persons designated by an Officer’s Certificate and delivered to the Master Trustee.

“Construction Index” means the most recent issue of the *“Dodge Construction Index for U.S. and Canadian Cities”* with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Representative in an Officer’s Certificate delivered to the Master Trustee.

“Consultant” means a professional consulting, accounting, investment banking or commercial banking firm or individual engaged by the Obligated Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm or individual does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof.

“Contract Documents” means any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, renovation agreements, development agreements, project management agreements, architect’s agreements, plans and specifications, Hedge Agreements and other contracts, licenses and permits now or hereafter affecting any Property (as the same may be supplemented from time to time), together with all rights and

privileges of any nature thereunder accruing, together with any changes, renewals, supplements, addenda, amendments, consolidations, extensions, revisions, modifications or guarantees of performance of obligations to the Obligated Group Members under the foregoing contracts, all of the Obligated Group Members' rights and title to modify, alter or amend the foregoing contracts, to terminate the foregoing contracts and to waive or release the performance or observance of any obligation or condition of the foregoing contracts, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members' interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

"Contributions" means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities and deposited into the accounts of the Obligated Group.

"Corporate Trust Office" of the Master Trustee means the office of the Master Trustee at which this Master Trust Indenture shall be principally administered, which at the date hereof is UMB Bank, National Association, 2 South Broadway, Suite 600, St. Louis, Missouri 63102, Attention: Corporate Trust and Escrow Services, email: brian.krippner@umb.com, or such other address as to which the Master Trustee may give notice to the Obligated Group.

"Credit Facility" means any Liquidity Facility, letter of credit, bond insurance policy, standby purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Indebtedness of any Obligated Group Member.

"Current Value" means (a) with respect to Property, Plant and Equipment: (i) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Representative and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, minus the fair market value (as reflected in such most recent appraiser's report) of any Property, Plant and Equipment included in such report but disposed of since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated; plus (ii) the Book Value of any Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated; minus (iii) the Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of; and (b) with respect to any other Property, the fair market value of such Property.

"Days Cash on Hand" means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by

dividing (i) Expenses (including interest on Indebtedness but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the twelve-month period ending as of each February 28 and August 31 as shown on the most recent unaudited quarterly financial statements delivered pursuant to Section 4.15(b)(i) and (ii) hereof by (ii) 365; provided, however, that for the calculation required to be made for each June 30 pursuant to Section 4.15 hereof, the audited financial statements for the fiscal year ended on such June 30 shall be used for such calculation.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Long-Term Indebtedness of each Person or a group of Persons with respect to which such requirements are calculated; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Sections 4.16 and 4.17 hereof; (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness due in its final year shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which required that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness and, except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt service; (e) principal of Indebtedness payable from an Entrance Fee Fund shall be excluded from the determination of Debt Service Requirements; (f) any annual fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements; and (g) principal and interest on Qualified Intermediate Term Indebtedness shall be excluded.

"Debt Service Reserve Fund" means the debt service reserve fund established pursuant to Section 3.06 hereof.

"Debt Service Reserve Fund Requirement" shall mean, as of any date of calculation, an amount equal to the Maximum Annual Debt Service Requirement for a Master Obligation and (without duplication) its corresponding Related Bonds which are secured by amounts on deposit in the Debt Service Reserve Fund. In the event that more than one Master Obligation and its corresponding Related Bonds are secured by amounts on deposit in the Debt Service Reserve Fund on a parity basis, then the Reserve Fund Requirement is equal to the Maximum Annual Debt Service Requirement for all such Master Obligations and (without duplication) their corresponding Related Bonds.

"Deed to Secure Debt" means the Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, from the Obligor in favor of the Series 2021 Related Bond Issuer, as assigned to the Master Trustee.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Defeasance Obligations” means:

- (a) Government Obligations; and
- (b) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (i) Federal Home Loan Bank System;
- (ii) Export-Import Bank of the United States;
- (iii) Federal Financing Bank;
- (iv) Government National Mortgage Association;
- (v) Farmers Home Administration;
- (vi) Federal Home Loan Mortgage Company;
- (vii) Federal Housing Administration;
- (viii) Federal National Mortgage Association;
- (ix) Any other agency or instrumentality of the United States of America created by an Act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America; and

(c) Obligations described in Section 103(a) of the Code, provision for the payment of the principal of (and premium, if any) and interest on which shall have been made by the irrevocable deposit at least 123 days preceding the date of determination with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of money, or obligations described in clause (1) above, the maturing principal of and interest on which, when due and payable, without reinvestment will provide money sufficient to pay when due the principal of (and premium, if any) and interest on such obligations, and which money, or obligations described in clause (1) above, are not available to satisfy any other claim, including any claim of the trustee or escrow agent or any claim of any Person claiming through the trustee or escrow agent or any claim of any Person to whom the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent may be obligated, whether arising out of the insolvency of the Person on whose behalf such irrevocable deposit was made, the trustee or the escrow agent or otherwise.

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication capable of being evidenced by a paper copy.

“EMMA” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“Encumbered” means, with respect to Property, subject to (A) a Lien described in the following subsections of the definition of Permitted Encumbrances: subsection (b) other than a Lien securing Non-Recourse Indebtedness, subsection (e) but including only Finance Leases, subsection (m)(ii), subsection (s), subsection (u)(ii), and subsection (v) other than a Lien securing Non-Recourse Indebtedness, and (B) all 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 a Master Obligation which are held as security for the payment of such Master Obligation or any Indebtedness incurred to purchase such Master Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Master 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 Fee Fund” means any entrance fee fund or account established by a Supplement or Related Bond Indenture in connection with the financing of any Capital Addition.

“Entrance Fees” means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of Independent Living Units for the purpose of obtaining the right to reside in those units including any refundable resident deposits described in any lease or similar Residence and Services Agreement with respect to those Independent Living Units, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement prior to the occupancy of the unit covered by such Residence and Services Agreement (which amounts shall be included if and when occupancy occurs and such set-aside is no longer required).

“Environmental Laws” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Public Law No. 96-510, 94 Stat. 1613, the Resource Conservation and Recovery Act, the National Environmental Policy Act of 1969 (42 U.S.C. § 4321 *et seq.*), the Solid Waste Disposal Act (42 U.S.C. §§ 6901 *et seq.*), the Hazardous Material Transportation Act (49 U.S.C. §§ 1801 *et seq.*), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§ 136 *et seq.*), the Toxic Substance Control Act (15 U.S.C. §§ 2601 *et seq.*), the Clean Water Act, the Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 *et seq.*), the Federal Coastal Zone Management Act (16 U.S.C. §§ 1451 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §§ 651 *et seq.*), the Safe Drinking Water Act (42 U.S.C. §§ 300(f) *et seq.*) and any other federal, state or local law, statute, ordinance and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree or judgment applicable to the Premises relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance,

code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“Equipment” means all machinery, apparatus, equipment, fittings, furniture, furnishings, fixtures (whether actually or constructively attached or affixed to the Premises or the Facilities or other improvements located thereon and including all trade, domestic and ornamental fixtures) and other articles of tangible personal property of every kind, description and nature whatsoever now or hereafter located at, in, upon or under the Premises or the Facilities and other improvements at the Premises or used or usable in connection with any present or future operations conducted or to be conducted at the Premises or with respect to the Facilities or other improvements at the Premises, and all parts, accessories and special tools and all increases, additions and accessions thereto and substitutions and replacements therefor, including, without limiting the generality of the foregoing, all building materials, supplies, goods, machinery, fixtures and equipment now or hereafter delivered to the Premises and placed on the Premises for the purpose of being affixed to or installed or incorporated or otherwise used in the Facilities or other improvements now or hereafter located at the Premises or on any part or parcel of the Premises, including, but not limited to, lumber, plaster, cement, shingles, roofing, plumbing, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures and unattached refrigerating, cooking, heating and ventilating appliances and equipment, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“Event of Default” has the meaning set forth in Section 7.01 hereof.

“Examination Report” means an examination report resulting from an examination conducted by an Accountant in conformity with generally accepted standards for accountants’ services on prospective financial information prepared in accordance with GAAP.

“Excluded Property” means the property now owned and hereafter acquired by the Obligated Group described in EXHIBIT A attached hereto, and any property purchased or acquired utilizing the proceeds from the sale thereof or in exchange therefor and identified as such to the Master Trustee in an Officer’s Certificate.

“Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (f) non-cash expenses or losses, (g) any expenses paid with proceeds of any Related

Bonds and (h) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

“Facilities” means the retirement facilities, including independent living facilities, assisted living facilities, and skilled nursing facilities and related facilities owned or leased by the Obligated Group Members and located on the Premises, all necessary and useful furnishings, equipment and machinery and such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities, but excluding Excluded Property.

“Feasibility Report” means a report prepared and signed by a Consultant, who is an Accountant, setting forth for a forecast period not exceeding five Fiscal Years from the later of the date of the issuance of the Indebtedness in question or the completion of the Capital Additions financed with such Indebtedness: (a) forecasted financial statements prepared on the same basis as the Obligated Group’s audited financial statement; and (b) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Facilities, the rates and charges to patients and residents and such other data and information as may be necessary to support the forecasted financial statements; such report shall be accompanied by an Examination Report.

“Federal Subsidy Payments” means the direct payments made by the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments to the issuer or conduit borrower for any Related Bonds which constitute Subsidy Bonds.

“Finance Lease” means any lease required to be treated as a finance lease (and not an operating lease) under GAAP.

“Fiscal Year” means the 12-month period beginning on September 1 of any calendar year and ending on August 31 of the same calendar year or such other consecutive 12-month period selected by the Obligated Group Representative as the fiscal year for the Members.

“Fitch” means Fitch Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group, with written notice to the Master Trustee.

“Funded Interest” means amounts irrevocably deposited in an escrow or other trust account (other than a debt service reserve fund) to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on such amounts to the extent such interest earned is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

“GAAP” means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting which have other

substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented or amended.

“General Intangibles” means all general intangibles received by or on behalf of the Obligated Group Members from or in connection with the ownership, operation or leasing of the Facilities and the Premises and all rights to receive the same, including, without limitation, all choses in action, causes of action, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, computer programs, software, all claims under guaranties, security interests or other security held by or granted to the Obligated Group Members to secure payment of any of the Accounts by an Account Debtor, all rights to indemnification, all supporting obligations, all letter of credit rights and all other intangible property of every kind and nature (other than Accounts and Contract Documents), in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Obligated Group Members’ interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Master Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“Governing Body” means, with respect to a Member, the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“Gross Revenues” means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees, Federal Subsidy Payments and other moneys received by or on behalf of any Obligated Group Member, including, without limitation, revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, (b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and (c) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of

applicable law cannot be granted, assigned or pledged hereunder or which would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, or which cannot be granted, assigned or pledged hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, assigned and pledged by the Obligated Group Members, (ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (iii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use as payments required under this Master Trust Indenture, (iv) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (v) all deposits made pursuant to Residence and Services Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued and (vi) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

“Guaranty” means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including, but not limited to, obligations incurred through an agreement, contingent or otherwise, by such Person (a) to purchase such Indebtedness or obligation or any Property constituting security therefor, (b) to advance or supply funds (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition, (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation, or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

“Hazardous Materials” means petroleum, petroleum byproducts (including, but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge and all other liquid hydrocarbons, regardless of specific gravity), natural or synthetic gas products and/or any hazardous substance or material, waste, pollutant or contaminant, defined as such in (or for the purposes of) the Environmental Laws.

“Health Care Beds” means assisted living, skilled nursing, and memory care beds and any other beds required to be licensed by the State.

“Hedge Agreement” means, without limitation, (a) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (b) any contract providing for payments based on levels of, or changes or differences in, interest rates, currency exchange rates, or stock or other indices; (c) any contract to exchange cash flows or payments or series of payments; (d) any type of contract called, or designed to perform the function of, interest rate floors, collars, caps, options, puts or calls to hedge or minimize any type of financial risk,

including, without limitation, payment, currency, rate or other financial risk; and (e) any other type of contract or arrangement that the Obligated Group Members determine is to be used, or is intended to be used, to manage or reduce the cost of any bonds issued under a Related Bond Indenture, to convert any element of any such bonds from one form to another, to maximize or increase investment return, to minimize investment return risk or to protect against any type of financial risk or uncertainty.

“Hedge Receipts” means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

“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 Maximum Annual Debt Service Requirement, provided, however, that in making such calculation, (a) the principal amount of any Indebtedness included in such calculation shall be excluded to the extent such principal amount is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of this Master Trust Indenture, (b) to the extent a Hedge Agreement has been entered into in connection with any particular Indebtedness, the actual debt service paid after the effect of payments made to or received from the provider of the Hedge Agreement shall be used in the calculation, (c) any Subordinated Indebtedness shall be excluded except when making such calculation for the purpose of determining whether payments on Subordinated Indebtedness can be made pursuant to Section 3.05 hereof and (d) such calculation shall be based on unaudited financial statements (and adjusted retroactively for any material changes reflected in audited financial statements for the fourth quarter of a Fiscal Year) for the four consecutive quarters ending for the period of time tested.

“Historical Pro Forma Debt Service Coverage Ratio” means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Long-Term Indebtedness then outstanding (other than any Long-Term Indebtedness being refunded with the Long-Term Indebtedness then proposed to be issued) and the Long-Term Indebtedness then proposed to be issued and a denominator of one.

“Holder” means a bearer of any Master Obligation issued in bearer form, and the registered owner of any Master Obligation issued in registered form.

“Holder Consent” means the written consent of the Holders of a majority in aggregate principal amount of the total amount of Master Obligations then Outstanding.

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

“Indebtedness” means, for any Person, (a) all Guaranties by such Person, (b) all liabilities for borrowed money (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with GAAP, 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, Hedge Agreements or any obligation to repay Entrance Fees or moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, senior living facilities or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

“Independent Counsel” means an attorney duly admitted to practice law in any state and, without limitation, may include independent legal counsel for any Member.

“Independent Living Units” means the independent living units that are or become part of the Facilities and are offered for occupancy on an Entrance Fee basis.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied.

“Initial Purchaser” means, as applicable, Herbert J. Sims & Co., Inc., the initial purchaser of the Series 2021 Bonds.

“Insurance Consultant” means a person or firm who in the case of an individual is not an employee or officer of any Member and which, in the case of a firm, does not control any Obligated Group Member or any Affiliate thereof and is not controlled by or under common control with any Obligated Group Member or an Affiliate thereof, appointed by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for senior living facilities or health care facilities and services of the type involved and having a favorable reputation for skill and experience in such surveys and such recommendations, and which may include a broker or agent with whom any Member transacts business.

“Lien” means any mortgage, pledge or lease of, security interest in or lien, charge or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than any Member.

“Liquidity Facility” means a written commitment to provide money to purchase or retire any Indebtedness if (a) on the date of delivery of such Liquidity Facility the unsecured Long-Term Indebtedness or claims-paying ability of the provider of such Liquidity Facility or its parent holding company or other controlling entity is rated at least “A” by a least one of the Rating Agencies, and (b) as of any particular date of determination no amount realized under such Liquidity Facility for the payment of the principal or the purchase or redemption price of such Indebtedness (exclusive of amounts realized for the payment of accrued interest on such Indebtedness) shall be required to be repaid by the obligor on such Long-Term Indebtedness for a period of at least one year.

“Liquidity Requirement” has the meaning given such term in Section 4.20 hereof.

“Long-Term Indebtedness” means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed or credit extended, incurred or assumed which is not Short Term; (b) all Short Term Indebtedness incurred by the Person which is of the type described in Section 4.16(d) hereof; (c) the Person’s Guaranties of Indebtedness which are not Short Term (but including Guaranties of Short Term Indebtedness described in Section 4.16(d) hereof); and (d) rents under Finance Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Trust Indenture.

“Master Obligations” means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to this Master Trust Indenture and which is entitled to the benefits of this Master Trust Indenture.

“Master Trust Indenture” means this Master Trust Indenture dated as of December 1, 2021, between the Obligor and the Master Trustee, as supplemented by Supplemental Indenture Number 1 and any additional supplements or amendments thereto and modifications thereof.

“Master Trustee” means UMB Bank, National Association, a national banking association with trust powers, until a successor replaces it in accordance with the applicable provisions of Article VIII hereof and thereafter means the successor serving hereunder.

“Maturity” means, when used with respect to any Indebtedness, the date on which the principal of such Indebtedness or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption or otherwise.

“Maximum Annual Debt Service Requirement” means the highest annual Debt Service Requirements for the current or any succeeding Fiscal Year.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group with written notice to the Master Trustee.

“Mortgaged Property” means the real property of the Members which is subject to the Lien and security interest of the Deed to Secure Debt, and excluding Excluded Property.

“Net Proceeds” means, when used with respect to any insurance (other than the proceeds of business interruption insurance) or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used less all expenses (including attorneys’ fees, adjuster’s fees and any expenses of the Obligated Group or the Master Trustee) incurred in the collection of such gross proceeds.

“Net Rentals” means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the leased Property other

than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so called “percentage lease” shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

“Nonrecourse Indebtedness” means any Indebtedness that by its terms is secured solely by the assets financed by such Indebtedness with no recourse to any other assets of the Obligated Group Members.

“Obligated Group” means, collectively, all of the Obligated Group Members.

“Obligated Group Member” or **“Member”** means the Obligor and any other Person who has satisfied the requirements set forth in this Master Trust Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in this Master Trust Indenture for ceasing to be an Obligated Group Member.

“Obligated Group Representative” means the Obligor or any successor Obligated Group Representative appointed pursuant to Section 6.04 hereof.

“Obligated Group Representative Request” means a written order or request of the Obligated Group or any Member, signed by an Authorized Obligor Representative, and delivered to the Master Trustee.

“Obligation Register” means the register of ownership of the Master Obligations to be maintained pursuant to this Master Trust Indenture.

“Obligor” means Wesley Woods of Newnan-Peachtree City, Inc., a Georgia nonprofit corporation, and any and all successors thereto in accordance with this Master Trust Indenture.

“Officer’s Certificate” means a certificate signed, in the case of a certificate delivered by an Obligated Group Member, by an Authorized Obligor Representative of the Obligated Group Member or, in the case of a certificate delivered by any other entity, by the President, any Vice President, the Chief Operating Officer, the Chief Financial Officer, the Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such entity or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

“Operating Reserve Fund” means any operating reserve fund or account established in connection with the financing of a Capital Addition.

“Opinion of Bond Counsel” shall mean an opinion in writing signed by Bond Counsel.

“Opinion of Counsel” means a written opinion of Independent Counsel who may (except as otherwise expressly provided herein) be counsel to any Obligated Group Member.

“Outstanding” means, when used with respect to Master Obligations, as of the date of determination, all Master Obligations theretofore authenticated and delivered under this Master Trust Indenture, except:

(a) Master Obligations theretofore cancelled and delivered to the Master Trustee or delivered to the Master Trustee for cancellation;

(b) Master Obligations for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 10.02 of this Master Trust Indenture) shall have theretofore been deposited with the Master Trustee or any Paying Agent for such Master Obligations in trust for the Holders of such Master Obligations pursuant to this Master Trust Indenture; provided, that, if such Master Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Master Trust Indenture or irrevocable provision for the giving of such notice satisfactory to the Master Trustee has been made pursuant to this Master Trust Indenture; and

(c) Master Obligations upon transfer of or in exchange for or in lieu of which other Master Obligations have been authenticated and delivered pursuant to this Master Trust Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Master Obligations have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Master Obligations owned by any Obligated Group Member or any Affiliate of any Obligated Group Member shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Master Obligations that a Responsible Officer of the Master Trustee actually knows to be so owned shall be so disregarded. Master Obligations so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee's right so to act with respect to such Master Obligations and that the pledgee is not an Obligated Group Member or an Affiliate of any Obligated Group Member.

“Paying Agent” means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) or interest on any Master Obligations on behalf of the Obligated Group.

“Permitted Encumbrances” means this Master Trust Indenture, any Related Loan Agreement, any Related Bond Indenture and, as of any particular date:

(1) Any lien or encumbrance, other than a mortgage on real property, created or incurred in the ordinary course of business which does not secure, directly or indirectly, the repayment of borrowed money or the payment of installment sales contracts or capital leases individually or in the aggregate, and which does not materially impair the value or the utility of the property subject to such lien or encumbrance.

(2) Liens arising by reason of good faith deposits with an Obligated Group Member in connection with tenders, leases or real estate, bid or contracts (other than contracts for the payment of money), deposits by an Obligated Group Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges.

(3) Statutory rights of the United States of America to recover against an Obligated Group Member by reason of any Federal loan, grant or subsidy made available to the Obligated Group and similar rights under state statutes.

(4) Any lien arising by reason of deposits to enable an Obligated Group Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pension or profit-sharing plans, or other social security, or to share in the privileges or benefits required for companies participating in such arrangements.

(5) Any judgment lien against an Obligated Group Member so long as such judgment is being contested and execution thereon is stayed and so long as such judgment lien will not materially interfere with or impair the operations conducted on all property.

(6) (i) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, affecting any property; (ii) any liens on any property for taxes, assessments, levies, fees, water and sewer rents, and other governmental and similar charges and any liens of mechanics, materialmen, laborers, suppliers or vendors for work or services performed or materials furnished in connection with such property, which are not due and payable or which are being contested and execution thereon is stayed or which have been due for less than ninety (90) days; and (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title of any property that do not materially impair the use of such Property in any manner.

(7) Any lien on the property of an Obligated Group Member that is existing on the date of execution of the Master Indenture, provided that no lien so described may be extended, renewed or replaced by another lien, nor may it be modified to apply to any property of an Obligated Group Member not subject to such lien on the date of execution, unless the lien otherwise qualifies as a Permitted Lien; and provided further that no additional indebtedness may be incurred that is secured by such lien unless the foregoing conditions are met.

(8) Any liens which secure payment of short-term indebtedness incurred in accordance with the Master Indenture.

(9) Liens to which Property of an entity is subject at the time (the “Effective Date”) either (a) such entity is merged into or consolidated with an Obligated Group Member, or (b) all or substantially all of its assets are sold or otherwise conveyed to an Obligated Group Member, provided that: (i) no lien so described may be extended or renewed, nor may it be modified, to apply to any Property not subject to such lien on the

Effective Date, unless the lien as so extended, renewed or modified, or the replacement lien, otherwise qualifies as a Permitted Encumbrance; (ii) no additional indebtedness may be thereafter incurred that is secured by such lien; (iii) no lien so described was created in order to avoid the limitations contained herein on the impositions of liens on the Property of an Obligated Group Member; and (iv) such indebtedness does not become part of the indebtedness of an Obligated Group Member.

(10) Any lease and leaseback, lien, security interest or similar arrangement entered into by the Obligated Group with an authority, to the extent that such arrangement is required by law in connection with the issuance by such authority of bonded indebtedness to be secured by a Master Obligation under the Master Indenture.

(11) Any lien with respect to property acquired after the closing date of the Bond transaction, which lien either secures the purchase price of such property or is a lien to which such property is subject at the time of its acquisition, provided that the indebtedness secured by such lien constitutes permitted indebtedness of the Obligated Group.

(12) Any lien on property received by the Obligated Group through gifts, grants, or bequests, or on the income therefrom, as a result of restrictions arising from the terms of such gift, grant, or bequest that preclude the application of related principal or income to the payment of operating expenses or debt service.

(13) Liens on moneys deposited by residents, patients or others with an Obligated Group Member as security for, or as prepayment for, the cost of residency or patient care; or any rights of residents of life care or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

(14) Operating leases or ground leases whereunder an Obligated Group Member is the lessor; or any license or other use agreement made with respect to property where revenues generated inure to the benefit of an Obligated Group Member.

(15) Any lien on money (or the investment made with such money) held in any depreciation reserve, debt service reserve, construction, debt service or similar fund and granted by an Obligated Group Member to secure payment of indebtedness (including any commitment indebtedness, whether or not then drawn upon); and any lien on money (or the investment made with such money) held in any escrow or similar fund to defease indebtedness.

(16) Any lien on property (other than real estate) in the nature of a purchase money security interest resulting from installment sale agreements or borrowings, financing leases, or similar agreements relating to the acquisition of property; or liens of a lessor or a vendor on the property being leased or sold under a lease, installment sale or similar agreement.

(17) Such minor defects and irregularities of title as normally exist with respect to property similar in character to the property involved, and which do not materially adversely affect the value of or materially impair the property affected thereby.

(18) Any lien securing all Master Obligations on a parity basis.

(19) Any liens on Excluded Property.

“Permitted Investments” for proceeds of the Series 2021 Bonds and any Related Bonds means those investments set forth in O.C.G.A. § 36-82-7, as amended from time to time, and for other funds means dollar denominated investments, to the extent permitted by law, in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision and (ii) at the time of purchase rated by any Rating Agency in one of the three highest categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, or the Federal Farm Credit Bank or (ii) backed by the full faith and credit of the United States of America;

(d) denominated deposit accounts, certificates of deposit and banker’s acceptances with domestic commercial banks, including the Master Trustee or its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of “A 1” by Standard & Poor’s, “F 1” by Fitch or “P 1” by Moody’s, without regard to gradation and which mature not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase within the classification “A 1” by Standard & Poor’s, “F 1” by Fitch or “P 1” by Moody’s, without regard to gradation and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which (i) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature or (ii) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in one of the three highest rating categories

(without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by such Rating Agency; provided that if at any time after purchase the provider of the investment agreement drops below one of the three highest rating categories assigned by all Rating Agencies then rating such non-bank financial institution, the investment agreement must either (x) be assigned to a provider rated in one of the three highest rating categories or (y) be secured by the provider with collateral securities (or via a repurchase agreement not subject to the rating requirements of this section) the fair market value of which, in relation to the amount of the investment agreement, including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clauses (b) and (c) above, which agreements may be entered into with a bank (including, without limitation, the Related Bond Trustee or the Master Trustee), a trust company, a financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Related Bond Trustee or the Master Trustee's agent;

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940 whose shares are registered under the Securities Act of 1933, as amended, having assets of at least \$100,000,000 and having a rating of AAAM or AAAM-G by a Rating Agency, including money market mutual funds from which the Master Trustee or its affiliates derive a fee for investment advisory or other services to the fund;

(j) US dollar denominated deposit accounts with any bank which are fully insured by the FDIC, including the DIF (Deposit Insurance Fund) or the NCUA; and

(k) deposits with a bank into the Insured Cash Sweep ("ICS"), Yankee Sweep, or the Certificate of Deposit Account Registry Service ("CDARS") programs.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter (even if any rating is downgraded), absent receipt by a Responsible Officer of the Master Trustee of written notice to the contrary. To the extent such investment is no longer a Permitted Investment, the Obligated Group Representative shall promptly provide the Master Trustee an Obligated Group Representative Request with respect to any such investment pursuant to Section 3.02 herein.

"Person" means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

"Personal Property" means the Property described in GRANTING CLAUSE FIRST hereof.

"Place of Payment" for a series of Master Obligations means a city or political subdivision designated as such pursuant to this Master Trust Indenture or a Supplement.

"Premises" has the meaning set forth in the Deed to Secure Debt.

"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 Long-Term Indebtedness expected to be outstanding during such period and a denominator of one.

"Projected Rate" means the projected yield at par of an obligation as set forth in the report of a Consultant. Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations (or such lesser number as the Consultant shall deem appropriate, but in no event less than one) selected by such Consultant the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, or if the interest on the Indebtedness for which the Projected Rate is being calculated is not entitled to such exemption, then obligations the interest on which is subject to federal income taxation), which obligations such Consultant states in its report are reasonable comparators to utilize in developing such Projected Rate and which obligations (a) were outstanding on a date selected by the Consultant, which date so selected occurred during the 90 day period preceding the date of the calculation utilizing the Projected Rate in question, (b) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (c) are not entitled to the benefits of any credit enhancement (including, without limitation, any letter or line of credit or insurance policy) if the obligation for which the Projected Rate is being determined is not benefited by any credit enhancement and (d) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired by a Person, but does not include Excluded Property.

"Property, Plant and Equipment" means all Property of each Member which is classified as property, plant and equipment under GAAP.

"Put Date" means (a) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its stated maturity date or (b) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the

option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Put Indebtedness” means Indebtedness which is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

“Qualified Intermediate Term Indebtedness” shall mean any Indebtedness that (a) matures not more than seven years from the date of its issuance or incurrence and is issued or incurred to finance Facilities for the Obligor, and (b) will, according to an Officer’s Certificate of the Obligated Group Representative, or as provided in a Supplement, be used to finance facilities the Initial Entrance Fees for which (based solely on prospective residents from whom the Obligor has received a deposit of at least 10% of the projected Initial Entrance Fee of such resident) will be sufficient to generate an amount of funds equal to the aggregate of the principal amount of such Qualified Intermediate Term Indebtedness and all interest to accrue thereon through the projected date on which such Qualified Intermediate Term Indebtedness is to be paid in full (excluding Funded Interest on such Qualified Intermediate Term Indebtedness).

“Rating Agency” means, as applicable, Moody’s, Standard & Poor’s or Fitch.

“Related Bond Indenture” means any indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued including, without limitation, the Series 2021 Bond Indenture and the Bank Bond Indenture.

“Related Bond Trustee” means the bond trustee and its successor in the trust created under any Related Bond Indenture, including, without limitation, the Series 2021 Bond Trustee.

“Related Bonds” means the Series 2021 Bonds and any other revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof (“governmental issuer”), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to any Obligated Group Member in consideration of the execution, authentication and delivery of a Master Obligation to or for the order of such governmental issuer.

“Related Loan Agreement” means the Series 2021 Loan Agreement and any other loan agreement, lease agreement, financing agreement, credit agreement or other comparable instrument entered into in connection with a series of Related Bonds.

“Required Information Recipient” means the Master Trustee, each Related Bond Trustee, each provider of a Credit Facility so long as such Credit Facility is in effect, and the Municipal Securities Rulemaking Board, which currently accepts continuing disclosure submissions through EMMA, or any successor entity authorized and approved by the Securities

and Exchange Commission from time to time to act as a recognized municipal securities repository.

“Residence and Services Agreement” means each and every contract, including, without limitation, any “reservation agreement” or “Residence and Services Agreement,” as amended from time to time, between an Obligated Group Member and a resident of the Facilities giving the resident certain rights of occupancy in the Facilities, including, without limitation, the Independent Living Units, assisted living units, skilled nursing beds or specialty care (dementia) beds and providing for certain services to such resident.

“Responsible Officer” means, when used with respect to the Master Trustee, the officer of the Master Trustee at its Corporate Trust Office having direct responsibility for administration of this Master Trust Indenture and also means, with respect to a particular corporate trust matter, any other officer of the Master Trustee to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Revenue Fund” means the Revenue Fund created by Section 3.01 hereof.

“Revenues” means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees received minus (A) Entrance Fees amortized during such period, (B) Entrance Fees refunded to residents, and (C) Entrance Fees deposited in an Entrance Fee Fund and used to pay Indebtedness, plus (vi) payments received from any Affiliate of an Obligated Group Member, plus (vii) any Federal Subsidy Payments; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments or Hedge Agreements, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to Entrance Fees, and (v) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations under this Master Trust Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

“Series 2021 Bond Indenture” means the Bond Trust Indenture, dated as of December 1, 2021, between the Series 2021 Related Bond Issuer and the Series 2021 Bond Trustee, relating to the Series 2021 Bonds.

“**Series 2021 Bond Trustee**” means UMB Bank, National Association, as bond trustee under the Series 2021 Bond Indenture and the Bank Bond Indenture.

“**Series 2021 Bonds**” means the revenue bonds designated “Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021,” dated the Issue Date, in the aggregate principal amount of [\$Amount], issued pursuant to the Series 2021 Bond Indenture.

“**Series 2021 Loan Agreement**” means the Loan Agreement, dated as of December 1, 2021, between the Series 2021 Related Bond Issuer and the Obligor, relating to the Series 2021 Bonds.

“**Series 2021 Related Bond Issuer**” means Residential Care Facilities for the Elderly Authority of Coweta County, a public body corporate and politic organized under the laws of the State of Georgia.

“**Series 2021 Master Obligation**” means Wesley Woods of Newnan-Peachtree City, Inc. Series 2021 Note, in the principal amount of [\$Amount], dated the Issue Date, payable to the Issuer and issued pursuant to the Master Indenture, and assigned by the Issuer to the Series 2021 Bond Trustee.

“**Short Term**” means, when used in connection with Indebtedness, having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“**Short Term Resident Note**” means a note or other debt instrument which matures within 365 days payable to an Obligated Group Member executed by a current or future resident that is a party to a Residence and Services Agreement.

“**Stable Occupancy**” means, in connection with any Capital Additions for which Additional Indebtedness is incurred, average occupancy for twelve (12) consecutive months is equal to or greater than 85%.

“**Standard & Poor’s**” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to the Master Trustee.

“**Stated Maturity**” means, when used with respect to any Indebtedness or any installment of interest thereon, any date specified in the instrument evidencing such Indebtedness or such installment of interest as a fixed date on which the principal of such Indebtedness or any installment thereof or the fixed date on which such installment of interest is due and payable.

“**Subordinated Indebtedness**” means any unsecured promissory note, guaranty, lease, contractual agreement to pay money or other obligation the terms of the documents providing for the issuance of which expressly provide that all payments on such indebtedness shall be

subordinated to the timely payment of all Master Obligations, except Master Obligations that are or evidence other Subordinated Indebtedness, whether currently Outstanding or subsequently issued, and which contain the provisions described in Section 3.05 hereof.

“**Subsidy Bonds**” means any Related Bonds for which the issuer or conduit borrower is entitled to receive Federal Subsidy Payments directly from the United States Department of Treasury or other federal governmental agency or entity authorized to make such payments under the Code.

“**Supplement**” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Trust Indenture.

“**Supplemental Indenture Number 1**” means Supplemental Master Indenture Number 1, dated as of December 1, 2021, between the Obligor and the Master Trustee.

“**Tax-Exempt Organization**” means a Person organized under the laws of the United States of America or any state thereof that is exempt from federal income taxes under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code or corresponding provisions of federal income tax laws from time to time in effect.

“**Testing Date**” shall have the meaning ascribed to it in Section 4.20 hereof.

“**Threshold Amount**” means the greater of (a) 5% of Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (b) \$1,000,000 plus an amount equal to \$1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of June 30, 2021. The determination of such amount shall be made by the Obligated Group Representative.

“**Title Policy**” means title insurance in the form of an ALTA mortgagee’s title policy issued by a title insurance company in favor of the Master Trustee in the face amount at least equal to the principal amount of the Outstanding Master Obligations (other than Master Obligations evidencing Subordinated Indebtedness), less the balance of any debt service reserve fund for the benefit of Outstanding Master Obligations, insuring that the Master Trustee has a valid lien in the Mortgaged Property subject only to Permitted Encumbrances.

“**Trust Estate**” has the meaning given such term in the Granting Clauses hereof.

“**Uniform Commercial Code**” shall mean, Georgia’s Uniform Commercial Code, as amended from time to time.

“**Unrestricted Contributions**” means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“**Working Capital Fund**” means any working capital fund or account established pursuant to a Supplement in connection with the financing of a Capital Addition.

Section 1.02. Compliance Certificates and Reports. Whenever the amount or date of any of the following is a condition to the taking of any action permitted hereby:

(a) Estimated Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any future Fiscal Year shall be established by a certificate or report of a Consultant stating the amount of such estimated item based upon assumptions provided by such Person and stating that such assumptions are, in the opinion of the Consultant, reasonable;

(b) any of:

(i) Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any prior Fiscal Year or period,

(ii) Maximum Annual Debt Service Requirement of any Person, and

(iii) principal of and interest on any Indebtedness

shall be established by an Officer's Certificate of the Obligated Group Representative stating the amount of such item and that such amounts have been derived from either the most recent financial statements of the Obligated Group delivered to the Master Trustee pursuant to Section 4.15 hereof or, for any period other than a prior Fiscal Year, from the internally prepared financial statements of the Obligated Group for such period;

(c) the anticipated date of completion of any construction project of any Person shall be established by an Officer's Certificate of the Obligated Group Representative; and

(d) securities shall include any amounts invested in marketable securities, whether classified as short term or long term assets.

All calculations required to be made hereunder with respect to the Obligated Group shall be made after elimination of intercompany items on a combined basis. The character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes hereof shall be determined or made in accordance with GAAP in effect on the date hereof or, at the option of the Obligated Group Representative, at the time in effect (provided that GAAP is applied consistently with the requirements existing either on the date hereof or at the time in effect), except that assets, liabilities, items of income and expenses of Affiliates which are not included in the Obligated Group shall not be taken into account, and except where such principles are inconsistent with the requirements of this Master Trust Indenture; provided, however, that there shall not be included in any calculation any item otherwise required to be included in such calculation with respect to any Person which has withdrawn or is withdrawing from the Obligated Group.

Section 1.03. Form of Documents Delivered to Master Trustee. Upon any request or application by the Obligated Group to the Master Trustee to take any action under this Master Trust Indenture, and if requested by the Master Trustee, the Obligated Group shall furnish to the Master Trustee (a) an Officer's Certificate stating that, in the opinion of the signer, all conditions precedent and covenants, if any, provided for in this Master Trust Indenture relating to the proposed action

have been satisfied; and (b) an Opinion of Counsel stating that, in the opinion of such counsel (who may rely upon an Officer's Certificate as to matters of fact), all such conditions precedent and covenants have been satisfied.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel or Opinion of Bond Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Trust Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04. Acts of Holders of Master Obligations

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Trust Indenture to be given or taken by Holders of Master Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of Master Obligations in person or by an agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee and, where it is hereby expressly required, to the Obligated Group Representative. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders of Master Obligations signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of unregistered Master Obligations, shall be sufficient for any purpose of this Master Trust Indenture and conclusive in favor of the Master Trustee and the Obligated Group Members, if made in the manner provided in this Section. The Obligated Group may establish a record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this Master Trust Indenture.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds certifying that the

individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

The amount of Master Obligations held in bearer form by any Person executing any such instrument or writing as a Holder of Master Obligations, the numbers of such Master Obligations and the date of his holding the same may be proved by the production of such Master Obligations or by a certificate executed, as depositary, by any trust company, bank, banker or member of a national securities exchange (wherever situated), if such certificate is in form satisfactory to the Master Trustee, showing that at the date therein mentioned such Person had on deposit with such depositary, or exhibited to it, the Master Obligations held in bearer form therein described; or such facts may be proved by the certificate or affidavit of the Person executing such instrument or writing as a Holder of Master Obligations, if such certificate or affidavit is in form satisfactory to the Master Trustee. The Master Trustee and the Obligated Group Members may assume that such ownership of any Master Obligation held in bearer form continues until (i) another certificate bearing a later date issued in respect of the same Master Obligation is produced, or (ii) such Master Obligation is produced by some other Person, or (iii) such Master Obligation is registered as to principal or is surrendered in exchange for a Master Obligation in registered form, or (iv) such Master Obligation is no longer Outstanding.

(c) The fact and date of execution of any such instrument or writing and the amount and numbers of Master Obligations held in bearer form by the Person so executing such instrument or writing may also be proved in any other manner which the Master Trustee deems sufficient; and the Master Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

(d) The ownership of Master Obligations in registered form shall be proved by the Obligation Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Master Obligation shall bind every future Holder of the same Master Obligation and the Holder of every Master Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Obligated Group Members in reliance thereon, whether or not notation of such action is made upon such Master Obligation.

Section 1.05. Notices, etc. to Master Trustee and Obligated Group Members. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Master Obligations or other document provided or permitted by this Master Trust Indenture to be made upon, given or furnished to or filed with:

(a) the Master Trustee by any Holder of Master Obligations or by any specified Person shall be sufficient for every purpose hereunder if actually received by the Master Trustee at the Corporate Trust Office, or at any other address previously furnished in writing to the Obligated Group Members and the Holders of Master Obligations by the Master Trustee;

(b) the Obligated Group Members by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, or by Electronic Means, to the Obligated Group Representative addressed to it at Wesley Woods of Newnan-Peachtree City, Inc., Houston Building, 1817 Clifton Road, N.E., Atlanta, Georgia 30329, Attention: Chief Executive Officer, email: terry.barcroft@wesleywoods.org, or at any other address previously furnished in writing to the Master Trustee by the Obligated Group Representative; or

(c) any Obligated Group Member by the Master Trustee or by any Holder of Master Obligations shall be sufficient for every purpose hereunder if in writing and mailed, registered or certified first class postage prepaid, to the Obligated Group Member addressed to it at the address specified in the Supplement executed by such Obligated Group Member or at any other address previously furnished in writing to the Master Trustee by such Obligated Group Member.

Notwithstanding the above, in the case of any notice given by the Master Trustee by Electronic Means pursuant to the provisions of this Master Trust Indenture, the Master Trustee shall have no duty or obligation to verify or confirm receipt by the Person to whom the notice is directed; provided, however, the Master Trustee shall (i) verify that the Electronic Means address matches an Electronic Means address previously provided to the Master Trustee by such recipient in writing other than by Electronic Means, and (ii) ensure that no error message is received by the Master Trustee indicating a delivery delay or failure has resulted, in which case the notice shall be given by means other than Electronic Means. Further, the Master Trustee shall have no duty or obligation to verify or confirm that the person who sent any instructions or directions to the Master Trustee by Electronic Means is, in fact, a person authorized to give instructions or directions on behalf of the sender (other than to verify that the sender purports to be a person authorized to give instructions and directions on behalf of the entity); and the Master Trustee shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Obligated Group as a result of such reliance upon or compliance with such instructions or directions. The Obligated Group agrees to assume all risks arising out of the use of Electronic Means or facsimile transmission to submit instructions and directions to the Master Trustee, including, without limitation, the risk of the Master Trustee acting on unauthorized instructions and the risk of interception and misuse by third parties.

Section 1.06. Notices to Holders of Master Obligations; Waiver. Where this Master Trust Indenture provides for notice to Holders of Master Obligations of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder of such Master Obligations, at its address as it appears on the Obligation Register, not later than the latest date, and not earlier than the earliest date, prescribed for the transmission of such notice; provided, however, if notice is permitted by the terms of this Master Trust Indenture to be sent by Electronic Means, the provisions of Section 1.05 hereof shall apply. Where this Master Trust Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Master Obligations shall be filed with the Master Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.07. Notices to Rating Agencies. If any Related Bonds are then rated by a Rating Agency, the Obligated Group Representative shall give prompt notice to such Rating Agency of any of the following events:

- (a) any Event of Default hereunder;
- (b) the incurrence by any Obligated Group Member of any Long-Term Indebtedness in principal amount greater than \$2,500,000; and
- (c) any addition to or withdrawal from the Obligated Group.

Section 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09. Successors and Assigns. All covenants and agreements in this Master Trust Indenture by the Obligated Group Members shall bind their respective successors and assigns, whether so expressed or not.

Section 1.10. Separability Clause. In case any provision in this Master Trust Indenture or in the Master Obligations shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 1.11. U.S.A. PATRIOT Act. The Obligated Group acknowledges that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Master Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Master Trustee. The parties to this Master Trust Indenture agree that they will provide the Master Trustee with such information as it may request in order for the Master Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

[End of Article I]

ARTICLE II THE MASTER OBLIGATIONS

Section 2.01. Series and Amount of Master Obligations.

(a) Master Obligations shall be issued under this Master Trust Indenture in series created by Supplements permitted hereunder. Each series shall be designated to differentiate the Master Obligations of such series from the Master Obligations of any other series. No Master Obligations issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness); provided, however, that the provision of a Hedge Agreement or Credit Facility or the establishment of a debt service reserve fund or account for the sole benefit of the Holders of certain Master Obligations shall be permitted. The number of series of Master Obligations that may be created under this Master Trust Indenture is not limited. The aggregate principal amount of Master Obligations of each series that may be created under this Master Trust Indenture is not limited except as restricted by Supplement and the provisions of Article IV of this Master Trust Indenture.

(b) Any Obligated Group Member proposing to incur Indebtedness other than the Series 2021 Master Obligations, whether evidenced by Master Obligations issued pursuant to a Supplement or by evidences of Indebtedness issued pursuant to documents other than this Master Trust Indenture, shall give written notice of its intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred, to the Obligated Group Representative and the other Obligated Group Members. The Obligated Group Representative shall provide the Master Trustee with a copy of any such notice it receives prior to the date such Indebtedness is to be incurred. Any such Obligated Group Member, other than the Obligated Group Representative, proposing to incur such Indebtedness other than the Series 2021 Master Obligations, shall obtain the written consent of the Obligated Group Representative, which consent shall be evidenced by an Officer's Certificate of the Obligated Group Representative filed with the Master Trustee or an endorsement to such Indebtedness signed by the Obligated Group Representative, stating compliance of such Indebtedness with this Master Trust Indenture. The Series 2021 Master Obligations are being issued simultaneously with the execution and delivery hereof.

Section 2.02. Appointment of Obligated Group Representative. Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative (a) full and exclusive power to execute Supplements authorizing the issuance of Master Obligations or series of Master Obligations, (b) full and exclusive power to execute Master Obligations for and on behalf of the Obligated Group and each Obligated Group Member, (c) full and exclusive power to execute Supplements on behalf of the Obligated Group and each Obligated Group Member pursuant to Sections 9.01 and 9.02 hereof, and (d) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Master Obligations hereunder or Related Bonds associated therewith and to execute and deliver such items to the appropriate parties in connection therewith.

Section 2.03. Execution and Authentication of Master Obligations. All Master Obligations shall be executed for and on behalf of the Obligated Group and the Obligated Group Members by an Authorized Obligor Representative of the Obligated Group Representative. The signature of any such Authorized Obligor Representative may be manual or may be mechanically or photographically reproduced on the Master Obligation. If any Authorized Obligor Representative whose signature appears on any Master Obligation ceases to be such Authorized Obligor Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such Authorized Obligor Representative had remained in office until such delivery. Each Master Obligation shall be manually authenticated by an authorized officer of the Master Trustee, without which authentication no Master Obligation shall be entitled to the benefits hereof, and shall be dated the date of its authentication.

The Master Trustee's authentication certificate shall be substantially in the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This [Master Obligation] is one of the Master Obligations referred to in the aforementioned Master Trust Indenture.

Date of Authentication: **UMB BANK, NATIONAL ASSOCIATION,**
as Master Trustee

By: _____
Authorized Signatory

Section 2.04. Supplement Creating Master Obligations. The Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee may from time to time enter into a Supplement in order to create Master Obligations hereunder. Each Supplement authorizing the issuance of Master Obligations shall specify and determine the date of the Master Obligations, the principal amount thereof, the purposes for which such Master Obligations are being issued, the form, title, designation and manner of numbering or denominations, if applicable, of such Master Obligations, the date or dates of maturity of such Master Obligations, the rate or rates of interest (or method of determining the rate or rates of interest) and premium, if any, borne by such Master Obligations, the arrangement for place and medium of payment and any other provisions deemed advisable or necessary, and any of the foregoing terms may be incorporated into such Supplement by reference. Each Master Obligation shall be issuable, shall be transferable and exchangeable and shall be subject to redemption as specified in this Master Trust Indenture and in the Supplement. Any Master Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the aggregate principal amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Unless a Master Obligation has been registered under the Securities Act of 1933, as amended (or similar legislation subsequently enacted), each such Master Obligation shall be endorsed with a legend which shall read substantially as follows: "This [describe Master Obligation] has not been registered under the Securities Act of 1933 or any state securities law;" provided, however, such

legend shall not be required if the Master Trustee is provided with an Opinion of Counsel to the effect that such legend is not required.

A Supplement and the Master Obligations issued thereunder may contain, as applicable, provisions relating to a Credit Facility, as well as any and all compatible provisions necessary in order to make the Master Obligations meet the requirements of an issuer of such Credit Facility. Similarly, a Supplement may provide for Master Obligations to be issued in fixed or variable rate forms, as the case may be, with such tender and redemption provisions as may be deemed necessary for the issuance thereof and provide for the execution of required documents necessary for such purposes, and may specifically subordinate payment, remedies and any other provisions of the Master Obligations issued thereunder to the provisions of any other Master Obligations.

Section 2.05. Conditions to Issuance of Master Obligations Hereunder. With respect to Master Obligations created hereunder other than the Series 2021 Master Obligations, simultaneously with or prior to the execution, authentication and delivery of Master Obligations pursuant to this Master Trust Indenture:

(a) The Obligated Group Representative (on behalf of the Obligated Group Members) shall deliver to the Master Trustee (i) an Obligated Group Representative Request for the authentication of any such Master Obligations and (ii) an Officer's Certificate of the Obligated Group Representative stating that all covenants, requirements and conditions to the issuance and authentication of such Master Obligations set forth in the related Supplement and in this Master Trust Indenture (including, without limitation, the provisions of Section 4.16 and 9.01 hereof; provided that such provisions shall not be applicable to the Series 2021 Master Obligations) shall have been complied with and satisfied, and the Obligated Group Representative (on behalf of the Obligated Group Members) and the Master Trustee shall have entered into a Supplement as provided in Section 2.04 hereof;

(b) The Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (i) registration of such Master Obligations under the Securities Act of 1933, as amended, and qualification of this Master Trust Indenture or the Supplement under the Trust Indenture Act of 1939, as amended, is not required or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with; (ii) this Master Trust Indenture, as amended and supplemented by such Supplement, and the Master Obligations are valid, binding and enforceable obligations of each of the Obligated Group Members in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally, usual equity principles and other reasonable exclusions; (iii) all covenants, requirements and conditions to the execution and delivery of the Supplement and issuance and authentication of such Master Obligations set forth in the Supplement and in this Master Trust Indenture have been complied with and satisfied; and (iv) documents necessary to cause the Lien of the Master Trustee in the Trust Estate to be perfected or recorded in accordance with this Master Trust Indenture and applicable law are in proper form for filing or recording, as applicable;

(c) If Master Obligations are issued with respect to tax-exempt Related Bonds, the Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Bond Counsel to the effect that issuance of such Master Obligations will not adversely affect the exclusion from gross income of interest on such Related Bonds;

(d) Copies of Georgia Uniform Commercial Code financing statements filed pursuant to Section 4.03 in form suitable for filing in the UCC Office of Coweta County shall have been delivered to the Master Trustee;

(e) Additional Master Obligations may be secured on a parity first lien basis with the outstanding Master Obligations by the issuance of a Master Obligation to the holder of such Additional Indebtedness if permitted by Section 4.16 (other than paragraphs (e) and (f) of Section 4.16); and

(f) Additional Indebtedness may also be secured by (i) a Lien on Property not constituting a part of the Premises, (ii) a purchase money security interest on new or replacement equipment and fixtures, or (iii) Permitted Encumbrances.

Section 2.06. List of Holders of Master Obligations. The Master Trustee shall keep on file at its office the Obligation Register which shall consist of a list of the names and addresses of the Holders of all Master Obligations. At reasonable times and under reasonable regulations established by the Master Trustee, the Obligation Register may be inspected and copied by any Obligated Group Member, the Holder of any Master Obligation or the Authorized Obligor Representative; provided that the ownership by such Holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 2.07. Optional and Mandatory Redemption. Master Obligations of each series may be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity, as provided in the Supplement creating such series, but not otherwise.

Section 2.08. Mutilated, Destroyed, Lost and Stolen Master Obligations. If (a) any mutilated Master Obligation is surrendered to the Master Trustee, or the Master Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Master Obligation, and (b) there is delivered to the Master Trustee and the Obligated Group Representative such security or indemnity as may be required by the Master Trustee and the Obligated Group Representative to save it and the Obligated Group harmless, then, in the absence of notice to the Obligated Group Representative or the Master Trustee that such Master Obligation has been acquired by a bona fide purchaser, the Obligated Group Representative shall execute and upon its request the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Master Obligation a new Master Obligation of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Master Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may, instead of issuing a new Master Obligation, pay such Master Obligation.

Upon the issuance of any new Master Obligation under this Section, the Obligated Group Representative and the Master Trustee may require the payment of a sum sufficient to cover any

tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) connected therewith.

Every new Master Obligation issued pursuant to this Section in lieu of any destroyed, lost or stolen Master Obligation shall constitute an original additional contractual obligation of the maker thereof, whether or not the destroyed, lost or stolen Master Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Trust Indenture equally and proportionately with any and all other Master Obligations duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Master Obligations.

Section 2.09. Cancellation. All Master Obligations surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already canceled or required to be otherwise delivered by the terms of the Supplement authorizing the series of Master Obligations of which such Master Obligation is a part, shall be promptly canceled by it. The Obligated Group Representative may at any time deliver to the Master Trustee for cancellation any Master Obligations previously authenticated and delivered hereunder, which the Obligated Group Representative may have acquired in any manner whatsoever, and all Master Obligations so delivered shall be promptly canceled by the Master Trustee. No Master Obligations shall be authenticated in lieu of or in exchange for any Master Obligations canceled as provided in this Section, except as expressly permitted by this Master Trust Indenture. All canceled Master Obligations held by the Master Trustee shall be treated by the Master Trustee in accordance with its current document retention policies.

[End of Article II]

ARTICLE III FUNDS AND ACCOUNTS

Section 3.01. Revenue Fund.

(a) If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five days following the expiration of any cure period with respect thereto, the Master Trustee shall establish a fund called the “Wesley Woods of Newnan-Peachtree City, Inc. - Revenue Fund” and each Obligated Group Member shall deposit with the Master Trustee all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrances) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no default under Section 7.01(a) of this Master Trust Indenture or in the payment of any other Master Obligations then exists.

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

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

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

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

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

Fourth: to restore any deficiency in the Debt Service Reserve Fund for outstanding Master Obligations which are secured by amounts on deposit in such Debt Service Reserve Fund, on a pro-rata basis;

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

amounts due and payable on such Master Obligations for principal (and premium, if any) and interest, respectively; and

Sixth: any balance shall be kept in the Revenue Fund for application as set forth in this subsection (i) until the Event of Default has been waived or cured, and when the Event of Default has been waived or cured, to the Obligated Group Representative.

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

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

Second: (a) unless, in its sole discretion, the Master Trustee determines payment under clause (b) below is in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of Master Obligations then Outstanding to proceed under clause (b) below, to pay the Expenses due or expected to become due in the month following the month in which such transfer is made, all as set forth in the then-current Annual Budget; and (b) as an alternative to clause (a) above, if, in its sole discretion, the Master Trustee determines payment under this clause (b) is in the best interest of the Holders of the Outstanding Master Obligations or is directed by the Holders of not less than 25% in aggregate principal amount of Master Obligations then Outstanding to proceed under this clause (b), to pay the amounts required by paragraph Third below;

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

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

Fifth: To the Obligated Group Representative.

(c) The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 7.08 hereof. Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in accordance

with Section 3.02 hereof. All such investments shall have a maturity not greater than 91 days from the date of purchase.

(d) Except as described in Section 3.01(a) above, each Obligated Group Member shall be entitled to full possession and use of its Gross Revenues other than any Entrance Fees then required to be deposited into an Entrance Fee Fund established by a Supplement.

Section 3.02. Investment of Funds. Any moneys held by the Master Trustee hereunder, including any fund or account established pursuant to any Supplement, shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to rely). Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee, at such times as it is anticipated by the Obligated Group Representative that moneys from the particular fund will be required for the purposes of this Master Trust Indenture. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor under such investment is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its affiliates. The Master Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Master Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries and may charge its ordinary and customary fees for such trades. In the absence of written investment instructions from the Obligated Group Representative, the Master Trustee shall hold funds on deposit without investment and without liability for interest or other compensation thereon, and shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. Confirmations of investments are not required to be issued by the Master Trustee for each month in which a monthly statement is rendered.

The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Master Trust Indenture. The Master Trustee shall make copies of such records available to the Obligated Group Representative upon its reasonable written request.

Section 3.03. Allocation and Transfers of Investment Income. Any investments in any fund or account shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the fund or account from which the investment was made. Any loss resulting from such investments shall be charged to such fund or account. Any interest or other gain from any fund or account from any investment or reinvestment pursuant to Section 3.02 hereof on deposit in such fund or account (other than the Revenue Fund) on each January 1, April 1, July 1 and November 1 shall be transferred to the Obligated Group Representative upon its written request.

Section 3.04. Master Trustee Relieved From Responsibility. The Master Trustee shall be fully protected in conclusively relying upon any Obligated Group Representative Request relating to investments in any fund, shall not be liable for any losses or prepayment penalties as a

result of complying with any such Obligated Group Representative Request and shall not be required to ascertain any facts with respect to such Request.

Section 3.05. Subordinated Indebtedness.

(a) An Obligated Group Member will not make payments on Subordinated Indebtedness unless the following conditions are satisfied:

(i) if the proposed payment had occurred as of the last day of the most recent fiscal quarter for which financial statements have been delivered under Section 4.15 hereof or otherwise posted to EMMA, the Obligated Group would have had 200 Days Cash on Hand, after giving effect to such payment, as of such date;

(ii) if the proposed payment had occurred during the most recent fiscal quarter for which financial statements have been delivered under Section 4.15 hereof or otherwise posted to EMMA, the Historical Debt Service Coverage Ratio calculated as of the end of such fiscal quarter would have been not less than 1.35; and

(iii) there is no deficiency in the bond fund or the Debt Service Reserve Fund with respect to any Outstanding Master Obligations or Related Bonds, and there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under this Master Trust Indenture.

(b) All payments on Subordinated Indebtedness in a fiscal period shall be subordinated to all payments due on any Master Obligations Outstanding in such period, except for Master Obligations evidencing other Subordinated Indebtedness.

(c) Payments of principal and interest on Subordinated Indebtedness which are not permitted to be paid pursuant to the foregoing requirements shall be deferred but, unless otherwise provided in a Supplement governing such Subordinated Indebtedness, shall be subject to accrual of interest during the period of deferral. Subordinated Indebtedness may not be accelerated without the prior written consent of the Holder of each Master Obligation Outstanding that does not constitute Subordinated Indebtedness.

Section 3.06. Debt Service Reserve Fund.

(a) The Master Trustee shall establish and maintain, so long as any Master Obligations entitled to the benefit thereof are outstanding, a separate fund to be known as the "Debt Service Reserve Fund-Wesley Woods of Newnan, Inc." The Master Trustee shall be entitled to establish and maintain separate accounts within the Debt Service Reserve Fund as may be set forth in any Supplement, which accounts may be for the benefit of one or more Master Obligations, as provided in the applicable Supplement.

(b) If, on any date on which principal of or interest on a Master Obligation secured by amounts on deposit to the Debt Service Reserve Fund or account therein is to be paid to the Holder thereof, the moneys on deposit under the Related Bond Indenture are insufficient to pay in full the debt service on the Related Bonds corresponding to such Master Obligation, then the Master

Trustee shall transfer moneys on deposit in the Debt Service Reserve Fund to the Holder of the Master Obligation to make up any such deficiency.

(c) The Master Trustee will give written notice to the Obligated Group, the applicable Holder and Related Bond Trustee, and the underwriter for the corresponding Related Bonds, of any withdrawal from the Debt Service Reserve Fund and of any diminution in value or net losses from the investment of moneys in the Debt Service Reserve Fund which reduces the amount deposited therein or credited thereto to less than the Debt Service Reserve Fund Requirement with respect to any Master Obligation.

(d) In the event any moneys in the Debt Service Reserve Fund are transferred as provided in subsection (b) above, except if such moneys are transferred due to the redemption of all or a portion of the applicable Related Bonds, the Obligated Group agrees to deposit additional moneys into the Debt Service Reserve Fund in an amount sufficient to satisfy the applicable Debt Service Reserve Fund Requirement, such amount to be deposited in no more than 12 equal consecutive monthly installments, the first installment to be made within seven months of such transfer or receipt of written notice from the Master Trustee of a deficiency.

(e) The funds in the Debt Service Reserve Fund may be invested in Permitted Investments as directed in writing by the Obligated Group. Reserve Fund credit facilities, surety bonds, guaranteed investment contracts and other investment agreements constituting Permitted Investments and deposited to the Debt Service Reserve Fund shall be valued at the amount which is available to be drawn or paid thereunder.

(f) The Trustee shall value the Permitted Investments in the Debt Service Reserve Fund three (3) Business Days prior to each date upon which debt service is due and payable on a Master Obligation secured thereby. In the event the value of the Debt Service Reserve Fund or an account therein (as determined pursuant to the statement of the Master Trustee furnished to the Obligated Group) is less than the applicable Debt Service Reserve Fund Requirement, the Obligated Group agrees to deposit additional moneys into the Debt Service Reserve Fund in an amount sufficient to satisfy the applicable Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Master Trustee of a deficiency. If on any date of valuation the money held in the Debt Service Reserve Fund exceeds the applicable Debt Service Reserve Fund Requirement, an amount equal to such excess shall be transferred by the Master Trustee to the Related Bond Trustee for deposit in the bond fund established under the Related Bond Indenture.

(g) In the event that any change in the amount of a Debt Service Reserve Fund Requirement shall occur, the Obligated Group shall calculate or cause to be calculated the new Debt Service Reserve Fund Requirement and shall provide such new Debt Service Reserve Fund Requirement to the Master Trustee within 45 days of such occurrence.

(h) In the event of a partial refunding of a Master Obligation and its Related Bonds, the balance of the Debt Service Reserve Fund will be reduced to the Debt Service Reserve Fund Requirement with respect to the Master Obligations that remain Outstanding and the excess amount will be applied to the cost of the partial refunding of the Related Bonds.

(i) Any future Supplement to this Master Indenture creating a Master Obligation shall provide whether such Master Obligation will be secured by amounts on deposit in the Debt Service Reserve Fund. Each such Supplement shall indicate whether such Master Obligation will be secured by funds on deposit in the Debt Service Reserve Fund on a parity basis with any other Master Obligations, or whether a new account of the Debt Service Reserve Fund will be created for the sole security of such Master Obligations. If such Master Obligation will be secured on a parity basis by funds deposited to the Debt Service Reserve Fund, the Obligated Group will cause to be deposited to the Debt Service Reserve Fund, upon the issuance of such Master Obligation, an additional amount sufficient to cause the total amounts deposited therein to meet the Reserve Fund Requirement for all such Master Obligations Outstanding and secured by Debt Service Reserve Fund on a parity basis. If a new account will be established with respect to a Master Obligation, the Obligated Group will cause to be deposited to such account, upon issuance of the Master Obligation, an amount equal to the Reserve Fund Requirement for such Master Obligation.

[End of Article III]

ARTICLE IV
COVENANTS OF THE OBLIGATED GROUP MEMBERS

Section 4.01. Title to Trust Estate; Title Insurance. Each of the Obligated Group Members warrants that it has good and indefeasible title to the Trust Estate free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except Permitted Encumbrances. Each of the Obligated Group Members represents that it has the right to enter into this Master Trust Indenture and will warrant and defend to the Master Trustee the title and the lien of this Master Trust Indenture as a valid and enforceable Lien thereon and lien on the Trust Estate, and a security interest therein, subject to Permitted Encumbrances. This Master Trust Indenture constitutes a valid and subsisting lien on and security interest in the Trust Estate, all in accordance with the terms hereof and thereof, subject to Permitted Encumbrances.

The Obligor, prior to or simultaneously with the issuance of the Series 2021 Bonds, will furnish the Title Policy. The Obligor will furnish within the time limit specified in any binder an original of the Title Policy. Upon request, the Obligor shall furnish the Master Trustee with copies of such Title Policy. The mortgagee's title policy will insure that the Master Trustee has a valid lien on the Premises, subject only to Permitted Encumbrances. There will be deleted from the Title Policy the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area or other matters which would be disclosed by an accurate survey and inspection of the Premises, mechanics' and materialmen's liens, or rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policy will contain the standard zoning endorsement. In lieu of the standard zoning endorsement the Obligated Group Members may provide an Opinion of Counsel to the effect that the Facilities are properly zoned or evidence of proper zoning from appropriate government officials. Simultaneously with the issuance of any Additional Master Obligations, or any amendment to the description of the Premises in Exhibit A to the Deed to Secure Debt, the Obligated Group Members will furnish an appropriate endorsement to the Title Policy to the Master Trustee. Any Net Proceeds payable to the Obligated Group Members under the Title Policy will be subject to the lien of this Master Trust Indenture, will be paid to the Master Trustee, will be held by the Master Trustee in a special trust account, will be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments and, at the Obligated Group Representative's written direction, will be used (a) to acquire or construct replacement or substitute property within the corporate limits of the jurisdiction in which title has been lost or (b) to prepay Master Obligations. Any proceeds of the Title Policy remaining after the Master Obligations are no longer Outstanding will be paid to the Obligated Group Representative.

Section 4.02. Further Assurances. The Obligated Group Members, upon the request of the Master Trustee or any Related Bond Trustee, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Master Trust Indenture and to subject the Trust Estate to the liens and security interests hereof.

If an Event of Default under Section 7.01(a) of this Master Trust Indenture shall occur and continue for a period of five days following the expiration of any cure period with respect thereto, each Obligated Group Member, to the extent that Gross Revenues are not on deposit with the Master Trustee pursuant to the provisions of this Master Trust Indenture, shall use its best good

faith efforts to cause the Master Trustee to have and maintain "control" (within the meaning of O.C.G.A. § 11-9-106 and § 11-9-104) of all deposit accounts with any depository institution maintaining such accounts wherein any Gross Revenues are on deposit such that the security interests granted by this Master Trust Indenture herein will constitute valid and perfected security interests in such Gross Revenues in favor of the Master Trustee.

Section 4.03. Recording and Filing. The Obligated Group Members shall cause the Deed to Secure Debt and all other instruments necessary to create and/or preserve the liens and security interests granted hereunder and thereunder and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as are necessary to protect the lien on and security interests in the Trust Estate and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges. Subject to Section 11.06 hereof, the Obligated Group Members hereby authorize the Master Trustee at any time and from time to time to file any financing statements, amendments thereto and continuation statements with or without the signature of the Obligated Group Members as authorized by applicable law, as applicable to all or part of the Property of the Obligated Group Members, for the purpose of securing the lien on and security interest in the Trust Estate created pursuant to this Master Trust Indenture and the Deed to Secure Debt. For purposes of such filings, the Obligated Group Members agree to furnish any information requested by the Master Trustee promptly upon request by the Master Trustee. The Obligated Group Members hereby irrevocably constitute and appoint the Master Trustee and any officer or agent of the Master Trustee, with full power of substitution, as its true and lawful attorneys in fact with full irrevocable power and authority in the place and stead of the Obligated Group Members or in the Obligated Group Members' own name to execute in the Obligated Group Members' name any documents and otherwise to carry out the purposes of this Section 4.03, to the extent that the Obligated Group Members' authorization above is not sufficient. To the extent permitted by law, the Obligated Group Members hereby ratify all acts said attorneys in fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. Furthermore, the Deed to Secure Debt shall also constitute a "fixture filing" for the purpose of O.C.G.A. § 11-9-502(c) against all of the Trust Estate which is or to become fixtures. Information concerning the security interest herein granted may be obtained from the Obligated Group Members at the addresses of the Obligated Group Members as set forth in Section 1.05 of this Master Trust Indenture. The Obligor's identification number assigned by its state of incorporation is correctly set forth in Section 4.07 of this Master Trust Indenture. The Obligor shall promptly notify the Master Trustee of any change in its organizational identification number.

Section 4.04. Payment of Principal, Premium and Interest. The Obligated Group will duly and punctually pay the principal of (and premium, if any) and interest on the Master Obligations in accordance with the terms of the Master Obligations and this Master Trust Indenture.

Each Obligated Group Member hereby jointly and severally unconditionally guarantees the full and timely payment of the principal of, and premium, if any, and interest on all Outstanding Master Obligations which such Person has not created or otherwise made (and on which such Person is not otherwise primarily liable) in accordance with the terms thereof, whether at Stated Maturity, declaration of acceleration, call for redemption or otherwise. Such guaranty shall not be affected, modified or impaired upon the happening from time to time of any event, other than the

payment of such Master Obligations (or provision therefor), including, without limitation, any of the following, whether or not with notice to, or the consent of, the guarantor:

(a) the waiver, compromise, settlement, release or termination by any Person of the obligations evidenced by such Master Obligations or any covenant or security in support thereof;

(b) the failure to give notice to the guarantor of the occurrence of an event of default under the terms and provisions of this Master Trust Indenture or any agreement under which such Master Obligations are created, assumed, guaranteed or secured;

(c) any failure, omission, or delay on the part of the Master Trustee or the Holder of such Master Obligations to enforce, assert or exercise any right, power or remedy conferred on the Master Trustee or such Holder in this Indenture or any other agreement under which such Master Obligations are created, assumed, guaranteed or secured;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement under bankruptcy or similar laws, composition with creditors or readjustment of, or other similar proceedings affecting any such guarantor or any other obligor on Master Obligations;

(e) the invalidity, irregularity, illegality, unenforceability, or lack of value of, or any defect in any of the Master Obligations so guaranteed or any collateral security therefor; or

(f) to the extent permitted by law, any event or action that would, in the absence of this Section, result in the release or discharge by operation of laws of such guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Master Trust Indenture.

Section 4.05. Payment of Taxes and Other Claims. Each Obligated Group Member will pay or discharge or cause to be paid or discharged before the same shall become delinquent (a) all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon it or upon its income, profits or property and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon its property; provided, however, that no such Person shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge or claim to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings, such Person shall have established and shall maintain adequate reserves on its books for the payment of the same and such property is not jeopardized as a result of nonpayment.

Section 4.06. Maintenance of Properties. Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment, ordinary wear and tear, casualty, condemnation and acts of God excepted. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof,

all as in the judgment of the Obligated Group Representative may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent any such Person from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person (and in the opinion of the Governing Body of such Person if the property involved is any substantial part of the properties of such Person taken in the aggregate), desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Master Obligations.

Section 4.07. Corporate Existence; Status of Obligated Group Members

(a) Subject to Section 5.01 hereof, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that no Person shall be required to preserve any right or franchise if the Governing Body of such Person shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Master Obligations.

(b) The Obligor's exact legal name is correctly set forth at the beginning of this Master Trust Indenture, and the Obligor is an organization of the type specified in the first paragraph of this Master Trust Indenture. The Obligor is formed or incorporated in or organized under the laws of the State of Georgia. The Obligor will not cause or permit any change to be made in its name or identity unless the Obligor shall have first notified the Master Trustee in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required for the purpose of perfecting or protecting the lien and security interest of the Master Trustee. The Obligor's principal place of business and chief executive office, and the place where the Obligor keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding two months and will continue to be the address of the Obligor set forth in Section 1.05 hereof (unless the Obligor notifies the Master Trustee in writing at least 30 days prior to the date of such change).

Section 4.08. Preservation of Qualifications. Each Obligated Group Member will not allow any permit, right, license, franchise or privilege so long as it is necessary for the ownership or operation of the Facilities as a continuing care retirement community to lapse or be forfeited; provided, however, that an Obligated Group Member may modify, amend or forfeit any permit, right, licensing, franchise or privilege, in whole or in part, as long as such modification, amendment or forfeiture does not affect the operation of the Facilities as a continuing care retirement community. If an Obligated Group Member becomes a provider of services under and a participant in the Medicare program or any successor program thereto or any program by a federal, state or local government providing for payment or reimbursement for services rendered for health care, such Obligated Group Member shall use its commercially reasonable efforts to remain fully qualified as a provider of services and a participant in such program; provided, however, that no Obligated Group Member shall be required to maintain any such qualification if (a) the Governing Body of such Person shall determine that the maintenance of such qualification is not in the best economic interest of such Person and (b) at least 30 days prior to the discontinuance of such qualification, such Person shall notify the Master Trustee and Related Bond

Trustee of such proposed discontinuance and shall provide the Master Trustee and Related Bond Trustee with a written explanation of the basis for such determination.

Section 4.09. Additions to Facilities. Any additions, improvements and extensions to the Facilities and repairs, renewals and replacements thereof, including, without limitation, any Capital Additions, shall upon their acquisition become part of the Facilities.

Section 4.10. Insurance. Each Member shall maintain, or cause to be maintained, at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations. Each Member which owns or operates health care facilities shall also maintain insurance covering the risk of professional and medical malpractice in such amount as, in its reasonable judgment is adequate to protect such Member and its operations. Except in the case of self-insurance described below or worker's compensation coverage, all insurance provided shall be maintained with an insurer rated "A-" or higher by A.M. Best & Company or by S&P. The Master Trustee shall be named as loss payee or an additional insured under all such policies (to the extent such option is commercially available) other than those related to malpractice liability insurance. The Obligated Group Representative shall annually review the insurance each Member maintains in order to determine whether such insurance is customary and adequate and deliver an Officer's Certificate to the Master Trustee on or before each January 1 beginning January 1, 2023, stating that such Member is in compliance with the requirements set forth herein. In addition, the Obligated Group Representative shall, at least once every two Fiscal Years with respect to commercial insurance and at least once every Fiscal Year with respect to self-insurance, cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 120 days of the end of the applicable Fiscal Year which indicates that the insurance then being maintained by the Members meets the standards described above. The Obligated Group Representative shall cause copies of its review, or the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may, upon Board Resolution adopted in good faith by its Governing Body, and upon the recommendation of an Insurance Consultant, adopt alternative risk management programs which shall be in compliance with applicable governmental rules and regulations, including, without limitation, the right: to self-insure in whole or in part; to organize, either solely or in connection with others, captive insurance companies; to participate in programs of captive insurance companies organized by others; to establish self-insurance trust funds; to participate in mutual or other cooperative insurance or other risk management programs with others; to participate in or enter in agreements with local, state or federal governments in order to achieve such insurance; to take advantage of state or federal statutes or laws now or hereafter in existence limiting medical and malpractice liability; or to participate in other alternative risk management programs as shall be recommended by said Insurance Consultant.

Naming of the Master Trustee as a loss payee or an insured or additional insured under any insurance policy, or the furnishing to the Master Trustee of information relating thereto, shall not impose upon the Master Trustee any responsibility or duty to approve the form of such policy, the level of coverage, the qualifications of the company issuing same or any other matters relating thereto.

The Obligor agrees that it will, at all times during the construction of the 2021 Project or other Capital Additions, maintain or cause the General Contractor to maintain in full force and effect Builder's Risk - Completed Value Form insurance insuring the 2021 Project or other Capital Additions against fire, lightning, and all other risks covered by the extended coverage endorsement then in use in the State to the full insurable value of the 2021 Project or other Capital Additions. Such policy or policies of insurance must name the Issuer, the Obligor, and the Master Trustee as insureds, as their respective interests may appear, and must name the Master Trustee as mortgagee under the Standard New York Mortgagee Endorsement providing that no act or omission by the named insured will in any way prejudice the rights of the Master Trustee thereunder. All Net Proceeds received under such policy or policies by the Obligor or Issuer will be paid over to the Master Trustee and deposited into the Insurance and Condemnation Fund to be applied to the restoration and/or completion of the 2021 Project or other Capital Additions in accordance with the provisions of Section 4.12 hereof. In addition, the Obligor will cause the General Contractor at all times during the construction of the 2021 Project or other Capital Additions to maintain general liability insurance in an amount not less than that required to be maintained by the Obligor under this Section 4.10, and the Obligor will cause the General Contractor to maintain worker's compensation insurance as required by law. Such insurance policy or policies must contain a provision that such insurance may not be canceled by the issuer thereof without at least thirty (30) days' advance written notice to the Issuer, the Obligor, and the Master Trustee. All such policies or copies thereof or certificates that such insurance is in full force and effect must be delivered to the Master Trustee at or prior to delivery of the Series 2021 Bonds.

Section 4.11. Debt Service Coverage Ratio Covenant

(a) Each Member covenants and agrees to operate all of its Facilities on a revenue producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it hereunder to the extent permitted by law. Each Member further covenants and agrees that it will, from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges, subject to resident notice requirements, in such manner as may be necessary or proper to comply with the provisions of this Section.

The Members covenant to set rates and collect charges for its facilities, services, and products such that the Historical Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, will not be less than 1.20.

(b) If the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00), the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.15(b)(ii) or (iv) hereof) of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future.

(c) If the Obligated Group has not corrected the deficiency by the end of the first Fiscal Year immediately subsequent to delivery of the Officer's Certificate required to be delivered by the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.15(b)(ii) or (iv) hereof) of the Officer's Certificate disclosing such deficiency, engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20 in the future. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member shall use the recommendations 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. This Section shall not be construed to prohibit any Member from serving indigent residents to the extent required for such Member to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of residents without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section. Notwithstanding the foregoing, if the Historical Debt Service Coverage Ratio as of the end of any Fiscal Year is less than 1.20 (but not less than 1.00) and the Obligated Group has 250 or greater Days Cash on Hand, the Obligated Group is not required to engage a Consultant.

(d) 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 obligated to engage a Consultant to make such recommendations pursuant to Section 4.11(c) of this Master Trust Indenture if a Consultant's report was prepared for the previous Fiscal Year (unless the Holders of a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report).

(e) If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of 1.20, but achieves a Historical Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure shall not constitute a Default or an Event of Default under this Master Trust Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and uses the recommendations contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law. The foregoing provisions notwithstanding, as set forth in Section 7.01(g), it shall constitute an Event of Default hereunder if the Historical Debt Service Coverage Ratio for any two (2) consecutive Fiscal Years is less than 1.00 without regard to Days Cash on Hand.

(f) Notwithstanding any other provisions of this Master Trust Indenture, in the event that any Obligated Group Member incurs any Additional Indebtedness for any Capital Addition, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the Capital Addition financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with this Section 4.11 until the first full Fiscal Year following the later of (i) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness provided that such completion occurs no later than six months following the completion date for such Capital Addition set forth in the Consultant's report

described in paragraph (A) below, or (ii) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, assisted living or skilled nursing facilities, the first full Fiscal Year in which Stable Occupancy is achieved, which Stable Occupancy shall be projected in the report of the Consultant referred to in paragraph (A) below to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fifth full Fiscal Year after the incurrence of such Additional Indebtedness, if the following conditions are met:

(A) there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (1) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness, or (2) if the Capital Addition being paid for with the proceeds of such Additional Indebtedness includes independent living, assisted living or skilled nursing facilities, the first full Fiscal Year following the year in which Stable Occupancy is achieved, which Stable Occupancy shall be projected to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, will be not less than 1.20 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided further, however, that in the event that a Consultant shall deliver a report to the Master Trustee to the effect that state or federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio shall be reduced to the highest practicable ratio then permitted by such laws or regulations but in no event less than 1.00; provided further, however, that in the event 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 paragraph (A); and

(B) there is delivered to the Master Trustee an Officer's Certificate on the date on which financial statements are required to be delivered to the Master Trustee pursuant to Section 4.15 hereof until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year and certifying that such Historical Debt Service Coverage Ratio is not less than 1.00, such Historical Debt Service Coverage Ratio to be computed without taking into account (1) the Additional Indebtedness to be incurred if (x) the interest on such Additional Indebtedness during such period is funded from proceeds thereof or other funds of the Member then on hand and available therefor, and (y) no principal of such Additional Indebtedness is payable during such period, and (2) the Revenues to be derived from the Capital Addition to be financed from the proceeds of such Additional Indebtedness.

Section 4.12. Damage or Destruction. Each Member agrees to notify the Master Trustee in writing promptly in the case of the destruction of its Facilities or any material portion thereof as a result of fire or other casualty or any damage to such Facilities or material portion thereof as a result of fire or other casualty the Net Proceeds of which are estimated to exceed the Threshold Amount. If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid directly to the Member suffering such casualty or loss. The Members covenant that they will

expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed Facilities, (ii) acquire or construct additional capital assets for any one or more Members, or (iii) repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the Threshold Amount, the Member suffering such casualty or loss shall, within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Master Trustee one of the following three options:

(a) Option A - Repair and Restoration. Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Master Trustee and such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement or acquisition or to the repayment of such Indebtedness. So long as an Event of Default has not occurred and is continuing hereunder, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of:

(i) financial projections, which may be prepared by management, certifying that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, improvement or acquisition;

(ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, improvement or acquisition and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement or acquisition; and

(iii) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Request by an independent architect or by a Consultant with skill and experience in construction or renovation matters.

It is further understood and agreed that in the event such Member shall elect this Option A, such Member shall complete the replacement, repair, reconstruction, restoration, improvement and acquisition of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(b) Option B - Prepayment of Master Obligations. Such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Master Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds in reasonable detail, when and as received, to the prepayment of Master Obligations permitting such prepayment on a pro rata basis among all such Master Obligations Outstanding.

(c) Option C - Partial Restoration and Partial Prepayment of Master Obligations. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration or improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Master Obligations on a pro rata basis among all Master Obligations Outstanding, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.12 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Notwithstanding the foregoing, the proceeds of business interruption insurance are not subject to the provisions of this Section.

Section 4.13. Condemnation. The Master Trustee shall cooperate fully with the Members in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an "award") which exceeds the Threshold Amount. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as hereinafter provided. If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, (ii) acquire or construct additional capital assets, or (iii) repay the principal portion of Indebtedness incurred by one or more Members of the Obligated Group to acquire or construct capital assets or to refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the Threshold Amount, the Member in question shall, within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice of such election to the Master Trustee one of the following three options:

(a) Option A - Repairs and Improvements. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending

the receipt of such Net Proceeds. In such event, so long as an Event of Default has not occurred and is continuing hereunder, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of:

(i) financial projections, which may be prepared by management, certifying that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements and pay necessary operating expenses until completion of the replacement, repair, reconstruction, restoration, improvement or acquisition;

(ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, reconstruction, improvement and acquisitions and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repairs, reconstruction, improvement and acquisition; and

(iii) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Request by an independent architect or by a Consultant with skill and experience in construction or renovation matters.

(b) Option B - Prepayment of Master Obligations. Such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Master Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds in reasonable detail, when and as received, to the prepayment of Master Obligations permitting such prepayment on a pro rata basis among all such Master Obligations Outstanding.

(c) Option C - Partial Restoration and Partial Prepayment of Master Obligations. Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration, reconstruction and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Master Obligations on a pro rata basis among all Master Obligations Outstanding, in which event such Net Proceeds to be used for repair, replacement, restoration, reconstruction, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.13 and such Net Proceeds to be used for prepayment of the Master Obligations shall be applied as set forth in subparagraph (b) of this Section.

Section 4.14. Other Provisions with Respect to Net Proceeds. Subject to Section 3.02 hereof, amounts received by the Master Trustee in respect of any awards shall, at the Request of the Obligated Group Representative, be deposited with the Master Trustee in a special trust account and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments subject to any Member's right to receive the same

pursuant to Sections 4.12 and 4.13 hereof. If any Member elects to proceed under either Section 4.12(a) or (c) hereof or 4.13(a) or (c) hereof, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Master Obligations on a pro rata basis among all Master Obligations Outstanding pursuant to an Obligated Group Representative Request.

Section 4.15. Financial Statements, Etc.

(a) (i) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP consistently applied except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (b) below. To the extent that GAAP would require the combination of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, combined financial statements prepared in accordance with GAAP which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 4.15 so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Required Information Recipients with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the combined financial statements delivered to the Required Information Recipients and, in the opinion of the Accountant, is fairly stated in all material respects in relation to the combined financial statements taken as a whole; and (iii) such supplemental information is used for the purposes hereof or for any agreement, document or certificate executed and delivered in connection with or pursuant to this Master Trust Indenture.

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

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

(i) Commencing with the quarter ending February 28, 2022, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such

fiscal quarter, along with a payor mix for skilled nursing beds, occupancy levels of the Facilities as of the end of such quarter including the number of Independent Living Units occupied, average occupancy of assisted living units and skilled nursing beds for such fiscal quarter, and a calculation of the Historical Debt Service Coverage Ratio for such fiscal quarter, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative. Such financial statements and calculations shall be accompanied by a comparison of income to the budgeted income included in the Annual Budget provided pursuant to subsection (a)(ii) above. In addition, there shall be a calculation of Days Cash on Hand as of the end of each fiscal quarter prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

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

(ii) Within 150 days of the end of each Fiscal Year, commencing with the Fiscal Year ending August 31, 2021, the audited annual financial statements of the Obligated Group examined by an Accountant which shall include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year; provided, however, that if the audited financial report of the Obligated Group is not available by such date, unaudited financial statements shall be provided and the audited financial report will be provided if and when available.

(iii) On or before the date of delivery of the annual financial reports referred to in subsection (b)(ii) above, a management's discussion and analysis of results for the applicable fiscal period, together with an Officer's Certificate of the Obligated Group Representative (A) calculating the Obligated Group's Historical Debt Service Coverage Ratio and Days Cash on Hand of the Obligated Group at the end of such Fiscal Year, (B) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the Fiscal Year and average occupancy of assisted living units and skilled nursing beds, including a comparison to the prior year's occupancy of the Independent Living Units and average occupancy of the assisted living units and skilled nursing beds, (2) sources of revenue for the skilled nursing units, (3) net entrance fees received from Independent Living Unit turnover for the Fiscal Year, (4) material changes in services offered at the Facilities, (5) a statement whether the Facilities are in compliance with State regulations and statutes, and (6) a report of the stars awarded to the Obligated

Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System.

(iv) On or before the date of delivery of the financial reports referred to in subsection (b)(i) above, a management's discussion and analysis of results for the applicable fiscal period, together with an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Historical Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of assisted living units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) sources of revenue for the skilled nursing units, and (3) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.

(v) Copies of (A) any board approved revisions to the summary of the Annual Budget provided pursuant to subsection (a)(ii) above, or (B) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(vi) Subject to industry standards relating to the financing of facilities similar to the Facilities, the Obligated Group Representative shall, upon the request of the Master Trustee or the holders of any Related Bonds, use its best efforts to make available one or more representatives for an annual telephone conference call (quarterly while any construction project is under way until Stable Occupancy with respect to such construction project and quarterly if Related Bonds are not investment grade rated) with the holders of the Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the holders of the Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least two weeks prior to the scheduled date of each call, but shall provide such notice to the Master Trustee.

(vii) To the extent that any Obligated Group Member incurs permitted Additional Indebtedness of a form for which there is not a CUSIP number, or a CUSIP number which is not indexed on EMMA (the "non-Public Debt"), the Obligated Group Representative 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 aggregate debt service of the Obligated Group; provided, however, to the extent that the non-Public Debt is used to construct additional units at the Facilities, the Obligated Group Representative will provide monthly reports (1) regarding whether the construction of additional units is within the construction budget and if not, a brief

explanation and a copy of any revised budget, and on schedule with the construction timetable and if not, a brief explanation and a copy of any revised timetable and (2) reconciling the amount of construction contingency remaining and the uses of contingency funds to date.

(viii) Status reports on any future Capital Addition in excess of \$15 million that are funded with Indebtedness secured by a Master Obligation.

(ix) Notice within ten (10) Business Days of the occurrence of any of the material events required to be reported to the Municipal Securities Rulemaking Board pursuant to any continuing disclosure undertaking or agreement.

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

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

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

(f) The Obligated Group Representative may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by an Accountant selected by the Obligated Group Representative covering the operations of the

Obligated Group for such Interim Period and containing a combined balance sheet as of the end of such Interim Period and combined statements of operations, changes in net assets (deficit) and cash flows for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year.

(g) Delivery of such reports, information and documents described in this Section 4.15 to the Master Trustee is for informational purposes only, and the Master Trustee's receipt thereof shall not constitute notice to it of any information contained therein or determinable from information contained therein, including compliance by the Obligated Group or the Members with any of its or their covenants hereunder, as to which the Master Trustee is entitled to rely exclusively on Officer's Certificates.

Section 4.16. Permitted Additional Indebtedness. So long as any Master Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Master Obligations) other than:

(a) Long-Term Indebtedness. If no Event of Default shall have occurred and then be continuing, the Obligated Group may incur or assume additional Long-Term Indebtedness for such lawful purposes of the Obligated Group as shall be specified in reasonable detail in a certified resolution of the Obligated Group Representative; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group shall deliver to the Master Trustee:

(i) *Historical Pro Forma Test.* Except as provided in paragraphs (ii) through (viii) below, an Officer's Certificate stating that the Historical Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred) was not less than 1.20 and the Obligated Group was in compliance with the Days' Cash on Hand covenant.

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

(A) An Officer's Certificate stating that the Historical Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than 1.20 and the Obligated Group was in compliance with the Days' Cash on Hand covenant, and

(B) A Feasibility Report stating that (a) the Historical Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred and excluding any Long-Term Indebtedness to be refunded) is expected to be not less than 1.30 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital

Addition that includes additional Independent Living Units or Health Care Beds, the earlier of (1) the first complete Fiscal Year following Stable Occupancy, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service; and (b) the Obligated Group is forecasted to be compliance with the Days' Cash on Hand covenant.

(iii) *Pro Forma Test.* In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Historical Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.35 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or Health Care Beds, the earlier of (1) the first complete Fiscal Year following Stable Occupancy, or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service and the Obligated Group is forecasted to be in compliance with the Days' Cash on Hand covenant.

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

(v) *Completion Long-Term Indebtedness.* In the case of Long-Term Indebtedness incurred or assumed to finance the completion of a Capital Addition, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Completion Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance such Capital Addition or (B) a Feasibility Report stating that the Projected Debt Service Coverage Ratio of the Obligated Group for each of the two Fiscal Years immediately following the completion of such Capital Addition will be not less than what such Projected Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness. In addition, the Obligated Group Representative shall deliver to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Completion Long-Term Indebtedness is being issued stating that at the time the original Long-Term Indebtedness for the Capital Addition to be completed was incurred, such Member had reason to believe that the proceeds of such Completion Long-Term Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Capital Addition, (ii) a statement of an independent architect or an expert setting forth the amount

estimated to be needed to complete the Capital Addition, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Long-Term Indebtedness to be applied to the completion of the Capital Addition, together with other identified funds 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).

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

(vii) *Subordinated Indebtedness.* Subordinated indebtedness may be incurred without limit. Payment of interest or principal on such indebtedness shall be made in accordance with Section 3.05 herein. Payments of principal and interest on subordinated indebtedness which is not permitted to be paid pursuant to the foregoing requirements shall be deferred without accrual of additional interest expense. Subordinated indebtedness may not be accelerated without the consent of the Master Trustee.

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

(b) *Short-Term Indebtedness.* The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short-Term Indebtedness in any amount up to ten percent (10%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short-Term Indebtedness must, for a period of at least 15 consecutive days during each Fiscal Year, be less than 5% of Revenues for the preceding Fiscal Year. Short-Term Indebtedness in excess of such 5% limit shall be permitted to remain Outstanding only if permitted to exist under this Master Indenture as Long-Term Indebtedness.

(c) *Indebtedness Secured by Accounts Receivable.* Indebtedness secured by accounts receivable may be incurred up to, but not in excess of, an aggregate of 20% of net accounts receivable of the Obligated Group as reported in the audited financial statements for the preceding Fiscal Year. To the extent accounts receivable are sold or pledged in accordance with the preceding sentence, such receivables shall be released from the Gross Revenue pledge. If accounts receivable are sold or pledged with recourse to the Obligated Group, the resulting obligations constitute indebtedness subject to the applicable tests described elsewhere in this section.

(d) *Credit Facility Debt.* Obligations may be incurred in connection with a Credit Facility issued with respect to indebtedness incurred in accordance with any other provision set forth in this section.

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

(f) *Nonrecourse Indebtedness.* Permitted without limit.

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

(h) *Security for Permitted Debt.*

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

(ii) Additional indebtedness may also be secured by (i) a lien on property not constituting Facilities subject to the Deed to Secure Debt, (ii) a purchase money security interest (first lien) on new or replacement equipment and fixtures, or (iii) Permitted Liens.

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

(i) Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than issuers of Related Bonds, sellers of real or personal property for purchase money debt, lessors of such property or banks or other institutional lenders, it will provide the Master Trustee with an Opinion of Counsel to the effect that, to such Independent Counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the sale of securities in connection with the incurrence of such Additional Indebtedness (including the issuance of any securities or other evidences of indebtedness in connection therewith) and such Independent Counsel has no reason to believe that a right of rescission under such laws exists on the part of the entities to which such Additional Indebtedness is to be incurred.

(j) *Qualified Intermediate Term Indebtedness,* without limit.

Section 4.17. Calculation of Debt Service and Debt Service Coverage. The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of this Master Trust Indenture shall be made in a manner consistent with that adopted in Section 4.16 hereof and in this Section 4.17. In the case of Balloon or Put Indebtedness issued

pursuant to subsection (a) of Section 4.16 hereof, unless such Indebtedness is reclassified pursuant to this Section 4.17 as having been issued pursuant to another subsection of Section 4.16, 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 this Master Trust Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the "Determination Period") shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) which was in effect on the last date of each of the 12 full calendar months immediately preceding the month in which such calculation is made; provided that if the index or other basis for calculating such interest was not in existence for at least 12 full calendar months next preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month next preceding the date of calculation; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate.

Master Obligations issued to secure Indebtedness permitted to be incurred under Section 4.16 shall not be treated separately as Additional Indebtedness from the Indebtedness secured thereby in a manner which would require such Indebtedness to be included more than one time in the calculations performed under this Master Trust Indenture.

Except as set forth below, no debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. 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 (a) of Section 4.16, unless reclassified pursuant to this Section 4.17, shall be deemed to be payable in accordance with the assumption that (i) the portion of Balloon Indebtedness coming due in such Fiscal Year matures over 30 years from the date of issuance of the Balloon Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (ii) the portion of Balloon Indebtedness coming due in such Fiscal Year matures according to its actual principal amortization schedule, bears interest on the unpaid balance at the Projected Rate, but this subsection (ii) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Balloon Indebtedness debt service being calculated is calculated, varies no more 10% per year. Put Indebtedness incurred as provided under subsection (a) of Section 4.16, unless reclassified pursuant to this Section 4.17, if issued, shall be deemed to be payable in accordance with the terms of such Indebtedness.

A Guaranty of an obligation of another Person (for purposes of this definition, the "Obligated Person") qualifying as Long-Term Indebtedness hereunder shall be deemed Long-Term Indebtedness of the Obligated Group and if no payment on the Guaranty has been made by the Obligated Group, twenty percent (20%) of the guaranteed indebtedness shall be deemed to be Long-Term Indebtedness of the Obligated Group. If any Member of the Obligated Group is required to make a debt service payment pursuant to any Guaranty then for purposes of calculations in connection with permitted Additional Indebtedness under Section 4.16 hereof, one hundred percent (100%) of the principal amount of the guaranteed indebtedness shall be deemed Long-Term Indebtedness of the Obligated Group for a period of twenty-four (24) months following the most recent payment on the Guaranty.

For purposes of the various calculations required under this Master Trust Indenture for Finance Leases, the rents under a Finance Lease at the time of such calculation shall be deemed to be the principal payable thereon.

In the case of Indebtedness related to any Subsidy Bonds, debt service payable shall be computed net of Federal Subsidy Payments scheduled to be received by the issuer of such Subsidy Bonds or the Obligated Group Member in connection with such Subsidy Bonds during the applicable time period.

Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.16 reclassified as having been incurred under another provision of Section 4.16 by certifying compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected Rate. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

Anything herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which a Hedge Agreement has been obtained by such Member shall be deemed to

bear interest for the period of time that such Hedge Agreement is in effect at a net rate which takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Hedge Agreement; provided that the long term credit rating of the provider of such Hedge Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account a Hedge Agreement, any payments made by a Member on such Hedge Agreement shall be excluded from Expenses, and any payments received by a Member on such Hedge Agreement shall be excluded from Revenues, in each case, for all purposes of this Master Trust Indenture.

Section 4.18. Disposition of Property. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

- (a) Transfers among Members of the Obligated Group are permitted without limit.
- (b) Dispositions of property which has been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other property substantially equivalent in value.
- (c) The Property sold, leased, donated, transferred or otherwise disposed of does not, for any Fiscal Year, exceed 5% of the total Book Value of all Property of the Obligated Group, provided, however, that Days Cash on Hand shall not be less than 150 after giving effect to such sale, lease, donation, transfer or other disposition of assets; provided, further, if the Historical Debt Service Coverage Ratio as calculated above is not less than 1.20, the foregoing percentage of the total Book Value may be increased as follows under the following conditions:
 - (i) to 7.5%; provided, however, Days Cash on Hand shall not be less than 300 after the effect of such sale, lease, donation, transfer or other disposition of assets; or
 - (ii) to 10%; provided, however, Days Cash on Hand shall not be less than 350 after the effect of such sale, lease, donation, transfer or other disposition of assets.
- (d) Except as permitted above, cash and investments may not be transferred outside the Obligated Group, except that current assets (i.e. cash and cash equivalents, investment securities, accounts receivable, accrued interest or other investment income, funds permitted to be designated by the governing bodies of the Obligated Group for any specific purpose, and any other tangible or intangible assets of the Obligated Group ordinarily considered to be current assets under generally accepted accounting principles) may be transferred and used in payment for property or services of substantially equivalent

value, for Obligated Group capital expenditures, or as an investment of the Obligated Group funds, in each case subject to independent third party transactions. Notwithstanding the foregoing, advances to Affiliates in an aggregate amount not to exceed \$500,000 in the aggregate is permitted as long as, after giving effect to such advances, the Obligated Group remains in compliance with the Liquidity Requirement.

For avoidance of doubt, it is understood that this Section 4.18 does not prohibit any transfer of cash by a Member in payment of any of its obligations, indebtedness and liabilities the incurrence of which obligation, indebtedness or liability did not or would not, either immediately or with the giving of notice, the passage of time or both, result in the occurrence of an Event of Default.

For purposes of this Section 4.18, payments by the Obligated Group of any development, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination will not be treated as a disposition of Property.

In connection with any sale, lease or other disposition of Property, to the extent the Obligated Group Member receives Property in return for such sale, lease or disposition, the Property which is sold, leased or disposed of shall be treated, for purposes of the provisions of this Section 4.18, as having been transferred in satisfaction of the provisions of subsection (a) above to the extent of the fair market value of the Property received by the Obligated Group Member. The Member shall be required, however, to satisfy the conditions contained in one of the other provisions of this Section 4.18 with respect to the remaining value of such Property in excess of the fair market value of the Property received by the Member in return therefor prior to any such sale, lease or other disposition.

Each Member further agrees that it will not sell, lease, donate or otherwise dispose of Property (A) which could reasonably be expected at the time of such sale, lease, donation or disposition to result in a reduction of the Historical Debt Service Coverage Ratio for the Obligated Group such that the Master Trustee would be obligated to require the Obligated Group to retain a Consultant pursuant to Section 4.11 or (B) if a Consultant has been retained in the circumstances described in Section 4.11, such action, in the opinion of such Consultant, will have an adverse effect on the Income Available for Debt Service of the Obligated Group. The rendering of any service, the making of any loan or gift, the extension of any credit or any other transaction with any Affiliate shall be permitted if there is compliance with any of subsections (a) through (j) above or if such transaction is pursuant to the reasonable requirements of such Member's activities and upon fair and reasonable terms no less favorable to it than would obtain in a comparable arm's length transaction with a person not an Affiliate.

Upon Request of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent for the disposition of such property set forth in this Master Trust Indenture have been satisfied, the rights, title, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and the lien of this Master Trust Indenture shall be released without recourse, representation or warranty by the Master Trustee as to such property in due form at the expense of the Obligated Group Members.

Section 4.19. Liens on Property. Each Member covenants that it will not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof that are not Permitted Encumbrances.

Section 4.20. Liquidity Covenant. The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of each February 28 and August 31 (each such date being a "Testing Date"), commencing February 28, 2022, and that the Obligated Group shall have no less than 120 Days Cash on Hand (the "Liquidity Requirement"). The Obligated Group shall deliver an Officer's Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to Section 4.15(b)(i) hereof.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.15(b)(iii) or (iv) hereof) of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer's Certificate required to be delivered by the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance with Section 4.15(b)(iii) or (iv) hereof) of the Officer's Certificate disclosing such deficiency, engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is engaged. Each Obligated Group Member shall use the recommendations 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. The Obligated Group shall not be required to cause the Consultant's report referred to in this paragraph to be prepared if (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report, which request may not be made more frequently than each Testing Date) a Consultant's report referred to above was prepared two Testing Dates prior to the current Testing Date and the Obligated Group provides to the Master Trustee and each Related Bond Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying the last Consultant's report have not changed in any material way.

Notwithstanding any other provision of this Master Trust Indenture, failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date shall not constitute a Default or an Event of Default under this Master Trust Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations.

Section 4.21. Management. While any Master Obligations with respect to tax-exempt Related Bonds are Outstanding, the Obligated Group Members shall not enter into any management, service, or incentive payment contract between an Obligated Group Member and a service provider under which the service provider provides services involving all, a portion of, or any function of, the Facilities unless the contract has been reviewed and approved in advance by Bond Counsel. For purposes of this Section 4.21, contracts for services that are solely incidental to the primary function or functions of the Facilities (for example, contracts for janitorial, office equipment repair, billing, or similar services) and contracts to provide for services, if the only compensation is the reimbursement of the service provider for actual and direct expenses paid by the service provider to unrelated parties, are not included.

Section 4.22. Licenses and Qualifications; Third-Party Payments. Each Obligated Group Member will do all things necessary to obtain, maintain and renew, from time to time, as necessary, all permits, licenses, accreditation and other governmental approvals necessary for the operation of the Facilities and establish and maintain its status as a provider of health care services eligible for reimbursement under Medicare, Medicaid and similar federal, state and local governmental programs for which it is eligible and under private insurance programs having broad application. The Obligated Group Representative hereby agrees to give prompt notice to the Master Trustee of the loss or suspension or receipt of written notice of any threatened loss or suspension of any permit, license or other governmental approval material to the operation of the Facilities, which notice must set forth the reasons for such loss.

Section 4.23. Environmental Condition of Facilities and Indemnification. The Obligated Group Members represent and warrant to the Master Trustee that: (a) while the Series 2021 Related Bond Issuer or the Master Trustee has any interest in or lien on the Facilities, the Facilities are, and at all times hereinafter will continue to be, in full compliance with all Environmental Laws, (b) (i) as of the date of this Master Trust Indenture there are no Hazardous Materials, substances, wastes or other environmentally regulated substances (including, without limitation, any materials containing asbestos) located on, in or under the Facilities or used in connection therewith, or (ii) the Obligated Group Members have fully disclosed to the Series 2021 Related Bond Issuer, the Initial Purchaser and the Master Trustee in writing the existence, extent and nature of any such Hazardous Materials, substances, wastes or other environmentally regulated substances, which the Obligated Group Members are legally authorized and empowered to maintain on, in or under the Facilities or use in connection therewith, and the Obligated Group Members have obtained and will maintain all licenses, permits and approvals required with respect thereto and are in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals, and (c) the Obligated Group Members are not in violation of any Environmental Laws. Each of the Obligated Group Members further represents and warrants that it will notify promptly the Master Trustee in writing of any change in the nature or extent of any Hazardous Materials, substances or wastes maintained on, in or under the Facilities or used in connection therewith and will transmit to the Master Trustee copies of any citations, orders, notices or other material governmental or other communications received with respect to any other Hazardous Materials, substances, wastes or other environmentally regulated substances affecting the Facilities.

The Premises have not (including, to the best of the Obligated Group Members' knowledge, for the period prior to the Obligated Group Members' acquisition of the Premises) previously been used as a landfill or as a dump for garbage or refuse.

Promptly upon the written request of the Master Trustee or the Holders of a majority in aggregate principal amount of Master Obligations then Outstanding, the Obligated Group Members will provide the Master Trustee and the Holders, at the Obligated Group Members' expense, with an environmental site assessment and environmental audit report, or an update of such assessment or report; provided, however, that any such report may not be required more frequently than once every two years.

The Obligated Group Members will jointly and severally indemnify and hold the Master Trustee and its officers, directors, employees and agents harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys' fees and expenses of every kind and nature) suffered by or asserted against either party as a direct or indirect result of any representation or warranty made by the Obligated Group Members in this Section being false or untrue in any respect or any violation of any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any Hazardous Materials, substances, wastes or other environmentally regulated substances. Without limiting the generality of the foregoing, the foregoing covenant of indemnification will inure to the benefit of the Master Trustee in the event the Series 2021 Related Bond Issuer or the Master Trustee becomes the successor-in-interest to the Obligated Group Members with respect to the Facilities and will inure to the benefit of any purchaser of the Facilities at foreclosure or any subsequent purchaser of the Facilities from the Master Trustee.

The obligations of the Obligated Group Members to the Master Trustee under this Section 4.24 will not be limited to any extent by the term of the Master Obligations and, as to any act or occurrence prior to payment in full and satisfaction of the Master Obligations which gives rise to liability hereunder, will continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of the Master Obligations and this Master Trust Indenture or foreclosure under this Master Trust Indenture or delivery of a deed-in-lieu of foreclosure.

Section 4.24. Approval of Consultants. If at any time the Obligated Group Representative is required to engage a Consultant under this Master Trust Indenture, such Consultant shall be engaged in the manner set forth below:

(a) Upon engaging a Consultant as required under the provisions of this Master Trust Indenture, the Obligated Group Representative will provide written notice to the Master Trustee of such engagement. The Master Trustee shall, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, send a copy of such notice to the Holders of all Master Obligations Outstanding under this Master Trust Indenture. Such notice prepared by the Obligated Group Representative shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged, including a description of the covenant(s) of this Master Trust Indenture that require the Consultant to be engaged, and that the engagement of the Consultant is authorized by this Master Trust Indenture, and (iii) state that the Holder

of the Master Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Holder submits an objection to the engaged Consultant in writing to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group Representative of the number of any objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Master Obligations have been deemed to have consented to the engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the Holders of the Master Obligations Outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this Section.

(b) When the Master Trustee notifies the Holders of Master Obligations of such engagement, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subsection (a) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of a Master Obligation securing such Related Bonds, consent or object to the engagement of the Consultant in accordance with the response of the owners of such Related Bonds. If 66.6% or more in aggregate principal amount of the owners of the Related Bonds have been deemed to have consented to the engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative shall engage the Consultant within three Business Days. If 33.4% or more in aggregate principal amount of the owners of the Related Bonds outstanding have objected to the Consultant engaged, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of this Section.

(c) The 15-day notice period described above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of a Master Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of this Section.

Section 4.25. Actuarial Study. Commencing with the Fiscal Year ending August 31, 2022, and at least once every five Fiscal Years thereafter, the Obligated Group Representative, at the Obligated Group's expense, shall provide a management summary of the actuarial study described below to each Required Information Recipient. The actuarial study shall be prepared by a Consultant and include (a) the amount, if any, of the Obligated Group's obligations to provide services under the Residence and Services Agreements anticipated to be in excess of those that could be satisfied using the rates, fees and charges for the Facilities then in effect, and (b) recommendations, if any, with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to enable the Obligated Group to satisfy such obligations. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

Section 4.26 Needs Assessment Analysis. Commencing on the eighth (8th) year anniversary of the date of the Series 2021 Bonds and every eight (8) years thereafter, the Obligated Group Representative shall order or cause to be conducted and delivered a Needs Assessment Analysis from a consulting engineer that, in the objective and reasonable opinion of the Obligated Group Representative, is experienced in conducting needs assessment analyses for senior living facilities such as the Facilities. The Needs Assessment Analysis shall be filed with the Master Trustee.

[End of Article IV]

ARTICLE V
MERGER, CONSOLIDATION, CONVEYANCE AND TRANSFER

Section 5.01. Merger, Consolidation, Sale or Conveyance.

(a) The Obligor shall remain a Member for as long as any Related Bonds remain outstanding.

(b) No Member may sell substantially all of its assets, or merge or consolidate with another corporation (other than with another Member), or no new Member shall be added, unless:

(i) The transferee or surviving corporation in the case of a merger, consolidation or transfer, or the new Member, is an organization described under Section 501(c)(3) of the Code, or the transferee or surviving corporation or the new Member shall have delivered to the Master Trustee an Opinion of Bond Counsel that the addition of such non-501(c)(3) Member will not adversely affect the tax-exempt status of any Related Bonds or the exemption from federal securities laws of any of the Master Obligations; and;

(ii) The transferee or surviving corporation or the new Member shall have delivered to the Master Trustee either (1) an Officer's Certificate certifying and concluding that if such merger, consolidation, sale or conveyance had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Historical Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Historical Debt Service Coverage Ratio for such Fiscal Year and at least 1.20, and Days Cash on Hand would have been not less than 80% of the actual Days Cash on Hand and at least 120 days; or (2) a Consultant's report showing that for the next two Fiscal Years the Projected Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Historical Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period.

(c) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member, pursuant to a Supplement. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in Section 6.01 to becoming, an Obligated Group Member prior to any such succession, assignment or other change in such Member's corporate status. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Master Obligations hereunder and the predecessor corporation shall be released, without recourse, representation or warranty, from its obligations hereunder and under any Outstanding Master Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Master Obligations so issued by such successor corporation hereunder shall in all respects have the same legal rank and benefit under this Master Trust Indenture as Master Obligations theretofore or thereafter issued in

accordance with the terms of this Master Trust Indenture as though all of such Master Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(d) In case of any such consolidation, merger, sale or conveyance, such changes in phraseology and form (but not in substance) may be made in Master Obligations thereafter to be issued as may be appropriate.

(e) The Obligated Group Representative shall deliver to the Master Trustee, and the Master Trustee may conclusively rely upon, an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Master Trust Indenture summarized under this Section 5.01 and that it is proper for the Master Trustee under the provisions of this Master Trust Indenture to join in the execution of any Supplement required to be executed and delivered by the Master Trustee.

(f) Notwithstanding anything to the contrary in the foregoing, any Member may establish separate divisions and may cause such divisions to be separately incorporated or otherwise organized or reorganized, but all such divisions, whether separately incorporated or not, shall remain bound by this Master Trust Indenture and all Master Obligations issued hereunder, and shall be jointly and severally liable with the other Obligated Group Members with respect thereto; provided, however, prior to effecting any such reorganization, such Members shall deliver to the Master Trustee (i) an Opinion of Counsel to the effect that after such reorganization all separately incorporated divisions will be jointly and severally liable with the other Members under this Master Trust Indenture and all Master Obligations issued hereunder, and (ii) an Opinion of Bond Counsel that such reorganization will not affect the validity of any Related Bonds or other obligations secured by this Master Trust Indenture or, with respect to any tax-exempt Related Bonds or other tax-exempt obligations secured by this Master Trust Indenture, the exclusion from gross income under Section 103 of the Code of interest paid on such tax-exempt Related Bonds or obligations. Such reorganizing Member shall preserve all of its rights and licenses to the extent necessary or desirable in the operation of its business affairs, provided that such Members shall not be obligated to retain or preserve any rights or licenses no longer used or, in the judgment of the Governing Body no longer useful in the conduct of its business.

[End of Article V]

ARTICLE VI
MEMBERSHIP IN THE OBLIGATED GROUP

Section 6.01. Admission of Obligated Group Members. Any other Person may become an Obligated Group Member if:

- (a) Such Person is a business entity;
- (b) Such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (i) to become an Obligated Group Member and thereby to become subject to compliance with all provisions of this Master Trust Indenture and (ii) unconditionally and irrevocably (subject to the right of such Person to cease its status as an Obligated Group Member pursuant to the terms and conditions of Section 6.03 hereof) to jointly and severally make payments upon each Master Obligation and any amounts due the Master Trustee hereunder;
- (c) The Obligated Group Representative and each Member shall have approved the admission of such Person to the Obligated Group; and
- (d) The Obligated Group Representative shall deliver to the Master Trustee (i) either (A) an Officer's Certificate certifying that if such addition to the Obligated Group had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Historical Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand would have been not less than 80% of the actual Days Cash on Hand and at least 120 days; or (B) a Consultant's report showing that for the next two Fiscal Years the Projected Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period; (ii) an Opinion of Counsel acceptable to the Master Trustee to the effect that (x) the Supplement described in Section 6.01(b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity, and all action has been taken in order to cause the Lien of the Master Trustee in the Trust Estate to be perfected or recorded in accordance with this Master Trust Indenture and applicable law, and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status; (iii) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a below investment-grade rating on such series of Related Bonds, provided, however, that a majority of bondholders may consent to waive such requirement; (iv) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all

Related Series 2021 Bond Indenture, an Opinion of Bond Counsel to the effect that under then existing law the consummation of such transaction would not, in and of itself, adversely affect the validity of any Related Bonds or any exemption from federal or state income taxation of interest payable on such Related Bonds otherwise entitled to such exemption; and (v) Exhibit A to the Deed to Secure Debt shall be amended to include a description of the real property of the Person becoming a Member upon which the primary operations of such Person are conducted, and the Person becoming a Member shall execute and deliver to the Master Trustee a Supplement encumbering such real property; provided that in making the calculation called for by subsection (d)(i) above, (x) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs, and (y) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs.

Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the above described conditions to becoming, an Obligated Group Member prior to any such succession, assignment or other change in such Member's corporate status.

Section 6.02. Obligated Group Members. Upon any Person's becoming an Obligated Group Member as provided in Section 6.01:

- (a) The Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different times;
- (b) Any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated to the rights of the Master Trustee and the Holders of Master Obligations; and
- (c) Each Obligated Group Member shall designate the Obligated Group Representative as its attorney in fact with full power of substitution to perform, satisfy and discharge every obligation, covenant, duty or liability to be performed on the part of the Obligated Group Member hereunder.

Section 6.03. Withdrawal of Obligated Group Members. The Obligor may not withdraw from the Obligated Group for as long as any Related Bonds remain outstanding. Any other Obligated Group Member may withdraw from the Obligated Group and be discharged of all indebtedness under this Master Trust Indenture, if the Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such withdrawal and related release comply with the provisions of this Master Trust Indenture, together with:

(a) (i) either (A) an Officer's Certificate certifying that if such withdrawal had taken place on the first day of the last Fiscal Year for which audited financial statements are available, the Historical Debt Service Coverage Ratio for such Fiscal Year would have been at least 80% of the actual Historical Debt Service Coverage Ratio for such Fiscal Year and at least 1.20, and Days Cash on Hand would have been at least 80% of the actual Days Cash on Hand at the end of such Fiscal Year and at least 120 days; or (B) a Consultant's report showing that for the next two Fiscal Years, the Projected Debt Service Coverage Ratio is forecasted to be at least 80% of the actual Historical Debt Service Coverage Ratio for the preceding Fiscal Year and at least 1.20, and Days Cash on Hand is forecasted to be at least 80% of the actual Days Cash on Hand for the preceding Fiscal Year and at least 120 days at the end of each Fiscal Year during the forecast period; provided however, that a Member may withdraw from the Obligated Group without delivering the documents referred to in subsection (A) or (B) above, if the Obligated Group Representative shall deliver to the Master Trustee an Officer's Certificate certifying that either (x) the Historical Debt Service Coverage Ratio for such Obligated Group Member (calculated by eliminating all financial transactions with other Members of the Obligated Group) would have been less than 1.00, or (y) if the proposed withdrawal had been made on the first day of the last Fiscal Year for which audited financial statements are available, (1) the Historical Pro Forma Debt Service Coverage Ratio for the Obligated Group, after giving effect to any indebtedness which is proposed to be retired, repaid or otherwise discharged following such withdrawal, would have been at least equal to the actual Historical Debt Service Coverage Ratio for such Fiscal Year, and (2) the Obligated Group's Days Cash on Hand, after giving effect to the proposed withdrawal, would have been equal to or greater than the actual Days Cash on Hand at the end of such Fiscal Year; and (ii) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a below investment-grade rating on such series of Related Bonds, provided, however, that a majority of bondholders may consent to waive such requirement;

(b) Prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Counsel to the effect that the cessation by such Member of its status as a Member is permitted under this Master Trust Indenture and will not, in and of itself, adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status;

(c) Any Liens in favor of the withdrawing Member on the Property of a remaining Member is released and satisfied unless such Lien constitutes a Permitted Encumbrance after the withdrawing Member is no longer a Member; and

(d) Prior to cessation of such status, the Obligated Group Representative and each Member consents in writing to the withdrawal by such Member.

Section 6.04. Successor Obligated Group Representative. The Obligor shall serve as the Obligated Group Representative until such time as the Obligor delivers to the Master Trustee its resignation as the Obligated Group Representative. The Obligor covenants to fulfill all of the duties of the Obligated Group Representative under this Master Trust Indenture. The Obligor agrees that it shall not withdraw from the Obligated Group unless permitted to do so pursuant to

Section 6.03 or resign as Obligated Group Representative until another entity has been appointed as Obligated Group Representative and such successor Obligated Group Representative has accepted its duties in writing. Each Obligated Group Member by becoming an Obligated Group Member acknowledges that the Obligated Group Representative has certain powers and duties under this Master Trust Indenture and authorizes the Obligated Group Representative to exercise such powers and carry out such duties.

[End of Article VI]

ARTICLE VII.
REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF
MASTER OBLIGATIONS IN EVENT OF DEFAULT

Section 7.01 Events of Default. Event of Default, as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) Default in the payment of the principal of (or premium, if any) or interest on any Master Obligation when it becomes due and payable at its Maturity and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Master Obligation; or

(b) Any Obligated Group Member shall fail duly to observe or perform any other covenant or agreement (other than a covenant or agreement whose performance or observance is elsewhere in this Section 7.01, other than paragraph (g), specifically dealt with) on the part of such Person contained in this Master Trust Indenture for a period of 45 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Master Obligations then Outstanding; provided that if any such default can be cured by such Obligated Group Member but cannot be cured within the 45 day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by such Obligated Group Member within such 45 day period and diligently pursued until the default is corrected; or

(c) A decree or order by a court having jurisdiction in the premises shall have been entered adjudging any Obligated Group Member a bankrupt or insolvent or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Group Member under the federal Bankruptcy Code or any other similar applicable federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of any Obligated Group Member or of its property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(d) Any Obligated Group Member shall institute proceedings to be adjudicated a voluntary bankrupt, shall consent to the institution of a bankruptcy proceeding against it, shall file a petition or answer or consent seeking reorganization or arrangement under the federal Bankruptcy Code or any other similar applicable federal or state law, shall consent to the filing of any such petition, shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Trust Estate, shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally

as they become due, or action shall be taken by the Governing Body of any Obligated Group Member in furtherance of any of the aforesaid purposes; or

(e) Any Obligated Group Member shall fail to pay or make provision for payment of any recourse Indebtedness (other than Subordinated Indebtedness owed to an Affiliate of the Obligated Group Member) having a principal balance of not less than \$500,000 and the continuance of such failure beyond the applicable grace period, if any; or

(f) The Master Trustee has received written notice that an event of default, as therein defined, under any instrument under which Master Obligations may be incurred or secured, including, without limitation, Related Series 2021 Bond Indenture, Related Loan Agreements, any Credit Facility, any Deed to Secure Debt or any other document delivered in connection with the issuance of Related Bonds, has occurred and is continuing beyond the applicable period of grace, if any; or

(g) The Historical Debt Service Coverage Ratio for two consecutive Fiscal Years is less than 1.00.

Section 7.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default occurs and is continuing, then and in every such case the Master Trustee or the Holders of not less than 25% in principal amount of the Outstanding Master Obligations (or, in the case of any Event of Default described in subparagraph (f) of Section 7.01 above resulting in the loss of any exclusion from gross income of interest on, or the invalidity of, any Indebtedness secured by a pledge of Master Obligations, the Holders of not less than 25% in principal amount of the Outstanding Master Obligations of the affected series) may declare the principal of all the Master Obligations to be due and payable immediately, by a notice in writing to the Obligated Group Representative and all of the Holders of Master Obligations (and to the Master Trustee if given by Holders of Master Obligations), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the affected Outstanding Master Obligations, by written notice to the Obligated Group Representative and the Master Trustee, shall rescind and annul such declaration and its consequences if:

(a) one or more Obligated Group Members have paid or deposited with the Master Trustee a sum sufficient to pay:

(i) all overdue installments of interest on all Master Obligations,

(ii) the principal of (and premium, if any, on) any Master Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Master Obligations, and

(iii) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(b) all Events of Default, other than the nonpayment of the principal of Master Obligations which have become due solely by such acceleration, have been cured or waived as provided in Section 7.15 hereof.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 7.03. Entry; Powers of Sale, Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement.

(a) As to all real property and fixtures included in the Trust Estate, the Obligor agrees that upon the occurrence of an Event of Default the Obligor, upon demand of the Master Trustee during the continuance thereof, shall forthwith surrender to the Master Trustee or its agent (or to a receiver appointed by a court) the actual possession of, and it shall be lawful for the Master Trustee by such officers or agents as it may appoint (or by receiver appointed by a court) to enter and take possession of, the Trust Estate (and the books, papers, and accounts of the Obligated Group Members) and to hold, operate, and manage the Trust Estate (including the managing of all needful repairs, and such alterations, additions, and improvements as to the Master Trustee shall seem wise) and to receive the rents, issues, tolls, profits, revenues, and other income thereof, and, after deducting the costs and expenses of entering, taking possession, holding, operating, and managing the Trust Estate, as well as payments for taxes, insurance, and other proper charges upon the Trust Estate including without limitation, reasonable compensation to itself, its agents, and counsel, to apply the same as provided in Section 7.08.

(b) In case an Event of Default shall occur and be continuing, the Master Trustee, in its discretion may, subject to the provisions of Section 7.17:

(i) exercise its remedies under the Deed to Secure Debt as to all of the real property and fixtures included in the Trust Estate,

(ii) protect and enforce its rights and the rights of the Master Trustee under this Master Trust Indenture by sale pursuant to judicial proceedings or by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Master Trust Indenture or in aid of the execution of any power granted in this Master Trust Indenture or for the foreclosure of this Master Trust Indenture or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee, and

(iii) as to all or part of the personal property (tangible or intangible) and fixtures included in the Trust Estate (such portion of the Trust Estate herein referred to as the "Collateral"),

(A) proceed under the Uniform Commercial Code and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sale, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the Uniform Commercial Code after default by a debtor, and, to the extent permitted by law, the Obligor expressly waives any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee existing after default hereunder, and, to the extent any such notice is required and cannot be waived, the Obligor agrees that if such notice is mailed, postage prepaid, to the Master Trustee at its address stated in the first paragraph hereof at least ten days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(B) take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate or desirable by the Master Trustee, at its option and in its discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(C) transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Master Obligations or apply same as herein provided, and

(D) require the Members to assemble the Collateral and make it available to the Trustee at a place to be designated by the Trustee that is reasonably convenient to all parties.

The Master Trustee shall be fully subrogated to the rights of all vendor's lienholders and other lienholders whose indebtedness is paid in whole or in part from proceeds of Master Obligations.

Section 7.04. Incidents of Sale. Upon any sale of any of the Trust Estate, whether made under the power of sale hereby given or pursuant to judicial proceedings, to the extent permitted by law:

(a) Any Holder or Holders of Master Obligations or the Master Trustee or its designee, provided that the Master Trustee has been properly directed by the requisite percentage of holders of Master Obligations and indemnified to its satisfaction and subject to all the protection of Section 8.03(n), may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Master Obligations or claims for interest thereon in lieu

of cash equal to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Master Obligations, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(b) The Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient bill of sale and instrument of assignment and transfer of the property sold;

(c) The Master Trustee is hereby irrevocably appointed the true and lawful attorney of each Member, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments of assignment and transfer and may substitute one or more persons, firms or corporations with like power, each Member hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Master Trustee or by any purchaser, any Member shall ratify and confirm any such sale or transfer by executing and delivering to the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and release as may be designated in any such request;

(d) Rights, titles, interests, claims and demands whatsoever, either at law or in equity or otherwise, of the Members of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against each of the Members and their respective successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof by, through or under the Members or their respective successors and assigns; and

(e) Receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representative shall not, after paying such purchase money and receiving such receipt, be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or non-application thereof.

Upon a sale of substantially all the Trust Estate, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the Obligated Group Members will permit, to the extent permitted by law, the purchaser thereof and its successors and assigns to take and use the names of the Members and to carry on business under such name or any variant thereof and to use and employ any and all other trade names, brands and trademarks of the Members; and in such event, upon written request of such purchaser, its successors or assigns, any Member will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

Section 7.05. Collection of Indebtedness and Suits for Enforcement by Master Trustee. The Obligated Group Members covenant (subject to any notice and grace periods contained herein) that if:

(a) Default is made in the payment of any installment of interest on any Master Obligation when such interest becomes due and payable, or

(b) Default is made in the payment of the principal of (or premium, if any, on) any Master Obligation at the Maturity thereof,

each Obligated Group Member will, upon demand of the Master Trustee, pay to it, for the benefit of the Holders of such Master Obligations, the whole amount then due and payable on such Master Obligations for principal (and premium, if any) and interest, with interest at the rate borne by the Master Obligations upon the overdue principal (and premium, if any), and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

If the Obligated Group Members fail to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Obligated Group Members or any other obligor upon the Master Obligations and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Obligated Group Members or any other obligor upon the Master Obligations, wherever situated.

If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Master Obligations by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Trust Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 7.06. Master Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Obligated Group Members or any other obligor upon the Master Obligations or the property of the Obligated Group Members or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Master Obligations shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Master Trustee shall have made any demand on the Obligated Group Members for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) To file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Master Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel which shall be deemed an administrative claim) and of the Holders of Master Obligations allowed in such judicial proceeding, and

(b) To collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any receiver, assignee, trustee, liquidator, sequestrator, custodian or other similar official in any such judicial proceeding is hereby authorized by each Holder of Master Obligations to make such payments to the Master Trustee and, in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Master Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel and any other amounts due the Master Trustee under this Master Trust Indenture which shall be deemed an administrative claim. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under Section 8.07 hereof out of the estate in any such proceeding, shall be unpaid for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding, whether in liquidation or under any plan of reorganization or arrangement or otherwise.

The Master Trustee may, on behalf of the Holders, vote for the election of a trustee in bankruptcy or similar official and be a member of a creditors' committee or other similar committee. Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Master Obligations any plan of reorganization, arrangement, adjustment or composition affecting the Master Obligations or the rights of any Holder thereof or to authorize the Master Trustee to vote in respect of the claim of any Holder of Master Obligations in any such proceeding.

Section 7.07. Master Trustee May Enforce Claims Without Possession of Master Obligations. All rights of action and claims under this Master Trust Indenture or the Master Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Master Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Master Obligations in respect of which such judgment has been recovered.

Section 7.08. Application of Money Collected. Any money or property collected by the Master Trustee pursuant to this Article VII, any money or property distributable in respect of an Obligated Group Member's obligations under this Master Trust Indenture after any Event of Default, and any proceeds of any sale (after deducting the costs and expenses of such sale, including reasonable compensation to the Master Trustee, its agents and counsel, and any taxes, assessments or liens prior to the lien of this Master Trust Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, together with, in the case of any entry or sale as otherwise provided herein, any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Trust Indenture, shall be applied in the order specified in Section 3.01 hereof, at the date or dates fixed by the Master Trustee and, in case of the distribution of such money on account of principal (or premium, if any), upon presentation

of the Master Obligations and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid. The Master Trustee may fix a record date and payment date for any payment or distribution to Holders pursuant to this Section 7.08.

In the event the Master Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 7.01(c) or 7.01(d), or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 7.09. Limitation on Suits. No Holder of any Master Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Trust Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

(a) Such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(b) The Holders of not less than 25% in principal amount of the Outstanding Master Obligations shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(c) Such Holder or Holders have offered to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) The Master Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) No direction inconsistent with such written request has been given to the Master Trustee during such 60 day period by the Holders of a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness); it being understood and intended that no one or more Holders of Master Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Trust Indenture to affect, disturb or prejudice the rights of any other Holders of Master Obligations, to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Master Trust Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Master Obligations.

Section 7.10. Unconditional Right of Holders of Master Obligations to Receive Principal, Premium and Interest. Subject to Section 9.02 hereof, the Holder of any Master Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and (subject to Section 2.07 hereof) interest on such Master Obligation on the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Section 7.11. Restoration of Rights and Remedies. If the Master Trustee or any Holder of Master Obligations has instituted any proceeding to enforce any right or remedy under this Master Trust Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Holder of Master Obligations, then and in every such case the Obligated Group Members, the Master Trustee and the Holders of Master Obligations shall, subject to any court determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Holders of Master Obligations shall continue as though no such proceeding had been instituted.

Section 7.12. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Master Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.13. Delay or Omission Not Waiver. No delay or omission of the Master Trustee or of any Holder of any Master Obligation to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VII or by law to the Master Trustee or to the Holders of Master Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Holders of Master Obligations, as the case may be.

Section 7.14. Control by Holders of Master Obligations. The Holders of a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that:

(a) Such direction shall not be in conflict with any rule of law or with this Master Trust Indenture or be unduly prejudicial to the rights of Holders of Master Obligations not joining in the giving of such direction (it being understood that the Master Trustee does not have an affirmative duty to ascertain whether or not any such direction is unduly prejudicial to such Holders of Master Obligations),

(b) The Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction; and

(c) The Master Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 8.03(e) hereof is provided to it by such Holders.

Section 7.15. Waiver of Past Defaults and Future Covenant Requirements. The Holders of not less than a majority in principal amount of the Outstanding Master Obligations

(except Master Obligations constituting Subordinated Indebtedness) may on behalf of the Holders of all the Master Obligations waive any past Default or Event of Default hereunder and its consequences (or future covenant requirements), except a Default or covenant requirement with respect to:

(a) The payment of the principal of (or premium, if any) or interest on any Master Obligation, or

(b) A covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Master Obligation affected.

Upon any such waiver, such Default shall be deemed to have never occurred, and any Event of Default arising therefrom shall be deemed to have been cured *ab initio*, for every purpose of this Master Trust Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 7.16. Undertaking for Costs. All parties to this Master Trust Indenture agree, and each Holder of any Master Obligation by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Master Trust Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Master Trustee, to any suit instituted by any Holder of Master Obligations, or group of Holders of Master Obligations, holding in the aggregate more than 10% in principal amount of the Outstanding Master Obligations, or to any suit instituted by any Holder of Master Obligations for the enforcement of the payment of the principal of (or premium, if any) or interest on any Master Obligation on or after the respective Stated Maturities expressed in such Master Obligation (or, in the case of redemption, on or after the redemption date).

Section 7.17. Waiver of Stay or Extension Laws. Each Obligated Group Member covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Trust Indenture; and each Obligated Group Member (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted. Notwithstanding the foregoing, nothing contained in this Section 7.17 shall be deemed to be a waiver of any applicable statute of limitations or repose.

[End of Article VII]

**ARTICLE VIII
CONCERNING THE MASTER TRUSTEE**

Section 8.01. Duties and Liabilities of Master Trustee.

(a) Except during the continuance of an Event of Default, the Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Trust Indenture and no implied covenants or obligations shall be read into this Master Trust Indenture against the Master Trustee. The Master Trustee shall have no duty to review any financial statements provided by the Obligated Group hereunder, nor shall the Master Trustee be considered to have notice of the content of such statements or a default based on such content. The Master Trustee shall have no duty to verify the accuracy of such financial statements.

(b) In case any Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Trust Indenture and use the same degree of care and skill in their exercise as a reasonably prudent person would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Trust Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(i) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(ii) the Master Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Master Trustee was negligent in ascertaining the pertinent facts;

(iii) the Master Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in aggregate principal amount of Master Obligations then Outstanding or the provider of a Credit Facility relating to the time, method and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred upon the Master Trustee under this Master Trust Indenture;

(iv) no provision of this Master Trust Indenture shall require the Master Trustee to expend or risk its funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers without regard to whether it shall have grounds for believing that the repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it; and

(v) in the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Trust Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine

whether or not they conform to the requirements of this Master Trust Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein).

(d) Whether or not therein expressly so provided, every provision of this Master Trust Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 8.02. Notice of Defaults. Within 60 days after the occurrence of any Default or Event of Default hereunder of which the Master Trustee is deemed to have knowledge as provided in Section 8.03(h) hereof, the Master Trustee shall transmit by mail to all Holders of Master Obligations notice of such Default unless such Default shall have been cured or waived; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Master Obligations or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determines that the withholding of such notice is in the interest of the Holders of Master Obligations; and provided, further, that in the case of any default of the character specified in Section 7.01(b) no such notice to Holders of Master Obligations shall be given until at least 30 days after the occurrence thereof.

Section 8.03. Certain Rights of Master Trustee. Except as otherwise provided in Section 8.01 hereof:

(a) The Master Trustee may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person or any Obligated Group Representative Request; and any resolution of the Governing Body of any Person may be evidenced to the Master Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Master Trust Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officer's Certificate or an Opinion of Counsel, which shall conform to the provisions of Section 1.03; the Master Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion;

(d) The Master Trustee may consult with counsel concerning all matters of trusts hereof and duties hereunder and may in all cases pay such reasonable compensation

to any attorney, agent, receiver or employee retained or employed by it in connection herewith, and the written advice of such counsel or any Opinion of Counsel or Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Trust Indenture at the request or direction of any of the Holders of Master Obligations pursuant to the provisions of this Master Trust Indenture, unless such Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in connection with such request or direction;

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon or other paper or document, but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Obligated Group Members and each other obligor on the Master Obligations, personally or by agent or attorney;

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care hereunder;

(h) The Master Trustee shall not be required to take notice or be deemed to have knowledge of any Default or Event of Default hereunder, except an Event of Default under Section 7.01(a), unless a Responsible Officer has actually received notice of such default in writing from any Obligated Group Member or the Holder of any Master Obligations referencing the Master Obligations and describing such Default or Event of Default;

(i) The permissive right of the Master Trustee to do things enumerated in this Master Trust Indenture shall not be construed as a duty. It shall not be the duty of the Master Trustee, except as herein provided, to see that any duties or obligations herein imposed upon any Obligated Group Member or any other Person are performed, and the Master Trustee shall not be liable or responsible for the failure of any Obligated Group Member or any other Person to perform any act required of it or them by this Master Trust Indenture;

(j) The Master Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Master Trust Indenture;

(k) In the event the Master Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Master Obligations, each representing less than a majority in aggregate principal amount of the Master Obligations

Outstanding, the Master Trustee (which may be in reliance on an Opinion of Counsel), may determine what action, if any, shall be taken;

(l) The Master Trustee's immunities and protections from liability in connection with the performance of its duties under this Master Trust Indenture shall extend to the Master Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Master Trustee's right to compensation, shall survive the Master Trustee's resignation or removal and final payment of the Master Obligations;

(m) Except for information provided by the Master Trustee concerning the Master Trustee, the Master Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Master Obligations, and the Master Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Master Obligations;

(n) Notwithstanding anything contained herein to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Master Trustee to liability under any environmental law, statute, regulation or similar requirement relating to the environment, the Master Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action and the Master Trustee shall not be required to take such foreclosure or similar action if it reasonably determines that the approval of a governmental regulator that cannot be obtained is necessary for such foreclosure or similar action;

(o) The Master Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God, earthquakes, fire, flood, hurricanes or other storms, wars, terrorism, similar military disturbances, sabotage, epidemic, pandemic, riots, interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services, accidents, labor disputes or acts of civil or military authority or governmental action, it being understood that the Master Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances;

(p) In no event shall the Master Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Master Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action;

(q) The rights, privileges, protections, immunities and benefits given to the Master Trustee, including, without limitation, its right to be compensated, reimbursed and indemnified, are extended to, and shall be enforceable by, the Master Trustee in each of its

capacities hereunder, and to each agent, custodian and other Person employed to act hereunder;

(r) The Master Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Master Trust Indenture;

(s) The Master Trustee may request that the Obligated Group Representative deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to furnish the Master Trustee with Officer's Certificates, Requests, directions, notices and any other matters or directions pursuant to this Master Trust Indenture; and

(t) The Master Trustee shall be entitled to rely on all written investment instructions provided by the Obligated Group Representative hereunder and shall have no duty to monitor the compliance thereof with the restrictions set forth herein. The Master Trustee shall be fully protected in relying on any written investment direction as to the suitability and legality of any such directed investment. The Obligated Group Representative acknowledges that to the extent the regulations of the Comptroller of the Currency or other applicable regulatory agency grant the Obligated Group the right to receive brokerage confirmations of security transactions, the Obligated Group Representative waives receipt of such confirmations.

Section 8.04. Not Responsible for Recitals or Issuance of Master Obligations. The recitals contained herein and in the Master Obligations (other than the certificate of authentication on such Master Obligations) shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Trust Indenture or of the Master Obligations or of the Trust Estate. The Master Trustee shall not be accountable for the use or application by the Obligated Group Members of any of the Master Obligations or of the proceeds of such Master Obligations or any money paid to the Obligated Group Members or upon any Obligated Group Member's direction under any provision of this Master Trust Indenture. The Master Trustee is not a party to, and is not responsible for, and makes no representation with respect to matters set forth in, any preliminary official statement, official statement or similar document prepared and distributed in connection with the transactions contemplated in this Master Trust Indenture. Notwithstanding the effective date of this Master Trust Indenture or anything to the contrary in this Master Trust Indenture, the Master Trustee shall have no liability or responsibility for any act or event relating to this Master Trust Indenture which occurs prior to the date the Master Trustee formally executes this Master Trust Indenture and commences acting as Master Trustee hereunder. The Master Trustee shall have no responsibility or liability of any kind as a result of any adverse consequence to any Holder of Master Obligations that constitute Subordinated Indebtedness as result of the terms of such Subordinated Indebtedness. The Master Trustee shall not be responsible for and makes no representation as to the tax exempt status of any Master Obligation or Related Bond.

The Master Trustee shall not be responsible for and makes no representation as to the Obligated Group's or any Member's right, title, or ownership in any of the Trust Estate and shall

have no obligation for any defects therein or to inquire or investigate the same in any manner. The Master Trustee shall not be responsible for and makes no representation as to the existence or sufficiency of the Trust Estate, the creation, perfection, priority, sufficiency or protection of any Liens securing the Master Obligations and this Master Trust Indenture, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any Lien or Master Trust Indenture document. The Master Trustee shall not be responsible for and makes no representation as to the compliance by the Obligated Group Members with any covenant or statutory or regulatory requirement related to the Trust Estate. The Master Trustee makes no representation as to, and shall not be responsible for, the recording or re-recording filing, or filing or re-filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Trust Estate except as expressly provided in Section 11.06. The Master Trustee shall not be liable or responsible for the failure of the Obligated Group Members to maintain insurance on the Trust Estate as provided in this Master Trust Indenture, nor shall it be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured any Obligated Group Member, the Master Trustee or any other Person. The Master Trustee shall have no duty hereunder with respect to any complaint, claim, demand, notice or other document it may receive or which may be alleged to have been delivered to or served upon it by third parties as a consequence of the filing or recordation of any portion of the Trust Estate; provided, however, that the Master Trustee shall use commercially reasonable efforts to deliver to the Obligated Group Representative a copy of any such complaint, claim, demand, notice or other document which is delivered to the Corporate Trust Office and contains sufficient information to enable the Master Trustee to identify such complaint, claim, demand, notice or other document as pertaining to this Master Trust Indenture.

Section 8.05. Master Trustee or Registrar May Own Master Obligations. The Master Trustee, any Paying Agent, any registrar or any other agent of the Obligated Group Members, in its individual or any other capacity, may become the owner or pledgee of Master Obligations and may otherwise deal with the Obligated Group Members with the same rights it would have if it were not Master Trustee, Paying Agent, Master Obligation registrar or such other agent.

Section 8.06. Money to Be Held in Trust. All money received by the Master Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any money received by it hereunder other than such interest as it expressly agrees in writing to pay.

Section 8.07. Compensation and Expenses of Master Trustee. The Obligated Group Members agree:

(a) To pay to the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder in accordance with a written schedule provided by the Master Trustee to the Obligated Group Representative, which shall not be limited by any law on compensation of a trustee of an express trust;

(b) To reimburse the Master Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Master Trustee in

accordance with any provision of this Master Trust Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement or advance as may arise from its negligence or willful misconduct;

(c) Each Obligated Group Member shall, jointly and severally, indemnify the Master Trustee and its officers, directors, employees and agents for, and hold it harmless against, any loss, liability, damage, claim or expense incurred by it without negligence or willful misconduct on its part, arising out of and in connection with the acceptance or administration of this trust and the performance of its duties hereunder or the exercise of its rights and powers hereunder or under the Master Obligations, including the costs and expenses (including reasonable attorney's fees, costs and expenses) of defending itself against any claim or liability and of enforcing this Master Trust Indenture and the Master Obligations (whether asserted by any Holder of Master Obligations, any Obligated Group Member or otherwise), and such indemnification shall survive the termination of this Master Trust Indenture, the payment in full of all Master Obligations issued hereunder or the sooner resignation or removal of the Master Trustee;

(d) In the case of any claim indemnified by the Obligated Group Members hereunder that is covered by a policy of insurance maintained by or on behalf of the Obligated Group Members, the Master Trustee agrees to cooperate, at the Obligated Group Members' expense, with the insurers in the exercise of their rights to investigate, defend or compromise such claim as may be required to retain the benefits of such insurance with respect to such claim;

(e) To secure the Obligated Group Members' payment obligations in this Section 8.07, the Master Trustee shall have a Lien prior to the Master Obligations on all money or property held or collected by the Master Trustee, except that held in trust to pay principal and interest on particular Master Obligations; such Lien shall survive the satisfaction and discharge of this Master Trust Indenture and resignation or removal of the Master Trustee; and

(f) "Master Trustee" for the purposes of this Section 8.07 shall include any predecessor Master Trustee and the Master Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder; provided, however, that the negligence or willful misconduct of any Master Trustee hereunder shall not affect the rights of any other Master Trustee hereunder.

Section 8.08. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a banking corporation, bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by federal or state banking authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at

any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect hereinafter specified in this Article VIII.

Section 8.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Master Trustee under Section 8.10 hereof.

(b) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed (i) if no Default or Event of Default has occurred and is continuing under this Master Trust Indenture, then by act of the Obligated Group Representative delivered to the Master Trustee, and (ii) at any time by act of the Holders of a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness) delivered to the Master Trustee and to the Obligated Group Representative.

(d) If at any time:

(i) the Master Trustee shall cease to be eligible under Section 8.08 hereof and shall fail to resign after written request therefor by the Obligated Group Representative or by any such Holder of Master Obligations, or

(ii) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Trustee or of its property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Obligated Group Representative by written request may remove the Master Trustee or (B) subject to Section 7.16 hereof, any Holder of Master Obligations who has been a bona fide Holder of a Master Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of a successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Obligated Group Representative, by an Obligated Group Representative Request, shall promptly appoint a successor Master Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Master Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness) delivered to the Obligated Group Representative and the retiring Master Trustee, the successor Master Trustee so appointed shall,

forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by the Obligated Group Representative. If no successor Master Trustee shall have been so appointed by the Obligated Group Representative or the Holders of Master Obligations and accepted appointment in the manner hereinafter provided, any Holder of Master Obligations who has been a bona fide Holder of a Master Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Obligated Group Representative shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first class mail, postage prepaid, to the registered Holders of Master Obligations at their addresses as shown in the Obligation Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

Section 8.10. Acceptance of Appointment by Successor. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligated Group Representative and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Master Trustee; but, on the reasonable written request of the Obligated Group Representative or the successor Master Trustee, such retiring Master Trustee shall, upon payment of its charges and the amounts due to it hereunder, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers and trusts of the retiring Master Trustee and shall duly assign, transfer and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee, the Obligated Group Representative shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article VIII. The indemnity provided for in Section 8.07(c) hereof herein shall continue to be binding upon the Members of the Obligated Group for the benefit of the retiring or removed Master Trustee.

Section 8.11. Merger or Consolidation. Any entity into which the Master Trustee may be merged or with which it may be consolidated, any entity resulting from any merger or consolidation to which the Master Trustee shall be a party or any entity succeeding to all or substantially all of the corporate trust business of the Master Trustee shall be the successor Master Trustee hereunder, provided such entity shall be otherwise qualified and eligible under this Article VIII, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Master Obligations shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Master Obligations so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Master Obligations.

Section 8.12. Co-Master Trustee. It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Master Trust Indenture upon the occurrence of an Event of Default, it may be necessary that the Master Trustee appoint an additional individual or institution as a separate Master Trustee or Co-Master Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Master Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Master Trustee or to hold a security interest in the Trust Estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Master Trustee with respect thereto shall be exercisable by and vest in a separate Master Trustee or Co-Master Trustee appointed by the Master Trustee but only to the extent necessary to enable the separate Master Trustee or Co-Master Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Master Trustee or Co-Master Trustee shall run to and be enforceable by either of them. Should any deed, conveyance or instrument in writing from any Obligated Group Member be required by the separate Master Trustee or Co-Master Trustee so appointed by the Master Trustee in order to more fully and certainly vest in and confirm to such separate Master Trustee or Co-Master Trustee such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by such Obligated Group Member, at the expense of the Obligated Group. In case any separate Master Trustee or Co-Master Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Master Trustee or Co-Master Trustee, so far as permitted by law, shall vest in and be exercised by the Master Trustee until the appointment of a new Master Trustee or successor to such separate Master Trustee or Co-Master Trustee.

[End of Article VIII]

**ARTICLE IX
SUPPLEMENTS AND AMENDMENTS**

Section 9.01. Supplements Without Consent of Holders of Master Obligations.

Without the Consent of the Holders of any Master Obligations, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee at any time may enter into one or more Supplements for any of the following purposes:

(a) To evidence the succession of another Person to an Obligated Group Member, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of an Obligated Group Member as permitted by this Master Trust Indenture or to evidence additions to, or withdrawals from, membership in the Obligated Group in accordance with the provisions of Article VI hereof;

(b) To add to the covenants of the Obligated Group Members for the benefit of the Holders of Master Obligations, to surrender any right or power herein conferred upon the Obligated Group Members or to add to the Events of Default enumerated in Section 7.01 hereof;

(c) To cure any ambiguity or to correct or supplement any provision herein that may be inconsistent with any other provision herein or to make any other provision with respect to matters or questions arising under this Master Trust Indenture, provided such action shall not materially adversely affect the interests of the Holders of Master Obligations;

(d) To modify or supplement this Master Trust Indenture in such manner as may be necessary or appropriate to qualify this Master Trust Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal or state statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Obligated Group Members undertake such covenants, conditions or restrictions additional to those contained in this Master Trust Indenture as would be necessary or appropriate so to qualify this Master Trust Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Trust Indenture or in any Supplements provisions referred to in Section 316(a)(2) of the said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(e) To create and provide for the issuance of Master Obligations as permitted hereunder;

(f) To increase or maintain any credit rating assigned to any series of Related Bonds by a Rating Agency so long as no Master Obligation issued hereunder shall be secured on a basis senior to other Master Obligations (except Master Obligations constituting Subordinated Indebtedness);

(g) To change Section 4.15 to permit the financial statements required therein to more accurately reflect the financial position and operations of the Obligated Group;

(h) To specify and determine matters necessary or desirable for the incorporation of any future rules and regulations with respect to Subsidy Bonds; and

(i) To make any amendment to any provision of this Master Trust Indenture or to any Supplement which is only applicable to Master Obligations issued thereafter or which will not apply so long as any Master Obligation then Outstanding remains Outstanding.

Section 9.02. Supplements With Consent of Holders of Master Obligations. With the Consent of the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness), by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Trust Indenture or of modifying in any manner the rights of the Holders of the Master Obligations under this Master Trust Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby,

(a) Change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(b) Reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Trust Indenture or certain defaults hereunder and their consequences) provided for in this Master Trust Indenture, or

(c) Modify any of the provisions of this Section or Section 7.15, except to increase any such percentage or to provide that certain other provisions of this Master Trust Indenture cannot be modified or waived without the Consent of the Holder of each Master Obligation affected thereby.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in subsections (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in subsections (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

It shall not be necessary for any Act of Holders of Master Obligations under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.03. Execution of Supplements. In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modifications thereby of the trusts created by this Master Trust Indenture, the Master Trustee shall be entitled to receive, and shall be fully protected in conclusively relying upon, an Officer's Certificate and an Opinion of Counsel stating that the execution of such Supplement is authorized or permitted by this Master Trust Indenture and that all conditions precedent thereto have been complied with. In connection with the execution and delivery of a Supplement pursuant to Section 9.01(c), the Master Trustee may determine whether or not in accordance with such Section the Holders of the Master Obligations would be affected by such Supplement, and any such determination shall be binding and conclusive on the Members of the Obligated Group and the Holders of the Master Obligations. The Master Trustee may receive and be entitled to conclusively rely upon an Opinion of Counsel as conclusive evidence as to whether the Holders of the Master Obligations would be so affected by any such Supplement. The Master Trustee may, but shall not (except to the extent required in the case of a Supplement entered into under Section 9.01(d)) be obligated to, enter into any such Supplement which affects the Master Trustee's own rights, duties or immunities under this Master Trust Indenture or otherwise.

Section 9.04. Effect of Supplement. Upon the execution of any Supplement under this Article, this Master Trust Indenture shall, with respect to each series of Master Obligations to which such Supplement applies, be modified in accordance therewith, and such Supplement shall form a part of this Master Trust Indenture for all purposes, and every Holder of Master Obligations thereafter or (except to the extent provided pursuant to Section 9.01(h)) theretofore authenticated and delivered hereunder shall be bound thereby.

Section 9.05. Master Obligations May Bear Notation of Changes. Master Obligations authenticated and delivered after the execution of any Supplement pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Master Obligations so modified as to conform, in the opinion of the Master Trustee and the Obligated Group Representative, to any such Supplement may be prepared and executed by the applicable Obligated Group Member and authenticated and delivered by the Master Trustee in exchange for Master Obligations then Outstanding.

[End of Article IX]

ARTICLE X SATISFACTION AND DISCHARGE OF INDENTURE

Section 10.01. Satisfaction and Discharge of Indenture. If at any time the Obligated Group Members shall have paid or caused to be paid the principal of (and premium, if any) and interest on all the Master Obligations Outstanding hereunder, as and when the same shall have become due and payable (in the case of Master Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments), and if the Obligated Group Members shall also pay or provide for the payment of all other sums payable hereunder by each Obligated Group Member, then this Master Trust Indenture shall cease to be of further effect (except as to (a) rights of registration of transfer and exchange, (b) substitution of mutilated, defaced or apparently destroyed, lost or stolen Master Obligations, (c) rights of Holders to receive payments of principal thereof (and premium, if any) and interest thereon, (d) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder, and (e) the rights of the Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them) and the Master Trustee, on the Obligated Group Representative's Request accompanied by an Officer's Certificate and an Opinion of Counsel (both to the effect that all conditions precedent in this Master Trust Indenture relating to the satisfaction and discharge of this Master Trust Indenture have been satisfied) and at the cost and expense of the Obligated Group Representative, shall execute proper instruments acknowledging satisfaction of and discharging this Master Trust Indenture.

Notwithstanding the satisfaction and discharge of this Master Trust Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 8.07 and, if funds shall have been deposited with the Master Trustee pursuant to Section 10.02, the obligations of the Master Trustee under Section 10.03 shall survive.

Section 10.02. Master Obligations Deemed Paid. Master Obligations of any series shall be deemed to have been paid if (a) (i) in case such Master Obligations are to be redeemed on any date prior to their Stated Maturity, the Obligated Group Representative by Obligated Group Representative Request shall have given to the Master Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Master Obligations on said redemption date, (ii) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Master Obligations (in the case of Master Obligations related to any Subsidy Bonds, without regard to expected Federal Subsidy Payments) on and prior to the redemption date or Stated Maturity thereof, as the case may be, and (iii) in the event said Master Obligations are not by their terms subject to redemption within the next 45 days, the Obligated Group Representative shall have given the Master Trustee in form satisfactory to it irrevocable written instructions to give a notice to the Holders of such Master Obligations that the deposit required by clause (ii) above has been made with the Master Trustee and that said Master Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal of (and premium, if any) and interest on said Master Obligations (in the case of Master Obligations related to any Subsidy

Bonds, without regard to expected Federal Subsidy Payments), or (b) such Master Obligations are delivered to the Master Trustee by the Holder thereof together with instructions from the Obligated Group Representative directing the Master Trustee to retire and cancel such Master Obligations.

Section 10.03. Application of Trust Money. The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 10.02 hereof and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested and shall be applied by it in accordance with the provisions of the Master Obligations and this Master Trust Indenture to the payment, either directly or through any Paying Agent (including the Obligated Group Representative acting as Paying Agent) as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Accountant setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in subsection (a)(ii) of Section 10.02 hereof, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Obligated Group Representative Request, be reinvested, to the extent practicable, in other Defeasance Obligations or disposed of as requested by the Obligated Group Representative. For purposes of any calculation required by this Article X, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer and the principal of such obligation shall be assumed to be received at its stated maturity.

Section 10.04. Payment of Related Bonds. Notwithstanding any other provision of this Article X, no Master Obligation will be considered paid or deemed to have been paid unless the Related Bonds, if any, have been paid or deemed paid pursuant to the Related Bond Indenture.

[End of Article X]

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 11.01. No Personal Liability. No recourse under this Master Trust Indenture or any Master Obligations shall be had against any officer, director, agent or employee, as such, past, present or future, of any Obligated Group Member, any Affiliate, the Master Trustee or of any successor corporation; it being expressly understood that this Master Trust Indenture and the obligations incurred hereunder are solely obligations of the entities named herein as Obligated Group Members, that no personal liability whatever shall attach to such persons or any of them under this Master Trust Indenture or any Master Obligations, and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such person because of the creation of the indebtedness hereby authorized or under or by reason of the obligations, covenants or agreements contained in this Master Trust Indenture or in any Master Obligations are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Trust Indenture and the issue of such Master Obligations.

Section 11.02. Choice of Law. This Master Trust Indenture and the Master Obligations shall be deemed to be contracts made under the laws of the State of Georgia and for all purposes shall be construed in accordance with the laws of the State of Georgia applicable to contracts made and to be performed in the State of Georgia without regard to conflict of law principles.

Section 11.03. Legal Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Master Trust Indenture, shall be a legal holiday, a day on which banking institutions in Atlanta, Georgia are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday, a day on which such banking institutions are authorized by law to remain closed or a day on which the payment system of the U.S. Federal Reserve System is not operational, with the same force and effect as if done on the nominal date provided in this Master Trust Indenture.

Section 11.04. Benefits of Provisions of Master Trust Indenture and Master Obligations. Nothing in this Master Trust Indenture or in the Master Obligations, expressed or implied, shall give or be construed to give any Person, other than the parties hereto, the provider of any Credit Facility and the Holders of such Master Obligations, any legal or equitable right, remedy or claim under or in respect of this Master Trust Indenture or under any covenant, condition and provision herein contained, all its covenants, conditions and provisions being for the sole benefit of the parties hereto and of the Holders of such Master Obligations.

Section 11.05. Execution in Counterparts. This Master Trust Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Master Trust Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Master Trust Indenture as to the parties hereto and may be used in

lieu of the original Master Trust Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 11.06. UCC Financing Statements. The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code financing statement, continuation statement or amendment that may be required by law or is necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Trust Indenture and shall timely provide a recorded copy of each filed original financing statement filed pursuant to Section 4.03 to the Master Trustee. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests or the accuracy or sufficiency of any description of collateral in such filings, and unless the Master Trustee shall have been notified by the Obligated Group that any such initial filing or description of collateral was or has become defective, the Master Trustee shall be fully protected in conclusively relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this Section. The Master Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by Chapter 9 of the Uniform Commercial Code in order to continue the Uniform Commercial Code financing statements in connection with the security interests created by this Master Trust Indenture that were initially filed by the Members of the Obligated Group; provided, however, no such agreement shall apply or extend to any amendment or new original filing required pursuant to Section 4.07 and any event described therein. The Obligated Group shall be responsible for and shall pay any reasonable expenses and customary fees, including legal fees incurred under this section.

Section 11.07. Providers of Credit Facilities Deemed Holders. For all purposes hereof including, without limitation, Articles VII and IX of this Master Trust Indenture, so long as a provider of a Credit Facility securing any Master Obligations or Indebtedness represented by such Master Obligations (including, without limitation, Related Bonds) is not in default with respect to its obligations under such Credit Facility, such provider shall be deemed to be the Holder of such Master Obligations and entitled to provide all consents and control all remedies with respect thereto to the exclusion of the Holders thereof so long as its Credit Facility is in effect.

Section 11.08. Electronic Signatures. The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Bond Indenture) shall be deemed (a) to be “written” or “in writing,” (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, “electronic signature” means a manually signed original signature that is then transmitted by Electronic Means; in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e mail message; and

“electronically signed document” means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature.

Section 11.09. Electronic Transactions and Storage. The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[End of Article XI]

IN WITNESS WHEREOF, the parties hereto have caused this Master Trust Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first above written.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**, as the initial
Obligated Group Member

By: _____
Chief Executive Officer

**UMB BANK, NATIONAL
ASSOCIATION**, as Master Trustee

By: _____
Vice President

[Signature Page to Master Trust Indenture]

[Signature Page to Master Trust Indenture]

EXHIBIT A
EXCLUDED PROPERTY

[None]

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A-1

TABLE OF CONTENTS

(This Table of Contents is not a part of this
Supplemental Indenture Number 1 and is only for convenience of reference)

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.
as an Obligated Group Member and as the Obligated Group Representative

and

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee

SUPPLEMENTAL MASTER INDENTURE NUMBER 1

Dated as of December 1, 2021

Relating to:

[\$Amount]
Residential Care Facilities for the Elderly Authority of Coweta County
Revenue Bonds
(Wesley Woods of Newnan-Peachtree City Project)
Series 2021

This instrument prepared by;
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

	<u>PAGE</u>
ARTICLE I DEFINITION OF TERMS	2
Section 1.01. Definitions.	2
ARTICLE II SERIES 2021 MASTER OBLIGATION	3
Section 2.01. Series 2021 Note.....	3
Section 2.02. Issuance of Series 2021 Note.....	3
ARTICLE III FUNDS	4
Section 3.01. Issuance Cost Fund.....	4
Section 3.02. Payments into the Issuance Cost Fund; Disbursements.	4
Section 3.03. Construction Fund.	4
Section 3.04. Payments into the Construction Fund; Disbursements.....	4
Section 3.05. Use of Money in the Construction Fund Upon Default.....	4
Section 3.06. Completion of the 2021 Project.....	5
ARTICLE IV DEBT SERVICE RESERVE FUND.....	6
Section 4.1 Deposit to Debt Service Reserve Fund.....	6
ARTICLE V PREPAYMENT; MISCELLANEOUS	7
Section 5.01. Prepayment of Series 2021 Note.	7
Section 5.02. Additional Prepayment of Series 2021 Note.	7
Section 5.03. Credit on Series 2021 Note.....	7
Section 5.04. Place of Payment for the Series 2021 Note.	7
EXHIBIT A Form of Series 2021 Note	A-1
EXHIBIT B Form of Issuance Cost Fund Requisition.....	B-1
EXHIBIT C Form of Construction Fund Requisition	C-1

SUPPLEMENTAL MASTER INDENTURE NUMBER 1

THIS SUPPLEMENTAL MASTER INDENTURE NUMBER 1, dated as of December 1, 2021 (this “Supplemental Indenture Number 1”), between **WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.**, a Georgia nonprofit corporation, as an Obligated Group Member and as the Obligated Group Representative (the “Obligated Group Representative”) and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association with trust powers (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligated Group Representative and the Master Trustee have entered into a Master Trust Indenture, dated as of December 1, 2021, as supplemented (the “Master Trust Indenture”); and

WHEREAS, Residential Care Facilities for the Elderly Authority of Coweta County (the “Issuer”) has contemporaneously herewith issued its Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021 (the “Bonds”) in the principal amount of [\$Amount] to provide funds to (a) finance improvements to and expansion of the continuing care retirement community known as Wesley Woods of Newnan-Peachtree City, which improvements and expansion are more fully described in the hereinafter defined Loan Agreement (the “2021 Project”), (b) defease and refund the Issuer’s outstanding Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A (the “Series 2016 Bonds”), (c) fund certain reserves, and (d) pay costs of issuance of the Bonds; and

WHEREAS, the Bonds will be issued pursuant to a Bond Trust Indenture, dated as of December 1, 2021 (the “Bond Indenture”), between the Issuer and UMB Bank, National Association, as trustee; and

WHEREAS, pursuant to the Loan Agreement, dated as of December 1, 2021 (the “Loan Agreement”), between the Obligated Group Representative and the Issuer, the Obligated Group Representative has agreed to issue a promissory note (the “Series 2021 Master Obligation”), pursuant to this Supplemental Master Indenture Number 1 (the “Supplemental Indenture”) to evidence the obligation of the Obligated Group Representative to make the payments required under the Loan Agreement; and

WHEREAS, the Obligated Group Representative is authorized by law and by the Master Trust Indenture, and deems it necessary and desirable, to issue and deliver the Series 2021 Master Obligation pursuant to the Master Trust Indenture; and

WHEREAS, pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of the Series 2021 Master Obligation; and

WHEREAS, all acts and things necessary to make the Series 2021 Master Obligation authorized by this Supplemental Indenture, when executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee as provided in the Master Trust Indenture

and this Supplemental Indenture, the valid, binding and legal obligation of the Obligated Group Representative, and to constitute these presents, together with the Master Trust Indenture, a valid indenture and agreement according to its terms and the terms of the Master Trust Indenture, have been done and performed and the execution of this Supplemental Indenture and the issue hereunder and under the Master Trust Indenture of the Series 2021 Master Obligation created by this Supplemental Indenture have in all respects been duly authorized, and the Obligated Group Representative, in the exercise of the legal right and power vested in it, executes this Supplemental Indenture and proposes to make, execute, issue and deliver the Series 2021 Master Obligation created hereby;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Series 2021 Master Obligation authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Series 2021 Master Obligation created hereby by the Holder thereof, the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

ARTICLE I DEFINITION OF TERMS

Section 1.01. Definitions. The terms used in this Supplemental Indenture shall have the meanings assigned to them in the Master Trust Indenture.

[End of Article I]

ARTICLE II
SERIES 2021 MASTER OBLIGATION

Section 2.01. Series 2021 Note. There is hereby created as a Master Obligation under the Master Trust Indenture a promissory note to be known and entitled Wesley Woods of Newnan-Peachtree City, Inc. Series 2021 Note (the "Series 2021 Note"). The Series 2021 Note, in the principal amount of [\$Amount], may be executed, authenticated and delivered in accordance with Article II of the Master Trust Indenture.

Section 2.02. Issuance of Series 2021 Note. The Series 2021 Note created hereby shall be in the form of a fully registered Master Obligation without coupons, shall be dated the date of its issuance, shall bear interest on the principal balance thereof in the amount set forth in such Series 2021 Note, payable as described in such Series 2021 Note, and shall be substantially in the form attached hereto as Exhibit A.

[End of Article II]

ARTICLE III
FUNDS

Section 3.01. Issuance Cost Fund. There is hereby created and established with the Master Trustee a trust fund to be designated "Residential Care Facilities for the Elderly Authority of Coweta County – Issuance Cost Fund, Wesley Woods of Newnan-Peachtree City, Inc., Series 2021."

Section 3.02. Payments into the Issuance Cost Fund; Disbursements. There shall be deposited in the Issuance Cost Fund the amount specified in Article VI of the Bond Indenture. The net proceeds of the Initial Advance designated for deposit in the Issuance Cost Fund shall be deposited in the Issuance Cost Fund shall not be commingled with any other funds. Moneys in the Issuance Cost Fund shall be disbursed to pay Issuance Costs upon receipt of a requisition for payment substantially in the form attached hereto as Exhibit B executed by an Authorized Borrower Representative, and the Master Trustee is hereby authorized and directed to issue its checks or initiate wire transfers for each disbursement upon receipt of such a requisition. If any funds remain in the Issuance Cost Fund after payment of all Issuance Costs, upon receipt of a certificate of the Borrower stating that all Issuance Costs have been paid, the Master Trustee shall transfer such remaining funds to the Bond Trustee for further credit to the Bond Fund.

The Master Trustee shall keep and maintain adequate records pertaining to the Issuance Cost Fund and all disbursements therefrom, and after all amounts are disbursed from the Issuance Cost Fund, the Master Trustee shall, if requested by the Obligated Group Representative, file an accounting thereof with the Issuer and the Borrower.

Section 3.03. Construction Fund. There is hereby created and established with the Master Trustee a trust fund to be designated "Residential Care Facilities for the Elderly Authority of Coweta County - Construction Fund, Wesley Woods of Newnan-Peachtree City, Inc., Series 2021". Monies in the Construction Fund shall be disbursed by the Master Trustee from time to time upon the receipt of a written requisition in the form attached hereto as Exhibit C, and executed by the Obligated Group Representative.

Section 3.04. Payments into the Construction Fund; Disbursements. There shall be deposited in the Construction Fund the amount specified in Article VI of the Bond Indenture. The Master Trustee is hereby authorized and directed to make each disbursement from the Construction Fund required by the provisions of the Loan Agreement and this Article III. The Master Trustee shall keep and maintain adequate records pertaining to the Construction Fund and the accounts therein and all disbursements therefrom, including records of all Requisitions made pursuant to the Loan Agreement, and after the 2021 Project has been completed and a completion certificate has been filed as provided in Section 3.06 hereof, the Master Trustee shall, upon request of the Borrower, provide a copy of such records to the Issuer and the Borrower.

Section 3.05. Use of Money in the Construction Fund Upon Default. If the principal of the Bonds shall have become due and payable upon an Event of Default, any balance remaining in the Construction Fund shall without further authorization be transferred to the Bond Fund for the Bonds.

Section 3.06. Completion of the 2021 Project. The completion of the 2021 Project and payment or provision for payment of all Costs of the 2021 Project shall be evidenced by the filing with the Master Trustee of a completion certificate, upon which the Master Trustee may conclusively rely. As soon as practicable and in any event not more than sixty (60) days from the date of the certificate referred to in the preceding sentence, any balance remaining in the Construction Fund (except amounts the Borrower shall have directed the Master Trustee in writing to retain for any Cost of the 2021 Project not then due and payable) shall without further authorization be transferred to the Bond Trustee for further credit to the Bond Fund and thereafter applied in the manner provided in the Loan Agreement.

[End of Article III]

ARTICLE IV DEBT SERVICE RESERVE FUND

Section 4.1 Deposit to Debt Service Reserve Fund. Pursuant to Section 3.06 of the Master Indenture and Section 6.01 of the Bond Indenture, upon issuance of the Series 2021 Note, the Obligated Group will cause an amount equal to \$_____ to be deposited into the Debt Service Reserve Fund established with the Master Trustee, such amount being equal to the Debt Service Reserve Fund Requirement for the Series 2021 Note and the Bonds. Such amount shall be held and administered by the Master Trustee in accordance with the Master Trust Indenture. No separate account of the Debt Service Reserve Fund is to be established in connection with the Series 2021 Note and the Bonds.

[End of Article IV]

**ARTICLE V
PREPAYMENT; MISCELLANEOUS**

Section 5.01. Prepayment of Series 2021 Note. The Series 2021 Note and its principal installments shall be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or obligations held by the Master Trustee and available for such purpose, to cause an equal aggregate principal amount of outstanding Bonds to be deemed to have been paid within the meaning of Article IX of the Bond Indenture. Any prepayment of the principal of the Series 2021 Note shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Bonds redeemed with the proceeds of such prepayment.

Section 5.02. Additional Prepayment of Series 2021 Note. The Series 2021 Note shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative as elected by the Obligated Group Representative pursuant to Sections 4.12 and 4.13 of the Master Trust Indenture.

Section 5.03. Credit on Series 2021 Note. If the Obligated Group Representative (i) shall have elected to apply the Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture, (ii) shall have delivered written notice to the Bond Trustee in accordance with the provisions of Section 308 of the Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bond or Bonds thus applied, then upon receipt of notice of such credit by Bond Trustee, the Obligated Group Representative and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2021 Note on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bond or Bonds have been applied, and the principal amount of the Series 2021 Note created hereby due on such date will be reduced accordingly.

Section 5.04. Place of Payment for the Series 2021 Note. The place of payment for the Series 2021 Note shall be the designated corporate trust office of the Master Trustee.

[End of Article V]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

**WESLEY WOODS OF NEWMAN-
PEACHTREE CITY, INC.**, as an Obligated
Group Member and as Obligated Group
Representative

By: _____
Chief Executive Officer

[Signature Page of Supplemental Indenture Number 1]

UMB BANK, NATIONAL ASSOCIATION, as
Master Trustee

By: _____
Vice President

EXHIBIT A

**THIS SERIES 2021 NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAW**

[\$Amount]

**WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.
SERIES 2021 NOTE**

Dated December ____, 2021

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC., as an obligated group member and the obligated group representative (the “Obligated Group Representative”), for value received, hereby promises to pay to **RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY** (the “Issuer”), or registered assigns, at the designated corporate trust office of UMB Bank, National Association, as Trustee (the “Bond Trustee”), the principal sum set forth above and to pay interest on the unpaid principal balance hereof, in each case as provided in Section 5.02 of the Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”) between the Issuer and the Obligated Group Representative, and on such other dates as may be required by the Loan Agreement, until the principal amount hereof is paid or made available for payment. This Series 2021 Note is due and payable on _____, subject to prepayment as provided herein.

Interest on this Series 2021 Note is computed on the basis of a 360-day year consisting of twelve 30-day months.

Principal of, premium, if any, and interest on this Series 2021 Note are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, and interest hereon shall be payable in immediately available funds by depositing the same with the Bond Trustee, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined, as provided in the Bond Indenture, as herein defined.

This Series 2021 Note is dated the date of its delivery and is issued in the principal amount of [\$Amount], and is designated as the “Wesley Woods of Newnan-Peachtree City, Inc. Series 2021 Note” (this “Series 2021 Note”, and together with all other Master Obligations issued under the Master Trust Indenture hereinafter defined, the “Master Obligations”) issued under and pursuant to Supplemental Indenture Number 1 dated as of December 1, 2021 (the “Supplemental Indenture”), supplementing and amending the Master Trust Indenture, dated as of December 1, 2021, as supplemented (the “Master Trust Indenture”), between the Obligated Group Representative and UMB Bank, National Association, as Master Trustee (the “Master Trustee”), and delivered pursuant to the Loan Agreement. The Master Trust Indenture, as supplemented and amended by the Supplemental Indenture, is herein called the “Master Trust Indenture.”

[Signature Page of Supplemental Indenture Number 1]

Pursuant to the terms of the Master Trust Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Series 2021 Note and all other Master Obligation.

This Series 2021 Note is issued for the purpose of securing the payment of the principal of, premium, if any, and interest on Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021 (the “Bonds”). The Bonds were issued under the laws of the State of Georgia, including particularly The Residential Care Facilities for the Elderly Act, O.C.G.A. § 31-7-110 *et seq.*, as amended (the “Act”), and a Bond Trust Indenture, dated as of December 1, 2021 (the “Bond Indenture”), between the Issuer and the Bond Trustee, to (a) finance improvements to and expansion of the continuing care retirement community known as Wesley Woods of Newnan-Peachtree City, which improvements and expansion are more fully described in the hereinafter defined Loan Agreement (the “2021 Project”), (b) refund and defease the Issuer’s Outstanding Revenue Bonds (Wesley Woods of Newnan – Peachtree City Project), Series 2016A, (c) fund certain reserves, and (d) pay costs of issuance of the Bonds.

Copies of the Master Trust Indenture are on file at the corporate trust office in St. Louis, Missouri of the Master Trustee and reference is hereby made to the Master Trust Indenture for the provisions, among others, with respect to the nature and extent of the rights of the Holder of this Series 2021 Note, the terms and conditions on which, and the purposes for which, this Series 2021 Note is issued and the rights, duties and obligations of the Obligated Group Representative and the Master Trustee under the Master Trust Indenture, to all of which the Holder hereof, by acceptance of this Series 2021 Note, assents.

Any amounts in the Bond Fund created under the Bond Indenture at the close of business of the Bond Trustee on the day immediately preceding any payment date on this Series 2021 Note in excess of the aggregate amount then required to be contained in such accounts of such Bond Fund shall be credited against the payments due by the Obligated Group Representative and the other Obligated Group Members on such next succeeding principal or interest payment date on this Series 2021 Note.

To the extent permitted by and as provided in the Master Trust Indenture, modifications or changes of the Master Trust Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Trust Indenture) and of the Holders of the Master Obligation in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the Holders of not less than a majority in aggregate principal amount of the Master Obligation then Outstanding under the Master Trust Indenture. No such modification or change shall be made which will reduce the percentage of the Master Obligation, the consent of the Holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Master Obligation or Master Obligation over any other Master Obligation or Master Obligation, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Master Obligation or a reduction in the principal amount or redemption price of any Master Obligation or the rate of interest thereon, without the consent of the Holder of such Master Obligation. Any such consent by the Holder of this Series 2021 Note shall be conclusive and binding upon such Holder and all future Holders and owners hereof irrespective of

whether or not any notation of such consent is made upon this Series 2021 Note. 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 above may be made with respect to an Outstanding Master Obligation with the consent of the holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

In the manner and with the effect provided in the Master Trust Indenture, this Series 2021 Note and its principal installments will be subject to prepayment prior to maturity, in whole at any time, or in part from time to time at the option of the Obligated Group Representative, without penalty, upon payment of a sum, in cash and/or Government Obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of outstanding Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture.

If the Obligated Group Representative (i) shall have elected to apply a Bond or Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture and (ii) shall have delivered written notice to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Bond or Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group Representative and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on this Series 2021 Note on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Bond or Bonds have been applied, and the principal amount of this Series 2021 Note due on such date will be reduced accordingly.

Upon the occurrence of certain “Events of Default”, as defined in the Master Trust Indenture, the principal of all Outstanding Master Obligation may be declared due and payable, and thereupon shall become due and payable as provided in the Master Trust Indenture.

The Holder of this Series 2021 Note shall have no right to enforce the provisions of the Master Trust Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Trust Indenture.

This Series 2021 Note shall be registered on the register to be maintained by the Master Trustee and this Series 2021 Note shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the Holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Holder requesting such transfer as a condition precedent to the exercise

of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Series 2021 Note a new registered Note without coupons, registered in the name of the transferee.

The Obligated Group Representative and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the person in whose name this Series 2021 Note is registered as the absolute owner hereof for all purposes; and neither the Obligated Group Representative and the other Obligated Group Members, any paying agent, the Master Trustee nor any Master Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Series 2021 Note.

No covenant or agreement contained in this Series 2021 Note or the Master Trust Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Series 2021 Note shall be liable personally on this Series 2021 Note or be subject to any personal liability or accountability by reason of the issuance of this Series 2021 Note.

This Series 2021 Note shall not be entitled to any benefit under the Master Trust Indenture, or be valid or become obligatory for any purpose, until this Series 2021 Note shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

[Signature Follows]

IN WITNESS WHEREOF, the Obligated Group Representative has caused this Series 2021 Note to be executed in its name and on its behalf by the manual or facsimile signature of its President as of the date first written above.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**

By: _____
Chief Executive Officer

[Form of Endorsement By Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Trust Indenture) hereby certifies that, pursuant to the provisions of the Master Trust Indenture, the Obligated Group Representative on the Series 2021 Note and all other Obligated Group Members referred to and defined in the Master Trust Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of the Series 2021 Note, including the Obligated Group Representative hereon, are identified on Schedule I attached hereto.

Any Person (as defined in the Master Trust Indenture) who shall satisfy the conditions set forth in the Master Trust Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of the Series 2021 Note shall thereupon and thereafter likewise be jointly and severally obligated on the Series 2021 Note, whether or not the name of such Person shall appear on or be added to Schedule I.

If any Person (including the Obligated Group Representative hereon) who is on the date of execution and delivery of the Series 2021 Note, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Trust Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such Person shall thereupon and thereafter be released from any further liability or obligation on the Series 2021 Note and under the Master Trust Indenture, whether or not the name of such Person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Trust Indenture) and to all other Holders of Master Obligation at their last addresses as they shall appear upon the register maintained as provided in the Master Trust Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Master Obligation must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Master Obligation delivered pursuant to the provisions of the Master Trust Indenture.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.,** as Obligated
Group Representative

By: _____
Chief Executive Officer

A-6

[Form of Master Trustee's Certificate of Authentication]

The Series 2021 Note is one of the Master Obligation referred to in the aforementioned Master Trust Indenture.

Date of Authentication: _____

UMB BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as
Master Trustee

By: _____
Authorized Signatory

[Form of Schedule I]

Members of the Obligated Group

<u>Name</u>	<u>Address for Notices</u>
Wesley Woods of Newnan-Peachtree City, Inc.	Houston Building 1817 Clifton Road, N.E. Atlanta, Georgia 30329

A-7

(Form of Assignment to Bond Trustee)

Pay to the order of UMB Bank, National Association, as Bond Trustee for the owners of the Bonds hereinabove mentioned, without warranty and without recourse against the undersigned except warranty of good title, warranty that the Issuer has not assigned this Series 2021 Note to a Person or entity other than the Bond Trustee, and that the original principal amount thereof remains unpaid hereunder.

**RESIDENTIAL CARE FACILITIES FOR
THE ELDERLY AUTHORITY OF
COWETA COUNTY**

By: _____
Chairman

EXHIBIT B

ISSUANCE COST FUND REQUISITION

[Attached]

ISSUANCE COST FUND
CERTIFICATE AND REQUISITION FOR PAYMENT

Date: _____

Draw Request #

Wesley Woods of Newnan-Peachtree City, Inc. (the “Obligor”) hereby requests, pursuant to Supplemental Master Indenture Number 1, dated as of December 1, 2021 (“Supplement Number 1”), between it and UMB Bank, National Association, as trustee (the “Master Trustee”), that the following amounts be disbursed to the following parties for the account of the Obligated Group Representative from the Issuance Cost Fund created under Supplement 1:

<u>Name of Payee</u>	<u>Nature of Disbursement</u>	<u>Amount</u>
----------------------	-------------------------------	---------------

The Obligated Group Representative hereby certifies to the Master Trustee that, as of the date hereof, (1) the representations and warranties of the Obligated Group Representative in the Loan Agreement (defined in Supplement Number 1) are hereby ratified and confirmed, (2) the above-listed items are properly included within the definition “Issuance Costs” included within the Loan Agreement, and (3) they have not previously been submitted to the Master Trustee for payment.

By: _____
Authorized Obligor Representative

EXHIBIT C

CONSTRUCTION FUND REQUISITION

[Attached]

CONSTRUCTION FUND REQUISITION

UMB Bank, National Association,
as Master Trustee
St. Louis, Missouri

Requisition No. _____

This is a requisition in the amount of \$_____ for payment to the person and address or account shown on the attached schedule, pursuant to (i) Section 4.03 of that certain Loan Agreement (the "Loan Agreement") dated as of December 1, 2021 between the undersigned Wesley Woods of Newnan-Peachtree City, Inc. (the "Company") and the Residential Care Facilities for the Elderly Authority of Coweta County (the "Issuer"), and (ii) Section 3.03 of the Supplemental Master Indenture Number 1, dated as of December 1, 2021 (the "Supplement No. 1") between the Company and UMB Bank, National Association, as master trustee (the "Master Trustee"), which Supplement No. 1 supplements that certain Master Trust Indenture, dated as of December 1, 2021, by and between the Company and the Master Trustee (as supplemented, the "Master Indenture"), from proceeds from the sale of the Issuer's Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021 (the "Bonds"). Capitalized terms used herein shall have the meanings ascribed to them in the Loan Agreement and the Master Indenture, as applicable.

In connection with this Requisition, the Company does hereby certify as follows:

(1) obligations in the stated amount have been paid or incurred (attached are copies of invoices or other summary description of the property acquired and its cost, together with payment records) in connection with the acquisition and installation of the 2021 Project; and

(2) such obligations are Costs of the 2021 Project, are proper charges against the Bonds and have not been the basis of any previous requisition of the proceeds of the Bonds from the Construction Fund.

The Company has no notice of any vendor's, mechanic's, or other liens or right to liens, chattel mortgages or conditional sales contracts, or other contracts or obligations (other than those being contested in good faith) which should be satisfied or discharged before such payment is made.

Such requisition contains no item representing payment on account of any retained percentages which the Issuer or the Company is, as of the date of such requisition, entitled to retain under retained percentage agreements.

This Requisition is submitted on this _____ day of _____, 20____.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**

By: _____
Authorized Officer

TABLE OF CONTENTS

(This Table of Contents is not a part of the Loan Agreement
and is only for convenience of reference.)

RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY,

and

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.

LOAN AGREEMENT

Dated as of December 1, 2021

Relating to

[\$Amount]

Residential Care Facilities for the Elderly Authority of Coweta County
Revenue Bonds
(Wesley Woods of Newnan-Peachtree City Project)
Series 2021

THE INTEREST OF RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY
OF COWETA COUNTY IN THIS LOAN AGREEMENT AND THE REVENUES AND
RECEIPTS DERIVED THEREFROM, EXCEPT FOR ITS UNASSIGNED RIGHTS, AS
DEFINED HEREIN, HAVE BEEN ASSIGNED AND ARE THE SUBJECT OF A GRANT OF
A SECURITY INTEREST TO UMB BANK, NATIONAL ASSOCIATION, AS TRUSTEE,
UNDER A BOND TRUST INDENTURE DATED AS OF DECEMBER 1, 2021 RELATING TO
THE BONDS.

This instrument prepared by:
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

	Page
PARTIES AND RECITALS	1
ARTICLE I DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION	2
Section 1.01 Definitions	2
Section 1.02 Construction of Certain Terms	11
Section 1.03 Table of Contents; Titles and Headings	11
Section 1.04 Contents of Certificates or Opinions	11
Section 1.05 Authorized Borrower and Issuer Representatives and Successors.....	12
ARTICLE II REPRESENTATIONS AND UNDERTAKINGS	13
Section 2.01 Representations by the Issuer	13
Section 2.02 Representations by the Borrower	15
ARTICLE III LOAN TO THE BORROWER; SECURITY; TITLE.....	19
Section 3.01 The Loan.....	19
Section 3.02 The Series 2021 Master Obligations.	19
Section 3.03 Security for Payment of the Bonds.....	19
ARTICLE IV ISSUANCE OF THE BONDS	20
Section 4.01 Agreement to Issue the Bonds; Application of Proceeds.	20
Section 4.02 The Project	20
Section 4.03 Construction Fund	20
Section 4.04 Investment of Funds and Accounts	20
Section 4.04 Establishment of Completion Date.....	21
Section 4.05 Borrower Required to Pay Costs of the Project If Construction Fund Insufficient.....	21
Section 4.06 Special Investment Covenants.....	21
Section 4.07 Purchase of Bonds	21
Section 4.08 Permitted Use of Certain Funds	21
ARTICLE V AGREEMENT TERM; LOAN PAYMENTS AND OTHER AMOUNTS PAYABLE; NATURE OF OBLIGATIONS OF BORROWER	23
Section 5.01 Agreement Term.....	23
Section 5.02 Loan Payments and Other Amounts Payable	23
Section 5.03 Nature of Obligations of Borrower Hereunder.....	24
ARTICLE VI ADDITIONAL COVENANTS	26
Section 6.01 No Warranty of Condition or Suitability by the Issuer	26
Section 6.02 Access to Facilities and Records	26

Section 6.03.	Borrower to Maintain its Existence; Conditions Under Which Exceptions Permitted.	26
Section 6.04.	Qualification in the State.	26
Section 6.05.	Indemnity.....	27
Section 6.06.	Continuing Disclosure Agreement.	28
Section 6.07.	Operation of Facilities and Safety Code.....	28
Section 6.08.	Securities Law Status.	28
Section 6.09.	Tax Compliance.	28
ARTICLE VII	ASSIGNMENT AND LEASING; RESTRICTIONS ON SALE, ENCUMBRANCE, OR CONVEYANCE OF THE FACILITIES BY THE BORROWER; REDEMPTION OF BONDS.....	29
Section 7.01.	Assignment and Leasing.	29
Section 7.02.	Restrictions on Sale, Encumbrance, or Conveyance of the Facilities by the Borrower.....	30
Section 7.03.	Redemption of Bonds.	31
ARTICLE VIII	EVENTS OF DEFAULT AND REMEDIES	32
Section 8.01.	Events of Default Defined.	32
Section 8.02.	Remedies on Default.	33
Section 8.03.	No Remedy Exclusive.	33
Section 8.04.	Agreement to Pay Attorneys' Fees and Expenses.....	34
Section 8.05.	Waiver of Events of Default.....	34
ARTICLE IX	OPTIONS IN FAVOR OF BORROWER	35
Section 9.01.	General Options to Terminate Agreement.	35
Section 9.02.	Option and Obligation to Prepay Loan in Certain Events.....	35
Section 9.03.	Option to Prepay Loan and Redeem Bonds at Optional Redemption Dates.	36
ARTICLE X	MISCELLANEOUS	37
Section 10.01.	Notices.	37
Section 10.02.	Construction and Binding Effect.	38
Section 10.03.	Severability.....	38
Section 10.04.	Amendment, Changes, and Modifications.	38
Section 10.05.	Execution of Counterparts.....	38
Section 10.06.	Law Governing Construction of this Agreement.	38
Section 10.07.	Payments Due on Saturdays, Sundays, and Holidays.	38
Section 10.08.	Benefit of and Enforcement by Owners.	39
Section 10.09.	No Liability of Issuer's Officers.	39
Section 10.10.	Electronic Signatures	39
Section 10.11.	Electronic Transactions and Storage.	39
EXHIBIT A	DESCRIPTION OF FACILITIES AND IMPROVEMENTS	A-1

LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”), dated as of December 1, 2021, by and between **RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY**, a public body corporate and politic organized and existing under the laws of the State of Georgia (the “State”), including The Residential Care Facilities for the Elderly Act, O.C.G.A. § 31-7-110 *et seq.*, as amended (the “Issuer”), and **WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.** (the “Borrower”), a nonprofit corporation organized and existing under the laws of the State;

WITNESSETH:

IN CONSIDERATION OF the respective representations and agreements hereinafter contained, the parties hereto agree as follows, provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur for the payment of money shall not constitute a general obligation of the Issuer but shall be payable solely out of the revenues, receipts, and other payments derived from this Agreement, the hereinafter defined Bond Indenture, and the sale of the Bonds referred to in Section 4.01 hereof and insurance proceeds, foreclosure proceeds, proceeds from released property, and condemnation awards as herein provided, and the Bonds and the interest thereon shall not constitute a general obligation of the Issuer nor constitute an indebtedness or general obligation of Coweta County, Georgia, the State or any political subdivision of the State, within the meaning of any constitutional or statutory provision whatsoever:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01 Definitions. Certain words and terms used in this Agreement are defined herein. When used herein, such words and terms shall have the meanings given to them by the language employed in this Article I defining such words and terms, unless the context clearly indicates otherwise. Terms used herein but not defined herein shall have the meanings given to such terms in the Bond Indenture and the Master Indenture. In addition to the words and terms defined elsewhere herein, the following words and terms are defined terms under this Agreement:

“*Accounts*” mean the Accounts within the Funds created under the Bond Indenture.

“*Act*” means The Residential Care Facilities for the Elderly Act, O.C.G.A. § 31-7-110 *et seq.*, and as the same may be from time to time additionally supplemented and amended.

“*Additional Loan Payments*” means the loan payments payable by the Borrower, described under the subheading “Additional Loan Payments” in Section 5.02(B) hereof.

“*Agreement*” or “*Loan Agreement*” means the within Loan Agreement between the Issuer and the Borrower, as the same may be amended or supplemented from time to time in accordance with the provisions of the Bond Indenture.

“*Agreement Term*” means the duration of this Agreement as specified in Section 5.01 hereof.

“*Authorized Borrower Representative*” means the person or persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Issuer and the Bond Trustee containing the specimen signature of such person and signed on behalf of the Borrower by the President or a Vice President of the Borrower. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Authorized Issuer Representative*” means the person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Borrower and the Bond Trustee, containing the specimen signature of such person and signed on behalf of the Issuer by the Chairman or Vice Chairman of the Issuer. Such certificate or any subsequent or supplemental certificate so executed may designate an alternate or alternates.

“*Basic Loan Payments*” mean the Loan payments payable by the Borrower to the Bond Trustee, for the account of the Issuer, described under the subheading “Basic Loan Payments” in Section 5.02(a) hereof.

“*Beneficial Owner*” shall have the meanings set forth in the Bond Indenture.

“*Bond Counsel*” means Smith, Gambrell & Russell, LLP or any other attorney or firm of attorneys of nationally recognized standing in matters pertaining to obligations issued by states and their political subdivisions and the exclusion of interest thereon from gross income for federal

income tax purposes, appointed by the Borrower, and which is acceptable to the Issuer and the Bond Trustee.

“*Bond Documents*” means, collectively, the Bond Indenture and the Borrower Documents.

“*Bond Fund*” means the fund created in Section 501 of the Bond Indenture.

“*Bond Indenture*” means the Bond Trust Indenture, dated as of December 1, 2021 between the Issuer and the Bond Trustee, relating to the Bonds, as the same may be amended or supplemented from time to time in accordance with the provisions of the Bond Indenture.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated November ____, 2021, among the Issuer, the Borrower, and the Underwriter relating to the Bonds.

“*Bond Trustee*” means the Bond Trustee and/or the co-trustee at the time serving as such under the Bond Indenture. UMB Bank, National Association, St. Louis, Missouri, is the initial Bond Trustee.

“*Bondholders*” or “*Bondowners*” or “*Owners*” mean the Persons in whose names any of the Bonds are registered on the books kept and maintained by the Bond Trustee as bond registrar.

“*Bonds*” means the revenue bonds designated “Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021,” dated the Issue Date, in the aggregate principal amount of [\$Amount], issued pursuant to the Bond Indenture.

“*Borrower*” means Wesley Woods of Newnan-Peachtree City, Inc., a Georgia nonprofit corporation.

“*Borrower Documents*” means, collectively, this Agreement, the Series 2021 Master Obligations, the Master Indenture, the Deed to Secure Debt, the Tax Agreement, the Bond Purchase Agreement, and the Continuing Disclosure Agreement.

“*Buildings*” means those certain buildings and all other facilities and improvements constituting part of the Facilities and not constituting part of the Equipment that are or will be located on the Premises.

“*Business Day*” means any day other than a day on which (a) banks located in the city in which the Designated Corporate Trust Office of the Bond Trustee is located are authorized or required by law to close, or (b) the payment system of the Federal Reserve System is closed.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant

to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

“*Construction Contract*” means the contracts between the Borrower and the General Contractor for the construction of the Project.

“*Construction Fund*” means the fund created in Section 3.01 of Supplement Number 1.

“*Construction Period*” means the period between the beginning of construction of the Project or the Issue Date (whichever is earlier) and the Completion Date.

“*Continuing Disclosure Agreement*” means the Disclosure Dissemination Agent Agreement, dated the Issue Date, among the Borrower and the Dissemination Agent.

“*Controlled Group*” means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the “controlling entity”) directly controls another entity (the “controlled entity”), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial:

(a) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or

(b) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

“*Costs of the Project*” means those costs and expenses in connection with the Project permitted by the Act to be paid or reimbursed from Bond proceeds including, but not limited to, the following:

(a) payment of (i) the cost of the preparation of Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof), (ii) the cost of acquisition and construction of the Project and all construction, acquisition, and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection with the Project (including development, architectural, engineering, and supervisory services with respect to any of the foregoing), (iii) interest on the Bonds during the Construction Period and for a period of up to two years following the estimated Completion Date, and (iv) any other costs and expenses relating to the Project, and (iii) any other costs and expenses relating to the Project;

(b) payment for labor, services, materials, and supplies used or furnished in site improvement and in the construction of the Project, including all costs incident thereto, payment for the cost of the construction, acquisition, and installation of utility services or other facilities, payment for all real and personal property deemed necessary in connection with the Project, payment of consulting and development fees payable to the Borrower or

others, and payment for the miscellaneous expenses incidental to any of the foregoing items including the premium on any surety bond;

(c) payment to the Trustee, as such payments become due, of the reasonable fees and expenses of the Trustee other than its initial fee (as Trustee, bond registrar, and paying agent) and of any paying agent properly incurred under the Indenture that may become due during the Construction Period;

(d) to such extent as they are not paid by a contractor for construction or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the Construction Period under this Agreement;

(e) payment of the taxes, assessments, and other charges, if any, referred to in Section 6.03 hereof that may become payable during the Construction Period;

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

(g) payment of the fees or out-of-pocket expenses of the Borrower, if any, including, but not limited to, architectural, engineering, and supervisory services with respect to the Project;

(h) payment of the fees or out-of-pocket expenses, if any, of those providing services with respect to the Project, including, but not limited to, architectural, engineering, and supervisory services;

(i) payment to the Borrower of such amounts, if any, as are necessary to reimburse the Borrower in full for all advances and payments made by it for any of the items set forth in (a) through (h) above; and

(j) payment of any other costs and expenses relating to the Project which would constitute a “cost” or “expense” permitted to be paid by the Issuer under the Act.

“*Debt Service Reserve Fund*” means the Debt Service Reserve Fund created in Section 3.06 of the Master Indenture.

“*Deed to Secure Debt*” means the Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, from the Borrower to the Issuer, as assigned to the Master Trustee, as the same may be amended or supplemented from time to time in accordance with the provisions of the Master Indenture.

“*Designated Corporate Trust Office of the Bond Trustee*” means the office specified in Section 10.01 hereof or such other address as may hereafter be specified in writing by the Bond Trustee, for purposes of notices to be given and actions to be taken hereunder.

“*Determination of Taxability*” means:

(a) the issuance of a statutory notice of deficiency by the Internal Revenue Service which holds in effect that an Event of Taxability has occurred,

(b) the deposit by the Borrower with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the date of such Event of Taxability; the Borrower will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability,

(c) the rendering of a final and unappealable decision, judgment, decree, or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred, or

(d) the deposit by Bond Counsel with the Bond Trustee of an unqualified opinion to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Bonds is excluded from gross income for purposes of federal income taxation.

“*Dissemination Agent*” means UMB Bank, National Association as dissemination agent under the Continuing Disclosure Agreement.

“*DTC*” means The Depository Trust Company, New York, New York.

“*Electronic Means*” means telecopy, telegraph, telex, facsimile transmission, e-mail transmission or other similar electronic means of communication capable of being evidenced by a paper copy.

“*EMMA*” means the Electronic Municipal Market Access System, or any successor depository or system, designated and/or maintained by the Municipal Securities Rulemaking Board and its successors.

“*Equipment*” means the equipment, machinery, furnishings, and other personal property constituting part of the Facilities and not constituting part of the Buildings that are or will be located on the Premises.

“*Event of Default*” means any of the events specified in Section 8.01 of this Agreement.

“*Event of Taxability*” means any conditions or circumstances that cause the interest on any of the Bonds to become includable in the gross income of the Beneficial Owner thereof for federal income tax purposes.

“*Extraordinary Services of the Bond Trustee*” and “*Extraordinary Expenses of the Bond Trustee*” mean all reasonably necessary services rendered and all reasonably necessary expenses incurred by the Bond Trustee under the Bond Indenture after an Event of Default, including reasonable counsel fees, other than Ordinary Services of the Bond Trustee and the Ordinary Expenses of the Bond Trustee.

“*Facilities*” means the facilities financed or refinanced with the proceeds of the Bonds, as further described on Exhibit A hereto.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the taking of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Bonds).

“*Fitch*” means Fitch Ratings, Inc.

“*Governing Body*” means with respect to the Issuer the members or directors of the Issuer, with respect to the Borrower, its Board of Directors.

“*Government Obligations*” means direct obligations of, or obligations the payment of the principal of and interest on which when due are unconditionally guaranteed by the United States of America.

“*Independent Counsel*” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state of the United States of America and not in the full-time employment of the Issuer or the Borrower.

“*Interest Payment Date*” means March 1 and September 1 of each year, commencing March 1, 2022.

“*Issuance Cost Fund*” means the fund created in Section 3.01 of Supplemental Indenture Number 1.

“*Issuance Costs*” means:

(a) the initial or acceptance fee of the Bond Trustee, the fees and taxes for recording and filing the Deed to Secure Debt, financing statements, and any title curative documents that either the Bond Trustee or Independent Counsel may reasonably deem desirable to file for record in order to perfect or protect the title of the Borrower to the Facilities or the lien or security interest created or granted by the Deed to Secure Debt, and the reasonable fees and expenses in connection with any actions or proceedings that either the Bond Trustee or Independent Counsel may reasonably deem desirable to bring in order to perfect or protect the lien or security interest created or granted by the Deed to Secure Debt;

(b) the fees and expenses of Bond Counsel, Issuer’s Counsel, Bond Trustee’s and Master Trustee’s Counsel, Underwriter’s Counsel, and Borrower’s Counsel, underwriter’s spread, underwriting fees, financing costs, Issuer’s fees and expenses, financial advisor’s fees, Rating Agency fees, accounting fees and expenses, consulting fees, Trustee’s fees, paying agent and certifying and authenticating agent fees, publication costs, title insurance premiums, and printing and engraving costs incurred in connection with the authorization, sale, issuance, and carrying of the Bonds, and preparation of the Bond Documents and all other documents in connection therewith; and

(c) other costs in connection with the issuance of the Bonds permitted by the Act to be paid or reimbursed from Bond proceeds.

“*Issue Date*” means the date of issuance of the Bonds.

“*Issuer*” means Residential Care Facilities for the Elderly Authority of Coweta County, a public body corporate and politic organized and existing under the laws of the State, and its successors and assigns.

“*Loan*” means the loan of the proceeds of the Bonds by the Issuer to the Borrower pursuant to Section 3.01(a) hereof which is evidenced by the Series 2021 Master Obligations.

“*Loan Payments*” means the loan payments payable by the Borrower described in Section 5.02 hereof.

“*Majority Bondowners*” means, at the time of determination, the Beneficial Owners of more than fifty percent (50%) in aggregate principal amount of Bonds then Outstanding.

“*Master Indenture*” means the Master Trust Indenture, dated as of December 1, 2021, between the Obligated Group and the Master Trustee, as supplemented by Supplemental Indenture Number 1, dated as of December 1, 2021, and as the same may be further amended or supplemented from time to time in accordance with the provisions thereof.

“*Master Trustee*” means UMB Bank, National Association and/or the co-trustee at the time serving as such under the Master Indenture.

“*Maximum Annual Debt Service*” means \$_____.

“*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 Borrower by notice to the Issuer and the Bond Trustee.

“*Obligated Group*” means the Borrower and any other Person that becomes a member of the Obligated Group pursuant to the Master Indenture.

“*Obligated Group Representative*” means the Borrower or such other member of the Obligated Group as may be designated from time to time pursuant to notice to the Master Trustee executed by each Member of the Obligated Group.

“*Officer’s Certificate*” means a certificate signed, in the case of a certificate delivered by the Borrower, by an Authorized Borrower Representative or, in the case of a certificate delivered by any other entity, by the President, any Vice President, the Chief Operating Officer, the Chief Financial Officer, the Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such entity or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person.

“*Opinion of Bond Counsel*” means an opinion in writing signed by Bond Counsel.

“*Ordinary Services of the Bond Trustee*” and “*Ordinary Expenses of the Bond Trustee*” mean those reasonable services rendered and those reasonable expenses incurred by the Bond Trustee in the performance of its duties under the Bond Indenture of the type ordinarily performed by corporate trustees under like indentures, including reasonable counsel fees.

“*Outstanding Bonds*” or “*Bonds Outstanding*” or “*Outstanding*” means all Bonds that have been duly authenticated and delivered by the Bond Trustee under the Bond Indenture, except:

- (a) Bonds theretofore canceled or required to be canceled by the Bond Trustee,
- (b) Bonds deemed paid by cancellation under Section 206 of the Bond Indenture,
- (c) Bonds which are deemed to have been paid in accordance with Article IX of the Bond Indenture, and
- (d) Bonds in substitution for which other Bonds have been authenticated and delivered under Section 205 of the Bond Indenture and Section 2.13 of the Bank Bond Indenture.

If the Bond Indenture shall be discharged pursuant to Article IX thereof, no Bonds shall be deemed to be Outstanding under the Bond Indenture.

“*Permitted Encumbrances*” means Permitted Encumbrances as defined in the Master Indenture.

“*Permitted Investments*” means Permitted Investments as defined in the Master Indenture.

“*Person*” means any individual, corporation, partnership, limited liability company, firm, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof or any other entity.

“*Premises*” means the real estate described in Exhibit A attached to the Deed to Secure Debt, which by this reference thereto, is incorporated herein.

“*Principal Payment Date*” means each March 1 commencing March 1, 20____.

“*Project*” means the improvements to the Facilities described in Exhibit A hereto.

“*Rating Agency*” means Moody’s, S&P, Fitch, or any other nationally recognized rating agency that is rating the Bonds.

“*Rebate Fund*” means the funds created in Section 506 of the Bond Indenture and Section 6.09 of the Bank Bond Indenture.

“*Related Person*” means any member of the same Controlled Group as the Issuer or the Borrower.

“*Revenue Fund*” means the Revenue Fund created in Section 3.01 of the Master Indenture.

“*S&P*” means S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC, a limited liability company organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to the Master Trustee, shall be deemed to refer to any other nationally recognized securities rating agency designated by the Borrower by notice to the Issuer and the Bond Trustee.

“*Series 2016 Bonds*” means the Issuer’s Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A outstanding in the principal amount of \$14,875,000.

“*Series 2021 Master Obligation*” means Wesley Woods of Newnan-Peachtree City, Inc. Series 2021 Note, in the principal amount of [\$Amount], dated the Issue Date, payable to the Issuer and issued pursuant to the Master Indenture, and assigned by the Issuer to the Bond Trustee.

“*State*” means the State of Georgia.

“*Supplemental Indenture Number 1*” means Supplemental Indenture Number 1, dated as of December 1, 2021, between the Obligated Group Representative and the Master Trustee, supplementing the Master Indenture.

“*Supplemental Redemption Account*” means the account by that name established within the Bond Fund.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement, dated the Issue Date, among the Issuer, the Borrower, and the Bond Trustee.

“*Tax-Exempt Bonds*” means the Bonds that as originally issued or subsequently were the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from the gross income of the Owners thereof for federal income tax purposes.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof which is (i) an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxation under Section 501(a) of the Code, and which 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, or (ii) a “governmental unit” as that term is used in Sections 103 and 145 of the Code.

“*Trust Estate*” means any and all property subject to the operation of the granting clauses of the Bond Indenture and the Bank Bond Indenture, respectively.

“*Unassigned Rights*” means all of the rights of the Issuer to receive reimbursements and payments pursuant to Sections 5.02, 8.04, and 9.02 hereof, to receive opinions, notices, reports, and other statements hereunder, to be held harmless and indemnified pursuant to Section 6.05

hereof, to enter the Facilities and examine books and records of the Borrower pursuant to Section 6.02 hereof, and with respect to limited liability pursuant to Section 10.09 hereof.

“*Underwriter*” means Herbert J. Sims & Co., Inc. and its successors and assigns.

Section 1.02. Construction of Certain Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.
- (2) “This Agreement” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more loan agreements supplemental hereto entered into pursuant to the applicable provisions hereof.
- (3) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision.
- (4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.

Section 1.03. Table of Contents; Titles and Headings. The table of contents, the titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.04. Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Agreement shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or an officer of the Borrower may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of Independent Counsel, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous.

Any such certificate or opinion made or given by Independent Counsel may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or an officer of the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or an officer of the Borrower or any third party on whom Independent Counsel could reasonably rely unless such Independent Counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or officer of the Borrower or the same Independent Counsel, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Agreement, but different officers or Independent Counsel may certify or opine to different matters, respectively.

Section 1.05. Authorized Borrower and Issuer Representatives and Successors. The Borrower and the Issuer, respectively, shall designate, in the manner prescribed in Section 1.01 hereof, an Authorized Borrower Representative and an Authorized Issuer Representative. Should any person so designated and his alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

[End of Article I]

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

Section 2.01. Representations by the Issuer. The Issuer makes the following representations and findings as the basis for the undertakings on its part herein contained:

(a) *Organization and Authority.* The Issuer is a public body corporate and politic organized and existing under the laws of the State (including the provisions of the Act). The Issuer has all requisite power and authority under the Act to (i) issue the Bonds, (ii) lend the proceeds of the Bonds to the Borrower, and (iii) enter into, perform its obligations under, and exercise its rights under the Bond Documents to which the Issuer is a party. The Act authorizes the Issuer to issue its bonds for the purpose of providing funds for the purpose of financing and refinancing structures and other property to be used in providing at a single location the comprehensive residential care and services required by the elderly.

(b) *Pending Litigation.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Issuer, after making due inquiry with respect thereto, threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Bond Documents to which the Issuer is a party, or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Issuer aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings.

(c) *Issuance, Sale, and Other Transactions Authorized.* The issuance and sale of the Bonds and the execution and delivery by the Issuer of the Bond Documents to which the Issuer is a party, and the compliance by the Issuer with all of the provisions of each thereof and of the Bonds (i) are within the purposes, powers, and authority of the Issuer, (ii) have been done in full compliance with the provisions of the Act and have been approved by the Governing Body of the Issuer and will not conflict with or constitute on the part of the Issuer a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Issuer under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed to secure debt, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Issuer is a party or by which the Issuer or its properties are otherwise subject or bound, or any license, judgment, decree, law, statute, order, writ, injunction, demand, rule, or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties, and (iii) have been duly authorized by all necessary corporate action on the part of the Issuer.

(d) *Governmental Consents.* Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor any circumstance in connection with the offer, issue, sale, or delivery of the Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Bond Documents to which the Issuer is a party, the endorsement of the Series 2021 Master Obligations to the order of the Bond Trustee, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect.

(e) *No Defaults.* To the knowledge of the Issuer, after making due inquiry with respect thereto, no event has occurred and no condition exists which would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Issuer, after making due inquiry with respect thereto, the Issuer is not in default or violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound which would materially and adversely affect the Issuer's obligations under the Bond Documents.

(f) *No Prior Pledge.* Neither the Facilities being financed, the Bond Documents, nor any payments to be received by the Issuer under the Bond Documents has been pledged or hypothecated by the Issuer in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Bond Indenture as security for the payment of the Bonds.

(g) *Disclosure.* The representations of the Issuer contained in this Agreement and any certificate, document, written statement, or other instrument furnished to the Bond Trustee or the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact relating to the Issuer and do not omit to state a material fact relating to the Issuer necessary in order to make the statements contained herein and therein relating to the Issuer not misleading.

(h) *Authorized Project.* The Facilities constitute a "project" within the meaning of the Act.

(i) *Compliance with Conditions Precedent to the Issuance of the Bonds.* All acts, conditions, and things required to exist, happen, and be performed by the Issuer precedent to and in the execution and delivery by the Issuer of the Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation.

(j) *Tax Compliance.* The Issuer hereby covenants and agrees to comply or use its reasonable best efforts to cause the Borrower to comply with all requirements of the Code, in each case at the expense of the Borrower, compliance with which on its part subsequent to the issuance of the Bonds is necessary for the interest on the Bonds to be,

and to remain, excluded from the gross income of the owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.02. Representations by the Borrower. The Borrower makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) *Organization and Power.* The Borrower is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of the State, and has all requisite power and authority and all necessary licenses and permits to own and operate its properties and to carry on its business as it is now being conducted and as it is presently proposed to be conducted.

(b) *Pending Litigation and Taxes.* There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Borrower, after making due inquiry with respect thereto, threatened against or affecting the Borrower in any court or by or before any governmental authority or arbitration board or tribunal, which involve the likelihood of materially and adversely affecting the properties, business, prospects, profits, operations, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Borrower Documents or the Bond Documents or any agreement or instrument to which the Borrower is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or thereby, nor is the Borrower aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings. The Borrower is not in default with respect to any judgment, order, writ, injunction, decree, demand, rule, or regulation of any court, governmental authority, or arbitration board or tribunal. All tax returns (federal, state, and local) required to be filed by or on behalf of the Borrower have been duly filed, and all taxes, assessments, and other governmental charges shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Borrower in good faith, have been paid or adequate reserves have been made for the payment thereof.

(c) *Agreements Are Authorized.* The execution and delivery by the Borrower of the Borrower Documents, the consummation of the transactions herein and therein contemplated, and the fulfillment of or the compliance with all of the provisions hereof and thereof (i) are within the power, legal right, and authority of the Borrower, (ii) do not conflict with or constitute on the part of the Borrower a violation of or a breach of or a default under, or result in the creation or imposition of any lien, charge, restriction, or encumbrance (other than Permitted Encumbrances) upon any property of the Borrower under the provisions of, any charter instrument, bylaw, indenture, mortgage, deed to secure debt, pledge, note, lease, loan, or installment sale agreement, contract, or other agreement or instrument to which the Borrower is a party or by which the Borrower or its properties are otherwise subject or bound, or any license, law, statute, rule, regulation, judgment, order, writ, injunction, decree, or demand of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities or properties, and (iii) have been duly authorized by all necessary and appropriate corporate action on the part of the

Borrower. The Borrower Documents are the valid, legal, binding, and enforceable obligations of the Borrower. The officers of the Borrower executing the Borrower Documents are duly and properly in office and are fully authorized and empowered to execute the same for and on behalf of the Borrower.

(d) *Governmental Consents.* Neither the Borrower nor any of its businesses or properties, nor any relationship between the Borrower and any other Person, nor any circumstance in connection with the execution, delivery, and performance by the Borrower of its obligations under the Borrower Documents, or offer, issue, sale, or delivery by the Issuer of the Bonds, is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Borrower in connection with the execution, delivery, and performance of the Borrower Documents, the consummation of any transaction therein contemplated, or offer, issue, sale, or delivery of the Bonds, except as shall have been obtained or made and as are in full force and effect and except as are not presently obtainable. To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower will be able to obtain all such additional consents, approvals, permissions, orders, licenses, or authorizations of governmental authorities as may be required on or prior to the date the Borrower is legally required to obtain the same.

(e) *No Defaults.* No event has occurred and no condition exists that would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Borrower, after making due inquiry with respect thereto, the

Borrower is not in default or violation in any material respect under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound.

(f) *Compliance with Law.* To the knowledge of the Borrower, after making due inquiry with respect thereto, the Borrower is not in violation of any laws, ordinances, or governmental rules or regulations to which it is subject and has not failed to obtain any licenses, permits, franchises, or other governmental authorizations (which are presently obtainable) necessary to the ownership of its properties or to the conduct of its business, which violation or failure to obtain might materially and adversely affect the properties, business, prospects, profits, and conditions (financial or otherwise) of the Borrower.

(g) *Restrictions on the Borrower.* The Borrower is not a party to or bound by any contract, instrument, or agreement, or subject to any other restriction, that materially and adversely affects its businesses, properties, assets, operations, or condition (financial or otherwise). The Borrower is not a party to any contract or agreement that restricts the right or ability of the Borrower to incur indebtedness for borrowed money.

(h) *No Prior Pledge.* The property to be encumbered by the Deed to Secure Debt has not been mortgaged, pledged, or hypothecated in any manner or for any purpose and has not been the subject of a grant of a security interest by the Borrower other than as

provided in the Deed to Secure Debt as security for its obligations under the Master Indenture.

(i) *Tax-Exempt Organization.* As of the date of this Agreement, (i) the Borrower has received a determination letter from the Internal Revenue Service to the effect that it is a Tax-Exempt Organization, (ii) the Borrower is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iii) the Borrower is a Tax-Exempt Organization and such status as a Tax-Exempt Organization has not been adversely modified, limited, or revoked, (iv) the facts and circumstances which formed the basis for the status of the Borrower, as represented to the Internal Revenue Service in the Borrower's application for a determination letter and a group exemption letter, either substantially exist for the Borrower or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code and (v) the financing, ownership and operation of the Facilities as contemplated by the Bond Documents does not adversely affect the status of the Borrower as a Tax-Exempt Organization.

(j) *Disclosure.* The representations of the Borrower contained in this Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Borrower to the Issuer or the Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Borrower has not disclosed to the Issuer or the Underwriter in writing that materially and adversely affects or in the future may materially and adversely affect the ownership or operation of the Facilities or the properties, business, operations, prospects, profits, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents, or any of the documents or transactions contemplated hereby or thereby or any other transactions contemplated by the Bond Documents which has not been set forth in the official statement relating to the Bonds or in the other certificates, documents, and instruments furnished to the Issuer and the Underwriter by or on behalf of the Borrower prior to the date of delivery of said official statement in connection with the transactions contemplated hereby.

(k) *Statutory Liens.* There are no mechanics' or materialmen's liens or other statutory liens on the Facilities, and no excavation or work of any character, kind, or description has been or will be commenced nor any material of any description for work on the Facilities delivered on or near the Premises prior to the recording of the Deed to Secure Debt and the perfection of the security interest created thereby, except as the Bond Trustee shall be advised in writing, and if the Bond Trustee is so advised in writing of any work or deliveries, the Borrower will provide the Bond Trustee with waivers of all liens with respect to such work or deliveries in such form as may be satisfactory to the Bond Trustee.

(l) *Compliance.* The Facilities comply or will comply with all applicable building and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of any and all governmental and quasi-governmental

authorities having jurisdiction over any portion of the Facilities. The Facilities are located wholly within the limits of Coweta County, Georgia.

(m) *Utilities.* All utility services and facilities necessary for the operation of the Facilities for their intended purposes are available at the Premises.

(n) *Condemnation.* No condemnation or eminent domain proceeding has been commenced and is currently pending or, to the knowledge of the Borrower, threatened against the Facilities.

(o) *Borrower's Tax Agreement.* The representations, warranties, and covenants of the Borrower set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

(p) *No Pension Plans.* The Borrower does not maintain and has not maintained and is not a party to and has not been a party to any employee pension or benefit plan other than a 403(b) Plan.

[End of Article II]

ARTICLE III

LOAN TO THE BORROWER; SECURITY; TITLE

Section 3.01. The Loan. The Issuer hereby agrees to lend to the Borrower, and the Borrower hereby agrees to borrow from the Issuer, the proceeds of the sale of the Bonds for the purposes of (i) financing the Costs of the Project, (ii) providing funds to refund and defease the Series 2016 Bonds, (iii) funding the initial deposit into the Debt Service Reserve Fund, and (iv) paying Issuance Costs in accordance with the terms and conditions of this Agreement and the Bond Indenture. The deposit of the proceeds of the sale of the Bonds, as provided in Article VI of the Bond Indenture, shall constitute the loan of such proceeds from the Issuer to the Borrower. Such proceeds shall be applied as provided in Article VI of the Bond Indenture. The Borrower hereby agrees to repay the Loan as provided in Section 5.02 hereof.

Section 3.02. The Series 2021 Master Obligations. The Borrower's obligation to repay the Loan, together with interest thereon, which is more fully described in Section 5.02 hereof under the caption "Basic Loan Payments," shall be evidenced by the Series 2021 Master Obligations, which the Borrower hereby agrees to cause the Obligated Group Representative to execute and deliver to the Issuer and which the Issuer will endorse, without recourse or warranty, to the order of the Bond Trustee.

Section 3.03. Security for Payment of the Bonds. Contemporaneously with the issuance of the Bonds, as security for the payment of the Bonds, the Issuer shall execute and deliver the Bond Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Agreement (except the Unassigned Rights) and the Series 2021 Master Obligations, together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, shall be assigned and shall be the subject of a grant of a security interest to the Bond Trustee and shall be pledged as security for, among other things, the payment of the Bonds. The Borrower hereby consents to such assignment and grant of a security interest and hereby agrees that its obligations to make all payments under this Agreement shall be absolute and shall not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any indebtedness or liability at any time owing to the Borrower by the Issuer. The Bond Trustee shall have all rights and remedies herein accorded to the Issuer (except for Unassigned Rights), and any reference herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Bond Trustee, and the Bond Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower herein contained.

[End of Article III]

ARTICLE IV

ISSUANCE OF THE BONDS

Section 4.01. Agreement to Issue the Bonds; Application of Proceeds. In order to provide funds to pay or provide (i) the Costs of the Project, (ii) the costs of refunding the Series 2016 Bonds, (iii) a deposit to the Debt Service Reserve Fund, and (iv) payment Issuance Costs, the Issuer agrees that it shall issue, sell, and deliver to the Underwriter the Bonds in the aggregate principal amount of [\$Amount] and shall thereupon deposit and transfer the proceeds of the sale of the Bonds in accordance with the provisions of Article VI of the Bond Indenture.

Section 4.02. The Project. The Issuer hereby authorizes the Borrower to use the proceeds of the Bonds to pay the Costs of the Project. The Borrower covenants to cause the Project to be completed as promptly as practicable and with all reasonable dispatch after the date of issuance of the Bonds. The Borrower will not permit any mechanics' or materialmen's or other liens to be perfected or remain against the Facilities for labor or materials furnished in connection with the Project, provided that it will not constitute an Event of Default hereunder upon such lien being filed, if the Borrower notifies promptly the Bond Trustee of any such liens, and the Borrower in good faith contests promptly such liens in accordance with Section 3.08 hereof; and in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

Section 4.03. Construction Fund. In Supplemental Indenture Number 1, the Master Trustee is authorized to use the moneys in the Construction Fund to pay Costs of the Project. All proceeds of the Bonds remaining in the Construction Fund on the Completion Date, less amounts owing under the Construction Contract and amounts retained or set aside to meet costs not then due and payable or which are being contested, will, without further direction from the Borrower, be transferred to the Bond Trustee and will be used for the purpose permitted by Section 4.08(i) hereof.

The funds held in the Construction Fund shall be disbursed as provided in the Master Trust Indenture.

Section 4.04. Investment of Funds and Accounts. Subject to Article VII of the Bond Indenture and Section 4.04 hereof, any moneys held as a part of the Bond Fund, the Rebate Fund, or as reserves in connection with contested liens or any other special trust funds shall be invested or reinvested by the Bond Trustee at the written direction of an Authorized Borrower Representative in such Permitted Investments as may be designated by the Borrower. In the absence of written investment instructions from the Authorized Borrower Representative, the Bond Trustee shall hold funds on deposit without investment and without liability for interest or other compensation thereon, and shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. The Bond Trustee shall not be responsible for determining that a directed investment is a Permitted Investment, but may rely on the directions as the Borrower's determination. The Bond Trustee shall not be liable for any depreciation in the value of any obligations in which moneys of funds or accounts held under the Bond Indenture shall be invested, as aforesaid, or for any loss arising from any investment. The Bond Trustee may make any and all such investments through its own bond or investment department.

The investments so purchased shall be held by the Bond Trustee and shall be deemed at all times a part of the Funds or Accounts or any other special trust fund described in the preceding paragraph, as the case may be, and the interest accruing thereon and any profit realized therefrom shall be credited as provided in Section 702 of the Bond Indenture and Section 7.01 of the Bank Bond Indenture, and any losses resulting from such investments shall be charged to such fund and paid by the Borrower.

Section 4.04. Establishment of Completion Date. The Completion Date will be deemed to have occurred when the conditions set forth in the Disbursement Agreement have been met.

Section 4.05. Borrower Required to Pay Costs of the Project If Construction Fund Insufficient. If the moneys in the Construction Fund available for payment of the Costs of the Project are not sufficient to pay the costs thereof in full, the Borrower agrees to complete the acquisition, construction, equipping, and installation of the Project and to pay all that portion of Costs of the Project as may be in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if after exhaustion of the moneys in the Construction Fund, the Borrower will pay any portion of such Costs of the Project pursuant to the provisions of this Section, it will not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the Owners of any of the Bonds, nor will it be entitled to any diminution of the Loan Payments payable under Section 5.02 hereof. The obligation of the Borrower to complete the construction of the Project will survive any termination of this Agreement.

Section 4.06. Special Investment Covenants. The Issuer and the Borrower each covenant that it shall not directly or indirectly use or permit the use of any proceeds (as defined in the Code) of any issue or any other funds of the Issuer or the Borrower, or take or omit to take any action, or direct the Bond Trustee to invest any funds held by it, in such manner as will cause any Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or to be "federally guaranteed," as such term is used and defined in Section 149(b) of the Code. To that end, the Issuer and the Borrower shall comply with all requirements of Section 148 of the Code to the extent applicable to any Tax-Exempt Bonds. If at any time the Issuer or the Borrower is of the opinion that for purposes of this Section 4.05 it is necessary to dispose of any investment or to restrict or limit the yield on any investment held under the Bond Documents or otherwise, the Issuer or the Borrower, as the case may be, shall so instruct the Bond Trustee in writing.

Section 4.07. Purchase of Bonds. Neither the Borrower nor any Related Person, pursuant to any arrangement, formal or informal, will purchase any of the Tax-Exempt Bonds in a manner inconsistent with paragraph (4) of the definition of "Program investment" in Treasury Regulation Section 1.148-1(b) unless the Borrower or such Related Person delivers a Favorable Opinion of Bond Counsel to the Bond Trustee and the Issuer.

Section 4.08. Permitted Use of Certain Funds. Any moneys received pursuant to Sections 4.03 hereof or Sections 4.01, 4.12 or 4.13 of the Master Trust Indenture will be (1) deposited into the Bond Fund for the redemption of Bonds in accordance with the terms of the

Indenture, or (2) will be spent on capital improvements to the Project in accordance with the requirements of Treasury Regulation 1.141-12(e)(2).

[End of Article IV]

ARTICLE V

AGREEMENT TERM; LOAN PAYMENTS AND OTHER AMOUNTS PAYABLE; NATURE OF OBLIGATIONS OF BORROWER

Section 5.01. Agreement Term. This Agreement shall become effective upon its delivery and shall be in full force and effect until midnight, November 1, 20____, subject to the provisions of this Agreement permitting earlier termination (including particularly Article IX hereof), or if all the Bonds have not been paid or retired (or provision for such payment has not been made as provided in the Bond Indenture), until such date as such payment or provision shall have been made; provided, however, that the covenants and obligations expressed herein to so survive shall survive the termination of this Agreement.

Section 5.02. Loan Payments and Other Amounts Payable.

(a) *Basic Loan Payments:* Anything to the contrary in the Agreement notwithstanding, the Borrower shall make loan payments with respect to the Series 2021 Master Obligations in accordance with the Bond Indenture and this Agreement directly to the Bond Trustee for deposit in the Bond Fund:

(i) on December 25, 2021, January 25, 2022 and February 25, 2022, one-third of the interest due on the Bonds on the next Interest Payment Date;

(ii) on March 25, 2022 and on the twenty-fifth (25th) day of each month thereafter, one-sixth (1/6th) of the interest due on the Bonds on the next Interest Payment Date; and

(iii) on March 25, 2022 and on the twenty-fifth (25th) day of each month thereafter, one-twelfth (1/12th) of the principal due on the Bonds the next Principal Payment Date, and

(iv) on the date on which any principal of, premium (if any) or interest on any Bond is payable, an amount sufficient to cause the amount available in the Principal Account or the Interest Account of the Bond Fund for payment of such amounts to equal the amount due with respect to such Bond on such date.

Each payment of Basic Loan Payments under (i) of this Section due on the 25th day of each February and August until the Bonds are fully paid or payment is provided therefor in accordance with the Indenture will in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of interest payable on the Bonds on the following Interest Payment Date. Each payment of Basic Loan Payments under (iii) of this Section due on the 25th day of each February until the Bonds are fully paid or payment is provided therefor in accordance with the Indenture, will in all events be sufficient, after giving credit for funds held in the Bond Fund available for such purpose, to pay the total amount of principal payable on the Bonds on the next Principal Payment Date. Any Basic Loan Payments payment will be reduced or need not be made to the extent that there are moneys on deposit in the Bond Fund in excess of scheduled payments of Basic Loan Payments plus the amount required for the payment of Bonds theretofore matured or called for redemption, the amount required for the payment of interest for

which checks or drafts have been mailed by the Trustee, and past due interest in all cases where Bonds have not been presented for payment. Further, if the amount held by the Trustee in the Bond Fund should be sufficient to pay at the times required the principal of and interest on the Bonds then remaining unpaid, the Borrower will not be obligated to make any further payments of Basic Loan Payments under the provisions of this Section. There will also be a credit against remaining Basic Loan Payments for Bonds purchased, redeemed, or canceled, as provided in Article III of the Indenture.

The cancellation by the Bond Trustee of any Bonds purchased by the Borrower or of any Bonds redeemed or purchased by the Issuer through funds other than funds received on the applicable Series 2021 Master Obligations shall constitute payment of a principal amount of the Series 2021 Master Obligations equal to the principal amount of the Bonds so cancelled.

(b) *Additional Loan Payments:* The Borrower agrees to pay (i) to the Bond Trustee an amount equal to the annual fee of the Bond Trustee for Ordinary Services of the Bond Trustee rendered and Ordinary Expenses of the Bond Trustee incurred under the Bond Indenture, as and when the same become due, (ii) to the Bond Trustee the reasonable fees and charges of the Bond Trustee, as bond registrar and paying agent, and of any other paying agents on the Bonds for acting as paying agents as provided in the Bond Indenture, as and when the same become due, (iii) to the Bond Trustee the reasonable fees and charges of the Bond Trustee for the necessary Extraordinary Services of the Bond Trustee rendered by it and Extraordinary Expenses of the Bond Trustee incurred by it under the Bond Indenture, as and when the same become due; provided, that the Borrower may, without creating a default hereunder, contest in good faith the necessity for any such Extraordinary Services of the Bond Trustee and the Extraordinary Expenses of the Bond Trustee and the reasonableness of any such fees, charges, or expenses, (iv) to the Issuer an amount sufficient to reimburse the Issuer for all expenses reasonably incurred by the Issuer hereunder in connection with the Facilities, including but not limited to the reasonable fees and expenses of counsel for the Issuer, and (v) all reasonable fees of Bond Counsel in connection with rendering opinions after the issuance of the Bonds that are contemplated by this Agreement and the Bond Indenture.

Should the Borrower fail to make any of the payments required in this Section, the item or installment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid and shall bear interest at the highest rate of interest on the Bonds.

Section 5.03. Nature of Obligations of Borrower Hereunder.

(a) The obligations of the Borrower to make the payments required in Section 5.02 hereof and other sections hereof and to perform and observe any and all of the other covenants and agreements on its part contained herein will be a general obligation of the Borrower and will be absolute and unconditional irrespective of any defense or any rights of setoff, recoupment, or counterclaim it may otherwise have against the Issuer. The Borrower agrees that it will not (i) suspend, abate, reduce, abrogate, diminish, postpone, modify, or discontinue any payments provided for in Section 5.02 hereof, (ii) fail to observe any of its other agreements contained in the Borrower Documents, or (iii) except as provided in Sections 11.01, 11.02, and 11.03 hereof, terminate its obligations under the Borrower Documents for any contingency, act of God, event, or cause whatsoever, including, without limiting the generality of the foregoing, failure of the

Borrower to occupy or to use the Facilities as contemplated in this Agreement or otherwise, any change or delay in the time of availability of the Facilities, any acts or circumstances which may impair or preclude the use of the Facilities, any defect in the title, design, operation, merchantability, fitness, or condition of the Facilities or in the suitability of the Facilities for the Borrower's purposes or needs, failure of consideration, any declaration or finding that any of the Bonds are unenforceable or invalid, the invalidity of any provision of this Agreement or any of the other Bond Documents, any acts or circumstances that may constitute an eviction or constructive eviction, destruction of or damage to the Facilities, the taking by eminent domain of title to or the use of all or any part of the Facilities, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or in the rules or regulations of any governmental authority, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement.

(b) Nothing contained in this Section will be construed to release the Issuer from the performance of any of the agreements on its part herein contained. If the Issuer fails to perform any such agreement on its part, the Borrower may institute such action against the Issuer as the Borrower may deem necessary to compel performance so long as such action does not abrogate the Borrower's obligations hereunder. Furthermore, the Issuer hereby grants to the Borrower full authority on behalf of the Issuer to perform any covenant or obligation the nonperformance of which is alleged in any notice received by the Borrower to constitute a default under the Indenture, in the name and stead of the Issuer with full power to do and perform any and all things and acts to the same extent that the Issuer could do and perform such things and acts with power of substitution.

[End of Article V]

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.01. No Warranty of Condition or Suitability by the Issuer. THE ISSUER MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, OR WORKMANSHIP OF ANY PART OF THE FACILITIES OR THAT IT WILL BE SUITABLE FOR THE BORROWER'S PURPOSES OR NEEDS.

Section 6.02. Access to Facilities and Records. The Issuer, the Bond Trustee, the Underwriter, and their duly authorized representatives, agents, experts, engineers, accountants, and representatives, reserve the right, upon reasonable prior notice, to enter the Facilities at all reasonable times during the Agreement Term for the purpose of (i) examining and inspecting the same, including any reconstruction thereof, (ii) performing such work in and about the Facilities made necessary by reason of an Event of Default, and (iii) upon an Event of Default, exhibiting the Facilities to prospective purchasers, lessees, or mortgagees. The Bond Trustee, the Issuer, and the Underwriter shall also have the right at all reasonable times to examine the books and records of the Borrower insofar as such books and records relate to the operations, maintenance, and repair of the Facilities or insofar as necessary to ascertain compliance with this Agreement.

Section 6.03. Borrower to Maintain its Existence; Conditions Under Which Exceptions Permitted. The Borrower agrees that during the Agreement Term it shall maintain its legal existence as a Georgia nonprofit corporation. The Borrower agrees that it shall not consolidate with or merge into another corporation or permit another corporation to consolidate with or merge into it, and shall not dissolve or otherwise dispose of all or substantially all of its assets. The Borrower may, without violating the agreement contained in this Section, consolidate, merge, sell or otherwise transfer to another Person all or substantially all of its assets as an entirety and thereafter dissolve, provided the surviving, resulting, or transferee Person (i) is authorized to do business in the State, (ii) is a domestic corporation, partnership, or other entity that is a Tax-Exempt Organization, (iii) assumes in writing all of the obligations of the Borrower under the Bond Documents, (iv) obtains all licenses and permits required by law to operate the related portion of the Facilities, (v) delivers to the Bond Trustee a written confirmation from the Rating Agency then rating the Bonds that such action will not result in a qualification, downgrade or withdrawal of the then current ratings on the Bonds, and (vi) delivers to the Bond Trustee and the Issuer a Favorable Opinion of Bond Counsel or a ruling of the Internal Revenue Service to the effect that such consolidation, merger, sale, or transfer will not cause the interest on any Bond which was previously excludable from the gross income of the owners thereof to become includable therein for federal income tax purposes. The Borrower shall preserve and keep in full force and effect all licenses and permits necessary to the proper conduct of its business. The Issuer shall execute any documents and cause the Bond Trustee to execute any documents reasonably necessary to effectuate a consolidation, merger, sale, or transfer permitted hereby.

Section 6.04. Qualification in the State. The Borrower warrants that it is and while this Agreement is in effect it (or the surviving, resulting, or transferee entity permitted by Section 6.03 hereof) will continue to be duly qualified to do business in the State.

Section 6.05. Indemnity.

(a) The Borrower agrees that it will indemnify and save the Issuer, the Bond Trustee and its directors, officers, members, and employees harmless against and from all claims by or on behalf of any Person arising from the conduct or management of or from any work or thing done on the Facilities and against and from all claims arising from (i) any condition of or operation of the Facilities, (ii) any breach or default on the part of the Borrower in the performance of any of its obligations under any of the Bond Documents, (iii) any act or negligence of the Borrower or of any of its agents, contractors, servants, employees, or licensees, or (iv) any act or negligence of any assignee or lessee of the Borrower or of any agents, contractors, servants, employees, or licensees of any assignee or lessee of the Borrower. The Borrower shall indemnify and save the Issuer and the Bond Trustee harmless from and against all costs and expenses incurred in or in connection with any such claim arising as described in the preceding sentence, or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 8.04 hereof, and upon notice from the Issuer or the Bond Trustee, the Borrower shall defend them or either of them in any such action or proceeding.

(b) The Borrower agrees that it will indemnify and hold the Bond Trustee and its directors, officers, and employees harmless from any and all liability, cost, or expense incurred without negligence or bad faith in the course of their duties, including any act, omission, delay, or refusal of the Bond Trustee in reliance upon any signature, certificate, order, demand, instruction, request, notice, or other instrument or document believed by it to be valid, genuine, and sufficient.

(c) Notwithstanding the fact that it is the intention of the parties that the Issuer, the Bond Trustee, and their directors, officers, members, and employees shall not incur pecuniary liability by reason of the terms of the Bond Documents or the undertakings required thereunder or by reason of (i) the issuance of the Bonds, (ii) the execution of the Bond Documents, (iii) the performance of any act required by the Bond Documents, (iv) the performance of any act requested by the Borrower, or (v) any other costs, fees, or expenses incurred by the Issuer or the Bond Trustee with respect to the Facilities or the financing thereof, including all claims, liabilities, or losses arising in connection with the violation of any statutes or regulations pertaining to the foregoing, nevertheless, if the Issuer or the Bond Trustee should incur any such pecuniary liability, then in such event the Borrower shall indemnify and hold harmless the Issuer and the Bond Trustee and their directors, officers, members, and employees against all claims by or on behalf of any Person arising out of the same and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, including reasonable attorneys' fees as provided in Section 8.04 hereof, and upon notice from the Issuer or the Bond Trustee, the Borrower shall defend the Issuer and the Bond Trustee in any such action or proceeding. The indemnity contained in this Section 6.05(c) shall not apply to any loss or damage attributable to (x) acts of negligence or willful misconduct or intentional misconduct of the party seeking indemnification; (y) breach by the party seeking indemnification of their obligations under the Bond Documents; or (z) with respect to the Issuer, liability or claim arising out of or relating to any information furnished by the Issuer and included in the offering statement relating to the Bonds or any failure by the Issuer to disclose information required to make the statements in the offering statement relating to the Issuer not misleading.

(d) A party seeking indemnification under this Section 6.05 shall notify the Authorized Borrower Representative in writing promptly of any claim or action brought against such party in which indemnity may be sought against the Borrower under this Section; and such notice shall be given in sufficient time to allow the Borrower to defend such claim or action. However, the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Borrower under this Section, if (i) the party seeking indemnification shall not have had knowledge or notice of such claim or action, or (ii) the Borrower's ability to defend such claim or action shall not thereby be materially impaired. In the event, however, that (x) the party seeking indemnification shall not have notified the Authorized Borrower Representative promptly of any such claim or action after such party's receipt of notice thereof, and (y) the Borrower's ability to defend or participate in such claim or action is materially impaired by reason of not having received timely notice thereof from the party seeking indemnity, then the Borrower's obligation to so defend and indemnify shall be qualified to the extent (and only to the extent) of such material impairment.

Section 6.06. Continuing Disclosure Agreement. The Borrower has executed and delivered the Continuing Disclosure Agreement. The Borrower agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Agreement. Notwithstanding any other provision of this Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be an Event of Default.

Section 6.07. Operation of Facilities and Safety Code. The Borrower warrants that throughout the Agreement Term it shall operate the Facilities (i) in such manner that they do not cease to be a qualifying "project" under the Act, (ii) in such manner that does not cause the interest on any Bond which was previously excludable from the gross income of the Owners thereof to become includable therein for federal income tax purposes, and (iii) in compliance with all applicable life and safety codes and all applicable Buildings and zoning, health, environmental, and safety ordinances and laws and all other applicable laws, rules, and regulations of the United States of America, the State, and any political subdivision or agency thereof having jurisdiction over the Facilities.

Section 6.08 Securities Law Status. The Borrower affirmatively represents, warrants and covenants that as of the date of this Agreement, it is an organization organized and operated: (a) exclusively for charitable purposes; (b) not for pecuniary profit; and (c) 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 Borrower agrees that it shall not perform any act nor enter into any agreement which shall change such status as set forth in this Section.

Section 6.09. Tax Compliance. The Issuer and the Borrower covenant and agree to comply with and carry out (i) all requirements of the Code, compliance with which subsequent to the issuance of the Bonds is necessary for the Bonds to be, and to remain, Tax-Exempt Bonds and to not take any actions that would adversely affect the status of Tax-Exempt Bonds, (ii) the terms and conditions of the Tax Agreement, and (iii) all provisions of the post-issuance compliance policies and procedures adopted by the Issuer and the Borrower.

[End of Article VI]

ARTICLE VII

ASSIGNMENT AND LEASING; RESTRICTIONS ON SALE, ENCUMBRANCE, OR CONVEYANCE OF THE FACILITIES BY THE BORROWER; REDEMPTION OF BONDS

Section 7.01. Assignment and Leasing. The rights and obligations of the Borrower under this Agreement may be assigned and delegated, and the Facilities may be leased by the Borrower, as a whole or in part, without the necessity of obtaining the consent of either the Issuer or the Bond Trustee, subject, however, to each of the following conditions, provided, however, that this Section 7.01 shall not apply to agreements with residents for occupancy in the Facilities entered into in the ordinary course of business:

- (a) No assignment (other than pursuant to Section 6.03 hereof) or lease shall relieve the Borrower from primary liability for any of its obligations hereunder, and upon any such assignment or lease, the Borrower shall continue to remain primarily liable for payment of the Loan Payments specified in Section 5.02 hereof and for the payment, performance, and observance of the other obligations and agreements on its part herein provided to be performed and observed by it.
- (b) The assignee or lessee shall assume in writing the obligations of the Borrower hereunder to the extent of the interest assigned or leased.
- (c) The Borrower shall furnish or cause to be furnished to the Issuer and the Bond Trustee assurances reasonably satisfactory to the Issuer and the Bond Trustee that the Facilities will continue to be operated as a "project" within the meaning of the Act.
- (d) No assignment or lease with any Person shall be entered into by the Borrower without first furnishing to the Bond Trustee and the Issuer a Favorable Opinion of Bond Counsel or a ruling from the Internal Revenue Service to the effect that such assignment or lease will not cause the interest on any Bonds which is excludable from the gross income of the owners thereof to become includable therein for federal income tax purposes.
- (e) No such assignment or lease shall give rise to a novation, as evidenced by an opinion of Independent Counsel delivered to the Bond Trustee and the Issuer.
- (f) The Borrower shall, within thirty (30) days after the execution thereof, furnish or cause to be furnished to the Issuer and the Bond Trustee a true and complete copy of each such assignment or lease, as the case may be. The Issuer and the Bond Trustee shall have the right, at any time and from time to time, to notify any assignee or lessee of the rights of the Issuer and the Bond Trustee, as provided by this paragraph. From time to time, upon the request of the Issuer or the Bond Trustee, the Borrower shall specifically assign and grant a security interest to the Issuer, as additional security for its loan payment obligations hereunder, by an amendment to the Deed to Secure Debt in writing and in the form approved by the

Issuer and the Bond Trustee, all the right, title, and interest of the Borrower in and to any and all leases hereafter on or affecting the Premises or the Facilities, together with all security therefor and all moneys payable thereunder, subject to the conditional right of the Borrower to collect the rentals under any such leases, and the Issuer shall in turn specifically assign and grant a security interest in its right, title, and interest in the foregoing to the Bond Trustee pursuant to a supplemental indenture, as security for the Bonds. The Borrower and the Issuer shall also execute and deliver to the Bond Trustee any notification, financing statement, or other document reasonably required by the Bond Trustee to perfect the foregoing assignment and security interest created as to any such leases and other properties.

- (g) All leases shall contain an attornment clause providing in effect that if at any time during the term of the lease, the Bond Trustee or designee of the Bond Trustee, or a subsequent purchaser at a foreclosure sale from the Bond Trustee, shall become the owner of the Facilities, such lessee agrees, at the election and upon demand of any owner of the Facilities, to attorn, from time to time, to any such owner upon the terms and conditions set forth in the lease. Such lessee shall agree, at the request of the party to whom it has attorned, to execute, acknowledge, and deliver, without charge, from time to time, instruments acknowledging such attornment. The attornment clause shall provide that upon such attornment, the lease shall continue in full force and effect as, or as if it were, a direct lease between the successor and the lessee, except that the successor landlord shall not (i) have any liability for any previous act or omission of a predecessor landlord under the lease, (ii) be bound by any previous modification of the lease or by any previous prepayment of more than two month's rent, unless such modification or prepayment shall have been expressly approved in writing by the Issuer and the Bond Trustee, or (iii) have any liability for refusal or failure to perform or complete landlord's work or otherwise prepare the demised premises for occupancy in accordance with the provisions of the lease.

The Issuer confirms and recognizes that the right of possession of lessees of the Borrower to the Premises and their other rights arising out of the leases shall not be affected or disturbed in any way by the Issuer or the Bond Trustee or by the exercise of any rights or remedies by the Issuer or the Bond Trustee for any reason other than one which would entitle the Borrower under the leases to dispossess the lessees from the Premises or which would constitute an event of default under the leases. Further, upon a foreclosure or such other exercise of the Issuer's or Bond Trustee's rights under this Agreement and the Bond Indenture, the Issuer agrees that so long as any lessee is not in default under the terms of its lease, it shall recognize such lessee as the lessee under such lease.

Section 7.02. Restrictions on Sale, Encumbrance, or Conveyance of the Facilities by the Borrower. The Borrower agrees that, except as set forth in Section 6.03 and 7.01 hereof or other provisions of this Agreement or the Bond Indenture, it shall not (1) directly, indirectly, or beneficially sell, convey, or otherwise dispose of any part of its interest in the Facilities during the Agreement Term, (2) permit any part of the Facilities or the Premises to become subject to any mortgage, lien, claim of title, encumbrance, security interest, conditional sale contract, title retention arrangement, finance lease, or other charge of any kind, except for Permitted

Encumbrances or except as otherwise permitted under this Agreement, and (3) assign, transfer, or hypothecate (other than to the Issuer or the Master Trustee pursuant to the Deed to Secure Debt) any rent (or analogous payment) then due or to accrue in the future under any lease of the Facilities or the Premises, except for Permitted Encumbrances or except as otherwise permitted in Sections 6.03 and 7.01 hereof.

Section 7.03. Redemption of Bonds. The Issuer, at the written request of the Borrower at any time and if the Bonds are then callable or available for purchase, and if there are funds available therefor, shall forthwith take all steps that may be necessary under the applicable redemption or purchase provisions of the Bond Indenture to effect redemption or purchase of all or part of the then outstanding Bonds, as may be specified by the Borrower, on the earliest date on which such redemption or purchase may be made under such applicable provisions.

[End of Article VII]

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. The following shall be “Events of Default” under this Agreement, and the terms “Event of Default” or “Default” means, whenever they are used in this Agreement, any one or more of the following events:

(a) The Borrower’s failure to pay any Basic Loan Payment required to be paid under Section 5.02(a) hereof at the times specified therein.

(b) The breach by the Borrower in any material respect of any representation or warranty contained in this Agreement or the failure of the Borrower to observe, perform, or comply with any covenant, condition, or agreement in this Agreement on the part of the Borrower to be observed or performed (other than as referred to in subsection (a) of this Section or Section 6.06 hereof) for a period of thirty (30) days after written notice specifying such breach or failure and requesting that it be remedied, given to Authorized Borrower Representative by the Issuer or the Bond Trustee.

(c) If the Borrower shall (i) apply for or consent to the appointment of or the taking of possession by a receiver, custodian, trustee, or liquidator of it or of all or a substantial part of its property or of the Facilities, (ii) fail to lift or bond (if legally permissible) promptly any execution, garnishment, or attachment of such consequence as will impair the ability of either of the Borrower to carry on its operations at the Facilities, (iii) enter into an agreement of composition with its creditors, (iv) admit in writing its inability to pay its debts as such debts become due, (v) make a general assignment for the benefit of its creditors, (vi) commence a voluntary case under the federal bankruptcy law or any similar law in effect in a foreign jurisdiction (as now or hereafter in effect), (vii) file a petition or answer seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or adjustment of debts, (viii) fail to controvert in a timely or appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under such federal bankruptcy law or any similar law in effect in a foreign jurisdiction, or (ix) take any action for the purpose of effecting any of the foregoing.

(d) A proceeding or case shall be commenced, without the application of the Borrower, in any court of competent jurisdiction, seeking (i) the liquidation, reorganization, dissolution, winding-up, or composition or adjustment of debts of the Borrower, (ii) the appointment of a trustee, receiver, custodian, liquidator, or the like of the Borrower or of all or any substantial part of its assets, or (iii) similar relief in respect of the Borrower under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition and adjustment of debts, and such proceeding or case shall continue undismissed or an order, judgment, or decree approving or ordering any of the foregoing shall be entered and shall continue unvacated and unstayed and in effect for a period of ninety (90) days, whether consecutive or not.

(e) The occurrence and continuance of any other “Event of Default” under the Bond Indenture or any material representation or warranty made by or on behalf of the Borrower herein or any report, certificate, financial statement, or other instrument furnished pursuant hereto or thereto shall prove false, misleading, or incorrect in any material respect as of the date made.

Section 8.02. Remedies on Default. Whenever any Event of Default referred to in Section 8.01 hereof shall have happened and be continuing, the Bond Trustee, as assignee of the Issuer, to the extent permitted by law, may take any one or more of the following remedial steps:

(a) The Bond Trustee, as assignee of the Issuer, may at its option declare all unpaid installments of Basic Loan Payments and other amounts payable under Section 5.02 hereof for the remainder of the Agreement Term to be immediately due and payable whereupon the same shall become immediately due and payable. Upon a declaration of acceleration by the Bond Trustee under the Bond Indenture, all unpaid Basic Loan Payments payable hereunder shall become immediately due and payable; provided, however, that if acceleration of the Bonds has been rescinded and annulled pursuant to the Bond Indenture, acceleration of the Basic Loan Payments and other amounts payable under Section 5.02 hereof required by this Section 8.02(a) shall similarly be rescinded and annulled and the Event of Default occasioning such acceleration shall be waived, but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon.

(b) If any of the Bonds at the time shall be outstanding and unpaid, the Bond Trustee may have access to and inspect, examine, and make copies of the books and records and any and all accounts, similar data, and income tax and other tax returns of the Borrower.

(c) The Bond Trustee, as assignee of the Issuer, may from time to time take whatever action at law or in equity or under the terms of the Bond Documents may appear necessary or desirable to collect the loan payments and other amounts payable by the Borrower hereunder then due and/or thereafter to become due, or to enforce performance and observance of any obligation, agreement, or covenant of the Borrower under this Agreement.

Amounts collected pursuant to action taken under this Section shall be applied in accordance with the provisions of the Bond Indenture or, if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Bond Indenture) and the Borrower has paid all amounts due under Sections 5.02 and 8.04 hereof, then any amounts remaining shall be paid to the Master Trustee for deposit in the Revenue Fund. If there is no Trustee serving under the Bond Indenture, the Issuer shall have the right to exercise all remedies hereunder.

Section 8.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Bond Trustee, as assignee of the Issuer, is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity

or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bond Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. Such rights and remedies as are given the Issuer hereunder shall also extend to the Bond Trustee, and the Bond Trustee and the owners of the Bonds shall be deemed third party beneficiaries of all covenants and agreements herein contained.

Section 8.04. Agreement to Pay Attorneys' Fees and Expenses. If the Borrower should default under any of the provisions of this Agreement and the Issuer or the Bond Trustee should employ attorneys or incur other reasonable expenses for the collection of Basic Loan Payments hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it shall on demand therefor pay to the Issuer or the Bond Trustee the reasonable fees of such attorneys and such other expenses actually incurred by the Issuer and/or Bond Trustee. Any attorneys' fees required to be paid by the Borrower under this Agreement shall include attorneys' fees through all proceedings, including, but not limited to, negotiations, administrative hearings, trials, and appeals.

Section 8.05. Waiver of Events of Default. The Bond Trustee, on behalf of the Issuer, may waive any Event of Default hereunder and its consequences or rescind any declaration of acceleration of payments of the Basic Loan Payments due hereunder. In case of any such waiver or rescission, or in case any proceeding taken by the Issuer or the Bond Trustee on account of any such Event of Default shall be discontinued or abandoned or determined adversely to the Issuer or the Bond Trustee, then and in every such case the Issuer and the Borrower shall be restored to their former position and rights hereunder, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

[End of Article VIII]

ARTICLE IX

OPTIONS IN FAVOR OF BORROWER

Section 9.01. General Options to Terminate Agreement. The Borrower shall have, and is hereby granted, the following options to terminate this Agreement at any time prior to full payment of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Indenture). The Borrower may terminate the Agreement Term by (i) paying to the Bond Trustee an amount which, when added to the amount on deposit in the Bond Fund, will be sufficient to pay, retire, and redeem all of the Outstanding Bonds in accordance with the provisions of the Bond Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, expenses of redemption, and the Bond Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees), (ii) in the case of redemption, making arrangements satisfactory to the Bond Trustee for giving the required notice of redemption, (iii) paying to the Issuer any and all sums then due to the Issuer under this Agreement, and (iv) otherwise complying with the provisions of Article X of the Bond Indenture.

Section 9.02. Option and Obligation to Prepay Loan in Certain Events. The Borrower has, and is hereby granted, the option to prepay the Loan, in whole or in part, prior to the full payment of all of the Bonds (or provision for payment thereof having been made in accordance with provisions of the Bond Indenture), if either of the following has occurred:

- (a) the Facilities are damaged or destroyed by fire or other casualty to such extent that the Obligated Group is entitled to prepay the Series 2021 Master Obligations pursuant to Section 4.12 of the Master Indenture; or
- (b) title to, or the temporary use of, a substantial portion of the Facilities are taken under the exercise of the power of eminent domain by any governmental authority or person, firm, or corporation acting under governmental authority to such extent that the Obligated Group is entitled to prepay the Series 2021 Master Obligations pursuant to Section 4.13 of the Master Indenture.

If the Borrower exercises its option to prepay the Loan in the events set forth in subsection (a) or (b) of this Section or if the Borrower is obligated to prepay the Loan in the event set forth in subsection (c) of this Section, the Borrower must prepay the Loan within one hundred eighty (180) days after such event.

To exercise such option, within sixty (60) days following the event authorizing the exercise of such option, the Borrower must give written notice of the exercise of such option to the Issuer and the Bond Trustee and specify therein the date of tender of such prepayment, which date must be not be fewer than forty-five (45) nor more than one hundred twenty (120) days from the date such notice is mailed, and in case of a redemption of the Bonds in accordance with the provisions of the Bond Indenture, must make arrangements satisfactory to the Bond Trustee for giving the required notice of redemption. The amount payable by the Borrower if it exercises its option to prepay the Loan in the events set forth in subsection (a) or (b) of this Section will be the sum of the following:

- (1) an amount of money which, when added to the amount then on deposit in the accounts of the Bond Fund, will be sufficient to retire and redeem the principal amount of Bonds to be redeemed on the applicable redemption date provided by the Bond Indenture, including without limitation, principal, all interest to accrue to such redemption date, and redemption expense, but without premium, plus
- (2) if all of the Outstanding Bonds are to be redeemed, an amount of money equal to the Bond Trustee's and paying agents' fees and expenses, including reasonable attorneys' fees, under the Bond Indenture accrued and to accrue until such final payment and redemption of the Bonds, plus
- (3) if all of the Outstanding Bonds are to be redeemed, an amount of money equal to the Issuer's reimbursable expenses under this Agreement accrued and to accrue until such final payment and redemption of such Bonds.

Section 9.03. Option to Prepay Loan and Redeem Bonds at Optional Redemption Dates. The Borrower has the option to prepay the Loan by prepaying Basic Loan Payments due under this Agreement in such manner and amounts as will enable the Issuer to redeem the Bonds prior to maturity in whole or in part on any date, as provided in the Bond Indenture. In the circumstances set forth in Section 4.01 of the Master Indenture, the Borrower has the option to prepay the Loan by prepaying Basic Loan Payments due under this Agreement from proceeds of the Title Policy used to prepay the Series 2021 Master Obligations. In the event the Series 2021 Master Obligations are prepaid pursuant to Section 4.12 of the Master Indenture, prepayment proceeds will be used to redeem Tax-Exempt Bonds pursuant to the Bond Indenture and if such Tax-Exempt Bonds are not subject to redemption, such proceeds shall be used to defease Tax-Exempt Bonds pursuant to the Bond Indenture.

[End of Article IX]

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. All notices, certificates, or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested, or given when dispatched by Electronic Means, or by personal delivery addressed as follows:

If to the Issuer:	Residential Care Facilities for the Elderly Authority of Coweta County 22 E. Broad Street Newnan, Georgia 30263 Attn: Chairman
With a copy to:	Glover & Davis, P.A. 10 Brown St., P.O. Box 1038 Newnan, Georgia 30264 Attn: Jerry Ann Conner Email: jaconner@gloverdavis.com
If to the Bond Trustee:	UMB Bank, National Association 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attn: Brian Krippner Email: Brian.Krippner@umb.com
If to the Borrower:	Wesley Woods of Newnan-Peachtree City, Inc. 1817 Clifton Road, N.E. Atlanta, Georgia 30329 Attn: Terry Barcroft, President / CEO Email: terry.barcroft@wesleywoods.org
With a copy to:	Smith, Gambrell & Russell LLP 1230 Peachtree St. N.E. Suite 3100 Atlanta, Georgia 30309 Attn: Benjamin J. Brooks Email: bbrooks@sgrlaw.com
If to the Underwriter:	Herbert J. Sims & Co., Inc. 2920 W. Broad St., Suite 109 Richmond, Virginia 23230 Attn: Thomas Bowden Email: tbowden@hjsims.com

With a copy to: Butler Snow LLP
1170 Peachtree Street N.E., Suite 1900
Atlanta, GA 30309
Attn: David Williams
Email: david.williams@butlersnow.com

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, Electronic Means, messenger, courier service, or otherwise), as to the Borrower, to an officer, agent, or employee of the Borrower at any location where such person may be found and, as to any other party, to an officer, agent, or employee of such other party at the address of such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Bond Trustee and to the Underwriter. Any party named in this Section 10.01 may, by notice given to each of the others, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent. Any notice given to the Bond Trustee hereunder shall also be given to the Master Trustee.

Section 10.02. Construction and Binding Effect. This Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Borrower, and their successors and assigns subject, however, to the limitations contained in Sections 6.03, 7.01, and 7.02 hereof.

Section 10.03. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.04. Amendment, Changes, and Modifications. Neither this Agreement nor the Bond Indenture may be amended, changed, modified, or altered, except as provided in the Bond Indenture.

Section 10.05. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.06. Law Govering Construction of this Agreement. This Agreement is prepared and entered into with the intention that the law of the State, exclusive of such state's rules governing choice of law, shall govern its construction.

Section 10.07. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date for any payment due under this Agreement shall be, in the location of the Designated Corporate Trust Office of the Bond Trustee, a Saturday, Sunday, legal holiday, or day on which

banking institutions are authorized by law to close, then such payment need not be made on such date but may be made on the next succeeding business day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date due.

Section 10.08. Benefit of and Enforcement by Owners. The Borrower acknowledges that this Agreement is executed in part to induce the purchase of the Bonds and to secure the Bonds, and accordingly, the Borrower agrees that all covenants and agreements on the part of the Borrower contained in this Agreement (other than the Issuer's Unassigned Rights) are for the benefit of the Owners from time to time of the Bonds and may be enforced as provided in Section 8.02 of this Agreement and in the Bond Indenture on behalf of the Owners of the Bonds by the Bond Trustee.

Section 10.09. No Liability of Issuer's Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Loan Agreement, or for any claim based thereon, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of this Loan Agreement or the Bond Indenture, shall be had against any member, director, officer, or employee, as such, past, present, or future of the Issuer, or any, for the payment for or to the Issuer or any receiver thereof, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such member, director, or officer, or employee, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Agreement and the issuance of the Bonds.

Section 10.10. Electronic Signatures. The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Loan Agreement) shall be deemed (a) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means; in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature.

Section 10.11. Electronic Transactions and Storage. The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies,

facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[End of Article X]

SIGNATURES

IN WITNESS WHEREOF, the Issuer has executed this Agreement by causing its name to be hereunto subscribed by its Chairman; and of the Borrower has executed this Agreement by causing its name to be hereunto subscribed by its President, all being done as of the day and year first written above.

**RESIDENTIAL CARE FACILITIES
FOR THE ELDERLY AUTHORITY
OF COWETA COUNTY**

By: _____
Chairman

[Signatures Continued]

WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.

By: _____
Chief Executive Officer

EXHIBIT A

DESCRIPTION OF FACILITIES AND IMPROVEMENTS

Existing Facilities.

New Capital Project.

A-1

[Signature Page of Loan Agreement]

**RESIDENTIAL CARE FACILITIES FOR THE ELDERLY
AUTHORITY OF COWETA COUNTY**

and

UMB BANK, NATIONAL ASSOCIATION
as Trustee

BOND TRUST INDENTURE

Dated as of December 1, 2021

Relating to

[\$Amount]

Residential Care Facilities for the Elderly Authority of Coweta County
Revenue Bonds
(Wesley Woods of Newnan-Peachtree City Project)
Series 2021

This instrument prepared by:
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

TABLE OF CONTENTS

BOND TRUST INDENTURE

(This Table of Contents is not a part of the Bond Trust Indenture
and is only for convenience of reference)

	Page
ARTICLE I	DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION 5
Section 101.	Definitions.....5
Section 102.	Construction of Certain Terms.....5
Section 103.	Table of Contents; Titles and Headings.....6
Section 104.	Contents of Certificates or Opinions.....6
ARTICLE II	THE BONDS8
Section 201.	Restriction on Issuance of Bonds.....8
Section 202.	Execution; Limited Obligation.8
Section 203.	Authentication.....8
Section 204.	Form; Denomination; Medium of Payment.....8
Section 205.	Mutilated, Lost, Stolen, or Destroyed Bonds.....9
Section 206.	Cancellation and Destruction of Surrendered Bonds.....9
Section 207.	Negotiability; Registration, Transfer, and Exchange.....9
Section 208.	Number and Payment Provisions.....11
Section 209.	Bonds.12
Section 210.	Delivery of Bonds.....13
Section 211.	Book-Entry System.....13
ARTICLE III	REDEMPTION OF BONDS BEFORE MATURITY.....16
Section 301.	Privilege of Redemption and Redemption Price.....16
Section 302.	Issuer's Election to Redeem.....16
Section 303.	Notice of Redemption.....16
Section 304.	Redemption Dates and Prices for Bonds.17
Section 305.	Partial Redemption.....18
Section 306.	Payment Upon Redemption.....19
Section 307.	Effect of Redemption.....19
Section 308.	Purchase of Bonds.....19
Section 309.	Cancellation.....20
ARTICLE IV	GENERAL COVENANTS.....21
Section 401.	Condition of Issuer's Obligation; Payment of Principal and Interest.....21
Section 402.	Performance of Covenants; Authority of the Issuer.21
Section 403.	Instruments of Further Assurance.....21
Section 404.	Rights Under the Loan Agreement and the Series 2021 Master Obligation.....22
Section 405.	Designation of Additional Paying Agents.....22
Section 406.	Trustee's Disclosure Responsibilities.....22

ARTICLE V	FUNDS	24
Section 501.	Bond Fund.....	24
Section 502.	[Reserved.].....	24
Section 503.	Rebate Fund.	24
Section 504.	Non-presentment of Bonds.	24
Section 505.	Moneys to be Held in Trust.	25
Section 506.	Amounts Remaining in Funds and Accounts.....	25
ARTICLE VI	CUSTODY AND APPLICATION OF PROCEEDS OF BONDS.....	26
Section 6.01.	The Bonds.	26
Section 6.02.	Other Deposits of Funds.	26
ARTICLE VII	INVESTMENTS.....	27
Section 701.	Investment of Funds and Accounts.....	27
Section 702.	Allocation of Income from Investments.	28
Section 703.	Trustee's Own Bond or Investment Department.	28
Section 704.	Investment Records.....	28
ARTICLE VIII	[RESERVED]	29
ARTICLE IX	DISCHARGE OF LIEN	30
ARTICLE X	DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS	33
Section 1001.	Defaults; Events of Default.....	33
Section 1002.	Acceleration.	33
Section 1003.	Remedies Upon Event of Default.	34
Section 1004.	Rights of Bondholders to Require Trustee to Pursue Remedies.....	35
Section 1005.	Rights of Bondholders to Direct Proceedings.....	35
Section 1006.	Application of Moneys.	35
Section 1007.	Remedies Vested in the Bond Trustee.	37
Section 1008.	Limitations on Rights and Remedies of Bondholders.	37
Section 1009.	Termination of Proceedings.	38
Section 1010.	Waivers of Events of Default.....	38
Section 1011.	Notice of Defaults; Opportunity of the Issuer and the Borrower to Cure Defaults.	38
ARTICLE XI	THE BOND TRUSTEE	40
Section 1101.	Acceptance of the Trusts.....	40
Section 1102.	Fees, Charges, and Expenses of the Bond Trustee.	43
Section 1103.	Notice to Bondholders if Payment Default Occurs.....	44
Section 1104.	Intervention by the Bond Trustee.	44
Section 1105.	Successor Bond Trustee.	44
Section 1106.	Resignation by the Bond Trustee.....	45
Section 1107.	Removal of the Bond Trustee.	45
Section 1108.	Appointment of Successor Bond Trustee; Temporary Trustee.....	45
Section 1109.	Concerning Any Successor Bond Trustee.	46
Section 1110.	Right of the Bond Trustee to Pay Insurance, Taxes, and Other Charges.....	46
Section 1111.	Trustee Protected in Relying Upon Resolutions.	47

Section 1112.	Successor Bond Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar.	47
Section 1113.	Security May Be Vested in Separate Trustee or Co-Trustee.	47
Section 1114.	Indemnification of Trustee.....	48
Section 1115.	List of Bondholders.....	48
Section 1116.	Voting Rights with Respect to Series 2021 Master Obligation.	48
ARTICLE XII	AMENDMENTS TO INDENTURE AND SUPPLEMENTAL INDENTURES	49
Section 1201.	Amendments to Indenture and Supplemental Indentures Not Requiring Consent of Bondholders.....	49
Section 1202.	Amendments to Indenture and Supplemental Indentures Requiring Consent of Bondholders.....	50
Section 1203.	Consent of Borrower.....	51
ARTICLE XIII	AMENDMENT OF OTHER BOND DOCUMENTS.....	52
Section 1301.	Amendments to Other Bond Documents Not Requiring Consent of Bondholders.	52
Section 1302.	Amendments to Other Bond Documents Requiring Consent of Bondholders.	52
ARTICLE XIV	MISCELLANEOUS	54
Section 1401.	Consents of Bondholders.	54
Section 1402.	Limitation of Rights.	55
Section 1403.	Severability.	55
Section 1404.	Notices.	55
Section 1405.	Payments Due on Saturdays, Sundays, and Holidays.....	57
Section 1406.	Counterparts.	57
Section 1407.	Laws Governing Indenture and Situs and Administration of Trust.....	57
Section 1408.	No Liability of Issuer's or Bond Trustee's Officers.	57
Section 1409.	Notice to Rating Agency.....	57
Section 1410.	Filing Continuation Statements.....	58
Section 1411.	Electronic Signatures.	58
Section 1412.	Electronic Transactions and Storage.....	58
EXHIBIT A – FORM OF Bond		A-1

BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE (this “Bond Indenture”), made and entered into as of December 1, 2021, between **RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY**, a public body corporate and politic organized and existing under the laws of the State of Georgia (the “Issuer”), and **UMB BANK, NATIONAL ASSOCIATION**, a national banking association organized under the laws of the United States of America (the “United States”), and duly authorized and empowered to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States, as trustee (the “Bond Trustee” or the “Trustee”);

WITNESSETH:

WHEREAS, the Issuer is authorized and empowered under and pursuant to the provisions of The Residential Care Facilities for the Elderly Act, O.C.G.A. § 31-7-110, *et seq.* (collectively, the “Act”) to issue its revenue bonds for the purpose of financing and refinancing structures and other property to be used in providing at a single location the comprehensive residential care and services required by the elderly; and

WHEREAS, the Act further authorizes the Issuer to enter into loan agreements with corporations and other entities; and

WHEREAS, the Act further authorizes the Issuer to assign and pledge its interest in and rights under loan agreements made in connection with bonds it issues; and

WHEREAS, the Issuer adopted a Bond Resolution on October 5, 2021, as supplemented on November ___, 2021 (together, the “Bond Resolution”) authorizing the issuance of its Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021 in the principal amount of [\$Amount] (the “Bonds”), to provide funds to (a) finance improvements to and expansion of the continuing care retirement community known as Wesley Woods of Newnan-Peachtree City, which improvements and expansion are more fully described in the hereinafter defined Loan Agreement (the “Project”), (b) defease and refund the Issuer’s outstanding Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A (the “Series 2016 Bonds”), (c) fund certain reserves, and (d) pay costs of issuance of the Bonds; and

WHEREAS, to accomplish the financing as contemplated in the Bond Resolution, the Issuer and Wesley Woods of Newnan-Peachtree City, Inc. (the “Borrower”), a nonprofit corporation organized and existing under the laws of the State of Georgia and a Tax-Exempt Organization, as defined in the hereinafter described Loan Agreement, will enter into a Loan Agreement, dated as of even date herewith (the “Loan Agreement”), pursuant to which the Issuer will loan the proceeds of the Bonds to the Borrower for the purposes described in the immediately preceding paragraph and the Borrower will pay to the Issuer such loan payments at such times and in such amounts as will be required to pay the principal of and interest on the Bonds to be issued, as and when the same become due; and

WHEREAS, to secure the Bonds, Wesley Woods of Newnan-Peachtree City, Inc., in its capacity as Obligated Group Representative (the “Obligated Group Representative”), and UMB

Bank, National Association, as trustee (the “Master Trustee”) have entered into Supplemental Indenture Number 1, dated as of December 1, 2021, supplementing the Master Trust Indenture, dated as of December 1, 2021, between the Borrower and the Master Trustee (collectively, the “Master Indenture”), pursuant to which the Obligated Group Representative (as defined in the Master Indenture) has executed and delivered to the Master Trustee, and the Master Trustee has endorsed to the order of the Bond Trustee, the Series 2021 Master Obligation, dated the date of issuance of the Bonds (the “Series 2021 Master Obligation”), which obligates the Borrower to make payments sufficient to pay the principal of and interest on the Bonds; and

WHEREAS, as the holder of the Series 2021 Master Obligation, the Bond Trustee will be entitled to the security granted to Holders, as defined under the Master Indenture, including a Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, from the Borrower to the Issuer and assigned to the Master Trustee (the “Deed to Secure Debt”); and

WHEREAS, to secure its obligation to pay principal of and interest on the Bonds to be issued hereunder, the Issuer has agreed to assign and pledge to the Bond Trustee, and grant a first priority security interest to the Bond Trustee in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement) and the Series 2021 Master Obligation, and all revenues, payments, receipts, and moneys to be received and held thereunder, all pursuant to the granting clauses of this Bond Indenture; and

WHEREAS, the Issuer hereby finds and determines that the financing of the Project will further the purposes and policies of the Act; and

WHEREAS, the execution and delivery of this Bond Indenture and the Loan Agreement were authorized by the Bond Resolution, which was duly adopted and approved; and

WHEREAS, the Bonds to be issued, Trustee’s Certificate of Authentication to be endorsed on such Bonds, and Assignment for Transfer of such Bonds are to be in substantially the form attached hereto as Exhibit A; and:

WHEREAS, all things necessary to make the Bonds, when executed by the Issuer and when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding, and legal obligations of the Issuer according to the import thereof, to constitute this Bond Indenture a valid lien on the interests in property hereby conveyed, a valid grant of a security interest in the interests in property hereby made, and a valid assignment and pledge of the revenues and receipts hereby made to secure the payment of the principal of and interest on the Bonds, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and performed, and the creation, execution, and delivery of this Bond Indenture and the creation, execution, and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS BOND INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises and the acceptance by the Bond Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Owners thereof,

and of the sum of one dollar, lawful money of the United States, to its duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby, subject to the terms and provisions of the Loan Agreement, grant, bargain, sell, transfer, convey, mortgage, pledge, and assign, without recourse and irrevocably in trust, unto the Bond Trustee and unto its successors in trust, and to its assigns forever, and does hereby grant a continuing security interest in (to the extent permitted by law), for the securing of the performance of the obligations of the Issuer and the Borrower hereinafter set forth, the property, real or personal, tangible or intangible, which property is more particularly described below:

GRANTING CLAUSE FIRST

All the right, title, and interest of the Issuer in and to the Loan Agreement (except for Unassigned Rights, as defined in the Loan Agreement), the Series 2021 Master Obligation, and all extensions and renewals of the terms thereof, if any, and all amounts encumbered thereby, including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive, and make receipt for payments and other sums of money payable, receivable, or to be held thereunder, to bring any actions and proceedings thereunder or for the enforcement thereof, and to do any and all other things which the Issuer is or may become entitled to do under the foregoing, provided that the assignment made by this clause shall not impair or diminish any obligation of the Issuer under the provisions of the foregoing or impair or diminish the right of the Issuer to enforce compliance with the obligations of the Borrower under the foregoing, as long as no Event of Default (as hereinafter defined) has occurred and is continuing hereunder.

GRANTING CLAUSE SECOND

All the right, title, and interest of the Issuer in and to all cash proceeds and receipts arising out of or in connection with the sale of the Bonds and all moneys and investments held by the Bond Trustee in the funds and accounts created under this Bond Indenture, including the Bond Fund created hereunder (but excluding the Rebate Fund), or held by the Bond Trustee as special trust funds derived from any other source.

GRANTING CLAUSE THIRD

All the right, title, and interest of the Issuer in and to all moneys and securities and interest earnings thereon from time to time delivered to and held by the Bond Trustee under the terms of this Bond Indenture and all other rights of every name and nature and any and all other property from time to time hereafter by delivery or by writing of any kind to the Bond 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.

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods, and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

IN EACH CASE, whether now owned or hereafter acquired by the Issuer and howsoever its interest therein may arise or appear (whether by ownership, security interest, claim, or otherwise) and whether due or to become due and whether or not earned by performance;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby pledged, conveyed, and assigned, or agreed or intended so to be, to the Bond Trustee and its successors in said trusts and to them and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future Owners of Bonds issued under and secured by this Bond Indenture without privilege, priority, or distinction as to the lien or otherwise of any Bond over any other Bond;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay or cause to be paid to the Owners of Bonds the principal and interest due or to become due thereon at the times and in the manner stipulated in the Bonds and herein, according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as required hereby, or shall provide, as permitted hereby, for the payment thereof by depositing with the Bond Trustee the entire amount due or to become due thereon and if the Issuer shall well and truly keep, perform, and observe all and singular the covenants, conditions, and premises in the Bonds and in this Bond Indenture expressed as to be kept, performed, and observed by it or on its part, and shall pay or cause to be paid to the Bond Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine, terminate, and be void, and thereupon the Bond Trustee shall cancel and discharge the lien of this Bond Indenture and execute and deliver to the Issuer such instruments in writing as shall be reasonably necessary to satisfy the lien hereof and reconvey to the Issuer the estate hereby conveyed and assign and deliver to the Issuer any property at the time subject to the lien of this Bond Indenture which may then be in its possession, except amounts in the funds created hereunder required to be paid to the Borrower under Section 506 hereof and except cash held by the Bond Trustee for the payment of interest on and retirement of the Bonds; otherwise this Bond Indenture to be and remain in full force and effect until such time as the principal of the Bonds and the interest thereon have been paid or provided for as hereinafter set out.

THIS BOND INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said revenues, receipts, and property hereby conveyed, pledged, mortgaged, and assigned and which are the subject of a grant of a security interest are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and

purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and the Owners, from time to time, of Bonds, as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 101. Definitions. When used in this Bond Indenture (except as otherwise expressly provided or unless the context otherwise requires), the following terms shall have the meanings specified in the foregoing recitals:

Act	Master Indenture
Bond Indenture	Series 2021 Master Obligation
Bond Resolution	Bonds
Bond Trustee	United States
Borrower	
Deed to Secure Debt	
Issuer	

Certain words and terms used in this Bond Indenture shall have the meaning given them in Section 1.01 of the Loan Agreement, which by this reference are incorporated herein. In addition to the words and terms defined elsewhere herein, the following words and terms shall have the meanings set forth below:

“Authorized Denominations” means \$5,000 and any integral multiple of \$5,000 in excess thereof.

“Defaulted Interest” means any interest on any Bond which is due and payable, but which is not punctually paid or duly provided for on any Interest Payment Date.

“Event of Default” means any of the events specified in Section 1001 of this Bond Indenture.

“Regular Record Date” means the fifteenth (15th) day of the month (whether or not a Business Day) next preceding each Interest Payment Date.

“Special Record Date” means the date fixed by the Bond Trustee for the payment of any Defaulted Interest pursuant to Section 208 of this Bond Indenture.

Section 102. Construction of Certain Terms. For all purposes of this Bond Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

- (2) “This Bond Indenture” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.
- (3) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” “hereto,” “hereby,” and “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section, or other subdivision.
- (4) The terms defined in this Article shall have the meanings assigned to them in this Article and include the plural as well as the singular.
- (5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP.

Section 103. Table of Contents; Titles and Headings. The table of contents, the titles of the articles, and the headings of the sections of this Bond Indenture are solely for convenience of reference, are not a part of this Bond Indenture, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 104. Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Bond Indenture and which is precedent to the taking of any action by the Bond Trustee under this Bond Indenture shall include a statement (i) that the person or persons making or giving such certificate or opinion have read such covenant or condition herein and the definitions herein relating thereto, (ii) as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with, and (iv) as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an officer of the Issuer or an officer of the Borrower may be based, insofar as it relates to legal matters, upon a certificate or an opinion of Independent Counsel, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such officer knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by Independent Counsel may be based (insofar as it relates to factual matters with respect to information which is in the possession of an officer of the Issuer or an officer of the Borrower or any third party) upon the certificate or opinion of or representations by an officer of the Issuer or an officer of the Borrower or any third party on whom Independent Counsel could reasonably rely, unless such Independent Counsel knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same officer of the Issuer or officer of the Borrower or the same

Independent Counsel, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Bond Indenture, but different officers or Independent Counsel may certify or opine to different matters, respectively.

[End of Article I]

ARTICLE II

THE BONDS

Section 201. Restriction on Issuance of Bonds. No Bonds may be issued under the provisions of this Bond Indenture except in accordance with this Article. The total principal amount of Bonds that may be issued hereunder is expressly limited to [\$Amount].

Section 202. Execution; Limited Obligation. Bonds may be executed on behalf of the Issuer by its Chairman or Vice Chairman with his or her manual or facsimile signature and may be, but shall not be required to be, attested by the manual or facsimile signature of its Secretary or Assistant Secretary. All such facsimile signatures shall have the same force and effect as if said officers had manually signed each of the Bonds. In case any officer whose signature or a facsimile of whose signature shall appear on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, and Bonds may be issued and delivered as if such officer had remained in office until delivery.

The Bonds, together with interest thereon, shall be limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, shall be payable solely from the Trust Estate, and shall be a valid claim of the respective Owners thereof only against the Trust Estate. The Bonds and interest thereon shall not constitute a general or moral obligation of the Issuer nor a debt, indebtedness, or obligation of, or a pledge of the faith and credit of, Coweta County, Georgia, the State or any other political subdivision thereof, within the meaning of any constitutional or statutory provision whatsoever. Neither the faith and credit nor the taxing power of Coweta County, Georgia, the State, or any other political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds or other costs incident thereto. The Issuer has no taxing power. Neither the Borrower nor the Governing Body, officers, or employees of the Issuer nor any person executing Bonds shall be liable personally on the Bonds by reason of the issuance thereof.

Section 203. Authentication. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the forms set forth in Exhibit A hereto and duly executed by the Bond Trustee shall be entitled to any right, security, or benefit under this Bond Indenture. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Bond Trustee, and such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Indenture and that the Owner thereof is entitled to the benefits of the trust hereby created. The Bond Trustee's certificate of authentication on any Bond shall be deemed to have been duly executed by it if (a) signed by an authorized officer or signatory of the Bond Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all Bonds, and (b) the date of registration and authentication of the Bond is inserted in the place provided therefor on the certificate of authentication.

Section 204. Form; Denomination; Medium of Payment. Bonds shall be issuable only as fully registered bonds without coupons in Authorized Denominations. Bonds shall be substantially in the forms attached as Exhibit A to this Bond Indenture with such variations,

insertions, or omissions as are appropriate and not inconsistent therewith and shall conform generally to the rules and regulations of any governmental authority or usage or requirement of law with respect thereto. Principal of and interest on Bonds shall be payable in any coin or currency of the United States which at the time of payment is legal tender for the payment of public and private debts.

Section 205. Mutilated, Lost, Stolen, or Destroyed Bonds. If any Bond is mutilated, lost, stolen, or destroyed, the Issuer shall execute and the Bond Trustee shall authenticate and deliver a new Bond of like date, number, series, interest rate, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Issuer and the Bond Trustee evidence of such loss, theft, or destruction satisfactory to the Issuer and the Bond Trustee, together with indemnity satisfactory to them. If any such Bond shall have matured, or shall be about to mature or have been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof, provided that the conditions of this Section 205 shall have been satisfied. The Issuer and the Bond Trustee may charge the Owner of such Bond with their reasonable fees and expenses in connection with actions taken under this Section and may require the Owner of such Bond to pay any tax, fee, or other governmental charge that may be imposed in relation thereto as conditions precedent to the issuance of any replacement Bond(s). The Issuer shall cooperate with the Bond Trustee in connection with the issue of replacement Bonds, but nothing in this Section shall be construed in derogation of any rights which the Issuer or the Bond Trustee may have to receive indemnification against liability, or payment or reimbursement of expenses, in connection with the issue of a replacement Bond.

Every substituted Bond issued pursuant to this Section shall constitute an original additional contractual obligation of the Issuer, whether or not the Bond alleged to have been mutilated, destroyed, lost, or stolen shall be at any time enforceable by anyone, and shall be entitled to all the rights and benefits of this Bond Indenture equally and proportionately with any and all other Bonds Outstanding of the same series duly issued hereunder.

All Bonds shall be held and owned upon the express condition that the foregoing provisions are, to the extent permitted by law, exclusive with respect to the replacement or payment of mutilated, destroyed, lost, or stolen Bonds, and shall preclude any and all other rights or remedies.

Section 206. Cancellation and Destruction of Surrendered Bonds. Whenever any Outstanding Bond shall be delivered to the Bond Trustee for cancellation pursuant to this Bond Indenture, upon payment of the principal amount or interest represented thereby, or for replacement pursuant to Section 205 hereof or transfer or exchange pursuant to Section 207 hereof, such Bond shall be promptly canceled and cremated or otherwise destroyed by the Bond Trustee, and counterparts of a certificate of destruction evidencing such cremation or other destruction shall be furnished by the Bond Trustee to the Issuer, if requested.

Section 207. Negotiability; Registration, Transfer, and Exchange. The Bonds shall be and shall have all the qualities and incidents of negotiable instruments under the laws of the State, and Bondholders, in accepting any Bonds, shall be conclusively deemed to have agreed that the Bonds shall be and have all of said qualities and incidents of negotiable instruments.

The Issuer shall cause books for the registration of the Bonds and for the registration of transfer of the Bonds as provided in this Bond Indenture to be kept by the Bond Trustee which is hereby appointed the Issuer's Bond registrar and agent for the transfer and exchange of the Bonds and as such shall maintain the books of the Issuer for the registration of ownership of each Bond as provided in this Bond Indenture. The Bond Trustee, for and on behalf of the Issuer, shall keep the Bond registration record, in which shall be recorded any and all transfers of ownership of Bonds. No Bonds shall be registered to bearer. Any Bond may be transferred upon the registration books upon surrender thereof by the registered Bondholder in person or by his attorney-in-fact or legal representative duly authorized in writing together with a written instrument of transfer in form and with guarantee of signature satisfactory to the Bond Trustee duly executed by the registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing and upon payment by such registered Bondholder of a sum sufficient to cover any governmental tax, fee, or charge required to be paid. Upon any such registration of transfer, the Issuer shall cause to be executed and the Bond Trustee shall authenticate and deliver in the name of the transferee a new fully registered Bond or Bonds of Authorized Denominations and of the same series, maturity or maturities, and interest rate(s) and in the same aggregate principal amount(s), and the Bond Trustee shall enter the transfer of ownership in the registration books. No transfer of any Bond shall be effective until entered on the registration books.

Any Bonds, upon surrender thereof at the Designated Corporate Trust Office of the Bond Trustee with a written instrument of transfer in form and with guarantee of signature satisfactory to the Bond Trustee, duly executed by the Owner or his attorney-in-fact or legal representative duly authorized in writing, may be exchanged, at the option of the Owner thereof, and upon payment by such Owner of a sum sufficient to cover any governmental tax, fee, or charge required to be paid as provided in this Bond Indenture, when not prohibited by law, for an equal aggregate principal amount of Bonds of the same series, interest rate, and maturity or maturities and of any other Authorized Denominations and registered in the name of the same Owner. When Bonds are presented for exchange in accordance with this Section 207, the Issuer shall cause to be executed and the Bond Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding, and the Bond Trustee, as bond registrar, shall enter the exchange in the registration books.

Except as provided herein with respect to exchanges for certain temporary Bonds, the cost of printing, lithographing, and engraving of all Bonds shall be deemed to be an Ordinary Expense of the Bond Trustee, and there shall be no charge to any Bondholder for the registration, exchange, or transfer of Bonds, although in each case the Bond Trustee may require the payment by the Bondholder requesting exchange or transfer of any tax, fee, or other governmental charge required to be paid with respect thereto and may require that such amount be paid before any such new Bond shall be delivered.

The Issuer and the Bond Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond for the purpose of receiving any payment on such Bond and for all other purposes of this Bond Indenture, whether such Bond shall be overdue or not, and neither the Issuer nor the Bond Trustee shall be affected by any notice to the contrary. Payment of, or on account of, the principal of and interest on any Bond shall be made to or upon the written order of such registered Bondholder or his attorney-in-fact or legal representative duly authorized in writing. All

such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The execution of any Bond of any Authorized Denominations by the manual or facsimile signature of the Chairman or Vice Chairman of the Issuer in accordance with Section 202 hereof shall constitute full and due authorization of such denomination, and the Bond Trustee shall thereby be authorized to authenticate and deliver such Bond. New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same obligation as the Bonds surrendered, shall be secured by this Bond Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered. The Bond Trustee shall not be required to transfer or exchange any Bond (a) after the notice calling such Bond for redemption has been given as herein provided or (b) during a period beginning at the opening of business on the fifteenth (15th) day (whether or not a Business Day) next preceding either any Interest Payment Date, any Special Record Date, or any date of selection of Bonds to be redeemed and ending at the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given.

Section 208. Number and Payment Provisions. The Bonds shall be numbered consecutively from R-1 upward, or in such other manner as the Issuer, with the concurrence of the Bond Trustee, shall determine. Each Bond shall bear interest from (a) from the Issue Date if authenticated prior to the first Interest Payment Date or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which such Bond is authenticated (unless such payment of interest is in default, in which case such Bond shall bear interest from the date to which interest has been paid). The Bond Trustee shall insert the date of registration and authentication of each Bond in the place provided for such purpose in the form of certificate of authentication of the Bond Trustee to be printed on each Bond. If interest on the Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall be dated as of the date to which interest has been paid in full on the Bonds surrendered.

Principal of each Bond is payable by check or draft in lawful money of the United States and if the Bonds are no longer in book-entry form, by presentation and surrender of such Bond at the Designated Corporate Trust Office of the Bond Trustee in St. Louis, Missouri, or at the duly designated office of any duly appointed alternate or successor paying agent. Payment of interest on each Bond shall be made to the Owners and shall be paid in lawful money of the United States by check or draft mailed to the Owner, at his address as it appears on the registration books of the Issuer maintained by the Bond Trustee, as bond registrar, at the close of business on the Regular Record Date, irrespective of any transfer or exchange of a Bond subsequent to a Regular Record Date and prior to such Interest Payment Date, unless the Issuer shall be in default in the payment of interest due on such Interest Payment Date. Upon any such default, such Defaulted Interest shall be payable to the person in whose name the 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 Bond Trustee on behalf of the Issuer to the Owner not fewer than fifteen (15) days preceding such Special Record Date. Such notice shall be mailed to the Owner at his address as it appears in the registration books maintained by the Bond Trustee at the close of business on the fifth (5th) day preceding the date of mailing.

At the option of the Owner of not less than \$500,000 in aggregate principal amount outstanding of Bonds, interest shall be paid by wire transfer in immediately available funds to a bank within the continental United States in accordance with written wire transfer instructions filed with the Bond Trustee prior to the close of business on the Business Day preceding the Record Date. Interest shall continue to be paid in accordance with such instructions, until revoked in writing.

Defaulted Interest shall cease to be payable to the Owner on the relevant Regular Record Date solely by virtue of such Owner having been such Owner, and such Defaulted Interest may be paid by the Bond Trustee, at its election in each case, as provided below:

The Bond Trustee may elect to make payment of any Defaulted Interest on the Bonds to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. When the Bond Trustee holds an amount of money equal to the proposed payment of Defaulted Interest, the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen (15) nor fewer than ten (10) days prior to the date of the proposed payment. The Bond Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, such expense to be paid solely from amounts held under this Bond Indenture, shall cause notice of the date and amount of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, not fewer than fifteen (15) days preceding such Special Record Date, to each Owner at his address as it appears in the registration books maintained by the Bond Trustee at the close of business on the fifth (5th) day preceding the date of mailing. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds are registered on such Special Record Date.

Section 209. Bonds. The Bonds in the aggregate principal amount of [\$Amount] shall be designated "Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2021" and shall be dated the Issue Date. The Bonds shall bear interest at the rates per annum set forth below, computed on the basis of a 360-day year consisting of twelve 30-day months, payable on March 1, 2022 and semiannually thereafter on March 1 and September 1 of each year and shall mature on March 1, in the years and in the amounts as follows, unless earlier called for redemption:

Maturity (<u>March 1</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>
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Bonds shall bear interest on overdue principal at the rate of interest borne by the Bonds.

Section 210. Delivery of Bonds. Upon the execution and delivery of this Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Bonds in the aggregate principal amount of [\$Amount].

Prior to the registration and authentication by the Bond Trustee of any of the Bonds, there shall be filed with the Bond Trustee:

(a) original executed counterparts of this Bond Indenture, the Loan Agreement, the Master Indenture, Supplemental Indenture Number 1, the Series 2021 Master Obligation, the Bond Purchase Agreement, the Tax Agreement, and the Continuing Disclosure Agreement,

(b) a request and authorization to the Bond Trustee, signed by the Chairman or Vice Chairman of the Issuer, to authenticate and deliver the Bonds to be issued in the first instance in the aggregate principal amount of [\$Amount] to the purchasers therein identified upon payment to the Bond Trustee, but for the account of the Issuer, of the sum therein specified,

(c) a certification by the officer or official of the Issuer charged with the responsibility for issuing the Bonds of the reasonable expectations of the Issuer on the date of the issuance of the Bonds regarding the amount and use of the proceeds of the Bonds and setting forth the facts and estimates on which the Issuer's expectations are based,

(d) opinions dated as of the date of the closing of (i) counsel for the Issuer, (ii) Bond Counsel, and (iii) counsel for the Borrower, in form and substance satisfactory to the Underwriter, and

(e) such other documents, certificates, and instruments in connection with the transactions contemplated by this Bond Indenture, in form and substance satisfactory to the Underwriter as the Underwriter may reasonably request (payment for the Bonds by the Underwriter being conclusive evidence that the Underwriter has received all documents, certificates, and instruments required by it).

Upon receipt of the foregoing and of the purchase price for the Bonds, the Bond Trustee shall register, authenticate, and deliver the Bonds to or upon the order of the purchasers thereof.

Section 211. Book-Entry System. The Bonds will be issued by means of a book-entry system with no physical distribution of Bonds made to the public. One Bond for each maturity of each series will be issued to DTC and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Bonds in principal amounts of \$5,000 or any integral multiple of \$5,000 in excess thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the "DTC Participants") pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant's interest in the Bonds. Beneficial ownership interests in the Bonds may be purchased

by and through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the "Beneficial Owners." The Beneficial Owners will not receive Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its Bonds. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners.

SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE OWNER OF THE BONDS, THE BOND TRUSTEE SHALL TREAT CEDE & CO. AS THE OWNER OF THE BONDS FOR PURPOSES OF RECEIPT OF ALL PRINCIPAL OF AND INTEREST ON THE BONDS AND RECEIPT OF NOTICES.

Payments of principal, interest with respect to the Bonds, so long as DTC is the only Owner of the Bonds, will be paid by the Bond Trustee directly to DTC or its nominee, Cede & Co. as provided in the Letter of Representation, from the Issuer to DTC. DTC will remit such payments to DTC Participants, and such payments thereafter will be paid by DTC Participants to the Beneficial Owners. The Issuer and the Bond Trustee shall not be responsible or liable for payment by DTC or DTC Participants for sending transaction statements or for maintaining, supervising or reviewing records maintained by DTC or DTC Participants.

If (a) DTC determines not to continue to act as securities depository for the Bonds or (b) the Issuer determines that the continuation of the book-entry system of evidence and transfer of ownership of the Bonds would adversely affect the interests of the Issuer or the Beneficial Owners of the Bonds, the Issuer shall discontinue the book-entry system with DTC. If the Issuer fails to identify another qualified securities depository to replace DTC, the Issuer will cause the Bond Trustee to authenticate and deliver replacement Bonds in the form of fully registered Bonds to each Beneficial Owner.

THE ISSUER, THE BORROWER AND THE BOND TRUSTEE DO NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO ANY DTC PARTICIPANT OR ANY BENEFICIAL OWNER WITH RESPECT TO (a) THE BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT OF DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER WITH RESPECT TO THE PRINCIPAL OF AND INTEREST ON THE BONDS; (d) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND INDENTURE TO BE GIVEN TO OWNERS; (e) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (f) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC, OR ITS NOMINEE, CEDE & CO., AS OWNER.

In the event that a book-entry system of evidence and transfer of ownership of the Bonds is discontinued pursuant to the provisions of this Section, the Bonds, respectively, shall be delivered solely as fully registered Bonds without coupons in the denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, shall be lettered "R" and numbered separately from

“1” upward, and shall be payable, executed, authenticated, registered, exchanged and canceled pursuant to the provisions of Article II hereof. In addition, the Issuer will cause the Borrower to pay all costs and fees associated with the printing of the Bonds and issuance of the same in certificated form.

[End of Article II]

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 301. Privilege of Redemption and Redemption Price. The Bonds shall be subject to redemption prior to maturity to the extent and in the manner provided in this Bond Indenture.

Section 302. Issuer’s Election to Redeem. At the written request of the Borrower given pursuant to Section 9.03 of the Loan Agreement (except for redemption pursuant to Section 304(c) hereof which shall not require such a request), the Issuer shall give written notice to the Bond Trustee of its election to redeem, of the redemption date, and of the principal amount of each maturity of Bonds to be redeemed, which notice shall be given at least sixty (60) days prior to the redemption date or such shorter period not fewer than forty-five (45) days as shall be acceptable to the Bond Trustee. If notice of redemption shall have been given pursuant to Section 303 hereof, the Issuer shall, at least one Business Day prior to the redemption date, pay to the Bond Trustee, solely from funds provided by the Borrower, an amount in cash which, in addition to other moneys, if any, available therefor held by the Bond Trustee, will be sufficient to redeem at the redemption price thereof, plus interest accrued to the redemption date, all of the Bonds to be redeemed.

Section 303. Notice of Redemption. If any Bonds are called for redemption pursuant to this Article III, notice thereof identifying the Bonds or portions thereof to be redeemed shall be given by the Bond Trustee by mailing a copy of the redemption notice by first class mail (postage prepaid) not fewer than twenty (20) nor more than sixty (60) days prior to the date fixed for redemption to the Owner of each Bond to be redeemed in whole or in part at the address shown on the registration books at the close of business on the fifth (5th) day preceding the date of mailing; provided, however, that failure to give such notice by mailing to any Owner of Bonds, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Each notice shall specify the CUSIP numbers of the Bonds being called, numbers of the Bonds being called, if less than all of the Bonds are being called, redemption date, redemption price, and place or places where amounts due upon such redemption will be payable. Such notice shall further state that upon deposit with the Bond Trustee of payment of the applicable redemption price plus accrued interest to the date fixed for redemption, interest on will cease to accrue on and after such date. If the Bonds are no longer in book-entry form, such notice shall also state that payment will be made upon only presentation and surrender of the Bonds to be redeemed. Any notice mailed as provided in this Section 303 shall be conclusively presumed to have been duly given, whether or not the Owner of such Bonds actually receives the notice. Notwithstanding the foregoing, upon the written direction of an Authorized Borrower Representative, the notice of redemption for optional redemption pursuant to Section 304(b) hereof shall contain a statement to the effect that the redemption of the Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such moneys shall not have been so received, the notice and the provisions of Section 307 hereof will be of no force and effect and the Issuer shall not be required to redeem such Bonds and such Bonds shall not become due and payable.

Section 304. Redemption Dates and Prices for Bonds.

(a) *Extraordinary Redemption.* Bonds may be called for redemption, in whole or in part, at the option of the Issuer, at the direction of an Authorized Borrower Representative: (1) in the event of damage to or destruction of the Facilities or any part thereof to the extent that the Borrower is permitted to exercise its option to prepay all or a portion of the Series 2021 Master Obligation as provided in Section 4.12 of the Master Indenture, (2) in the event of condemnation of all or a portion of the Facilities to the extent that the Borrower is permitted to exercise its option to prepay all or a portion of the Series 2021 Master Obligation as provided in Section 4.13 of the Master Indenture, (3) if as a result of changes to the Constitution of the United States or of the State, or as a result of legislative, executive, or judicial action of the United States, the State, or any political subdivision thereof, or a regulatory body, in the opinion of Independent Counsel or Bond Counsel, the Loan Agreement has become void, unenforceable, or impossible of performance in accordance with the present intentions of the parties, (4) in the event Net Proceeds of the Title Policy are available to prepay Series 2021 Master Obligation and redeem Bonds pursuant to Section 4.01 of the Master Indenture, or (5) in the event proceeds of the Bonds remain in the Construction Fund on the date of completion of the Project, as evidenced by an Officer's Certificate certifying completion, are transferred to the Bond Fund by the Master Trustee pursuant to Section 4.03 of the Loan Agreement.

If the Bonds are called for redemption in the events described in the preceding paragraph, Bonds will be redeemed by the Issuer at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date. If Bonds are redeemed upon the occurrence of any of the events described in this Section 304(a), Bonds will be redeemed within one hundred eighty (180) days of such event.

The Bonds shall be subject to mandatory redemption upon the occurrence of a Determination of Taxability at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, plus the greater of (i) the unamortized amount of any original issue premium on the Bonds being redeemed, and (ii) three percent (3%) of the principal amount of the Bonds being redeemed.

(b) *Optional Redemption.* Bonds maturing on and after March 1, _____ are subject to redemption by the Issuer upon written direction of an Authorized Borrower Representative pursuant to Section 9.03 of the Loan Agreement prior to maturity on or after March 1, _____ in whole or in part on any date, at the redemption prices (expressed as percentages of principal amount) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, _____ through February 28, _____	_____ %
March 1, _____ through February 28, _____	_____ %
March 1, _____ and thereafter	_____ %

(c) *Mandatory Redemption.* As and for the retirement of Bonds, the Basic Loan Payments specified in Section 5.02 of the Loan Agreement which are to be deposited in the Bond Fund will include an amount sufficient to redeem in part, by lot (after credit as provided below),

the following principal amounts (which include the principal amount which will be outstanding on the date of maturity) of such Bonds at one hundred percent (100%) of the principal amount thereof plus accrued interest to the redemption date:

Bonds Maturing March 1, _____

<u>March 1 of the Year</u>	<u>Principal Amount</u>	<u>March 1 of the Year</u>	<u>Principal Amount</u>
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(Leaving \$ _____ to mature March 1, _____)

Bonds Maturing March 1, _____

<u>March 1 of the Year</u>	<u>Principal Amount</u>	<u>March 1 of the Year</u>	<u>Principal Amount</u>
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(Leaving \$ _____ to mature March 1, _____)

The Issuer will be entitled to receive a credit in respect of its mandatory redemption obligation under this Section 304(c) for Bonds delivered, purchased, or redeemed, as hereinafter provided, if the Borrower at its option purchases in the open market and delivers to the Bond Trustee for cancellation Bonds or redeems Bonds (other than through mandatory redemption under this Section 304(c)) and such Bonds have not theretofore been applied as a credit against any mandatory redemption obligation. Each such Bond so purchased or redeemed will be credited by the Bond Trustee at 100% of the principal amount thereof on the obligation of the Issuer on such mandatory redemption payment date, and any excess will be credited on future mandatory redemption obligations in chronological order, and the principal amount of such Bonds to be redeemed by operation of mandatory redemption and the Basic Loan Payments specified in Section 5.02 of the Loan Agreement for mandatory redemption will be accordingly reduced.

Section 305. Partial Redemption. If less than all of the Bonds are called for redemption in any of the circumstances set forth above, other than mandatory redemption pursuant to Section 304(c) hereof, the Bonds will be redeemed as directed in writing by an Authorized Borrower Representative and if less than all of the Bonds of a maturity are to be redeemed, and in the case of mandatory redemption pursuant to Section 304(c) hereof, the particular Bonds or portions

thereof of such series to be redeemed within a maturity will be selected by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot in such manner as the Bond Trustee shall determine. If the Bond Trustee receives no such direction from the Borrower, Bonds shall be redeemed in inverse order of maturity and if less than all of the Bonds of a maturity are to be redeemed, the particular or portions thereof within a maturity to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures or, if the book-entry system is discontinued, by lot in such manner as the Bond Trustee shall determine. If a Bond is of a denomination larger than \$25,000, a portion of such Bond may be redeemed, but Bonds will be redeemed only in an amount that causes the unredeemed portion to be in an Authorized Denominations. Upon surrender of any Bond for redemption in part, the Issuer will execute and the Bond Trustee will authenticate and deliver to the Owner thereof a new Bond or Bonds of the same series, interest rate, and maturity and of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 306. Payment Upon Redemption. On or prior to each redemption date, the Bond Trustee shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust from the Bond Fund an amount sufficient to pay the principal of and interest on such Bonds. On or after the date fixed for redemption, the Bond Trustee shall pay the principal of and premium, if any, on such Bond from the moneys set aside for such purpose. If the Bonds are no longer in book-entry form, such payment shall be made only upon presentation and surrender of any such Bond at the designated corporate trust office of the Bond Trustee.

Section 307. Effect of Redemption. Notice of redemption having been given as provided in Section 303 hereof, the Bonds or portions thereof designated for redemption shall become and be due and payable on the date fixed for redemption at the redemption price provided for herein, provided immediately available funds for their redemption are on deposit at the place of payment at that time, and, unless the Issuer defaults in the payment of the principal thereof and interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption. If any Bond or portion thereof called for redemption is not so paid, such Bond or portion thereof shall continue to bear interest at the rate set forth therein until paid or until due provision is made for the payment of the same.

Section 308. Purchase of Bonds. At the direction of an Authorized Borrower Representative in writing, the Bond Trustee shall apply moneys in the Bond Fund held for redemption or payment of Bonds, in excess of any amount set aside for payment of Bonds theretofore matured or called for redemption and unpaid interest in all cases where such Bonds have not been presented for payment, to the purchase on the open market of Outstanding Bonds subject to redemption or payment from such moneys as herein provided, and upon such purchase such Bonds shall be canceled and the amount of such redemption or principal payment shall thereupon be reduced by the principal amount of such Bonds so purchased and canceled, provided that no credit shall be given for such Bonds so purchased within the forty-five (45) days next preceding the redemption or payment date. Subject to the above limitations, the Bond Trustee shall, if directed by an Authorized Borrower Representative in writing, purchase Bonds on the open market for cancellation at such times, for such prices (not to exceed the redemption price to redeem such bonds pursuant to Section 304(b) hereof), in such amounts, and in such manner (whether after advertisement for tenders or otherwise) as so directed by the Borrower and as may

be possible with the amount of money available in the Bond Fund. The expenses of such purchase shall be deemed an Ordinary Expense of the Bond Trustee.

Section 309. Cancellation. All Bonds, which have been purchased, redeemed, paid, or retired, or received by the Bond Trustee for exchange, shall not be reissued but shall be canceled and destroyed by the Bond Trustee, in accordance with Section 206 hereof.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS

Section 401. Condition of Issuer's Obligation; Payment of Principal and Interest.

Each and every covenant herein made, including all covenants made in the various sections of this Article IV, is predicated upon the condition that any obligation for the payment of money incurred by the Issuer shall never constitute an indebtedness or general obligation of the Issuer nor constitute an indebtedness or general obligation of the State of Georgia (the "State"), Coweta County, Georgia, or any other political subdivision of the State, within the meaning of any constitutional or statutory provision whatsoever. The principal of and interest on the Bonds shall be payable solely from the Trust Estate, and nothing in the Bonds or in this Bond Indenture shall be considered as pledging any other funds or assets of the Issuer.

The Issuer covenants that it shall promptly pay from the sources provided herein and in the Loan Agreement the principal of and interest on every Bond issued under this Bond Indenture at the place, on the dates, and in the manner provided herein and in said Bonds, according to the true intent and meaning thereof. The Issuer hereby appoints and designates the Designated Corporate Trust Office of the Bond Trustee as the place of payment for the Bonds, and the Bond Trustee as the paying agent for the Bonds, such designation and appointment to remain in effect until written notice of change is filed as provided in Section 1108 hereof.

Section 402. Performance of Covenants; Authority of the Issuer. The Issuer covenants that it shall faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Bond Indenture, in any and every Bond executed, authenticated, and delivered hereunder, and in all proceedings pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Bond Indenture, to convey the Trust Estate to the Bond Trustee, and to pledge the receipts, revenues, and collateral hereby pledged in the manner and to the extent herein set forth, that all action required on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture have been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import thereof.

Section 403. Instruments of Further Assurance. The Issuer agrees that the Bond Trustee may defend its rights to the payments and other amounts due under the Loan Agreement and the Series 2021 Master Obligation for the benefit of the Bondholders, against the claims and demands of all Persons whomsoever. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered such indentures supplemental hereto and such further acts, instruments, and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Bond Trustee the Trust Estate. Any and all property hereafter acquired which is of the kind or nature provided herein to be and become subject to the lien and security interest hereof shall, without any further conveyance, assignment, or act on the part of the Issuer or the Bond Trustee, be and become subject to the lien and security interest of this Bond Indenture as fully and completely as though specifically described herein, but nothing in this sentence contained shall be deemed to modify or change the obligations of the Issuer under this Section. The Issuer

covenants and agrees that, except as herein and in the Loan Agreement provided, it has not and will not sell, convey, assign, pledge, mortgage, encumber, grant a security interest in, or otherwise dispose of, or create or suffer to be created any lien, encumbrance, security interest, or charge upon, any part of the Trust Estate or of its rights under the Loan Agreement or the Series 2021 Master Obligation, or enter into any contract or take any action by which the rights of the Bond Trustee or the Bondholders may be impaired.

Section 404. Rights Under the Loan Agreement and the Series 2021 Master Obligation. The Loan Agreement and the Series 2021 Master Obligation, duly executed counterparts of which have been filed with the Bond Trustee, set forth the covenants and obligations of the Issuer and the Borrower. Pursuant to the granting clauses of this Bond Indenture, the Issuer has assigned to the Bond Trustee its right, title, and interest (other than Unassigned Rights) in and to the Loan Agreement and the Series 2021 Master Obligation, and the Bond Trustee may enforce all rights of the Issuer and all obligations of the Borrower under and pursuant to the Series 2021 Master Obligation and may enforce all rights of the Issuer for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

So long as any of the Bonds remain Outstanding, and for such longer period when required by the Loan Agreement, the Issuer shall faithfully and punctually perform and observe all obligations and undertakings on its part to be performed and observed under the Loan Agreement. The Issuer covenants to maintain, at all times, the validity and effectiveness of the Bond Documents and (except as expressly permitted by the Loan Agreement) shall take no action, shall permit no action to be taken by others, and shall not omit to take any action or permit others to omit to take any action, which action or omission might release the Borrower from its liabilities or obligations under the Bond Documents or result in the surrender, termination, amendment, or modification of, or impair the validity of, the Bond Documents.

The Issuer covenants to enforce diligently all covenants, undertakings, and obligations of the Borrower under the Bond Documents and the Issuer hereby authorizes and directs the Bond Trustee to enforce any and all of the Issuer's rights under the Bond Documents on behalf of the Issuer and Owners of the Bonds.

The Bond Trustee shall retain possession of executed counterparts of the Bond Documents and shall release the same only in accordance with the provisions thereof. The Bond Trustee shall make copies of the Bond Documents for the Issuer, the Borrower, and any Owner of any Bond upon request and payment of the expenses associated with the provision of such copies.

Section 405. Designation of Additional Paying Agents. The Issuer shall, upon the written request of the Borrower and payment of any expenses incurred in connection therewith pursuant to Section 5.02 of the Loan Agreement, cause the necessary arrangements to be made through the Bond Trustee for the designation of additional paying agents as specified by the Borrower for the making available of funds for the payment of such of the Bonds as shall be presented when due at the principal office of said additional paying agents.

Section 406. Trustee's Disclosure Responsibilities. The Bond Trustee shall have no responsibility whatsoever with respect to any disclosure to Bondholders or any other Person or any public disclosure of any event or circumstance occurring, arising or existing with respect to

the Bonds, the Issuer, the Borrower, the Facilities, or any other matter, except that the Bond Trustee shall give to the Dissemination Agent a copy of any notice the Bond Trustee is required to give to the Borrower or to Bondholders pursuant to the default provisions of this Bond Indenture or any other Bond Document.

[End of Article IV]

ARTICLE V

FUNDS

Section 501. Bond Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated the “Bond Fund” which shall be used as a sinking fund to pay the principal of and interest on the Bonds

There shall be deposited into the Bond Fund, as and when received, (i) the amounts set forth in Article VI hereof, (ii) all Basic Loan Payments specified in Section 5.02(a) of the Loan Agreement, and (iii) all other moneys received by the Bond Trustee under and pursuant to any of the provisions of the Loan Agreement when accompanied by written directions from an Authorized Borrower Representative that such moneys are to be paid into the Bond Fund.

Except as provided in Section 506 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of and interest on the Bonds, for the redemption of Bonds at or prior to maturity, and to purchase Bonds in the open market pursuant to Section 308 of this Bond Indenture. However, upon an Event of Default, the Bond Trustee may use moneys in the Bond Fund for the benefit of Bondholders and to pay the fees and expenses of the Bond Trustee that are payable under Section 1102 hereof.

If on any Interest Payment Date there should be insufficient funds in the Bond Fund to pay the interest and principal due on the Bonds, the Bond Trustee shall notify the Master Trustee, and instruct the Master Trustee to transfer for deposit to the Bond Fund from the Debt Service Reserve Fund such amounts as are necessary to pay the interest and principal due on the Bonds.

The Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Bond Trustee and to the paying agent or agents for the purpose of paying said principal and interest, which authorization and direction the Bond Trustee hereby accepts.

Section 502. [Reserved.]

Section 503. Rebate Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a special trust fund designated the “Rebate Fund” which will be held, invested, expended and accounted for in accordance with the Tax Agreement. Moneys in the Rebate Fund shall not be considered moneys held under this Bond Indenture and shall not constitute part of the Trust Estate held for the benefit of the Owners of the Bonds or the Issuer. Moneys in the Rebate Fund shall be held in trust by the Bond Trustee and shall be held for future payment to the United States as directed by the Borrower and as contemplated under the provisions of the Tax Agreement.

Section 504. Non-presentment of Bonds. If any Bonds required to be presented for payment are not be presented for payment when the principal thereof becomes due, either at maturity, at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bonds shall have been made available to the Bond Trustee for the benefit of the Owner or Owners thereof, all liability of the Issuer and the Borrower to the Owner or Owners thereof for the payment

of such Bonds shall forthwith cease, determine, and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his or their part under this Bond Indenture or on, or with respect to, said Bonds.

Any moneys so deposited with and held by the Bond Trustee not so applied to the payment of Bonds, if any, within four (4) years after the date on which the same shall have become due (or such earlier date as immediately precedes the date on which such funds would be required to escheat or be payable to the State or any other governmental unit under any laws governing unclaimed funds) shall be paid by the Bond Trustee to the Borrower upon receipt of a written request of the Borrower, and thereafter Bondholders shall be entitled to look only to the Borrower for payment, and then only to the extent of the amount so repaid, and the Borrower shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. If the Borrower fails to make the aforementioned written request, the Bond Trustee shall apply such moneys in accordance with applicable laws governing unclaimed funds.

Section 505. Moneys to be Held in Trust. All moneys and instruments required to be deposited with or paid to the Bond Trustee for the account of the Bond Fund or any other trust fund or reserve under any provision of this Bond Indenture other than the Rebate Fund, and any investments purchased with such moneys, shall be held by the Bond Trustee in trust and shall, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the trust created hereby and any lien or security interest granted with respect to the Trust Estate and shall be and remain entitled to the benefit and shall be subject to the Trust Estate of this Bond Indenture for the equal and proportionate benefit of the Owners of all Outstanding Bonds, except for certain amounts held in the Rebate Fund, which shall be for the benefit of the United States Treasury. The Bond Trustee hereby covenants that all moneys, investments, and instruments held in any fund under this Bond Indenture are a part of the Trust Estate, and that the rights and interests of the Bondholders in and to such moneys, investments, and instruments and collateral are and, subject to the provisions of Section 1102 hereof with respect to the payment of the fees and expenses of the Bond Trustee, shall be superior to the claims of the creditors and depositors of the Bond Trustee.

Section 506. Amounts Remaining in Funds and Accounts. Any amounts remaining in the Bond Fund, the Rebate Fund, or any other fund, account, or reserve created under this Bond Indenture, after payment in full of the principal of and interest on the Bonds (or provision for payment thereof as provided in this Bond Indenture), the fees, charges, and expenses of the Bond Trustee, any paying agents, and the Issuer, the amounts required to be paid to the United States pursuant to the Tax Agreement, and all other amounts required to be paid hereunder shall be promptly paid to or at the direction of an Authorized Borrower Representative as a refund of excess loan payments under the Loan Agreement.

[End of Article V]

ARTICLE VI

CUSTODY AND APPLICATION OF PROCEEDS OF BONDS

Section 6.01. The Bonds. Upon the issuance and delivery of the Bonds, the Bond Trustee shall deposit the proceeds of the Bonds (the principal amount of the Bonds, [\$Amount].00, plus [net] premium of \$_____ and less Underwriter's discount in the amount of \$_____, a total of \$_____) as follows:

- (a) There shall be deposited in the Issuance Cost Fund the sum of \$_____.
- (b) There shall be deposited with UMB Bank, National Association in its capacity as trustee for the Series 2016 Bonds (the "2016 Trustee") the sum of \$_____ for the refunding and defeasance of the Series 2016 Bonds.
- (c) There shall be deposited in the Debt Service Reserve Fund the sum of \$_____.
- (d) There shall be deposited in the Construction Fund the sum of \$_____.

Section 6.02. Other Deposits of Funds. Upon issuance and delivery of the Bonds, there shall be deposited in the Issuance Cost Fund, from funds provided by the Borrower, the sum of \$_____.

[End of Article VI]

ARTICLE VII
INVESTMENTS

Section 701. Investment of Funds and Accounts. Subject to Article IX hereof, any moneys held as part of the Bond Fund, the Rebate Fund, reserves in connection with contested liens, or other special trust funds created under this Bond Indenture, or other accounts or funds held by the Bond Trustee, to the extent permitted by law shall be invested and reinvested by the Bond Trustee, but only at the written request of and as specified by an Authorized Borrower Representative, in accordance with the provisions of Section 4.04 of the Loan Agreement. Any such investments shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the respective fund or account, and the interest accruing thereon and any profit realized from such investments shall be credited as set forth in Section 702 of this Bond Indenture, and any loss resulting from such investments shall be charged to such fund. The Bond Trustee is directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient for the uses prescribed for moneys held in such fund or account. The Bond Trustee may transfer investments from any fund or account to any other fund or account in lieu of cash when required or permitted by the provisions of this Bond Indenture. In computing the assets of any fund or account, investments and accrued interest thereon shall be deemed a part thereof. Such investments shall be valued at their fair market value. The Bond Trustee shall not be liable for any depreciation in the value of any obligations in which moneys of funds or accounts shall be invested, as aforesaid, or for any loss arising from any such investment. Such investments shall be made only as follows:

- (i) moneys in the Rebate Fund, and any other accounts or funds other than the Bond Fund only in obligations maturing or redeemable at the option of the holder in such amounts and on such dates as may be necessary to provide moneys to meet the payments from each such respective fund, and
- (ii) moneys in the Bond Fund only in obligations maturing or redeemable at the option of the holder not later than the next-succeeding principal or Interest Payment Date of the Bonds.

The Bond Trustee and the Issuer jointly and severally covenant that none of the moneys held under this Bond Indenture will knowingly be used in any manner which will cause any Bonds, the interest on which is excludable from the gross income of the Owners thereof for federal income tax purposes, to become arbitrage bonds within the meaning of Section 148 of the Code and any Regulations proposed or promulgated in connection therewith or to become federally guaranteed within the meaning of Section 149(b) of the Code and any Regulations proposed or promulgated in connection therewith. The Bond Trustee's and Issuer's reliance upon the written investment instructions of an Authorized Borrower Representative shall fully protect the Bond Trustee and the Issuer in fulfilling their obligations set forth above.

Section 702. Allocation of Income from Investments. All interest accruing from investments of moneys in the Bond Fund, the Rebate Fund, and other funds and any profit realized therefrom shall be allocated as follows:

- (a) interest and profits from the investments of moneys in the Accounts within the Bond Fund shall be retained in such Accounts;
- (b) interest and profits from the investment of moneys in the Rebate Fund shall be retained in the Rebate Fund; and
- (c) interest and profits from the investment of moneys in any other funds shall be retained in the respective funds.

Section 703. Trustee's Own Bond or Investment Department. The Bond Trustee may make any and all investments permitted under Section 701 hereof through its own bond or investment department.

Section 704. Investment Records. The Bond Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation, and application of the moneys held under this Bond Indenture. The Bond Trustee shall make copies of such records available to the Borrower, upon its reasonable written request. The Bond Trustee agrees to retain investment records relating to the moneys held under this Bond Indenture until six (6) years after the Bonds are no longer Outstanding.

[End of Article VII]

ARTICLE VIII

[RESERVED]

ARTICLE IX

DISCHARGE OF LIEN

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provisions for payment made, to or for (i) the Owner of any Bond, or any portion of any such Bond, the principal and interest due or to become due thereon, then such Bond or portion thereof, and (ii) the Owners of all Outstanding Bonds the principal and interest due or to become due thereon and shall pay or cause to be paid all fees and expenses of the Bond Trustee and each paying agent due or to become due under this Bond Indenture, then this Bond Indenture and these presents and the estate, lien, interests, and rights hereby created and granted shall cease, determine, terminate, and become null and void (except as to any surviving rights of registration, transfer, or exchange of Bonds herein provided for and except for the Bond Trustee's obligations under Section 704 hereof), and thereupon the Bond Trustee shall cancel and discharge the lien and security interest of this Bond Indenture. At the time of such cessation, termination, discharge and satisfaction, (1) the Bond Trustee shall execute and deliver to the Issuer and the Borrower all such instruments as may be appropriate or reasonable requested by the Issuer or the Borrower to evidence such cessation, termination, discharge and satisfaction, and (2) the Bond Trustee and the paying agents shall pay over or deliver to the Borrower or on its order all moneys and securities held by them pursuant to this Bond Indenture (A) which are not required for (x) the payment of the principal of and interest on Bonds not theretofore surrendered for payment or redemption, (y) the payment of all other amounts due or to become due under this Bond Indenture and the Loan Agreement, and (z) the payment of any amounts the Bond Trustee has been directed to pay to the United States under the Tax Agreement or this Bond Indenture.

Any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been paid and defeased within the meaning and with the effect expressed in the first paragraph of this Article with respect to payment of such Bond hereunder if:

(i) there shall have been irrevocably deposited with the Bond Trustee, in trust, either moneys in an amount which shall be sufficient, along with any other moneys held by the Bond Trustee and available therefor, or Government Obligations not redeemable by the issuer thereof, the principal of and interest on which when due, without reinvestment, will provide moneys which, together with the moneys, if any, deposited with the Bond Trustee at the same time, shall be sufficient, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and if all Bonds Outstanding are to be deemed to have been paid and defeased, an amount equal to the Bond Trustee's and paying agents' necessary and proper fees, compensation, and expenses under this Bond Indenture accrued and to accrue until such redemption date or date of maturity,

(ii) if such Bonds are to be redeemed and are subject to immediate redemption, the Issuer shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to give notice of redemption of such Bonds as provided in Section 303 of this Bond Indenture,

(iii) if said Bonds are to be redeemed and are not by their terms subject to redemption within the next succeeding sixty (60) days, the Issuer shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to (a) give notice of redemption of such Bonds as provided in Section 303 of this Bond Indenture not fewer than thirty (30) nor more than sixty (60) days prior to a date on which such Bonds are subject to redemption and (b) give, as soon as practicable in the same manner as a notice of redemption of such Bonds as provided in Section 303 of this Bond Indenture, a notice to the Owners of such Bonds stating that the deposit required by (i) above has been made with the Bond Trustee, stating that said Bonds are deemed to have been paid in accordance with this Article, and stating such maturity or redemption dates upon which moneys are to be available for the payment of the principal of and interest on such Bonds,

(iv) Unless there shall have been irrevocably deposited with the Bond Trustee moneys in an amount which shall be sufficient, along with any other moneys held by the Bond Trustee and available therefore sufficient to pay the principal or redemption price, if applicable, and interest due and to become due on such Bonds without taking into account any investment earnings, there shall have been submitted to the Issuer and the Bond Trustee a certificate of an Accountant to the effect that the deposit required by (i) above will provide funds sufficient to pay when due the principal or redemption price, if applicable, and interest due and to become due on such Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and

(v) there shall have been submitted to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel.

Neither Government Obligations nor moneys deposited with the Bond Trustee pursuant to this Section nor principal nor interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or redemption price, if applicable, and interest on said Bonds; provided that any cash received from such principal or interest payments on such Government Obligations deposited with the Bond Trustee, if not then needed for such purpose, shall, to the extent practicable, at the written direction of an Authorized Borrower Representative, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and an amount equal to the Bond Trustee's and paying agents' fees and expenses under this Bond Indenture accrued and to accrue until such redemption date or date of maturity.

The items required by (i), (ii), (iii), (iv) and (v) of the second preceding paragraph above may be submitted with respect to any particular Bonds or series of Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), in which case such Bonds shall no longer be deemed to be Outstanding and shall be deemed to be paid within the meaning of this Article, and the Owners of such Bonds shall be secured only by such deposit and not by any other part of the Trust Estate.

Anything in Article XII hereof to the contrary notwithstanding, if such moneys or Government Obligations have been deposited or set aside with the Bond Trustee pursuant to this Article for the payment of Bonds and interest thereon, if any, and such Bonds shall not have in fact

been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Owner of each Bond affected thereby.

[End of Article IX]

ARTICLE X

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 1001. Defaults; Events of Default. If any of the following events occur, subject to the provisions of Sections 1010 and 1011 hereof, it is hereby defined as and declared to be and to constitute a default and an “Event of Default”:

- (a) default in the due and punctual payment of any interest on any Bond;
- (b) default in the due and punctual payment of the principal of any Bond, whether at the stated maturity thereof, or upon proceedings for redemption thereof, or upon the maturity thereof by declaration;
- (c) the occurrence of an “Event of Default” under the Deed to Secure Debt, the Loan Agreement or the Master Indenture; or
- (d) any material breach by the Issuer of any representation or warranty made in this Bond Indenture or default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Issuer in this Bond Indenture (other than as described in (a) and (b) above) or in the Bonds contained, subject to the provisions of Section 1011 of this Bond Indenture.

Section 1002. Acceleration. If an Event of Default specified in paragraphs (a) or (b) of Section 1001 hereof shall occur and be continuing, the Bond Trustee shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. If an Event of Default specified in paragraph (c) or (d) of Section 1001 hereof shall occur and be continuing, the Bond Trustee may, and upon the written request of Majority Bondowners shall, by notice in writing delivered to the Issuer, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee on behalf of the Issuer shall immediately declare all installments of Series 2021 Master Obligation Payments payable under Section 5.02 of the Loan Agreement to become immediately due and payable in accordance with Section 10.02 of the Loan Agreement.

The above provisions of Sections 1001 and 1002 hereof, however, are subject to the condition that if, after the principal of all Bonds then Outstanding shall have been so declared to be due and payable, all arrears of interest upon such Bonds and the principal of all Bonds then Outstanding which shall have become due and payable otherwise than by acceleration, and all other sums payable under this Bond Indenture, except the principal of and interest on the Bonds which by such declaration shall have become due and payable, shall have been paid by or on behalf of the Issuer, together with the reasonable expenses of the Bond Trustee, the Issuer, and of the Owners of such Bonds, including attorneys’ fees actually paid or incurred, and the Loan Agreement shall be in full force and effect, then and in every such case, the Bond Trustee shall annul such declaration of maturity and its consequences, which waiver and annulment shall be

binding upon all Bondholders; but no such waiver, rescission, and annulment shall extend to or affect any subsequent default or impair or exhaust any right, power, or remedy consequent thereon. In the case of any such annulment, the Issuer, the Bond Trustee, and the Bondholders shall be restored to their former positions and rights under this Bond Indenture.

Section 1003. Remedies Upon Event of Default. If an Event of Default with respect to the Bonds occurs and is continuing, the Bonds shall bear interest at the rate of interest borne by such Bonds and the Bond Trustee shall have the power to proceed with any available right or remedy granted by the Bond Documents or Constitution and laws of the State, as it may deem best, including any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Bond Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any proper legal or equitable remedy as the Bond Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law. The Bond Trustee, as the assignee of all of the right, title, and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights) and the Series 2021 Master Obligation, shall enforce each and every right granted to the Issuer under the Loan Agreement (except for the Unassigned Rights) and the Series 2021 Master Obligation. Upon the occurrence of an Event of Default, the Bond Trustee, in its own name and as trustee of an express trust, or in the name of the Issuer without the necessity of joining the Issuer, shall be entitled to institute any action or proceedings at law or in equity and may prosecute any such action or proceedings to judgment or final decree and may enforce any such judgment or final decree against any Borrower thereon and collect in the manner provided by law, but limited as provided in the Bond Documents, out of the property of any Borrower thereon wherever situated the moneys adjudged or decreed to be payable for the benefit of the Bondholders, or on behalf of the Issuer. The rights herein specified are to be cumulative to all other available rights, remedies, or powers and shall not exclude any such rights, remedies, or powers.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of any Borrower under the Loan Agreement under federal bankruptcy law or any other applicable law, or in the case a receiver or Bond Trustee shall have been appointed for the property of any such Borrower, or in the case of any other judicial proceedings relative to any Borrower under the Loan Agreement or relative to the creditors or property of any such Borrower, the Bond Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Bond Trustee shall have made any demand pursuant to the power vested in it by this Bond Indenture) shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Bond Trustee (including any claim for reasonable compensation to the Bond Trustee, its agents, attorneys, and counsel and for reimbursement of all expenses and liabilities incurred and all advances made by the Bond Trustee except as a result of its negligence or willful misconduct) and of the Bondholders allowed in any such judicial proceedings relative to the Borrower or any other obligor under the Loan Agreement, or relative to the creditors or property of the Borrower, or relative to any such other Borrower, as the case may be, and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute all amounts received with respect to the claims of the Bondholders and of the Bond Trustee on their behalf. Any receiver, assignee, or Bond Trustee in bankruptcy or reorganization is hereby authorized by each of the Bondholders to make payments

to the Bond Trustee and if the Bond Trustee shall consent to the making of payments directly to the Bondholders, to pay to the Bond Trustee such amount as shall be sufficient to cover reasonable compensation to the Bond Trustee, its agents, attorneys, and counsel and all other expenses and liabilities incurred and all advances made by the Bond Trustee except as a result of its negligence or willful misconduct.

Section 1004. Rights of Bondholders to Require Trustee to Pursue Remedies. If an Event of Default occurs and is continuing, and, subject to the provisions of Section 1002 hereof, if requested so to do by Majority Bondowners and if indemnified as provided in Section 1114 hereof, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section and by Sections 1002 and 1003 as the Bond Trustee, being advised by counsel, shall deem most expedient in the interests of all Bondholders.

No lien, right, or remedy by the terms of this Bond Indenture conferred upon or reserved or otherwise available to the Bond Trustee or Bondholders is intended to be or shall be construed to be exclusive of any other available lien, right, or remedy, but each and every such lien, right, or remedy shall be cumulative and shall be in addition to any other lien, right, or remedy given to the Bond Trustee or Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right, power, or remedy accruing upon any default or Event of Default shall impair any such right, power, or remedy or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, but every such right, power, or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Bond Trustee or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon. The giving, taking, or enforcement of any other or additional security, collateral, or guarantee for the payment of Bonds shall not operate to prejudice, waive, or affect the Trust Estate or any rights, powers, or remedies under this Bond Indenture, nor shall the Bond Trustee be required to first look to, enforce, or exhaust such other additional security, collateral, or guarantees.

Section 1005. Rights of Bondholders to Direct Proceedings. Anything in this Bond Indenture to the contrary notwithstanding, but subject to Section 1002 hereof, Majority Bondowners shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, provided the Bond Trustee is indemnified pursuant to Section 1114 hereof, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture or in connection with the appointment of a receiver or in connection with any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Indenture.

Section 1006. Application of Moneys. Upon an Event of Default and if moneys held by the Bond Trustee are insufficient to pay the principal of and interest on the Bonds, all moneys received and held by the Bond Trustee pursuant to this Bond Indenture as security (except for moneys deposited in the Bond Fund pursuant to Section 4.03 of the Loan Agreement which shall

secure Bonds that have been called for redemption from such moneys and the Rebate Fund) and all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST - To the payment of the (i) Ordinary Expenses and Extraordinary Expenses of the Bond Trustee, costs and compensation of any advances made by the Bond Trustee and any receiver, reasonable attorneys' fees of the Bond Trustee or any receiver, and any other costs or expenses incurred in the collection of such money and (ii) any amounts due to the Issuer under the Loan Agreement;

SECOND - To the payment to the Owners entitled thereto of all installments of interest then due on the Bonds at the rate of interest borne by the Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Owners entitled thereto, without any discrimination or privilege;

THIRD - To the payment to the Owners entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), in the order of their due dates, with interest at the same rate as the interest on such Bonds from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full principal of and interest on the Bonds due on any particular date, then to the payment ratably, according to the amount of the principal and interest due on such date, to the Owners entitled thereto without any discrimination or privilege; and

FOURTH - To the Borrower.

(b) If the principal of all the Bonds has become due or has been declared due and payable, all such moneys will be applied first to the items described in paragraph FIRST of the preceding subsection (a), and then to the payment to the Owners entitled thereto of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Owners entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section, subject to the provisions of paragraph (b) of this Section if the principal of all the Bonds shall later become due or be declared due and payable.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times and from time to time as the Bond Trustee shall determine, having due regard to the amount of such moneys available for such application and the likelihood of additional money becoming available for such application in the future. Whenever the Bond Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, but in accordance with the provisions of Section 208 hereof, and shall not be required to make payment to the Owner of any Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Section 1007. Remedies Vested in the Bond Trustee. All rights of action (including the right to file proof of claims) under this Bond Indenture or under any of the Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto, and any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the Owners of Outstanding Bonds.

Section 1008. Limitations on Rights and Remedies of Bondholders. No Bondholder shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or under the Bond Documents, unless: (i) a default has occurred of which the Bond Trustee has been notified as provided in subsection (h) of Section 1101, or of which by said subsection it is deemed to have notice, (ii) such default shall have become an Event of Default, (iii) Majority Bondowners shall have made written request to the Bond Trustee and provided the indemnity required by Section 1114 of this Bond Indenture and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, and (iv) the Bond Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its, his, or their own name or names. Such notification, request, and offer of opportunity and indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of this Bond Indenture and to any action or cause of action for the enforcement of this Bond Indenture or for the appointment of a receiver or for any other remedy hereunder or under the Bond Documents; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Bond Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the Owners of all Bonds then Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Issuer to pay the principal of and interest on each of the Bonds issued hereunder to the respective Owners thereof at the time, place, from the source, and in the manner in said Bonds expressed.

Section 1009. Termination of Proceedings. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every such case the Issuer, the Bond Trustee, and Bondholders shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Bond Trustee shall continue unimpaired as if no such proceedings had been taken.

Section 1010. Waivers of Events of Default. The Bond Trustee may in its discretion waive any Event of Default hereunder and rescind its consequences and shall waive any Event of Default hereunder and its consequences and shall rescind any declaration of maturity of principal of and interest on the Bonds upon the written request of Majority Bondowners; provided, however, that there shall not be waived any Event of Default in the payment when due of the (i) principal of any Outstanding Bonds at the date of maturity specified therein or (ii) interest on any such Bonds, unless prior to such waiver or rescission the consent of the Owners of 100% in aggregate principal amount of Bonds then Outstanding to such waiver shall have been obtained and all arrears of interest and all arrears of payments of principal when due, with interest on such overdue amounts (to the extent permitted by law) at the rate borne by the Bonds, and all expenses of the Bond Trustee in connection with such default, shall have been paid or provided for. In the case of any such waiver or rescission, or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Bond Trustee, then and in every such case the Issuer, the Bond Trustee, and the Bondholders shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon. All waivers under this Bond Indenture shall be in writing.

Section 1011. Notice of Defaults; Opportunity of the Issuer and the Borrower to Cure Defaults. Anything herein to the contrary notwithstanding, no default under Section 1001(d) hereof shall constitute an Event of Default until actual written notice of such default by registered or certified mail shall be given by the Bond Trustee or by Majority Bondowners to the Borrower and the Issuer, and the Borrower and the Issuer shall have had thirty (30) days after receipt of such notice to correct said default or cause said default to be corrected and shall not have corrected said default or caused said default to be corrected within the applicable period; provided, however, if said default be such that it cannot with due diligence be cured within the applicable period but can be wholly cured within a period of time not materially detrimental to the rights of the Bond Trustee, it shall not constitute an Event of Default if corrective action is instituted by the Borrower or Issuer, as the case may be, within the applicable period and diligently pursued until the default is corrected in accordance with and subject to any directions or limitations of time established in writing by the Bond Trustee which are delivered to the Borrower and the Issuer.

With regard to any default concerning which notice is given to the Borrower under the provisions of this Section 1011, the Issuer hereby grants the Borrower full authority for the account of the Issuer to perform any covenant or obligation alleged in said notice to constitute a default, in the name and stead of the Issuer with full power to do any and all things and acts to the same extent that the Issuer could do and perform any such things and acts and with power of substitution.

In addition, the Bond Trustee shall give written notice of all other Events of Default to the Borrower by registered or certified mail, by Electronic Means, or by personal delivery, provided, however, such notice shall not be a condition precedent to the Bond Trustee or Bondholders exercising any right or remedy granted to them hereunder.

Any notice of default hereunder shall prominently include in the title:

- (i) The complete title of the Bonds,
- (ii) The complete names of the Issuer and the Borrower,
- (iii) The entire nine-digit CUSIP number for each affected maturity of Bonds,
- (iv) the record date, if any, for the notice, and
- (v) a title or reference line that provides a comprehensive summary of the subject of the notice, including a statement that the notice relates to defaulted municipal securities, in no more than 500 characters.

Any notice of default hereunder shall also be given to:

The Depository Trust Company
Proxy Department
55 Water Street, 50th Floor
New York, New York 10041-0099
Facsimile 212-709-6896

[End of Article X]

ARTICLE XI

THE BOND TRUSTEE

Section 1101. Acceptance of the Trusts. The Bond Trustee hereby accepts the trusts imposed upon it by this Bond Indenture, represents and covenants that it is fully empowered under applicable laws and regulations to accept said trusts, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee:

- (a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his own affairs.
- (b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, accountants, agents, receivers, or employees, and shall not be responsible for the acts of any attorneys, accountants, agents, or receivers appointed by it in good faith, and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, accountants, agents, receivers, and employees as may be reasonably employed in connection with the trusts hereof. The Bond Trustee may act upon the opinion or advice of any attorneys (who may be the attorney or attorneys for the Issuer or the Borrower) approved by the Bond Trustee in the exercise of reasonable care. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or non-action taken in good faith in reliance upon such opinion or advice.
- (c) The Bond Trustee shall not be responsible for any recital other than its own contained herein or in the Bonds (except in respect to the authentication certificate of the Bond Trustee endorsed on the Bonds) or for insuring the property conveyed hereby or for collecting any insurance moneys or for the validity of the execution by the Issuer of this Bond Indenture or any supplemental indentures hereto or instruments of further assurance or for the sufficiency of the Trust Estate for the Bonds issued hereunder or intended to be secured hereby or for the value of or title to the property conveyed hereby or otherwise as to the maintenance of the Trust Estate; except that if the Bond Trustee enters into possession of a part or all of the property conveyed hereby pursuant to any provision of this Bond Indenture, it shall use the same degree of care and skill in the performance of its duties as a prudent man would exercise under the circumstances in the conduct of his own affairs in preserving such property. The Bond Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or

agreements on the part of the Issuer or on the part of the Borrower under the Loan Agreement except as herein expressly set forth.

- (d) The Bond Trustee shall not be accountable for the use of the proceeds from the sale of the Bonds disbursed in accordance with the provisions of this Bond Indenture. The Bond Trustee may become the Owner of Bonds secured hereby with the same rights, which it would have, if not Trustee.
- (e) The Bond Trustee shall be protected in acting in good faith upon any notice, request, resolution, consent, certificate, order, affidavit, letter, or other paper or document, or oral communication or direction, reasonably believed to be genuine and correct and to have been signed or sent or given by the proper person or persons. The Bond Trustee shall not unreasonably withhold its consent to, approval of, or action with respect to any reasonable request of the Issuer or the Borrower. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond shall be conclusive and binding upon all future Owners of the same Bond and of any Bond or Bonds issued in exchange therefor or upon transfer of or in place thereof.
- (f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceedings, the Bond Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by the Authorized Issuer Representative or by its Chairman or Vice Chairman and upon a certificate signed on behalf of the Borrower by an Authorized Borrower Representative or by its President or a Vice President, as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of the Authorized Issuer Representative to the effect that a resolution in the form therein set forth has been adopted by the Governing Body of the Issuer as conclusive evidence that such a resolution has been duly adopted and is in full force and effect.
- (g) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty, and the Bond Trustee shall not be answerable with respect to any such permissive right for other than its negligence or willful misconduct.
- (h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except (i) failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by Article V hereof, and (ii) failure by the Borrower to make any of the payments to the Bond Trustee required to be made by Section 5.02 of the Loan Agreement, unless the Bond Trustee shall

be specifically notified in writing of such default by the Issuer or by Majority Bondowners. All notices or other instruments required by this Bond Indenture to be delivered to the Bond Trustee must, in order to be effective, be delivered at the notice address provided by the Bond Trustee pursuant to Section 1404 hereof, and in the absence of such notice so delivered the Bond Trustee may conclusively assume there is no default except as aforesaid.

- (i) The Bond Trustee shall not be liable for any debts contracted or for damages to persons or to personal property injured or damaged or for salaries or nonfulfillment of contracts during any period in which it may be in the possession of or managing the Facilities as in this Bond Indenture provided.
- (j) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect any and all of the Facilities, including all books, papers, and records of the Borrower pertaining to the Facilities and the Bonds, and to copy such books, papers, and records, subject to the limitations imposed upon such rights of inspection pursuant to Section 8.02 of the Loan Agreement.
- (k) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of its trusts and powers hereunder or otherwise in respect of the premises hereof or to file any returns or reports to any court in the execution of its trusts.
- (l) Notwithstanding anything elsewhere in this Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Bond Indenture, the delivery of any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of any such action by the Bond Trustee, deemed reasonably necessary for the purpose of establishing the right of any Person to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Bond Trustee.
- (m) All moneys received by the Bond Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Bond Indenture. Neither the Bond Trustee nor any paying agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.
- (n) The Bond Trustee may construe any provision hereof insofar as such may appear to it to be ambiguous or inconsistent with any other provision hereof, and any construction of any such provision by the Bond Trustee shall be binding upon the Bondholders and the Issuer.

- (o) The Bond Trustee shall not be liable and shall be fully protected with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Majority Bondowners relating to the time, method, and place of conducting any proceeding for any remedy available to the Bond Trustee or exercising any trust or power conferred upon the Bond Trustee under this Bond Indenture.
- (p) No provisions of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there shall be reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.
- (q) The Bond Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds and the Bond Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.
- (r) The Bond Trustee shall not in any event be responsible for ensuring that the rate of interest due and payable on the Bonds under this Bond Indenture does not exceed the highest legal rate of interest permissible under federal or state law applicable thereto.
- (s) Notwithstanding any provision of this Bond Indenture to the contrary, the Bond Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purposes of complying with Section 148 of the Code or any applicable Regulation (the "Arbitrage Rules"). The Bond Trustee shall have no responsibility for determining whether or not the investments made pursuant to the direction of an Authorized Borrower Representative or any of the instructions received by the Bond Trustee under this Bond Indenture comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer with the provisions of the Bond Indenture with respect to the Arbitrage Rules.
- (t) The Bond Trustee shall not be personally liable for any claims by or on behalf of any Person arising from the conduct or management of, or from any work or thing done on, the Facilities under state or federal laws pertaining to the transport, storage, treatment, or disposal of pollutants, contaminants, waste, or hazardous materials, or regulations, permits, or licenses issued under such laws. The Bond Trustee shall have no duty to inspect or oversee the construction or completion of the Facilities or to verify the truthfulness or accuracy of the certifications made by the Borrower with respect to the Bond Trustee's disbursements for costs of the Facilities in accordance with the Loan Agreement and this Bond Indenture.

Section 1102. Fees, Charges, and Expenses of the Bond Trustee. The Bond Trustee shall be entitled to payment and/or reimbursement for reasonable fees for Ordinary Services of the Bond Trustee rendered hereunder, and all advances, attorneys' fees, and other Ordinary Expenses

of the Bond Trustee reasonably and necessarily made or incurred by the Bond Trustee in connection with such Ordinary Services of the Bond Trustee, and if it should become necessary that the Bond Trustee perform Extraordinary Services of the Bond Trustee, it shall be entitled to reasonable extra compensation therefor and to reimbursement for reasonable and necessary Extraordinary Expenses of the Bond Trustee in connection therewith; provided, that if such Extraordinary Services of the Bond Trustee or Extraordinary Expenses of the Bond Trustee are the result of the negligence or willful misconduct of the Bond Trustee, it shall not be entitled to compensation or reimbursement therefor. The Bond Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Bond Trustee as bond registrar and paying agent for the Bonds as hereinabove provided. Notwithstanding any other provision of this Bond Indenture or the Loan Agreement to the contrary, at all times while any Bonds are Outstanding, payments to the Bond Trustee for services hereunder shall be superior to the payment of principal of and interest on the Bonds. The right of the Bond Trustee to receive payments for services provided shall survive resignation or removal hereunder.

Section 1103. Notice to Bondholders if Payment Default Occurs. If a default occurs of which the Bond Trustee is by subsection (h) of Section 1101 hereof required to take notice or if notice of default is given as in said subsection (h) provided, the Bond Trustee shall give such notice to the Borrower and the Issuer as is specified in Section 1011 hereof and such notice to the Borrower as is specified in Section 10.01 of the Loan Agreement and shall give written notice thereof by first-class mail, within fifteen (15) days (unless such default is cured or waived), to the Owners of all Bonds then Outstanding shown by the registration books maintained by the Bond Trustee pursuant to Section 207 hereof provided that, except in the case of a default in the payment of the principal of or interest on any Bond, the Bond Trustee may withhold such notice to the Bondholders if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Bond Trustee in good faith determine that the withholding of such notice is in the interests of the Bondholders and the Bond Trustee shall not be liable for withholding notice upon making such a determination.

Section 1104. Intervention by the Bond Trustee. The Bond Trustee may intervene on behalf of Bondholders in any judicial proceeding to which the Issuer or the Borrower is a party and which, in the reasonable opinion of the Bond Trustee and its counsel, has a substantial bearing on the interests of Owners of the Bonds and shall do so if requested in writing by Majority Bondowners and the indemnity required by Section 1114 hereof has been provided. The rights and obligations of the Bond Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 1105. Successor Bond Trustee. Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell, lease, or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Bond Trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, rights, obligations, duties, remedies, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instruments or any further act, deed, or

conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1106. Resignation by the Bond Trustee. The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts hereby created by giving sixty (60) days written notice to the Issuer, to the Borrower, and, by first-class (postage prepaid) registered or certified mail, to each Bondholder shown on the registration records maintained pursuant to Section 207 hereof, and such resignation shall take effect at the appointment of a successor Bond Trustee pursuant to the provisions of Section 1108 hereof and acceptance by the successor Bond Trustee of such trusts. Such notice to the Issuer and to the Borrower may be served personally or sent by registered mail. If no successor Bond Trustee shall have been so appointed pursuant to Section 1108 hereof within thirty (30) days after delivery of such notices, a temporary trustee may be appointed by the Issuer pursuant to Section 1108 hereof. If no successor Bond Trustee is appointed and has accepted appointment within sixty (60) days of the giving of written notice by the resigning trustee as aforesaid, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee.

Section 1107. Removal of the Bond Trustee. The Bond Trustee may be removed at any time (i) by the Issuer for any breach of the trusts set forth herein or for failure or refusal to act as trustee, (ii) by an instrument or concurrent instruments in writing delivered to the Bond Trustee and to the Issuer and signed by the Majority Bondowners, or (iii) by an instrument in writing delivered to the Bond Trustee and to the Issuer and signed by the Borrower provided the Borrower is not in default as to the payment of any Series 2021 Master Obligation Payments and no other Event of Default is occurring. Removal of the Bond Trustee pursuant to (ii) or (iii) above shall not be effective until the Bond Trustee is paid for all Ordinary Services and Extraordinary Services of the Bond Trustee rendered hereunder and for all Ordinary Expenses and Extraordinary Expenses of the Bond Trustee incurred hereunder.

Section 1108. Appointment of Successor Bond Trustee; Temporary Trustee. In case the Bond Trustee hereunder shall (a) resign or be removed or (b) be dissolved or shall be in the course of dissolution or liquidation, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court or otherwise become incapable of acting hereunder, a successor may be appointed by an instrument executed and signed by the Chairman or Vice Chairman and executed by an officer of the Borrower; provided, that if a successor Bond Trustee is not so appointed within ten (10) days after notice of resignation is mailed or an instrument of removal is delivered as provided under Sections 1106 and 1107 hereof, respectively, or within ten (10) days of the Issuer's knowledge of any of the events specified in (b) hereinabove, then Majority Bondowners, by an instrument or concurrent instruments in writing signed by or on behalf of such Owners, delivered personally or sent by registered mail to the Issuer and the Borrower, may designate a successor Bond Trustee. Until a successor Bond Trustee shall be appointed by the Bondholders in the manner above provided, the Issuer, by resolution and upon written notice to the Borrower, shall appoint a temporary trustee to fill such vacancy, and any such temporary trustee so appointed by the Issuer shall immediately and without further act be superseded by the successor Bond Trustee so appointed by the Bondholders. Notice of the appointment of a successor Bond Trustee shall be given in the same manner as provided by Section 1106 hereof with respect to the resignation of the Bond Trustee. Every such successor Bond Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank

organized under the laws of the United States or any state thereof and which is in good standing within or outside the State, shall be eligible to serve as trustee, bond registrar, and paying agent under the Act, shall be duly authorized to exercise trust powers and subject to examination by federal or state authority, shall have a reported combined capital, surplus, and undivided profits of not less than \$50,000,000, and shall be an institution willing, qualified, and able to accept the Bond Trusteeship upon the terms and conditions of this Bond Indenture.

In case at any time the Bond Trustee shall resign or be removed and no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Article prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the Owner of any Bond or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Bond Trustee. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor Bond Trustee.

Section 1109. Concerning Any Successor Bond Trustee. Every successor Bond Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, remedies, immunities, privileges, duties, and obligations of its predecessor, but such predecessor shall, nevertheless, on the written request of the Issuer, or of its successor, and upon payment of all amounts due such predecessor pursuant to Section 1102 hereof, execute and deliver an instrument transferring to such successor Bond Trustee all the estates, properties, obligations, duties, remedies, immunities, privileges, rights, powers, and trusts of such predecessor hereunder, and every predecessor Bond Trustee shall deliver all securities and moneys held by it as trustee hereunder to its successors, and every predecessor Bond Trustee shall deliver the registration books held by it as bond registrar hereunder to its successors. Should any instrument in writing from the Issuer be required by a successor Bond Trustee for more fully and certainly vesting in such successor the estates, trusts, rights, obligations, remedies, immunities, privileges, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any trustee and the instrument or instruments removing any trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Bond Trustee in each recording office where this Bond Indenture or a financing statement relating thereto shall have been filed or recorded, if any.

Section 1110. Right of the Bond Trustee to Pay Insurance, Taxes, and Other Charges. In case any tax, assessment, or governmental or other charge upon, or insurance premium with respect to, any part of the property herein conveyed is not paid as required herein or in the Loan Agreement and is not being contested pursuant to Section 5.07 of the Master Indenture, the Bond Trustee may pay such tax, assessment, or governmental or other charge, or insurance premium, without prejudice, however, to any rights of the Bond Trustee or Bondholders hereunder arising in consequence of such failure, and any amount at any time so paid under this Section, with interest thereon from the date of payment at the rate charged prime corporate borrowers per annum on demand loans by the commercial lending department of the Bond Trustee, shall become an additional obligation secured by this Bond Indenture and the same shall be given a preference in payment over any of the Bonds and shall be paid out of the revenues herein pledged to the payment

of the Bonds if not otherwise caused to be paid, but the Bond Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by Majority Bondowners and shall have been provided with adequate funds for the purpose of such payment.

Section 1111. Trustee Protected in Relying Upon Resolutions. The resolutions, opinions, certificates, and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Bond Trustee for the release of property and the withdrawal of cash hereunder.

Section 1112. Successor Bond Trustee as Trustee of Funds and Accounts, as Paying Agent, and as Bond Registrar. Upon a change in the office of trustee, the predecessor Bond Trustee which has resigned or has been removed shall cease to be trustee of the Bond Fund, the Rebate Fund, and any special trust funds hereunder created and shall cease to be paying agent for the payment of principal of and interest on the Bonds and shall cease to be bond registrar, and the successor Bond Trustee as qualified under Section 1108 hereof shall become such trustee, paying agent, and bond registrar.

Section 1113. Security May Be Vested in Separate Trustee or Co-Trustee. It is the purpose of this Bond Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as trustee in such jurisdiction. It is recognized that in case of litigation under this Bond Indenture or the Bond Documents and in particular in case of the enforcement of either on an Event of Default, or in case the Bond Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Bond Trustee or may not hold title to the Trust Estate, in trust, as herein granted, or may not take any other action which may be necessary or desirable in connection therewith, it may be necessary that the Bond Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 1113 are adopted to these ends.

If the Bond Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, duty, obligation, interest, security interest, and lien expressed or intended by this Bond Indenture to be exercised by or vested in or granted or conveyed to the Bond Trustee with respect thereto shall be exercisable by and vest in such separate trustee or co-trustee but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Bond Trustee for more fully and certainly vesting in and confirming to him or it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as

permitted by law, shall vest in and be exercised by the Bond Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 1114. Indemnification of Trustee. Before taking any action under this Bond Indenture at the direction or request of the Bondholders, the Bond Trustee may require that a satisfactory indemnity bond be furnished for reimbursement of all expenses it may incur and to protect it against all liabilities.

Section 1115. List of Bondholders. The Bond Trustee shall keep on file a list of names and addresses of all Owners of Bonds as may from time to time be shown on the registration books in the hands of the Bond Trustee together with the principal amount and numbers of such Bonds. The Bond Trustee shall be under no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Bond Trustee, said list may be inspected and copied by the Issuer, Underwriter, the Borrower, or Owners (or a designated representative thereof) of fifteen percent (15%) or more in aggregate principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bond Trustee.

Section 1116. Voting Rights with Respect to Series 2021 Master Obligation. The Issuer hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall, exercise for the benefit of the Bondholders, the power to execute all waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of a holder and owner of any Series 2021 Master Obligation, which power shall be irrevocable so long as such Series 2021 Master Obligation shall be pledged hereunder. The Bond Trustee shall exercise such power with respect to any Series 2021 Master Obligation when and as, but only when and as, directed to do so by written direction of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds of the related series.

[End of Article XI]

ARTICLE XII

AMENDMENTS TO INDENTURE AND SUPPLEMENTAL INDENTURES

Section 1201. Amendments to Indenture and Supplemental Indentures Not Requiring Consent of Bondholders.

- (a) The Issuer and the Bond Trustee may, without the consent of or notice to any of the Bondholders, and with the consent of the Borrower if required by Section 1203 hereof, enter into an amendment to this Bond Indenture or an indenture or indentures supplemental to this Bond Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:
 - (i) to cure any ambiguity or formal defect or omission in, or to correct or supplement any defective provision of, this Bond Indenture,
 - (ii) to add to the covenants and agreements of, and limitations and restrictions upon, the Issuer in this Bond Indenture other covenants, agreements, limitations, and restrictions to be observed by the Issuer for the protection of the Bondholders,
 - (iii) to evidence the appointment of a separate trustee or a co-trustee, or the succession of a new trustee or the appointment of a new or additional paying agent or bond registrar,
 - (iv) to grant to or confer upon the Bond Trustee for the benefit of Bondholders any additional rights, remedies, powers, benefits, security, liabilities, duties, or authority that may lawfully be granted to or conferred or imposed upon the Bondholders or the Bond Trustee or either of them,
 - (v) to subject to the lien and security interest of this Bond Indenture additional revenues, properties, or collateral,
 - (vi) to modify, amend, or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of Bonds for sale under the securities laws of any state, and, if they so determine, to add to this Bond Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute,
 - (vii) to modify, amend, or supplement this Bond Indenture in such manner to assure the continued exclusion from gross income of the Owners thereof for federal income tax purposes of interest on any Bonds which is excludable from the gross income of the Owners thereof for federal income tax purposes,

- (viii) to comply with any provisions of the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, or any rules or regulations promulgated thereunder,
 - (ix) to reflect a change in applicable law provided that the Bond Trustee shall determine (which may be in reliance on an opinion of counsel) that such amendment or supplemental indenture does not prejudice the rights of Bondholders, or
 - (x) in connection with any other change herein which, in the judgment of the Bond Trustee (which may be in reliance on an opinion of counsel), does not prejudice or materially adversely affect the Bondholders or impair the Trust Estate.
- (b) The Issuer and the Bond Trustee may, without the consent of or notice to any Bondholders, enter into an indenture or indentures supplemental to this Bond Indenture with respect to any changes required to be made in the description of the Trust Estate in order to conform with similar changes made in the Loan Agreement as permitted by Section 1301 hereof.
 - (c) Prior to entering into an amendment or supplemental indenture pursuant to (a) or (b) above, there shall be delivered to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel.

Section 1202. Amendments to Indenture and Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of amendments and indentures supplemental hereto covered by Section 1201 hereof and subject to the terms and provisions contained in this Section and not otherwise, Majority Bondowners shall have the right, from time to time, anything contained in this Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Issuer and the Bond Trustee of an amendment or amendments to this Bond Indenture or such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or in any supplemental indenture; provided, however, that nothing contained in this Section shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds, without the consent of every Owner of such Bonds, or (b) the creation of any lien or security interest (other than any Permitted Encumbrances) prior to or on a parity with the lien and security interest of this Indenture without the consent of the Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (c) a reduction in the amount, or an extension of the time of any payment, required by the mandatory redemption provisions of Section 304(c) of this Indenture, without the consent of the Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken, or (d) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Owners of all Bonds at the time Outstanding which would be affected by the action to be taken, or (e) the modification of the trusts, powers, obligations, remedies,

privileges, rights, duties, or immunities of the Trustee, without the written consent of the Trustee, or (f) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (g) the release of or requirements for the release of this Indenture, without the consent of the Owners of all Bonds at the time Outstanding (the Owners of 80% of all Bonds at the time Outstanding if an Event of Default has occurred and continuing with respect to (a), (c), or (f) above) which would be affected by the action to be taken.

Prior to entering into such an amendment or supplemental indenture there shall be delivered to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel. If at any time the Issuer shall request the Bond Trustee to enter into any such amendment or supplemental indenture for any of the purposes allowed by this Section, the Bond Trustee shall, upon being reasonably indemnified by the Borrower with respect to expenses, cause notice of the proposed execution of such amendment or supplemental indenture to be given to the Bondholders in substantially the manner provided in Section 303 hereof with respect to redemption of Bonds. Such notice shall briefly set forth the nature of the proposed amendment or supplemental indenture and shall state that copies thereof are available from the Bond Trustee upon request. The costs of such copies shall be an Ordinary Expense. If, within sixty (60) days or such longer period as shall be reasonably prescribed by the Issuer following the giving of such notice, Majority Bondowners at the time of the execution of any such amendment or supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment or supplemental indenture as in this Section permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith. The Bond Trustee may rely upon an opinion of counsel as conclusive evidence that execution and delivery of an amendment or supplemental indenture has been effected in compliance with the provisions of this Article XII.

Section 1203. Consent of Borrower. Anything herein to the contrary notwithstanding, if the Borrower is not in default under the Loan Agreement at such time, an amendment or supplemental indenture under this Article XII which affects any rights or obligations of the Borrower or which changes the priority or use of moneys under this Bond Indenture shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such amendment or supplemental indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such amendment or supplemental indenture, together with a copy of such amendment or supplemental indenture, to be mailed by certified or registered mail or personally delivered to the Borrower at least fifteen (15) days prior to the proposed date of execution and delivery of any such amendment or supplemental indenture. The Borrower shall be deemed to have consented to the execution and delivery of any such amendment or supplemental indenture if the Bond Trustee does not receive a letter of protest or objection thereto signed by or on behalf of the Borrower on or before 4:30 p.m., local time of the Bond Trustee, on the fifteenth (15th) day after the mailing of such notice and a copy of the proposed amendment or supplemental indenture.

[End of Article XII]

ARTICLE XIII

AMENDMENT OF OTHER BOND DOCUMENTS

Section 1301. Amendments to Other Bond Documents Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee may, without the consent of or notice to Bondholders, consent to any amendment, change, or modification of the Bond Documents other than this Bond Indenture as may be required (i) for the purpose of curing any ambiguity or formal defect or omission therein, or to correct or supplement any defective provision thereof, (ii) so as to add additional rights acquired in accordance with the provisions of the Bond Documents, (iii) to substitute a new borrower under the Loan Agreement as provided therein, (iv) to comply with any provisions of the Securities Act of 1933, as amended or the Securities Exchange Act of 1934, as amended, or any rules or regulations promulgated thereunder, or (v) in connection with any other change therein which, in the judgment of the Bond Trustee (which may rely on an Opinion of Counsel), does not prejudice the Bond Trustee or materially adversely affect Owners of Bonds. Prior to entering into any amendment, change, or modification of the Bond Documents other than the Bond Indenture, there shall be delivered to the Issuer and the Bond Trustee an opinion of Bond Counsel to the effect that such amendment, change, or modification will not cause the interest on any Bond which was previously excludable from the gross income of the Owners thereof to become includable therein for federal income tax purposes.

Section 1302. Amendments to Other Bond Documents Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 1301 hereof, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the Bond Documents other than this Bond Indenture without giving notice to and obtaining the written approval or consent of Majority Bondowners, however, that nothing in this Section or Section 1301 hereof shall permit or be construed as permitting, (a) an extension of the time for payment of any amounts payable under the Loan Agreement or a reduction in the amount of any payment or in the total amount due under the Loan Agreement, without the consent of every Owner of Bonds affected thereby or (b) a reduction in the aforesaid aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment, change, or modification of such other Bond Documents, without the consent of the Owners of all Bonds at the time Outstanding which would be affected by the action to be taken; provided, however, that amendments may be made with respect to (a) above with the consent of the Owners of 80% of all Bonds at the time Outstanding if an Event of Default has occurred and continuing. Prior to entering into any amendment, change, or modification of the Bond Documents other than this Bond Indenture, there shall be delivered to the Issuer and the Bond Trustee a Favorable Opinion of Bond Counsel to the effect that such amendment or supplement will not cause the interest on any Bond which was previously excludable from the gross income of the Owners thereof to become includable therein for federal income tax purposes. If at any time the Issuer or the Borrower shall request any such proposed amendment, change, or modification of such other Bond Documents, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided by Section 1202 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the Designated Corporate Trust Office of the Bond Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer

period as shall be reasonably prescribed by the Issuer following the giving of such notice, the Bond Trustee and Majority Bondowners at the time of the execution of such proposed amendment, change, or modification shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein or to the operation thereof or in any manner to question the propriety of the execution thereof or to enjoin or restrain the Bond Trustee from consenting to the execution thereof or to enjoin or restrain the Issuer or the Borrower from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such amendment, change, or modification as in this Section permitted and provided, such other Bond Documents shall be and be deemed to be modified, changed, and amended in accordance therewith.

[End of Article XIII]

ARTICLE XIV

MISCELLANEOUS

Section 1401. Consents of Bondholders. While Bonds are held in book-entry form, as provided by Section 211 hereof, for purposes of this Section 1401 the term “Bondholders” shall mean the Beneficial Owners of Bonds.

Any consent, request, direction, approval, waiver, objection, or other instrument required by this Bond Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any consent, request, direction, approval, waiver, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Indenture and shall be conclusive in favor of the Bond Trustee and the Issuer, with regard to any action taken under such request or other instrument, namely:

- (a) the fact and date of the execution by any person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument or writing acknowledged to him the execution thereof; where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association, or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority;
- (b) the fact of ownership of Bonds and the amount or amounts, numbers, other identification of such Bonds, and the date of ownership shall be proved by the registration books of the Issuer maintained by the Bond Trustee pursuant to Section 207 hereof;
- (c) any request, consent, or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Bond Trustee or the Issuer in pursuance of such request, consent, or vote; and
- (d) in determining whether Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent, or waiver under this Bond Indenture, Bonds which are owned by the Issuer, by the Borrower, or by any other obligor under the Loan Agreement or on the Bonds, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Bonds, shall be disregarded and deemed not to be outstanding for the purpose of determining whether the Bond Trustee shall be protected in relying on any such demand, request, direction, consent, or waiver, but only Bonds which the Bond Trustee knows to be so owned shall be disregarded; Bonds so owned which have been pledged in good faith may be regarded as outstanding for

the purposes of this Section 1401 if the pledgee shall establish to the satisfaction of the Bond Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Issuer, the Borrower, or any other obligor under the Loan Agreement or on the Bonds; in case of a dispute as to such right, any decision by the Bond Trustee taken upon the advice of counsel shall be full protection to the Bond Trustee.

Section 1402. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Borrower, and Owners of Bonds any legal or equitable right, remedy, or claim under or in respect to this Bond Indenture, or any covenants, conditions, and provisions herein contained. This Bond Indenture and all of the covenants, conditions, and provisions hereof are intended to be and are for the sole and exclusive benefit of the parties hereto, the Borrower, and Owners of Bonds herein provided for.

Section 1403. Severability. If any provision of this Bond Indenture shall be held or be deemed to be or shall, in fact, be illegal, invalid, inoperative, or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained illegal, invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Bond Indenture contained shall not affect the remaining portions of this Bond Indenture or any part thereof.

Section 1404. Notices. All notices, certificates, or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by certified mail, postage prepaid, return receipt requested or shall be sufficiently given and deemed given when dispatched by Electronic Means, or when delivered by personal delivery addressed as follows:

If to the Issuer:	Residential Care Facilities for the Elderly Authority of Coweta County
With a copy to:	Glover & Davis, P.A. 10 Brown St., P.O. Box 1038 Newnan, Georgia 30264 Attn: Jerry Ann Conner Email: jaconner@gloverdavis.com

If to the Bond Trustee:	UMB Bank, National Association 2 South Broadway, Suite 600 St. Louis, MO 63102 Attn: Brian Krippner Email: Brian.Krippner@umb.com
If to the Borrower:	Wesley Woods of Newnan-Peachtree City, Inc. 1817 Clifton Road, N.E. Atlanta, Georgia 30329 Attn: Terry Barcroft, President / CEO Email: terry.barcroft@wesleywoods.org
With a copy to:	Smith, Gambrell & Russell, LLP 1105 West Peachtree Street, N.E. Suite 1000 Atlanta, Georgia 30309 Attn: Benjamin J. Brooks Email: bbrooks@sgrlaw.com
If to the Underwriter:	Herbert J. Sims & Co., Inc. 2920 W. Broad St., Suite 109 Richmond, Virginia 23230 Attn: Thomas Bowden Email: tbowden@hjsims.com
With a copy to:	Butler Snow LLP 1170 Peachtree Street N.E., Suite 1900 Atlanta, Georgia 30309 Attn: David Williams Email: david.williams@butlersnow.com

Receipt of notices, certificates, or other communications hereunder shall occur upon actual delivery (whether by mail, Electronic Means, messenger, courier service, or otherwise), as to the Borrower, to an officer, agent, or employee of the Borrower at any location where such person may be found and, as to any other party, to an officer, agent, or employee of such other party at the address of such party set forth above, subject to change as provided hereinabove. An attempted delivery in accordance with the foregoing, acceptance of which is refused or rejected, shall be deemed to be and shall constitute receipt; and an attempted delivery in accordance with the foregoing by mail, messenger, or courier service (whichever is chosen by the sender) which is not completed because of changed address of which no notice was received by the sender in accordance with this provision prior to the sending of the notice, certificate, or other communication shall also be deemed to be and constitute receipt. A duplicate copy of each notice, certificate, or other communication given hereunder shall also be given to the Bond Trustee and the Underwriter. Any party named in this Section 1404 may, by notice given to all parties to this Bond Indenture and the Loan Agreement, designate any additional or different addresses to which subsequent notices, certificates, or other communications shall be sent.

Section 1405. Payments Due on Saturdays, Sundays, and Holidays. In any case where the date of maturity of interest on or principal of any Bonds or the date fixed for redemption of any Bonds shall be, in the location of the Designated Corporate Trust Office of the Bond Trustee, a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date but may be made on the next succeeding Business Day not a Saturday, Sunday, legal holiday, or day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 1406. Counterparts. This Bond Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1407. Laws Governing Indenture and Situs and Administration of Trust. The effect and meanings of this Bond Indenture and the rights of all parties hereunder shall be governed by and construed according to the laws of the State, exclusive of such State's rules regarding choice of law.

Section 1408. No Liability of Issuer's or Bond Trustee's Officers. No recourse under or upon any obligation, covenant, or agreement contained in this Bond Indenture, or in the Bonds, or for any claim based thereon, or under any judgment obtained against the Issuer or the Bond Trustee, or by the enforcement of any assessment or penalty or otherwise or by any legal or equitable proceeding by virtue of any constitution, rule of law or equity, or statute or otherwise or under any other circumstances, under or independent of this Bond Indenture, shall be had against any incorporator, member, director, officer, or employee, as such, past, present, or future of the Issuer or the Bond Trustee, or any incorporator, member, director, officer, or employee of any successor corporation, as such, either directly or through the Issuer or the Bond Trustee, or any successor corporation, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Bond Trustee as trustee for the Bondholders or otherwise, of any sum that may be due and unpaid by the Issuer upon the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such incorporator, member, director, officer, or employee, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the Bond Trustee as trustee for the Bondholders or otherwise, of any sum that may remain due and unpaid upon the Bonds, is hereby expressly waived and released as a condition of and in consideration for the execution of this Bond Indenture and the issuance of the Bonds.

Section 1409. Notice to Rating Agency. The Bond Trustee shall notify the Rating Service then rating the Bonds at the earlier of fifteen (15) days prior to or immediately upon the Bond Trustee receiving written notice of (a) any default under this Bond Indenture or the Loan Agreement, (b) any draw on the Debt Service Reserve Fund, (c) any change in the management of the Facilities, (d) any reduction or removal of any *ad valorem* tax exemption afforded the Facilities, (e) any prepayment of the Loan, (f) any casualty or loss and the associated insurance payments therefor, if any, (g) any defeasance of the Bonds, (h) any pending sale of or addition to the Facilities, (i) the appointment of any successor to the Bond Trustee, (j) any supplement or

amendment to this Bond Indenture, the Loan Agreement, or the Borrower Documents and (k) any other information the Rating Agency shall reasonably request in writing.

Section 1410. Filing Continuation Statements. The Bond Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by the State Uniform Commercial Code - Secured Transactions in order to continue the financing statements in connection with the Trust Estate interests created by the Granting Clauses of this Bond Indenture filed on or before the Issue Date. The Bond Trustee has no duty to determine, at any time, whether the financing statements filed in connection with the Trust Estate interests identified in the Granting Clauses of this Bond Indenture or otherwise were or remain sufficient to perfect such security interests under applicable law.

Section 1411. Electronic Signatures. The parties agree that the electronic signature of a party hereto shall be as valid as an original signature of such party and shall be effective to bind such party hereto. The parties further agree that any electronically signed document (including this Bond Indenture) shall be deemed (a) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation, or administrative proceeding, shall be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted by Electronic Means; in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e mail message; and "electronically signed document" means a document transmitted by Electronic Means and containing, or to which there is affixed, an electronic signature.

Section 1412. Electronic Transactions and Storage. The transaction described herein may be conducted and related documents may be stored by Electronic Means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[End of Article XIV]

SIGNATURES

IN WITNESS WHEREOF, the Issuer has executed this Bond Indenture by causing its name to be hereunto subscribed by its Chairman; and the Bond Trustee has executed this Bond Indenture by causing its name to be hereunto subscribed by its authorized officer, all being done as of the day and year first above written but actually executed by the Issuer as of the day and year first written above.

**RESIDENTIAL CARE FACILITIES
FOR THE ELDERLY AUTHORITY OF
COWETA COUNTY**

By: _____
Chairman

[Signatures Continued]

**UMB BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Vice President

[Signature Page of Bond Trust Indenture]

[Signature Page of Bond Trust Indenture]

EXHIBIT A

[FORM OF Bond]

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the hereinafter defined Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA

STATE OF GEORGIA

RESIDENTIAL CARE FACILITIES FOR THE ELDERLY

AUTHORITY OF COWETA COUNTY

REVENUE BOND

(WESLEY WOODS OF NEWMAN-PEACHTREE CITY PROJECT)

SERIES 2021

Number: R-1

Principal Amount: \$ _____

Rate of Interest:	Maturity Date:	Dated:	CUSIP:
_____ %	March 1, 20__	December __, 2021	___

Owner: CEDE & CO.

KNOW ALL MEN BY THESE PRESENTS that **RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY**, a public body corporate and politic organized and existing under the laws of the State of Georgia (hereinafter called the “Issuer”), for value received, hereby promises to pay, but only from the source as hereinafter provided, to the Owner shown above, or registered assigns, on the maturity date specified above (unless this bond shall have been called for redemption and payment of the redemption price shall have been duly made or provided for), the principal sum stated above and in like manner to pay interest on said principal sum from time to time remaining unpaid (a) from its date if authenticated prior to the first Interest Payment Date (as hereinafter defined) or (b) otherwise from the Interest Payment Date that is, or that immediately precedes, the date on which this bond is authenticated (unless such payment of interest is in default, in which case this bond shall bear interest from the date to which interest has been paid), at the rate of interest stated above per annum, on March 1, 2022, and semiannually thereafter on March 1 and September 1 (each an “Interest Payment Date”) of each year until said principal sum is paid, except as the provisions

A-1

hereinafter set forth with respect to redemption prior to maturity may become applicable hereto. This bond shall bear interest on overdue principal at the rate of interest borne by this bond.

Interest on this bond is computed on the basis of a 360-day year consisting of twelve 30-day months. Payment of interest on this bond shall be made to the registered owner hereof (the “Owner”) and shall be paid in lawful money of the United States of America by check or draft mailed to the Owner, at his address as it appears on the registration books of the Issuer maintained by the Bond Trustee, as bond registrar, on behalf of the Issuer, at the close of business on the first (1st) day of the month (whether or not a Business Day, as defined in the hereinafter described Indenture) next preceding each Interest Payment Date (the “Record Date”), irrespective of any transfer or exchange of this bond subsequent to a Record Date and prior to such interest payment date, by the Owner, unless the Issuer shall be in default in the payment of interest due on such interest payment date. Upon any such default, such defaulted interest shall be payable to the Owner at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Bond Trustee on behalf of the Issuer to the Owner of this bond not fewer than fifteen (15) days preceding such special record date. Such notice shall be mailed to the Owner at his address that appears on the registration books maintained by the Bond Trustee at the close of business on the fifth (5th) day preceding the date of mailing. At the option of the Owner of this bond, if such owner is the Owner of not less than \$500,000 in aggregate principal amount outstanding of bonds issued under and secured by the hereinafter described Trust Indenture, interest shall be paid by wire transfer in immediately available funds to a bank within the continental United States in accordance with written wire transfer instructions filed with the Bond Trustee prior to the close of business on the Business Day preceding the Record Date. Interest shall continue to be paid in accordance with such instructions, until revoked in writing.

This bond is one of the series of bonds issued by the Issuer pursuant to a resolution duly adopted by the governing body of the Issuer and the hereinafter described Bond Trust Indenture in the aggregate principal amount of [\$Amount] (hereinafter referred to as this “Bonds”).

THIS BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE ISSUER, COWETA COUNTY, GEORGIA, THE STATE OF GEORGIA (THE “STATE”), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THIS BOND SHALL BE A LIMITED OR SPECIAL OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE FUNDS PROVIDED THEREFOR AS PROVIDED IN THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, COWETA COUNTY, GEORGIA, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THIS BOND OR THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO. THE ISSUER HAS NO TAXING POWER. NEITHER THE MEMBERS OF THE GOVERNING BODY OF THE ISSUER NOR ANY PERSON EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND BY REASON OF THE ISSUANCE THEREOF.

Purposes for Which the Bonds are Being Issued

This Bond is authorized to be issued pursuant to a Bond Trust Indenture, dated as of December 1, 2021 (hereinafter referred to as the “Bond Indenture”), between the Issuer and the Bond Trustee, for the purpose of providing funds to (a) finance improvements to and expansion of

A-2

the continuing care retirement community known as Wesley Woods of Newnan-Peachtree City, which improvements and expansion are more fully described in the hereinafter defined Loan Agreement (the “Project”), (b) refund and defease the Issuer’s outstanding Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project) Series 2016A, (c) fund certain reserves for the Bonds, and (d) pay costs of issuance of the Bonds.

Loan of the Proceeds of the Bonds

The Issuer will lend the proceeds of the Bonds to Wesley Woods of Newnan-Peachtree City, Inc. (the “Borrower”), a Georgia nonprofit limited liability company that has been determined by the Internal Revenue Service to be an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, pursuant to a Loan Agreement, dated as of December 1, 2021 (the “Loan Agreement”), between the Issuer and the Borrower. The Borrower is obligated pursuant to the Loan Agreement to pay to the Issuer such loan payments as will always be sufficient to pay the principal of and interest on the Bonds, as the same mature and become due.

Security for the Bonds

The Borrower and UMB Bank, National Association, as master trustee (the “Master Trustee”) have entered into a Master Trust Indenture, dated as of December 1, 2021, as supplemented by Supplemental Indenture Number 1, dated as of December 1, 2021 (collectively, the “Master Indenture”), pursuant to which the Obligated Group Representative (as defined in the Master Indenture) has executed and delivered to the Master Trustee, and the Master Trustee has endorsed to the order of the Bond Trustee, the 2021A Master Obligation, dated the date of issuance of the Bonds (the “2021A Master Obligation”), which obligates the Borrower to make payments sufficient to pay the principal of and interest on the Bonds. The obligations of the Borrower under the 2021A Master Obligation are secured by a Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, from the Borrower to the Issuer, and assigned to the Master Trustee (the “Deed to Secure Debt”), pursuant to which the Borrower has conveyed and granted to the Master Trustee, for the benefit of the Bond Trustee and other holders of Master Obligations security title in and to their fee interest in the real property included in the Facilities (as defined in the Loan Agreement) and have assigned and pledged to the Issuer the Borrower’s interest in the leases, rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits of and from the Facilities, and a security interest in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower’s operation of the Facilities, the inventory located at the Facilities, and the equipment, furnishings, and other tangible personal property included in the Facilities, all subject to Permitted Liens, as defined in the Deed to Secure Debt. Under the Master Indenture it is the obligation of the Borrower to pay all expenses of operating and maintaining the Facilities in good repair, to keep them properly insured, and to pay all taxes, assessments, and other charges levied or assessed against or with respect to the Facilities.

The Bonds are all issued under and are equally and ratably secured and entitled to the protection given by the Bond Indenture. Pursuant to the Bond Indenture, as security for the payment of the principal of and interest on the Bonds, the Issuer has assigned and pledged to the Bond Trustee, and granted a first priority security interest to the Bond Trustee in, all of its right, title, and interest in the Loan Agreement (except for the Unassigned Rights, as defined in the Loan Agreement), 2021A Master Obligation, and all revenues, payments, receipts, and moneys to be received and held thereunder.

A-3

It is provided in the Master Indenture that the Borrower may hereafter incur Additional Indebtedness (as defined in the Master Indenture) from time to time under certain terms and conditions contained therein, and if issued, such Additional Indebtedness will rank on a parity with the security for the Bonds. Reference is hereby made to the Bond Indenture, the Master Indenture, and all indentures supplemental thereto for a description of the property subject to the lien and security interest of the Bond Indenture and the Master Indenture, the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties, and obligations of the Issuer, the Bond Trustee, the Master Trustee, the owners of the Bonds, the issuance of Additional Indebtedness, the terms upon which Additional Indebtedness may be issued and secured, and the provisions regulating the manner in which the terms of the Bond Indenture, the Loan Agreement, and Master Indenture may be modified, to all of which provisions the owner of this bond, on behalf of himself and his successors in interest, assents by acceptance hereof.

Denominations; Registration Provisions

The Bonds are issuable only in the form of fully registered bonds without coupons in the denominations of \$25,000 each or any integral multiple of \$5,000 in excess thereof. Subject to the conditions and upon the payment of charges provided in the Bond Indenture, the owner of any bond or bonds issued under the Bond Indenture may, if not prohibited by law, surrender the same (together with a written instrument of transfer satisfactory to the Bond Trustee duly executed by the Owner or his attorney duly authorized in writing) in exchange for an equal aggregate principal amount of bonds of the same series, interest rate, and maturity or maturities and of any other Authorized Denominations. This bond is transferable as provided in the Bond Indenture by the Owner in person or by the owner’s attorney duly authorized in writing at the designated corporate trust office of the Bond Trustee, upon surrender of this bond accompanied by a duly executed instrument of transfer, in form and with guarantee of signature satisfactory to the Bond Trustee, and upon payment of any governmental charges or taxes incident to such transfer. Upon any such transfer, a new bond or bonds in the same aggregate principal amount and of the same series, interest rate, and maturity or maturities will be issued to the transferee. The Issuer and Bond Trustee may deem and treat the Owner as the absolute owner hereof (whether or not this bond shall be overdue) for the purpose of receiving payment of, or on account of, the principal of and interest due on this bond and for all other purposes, and the Issuer and the Bond Trustee shall not be affected by any notice to the contrary.

Redemption of the Bonds

This Bond is subject to extraordinary redemption, optional redemption, and mandatory sinking fund redemption under the circumstances and in the manner set forth in Article III of the Bond Indenture.

Other Provisions

This Bond and the series of which it forms a part, as may be outstanding from time to time, are issued pursuant to and in full conformity with a resolution duly adopted by the governing body of the Issuer under the authority of and in full conformity with the Constitution and laws of the State, particularly the provisions of The Residential Care Facilities for the Elderly Act, O.C.G.A. § 31-7-110 *et seq.*, as amended (the “Act”). This Bond and the series of which it forms a part are not general obligations of the Issuer but are payable solely from the Trust Estate and otherwise as provided in the Bond Indenture and the Master Indenture. Pursuant to the provisions

A-4

of the Loan Agreement, loan payments sufficient for the prompt payment when due of the principal of and interest on the Bonds are to be paid by the Borrower to the Bond Trustee for the account of the Issuer and deposited in a special account created under the Bond Indenture and designated the “Bond Fund” and have been and are hereby again duly pledged for that purpose.

The owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Bond Indenture, or to institute, appear in, or defend any suit or other proceedings with respect thereto except as provided in the Bond Indenture. In certain events, on the conditions, in the manner, and with the effect set forth in the Bond Indenture, the principal of all of the Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bond Indenture or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by law in order to make this Bond a valid and legal revenue obligation of the Issuer and that the issuance of the Bonds, together with all other obligations of the Issuer, does not exceed or violate any constitutional or statutory limitation applicable to the Issuer.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the hereinafter described Indenture until the Bond Trustee’s certificate of authentication hereon shall have been duly executed by the Bond Trustee.

[Signatures Follow]

IN WITNESS WHEREOF, Residential Care Facilities for the Elderly Authority of Coweta County has caused this Bond to be executed by its Chairman by his manual or facsimile signature.

**RESIDENTIAL CARE FACILITIES
FOR THE ELDERLY AUTHORITY OF
COWETA COUNTY**

By: _____
Chairman

[FORM OF BOND TRUSTEE’S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

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

**UMB BANK, NATIONAL
ASSOCIATION**, as Bond Trustee

BY _____
Authorized Signatory

Date of Registration
and Authentication:

_____, ____.

VALIDATION CERTIFICATE

STATE OF GEORGIA

COWETA COUNTY

The undersigned Clerk of the Superior Court of Coweta County, State of Georgia, DOES HEREBY CERTIFY that this Bond was validated and confirmed by judgment of the Superior Court of Coweta County, Georgia, on the _____ day of _____, 2021, and that no intervention or objection was filed in the proceedings validating the same, and that no appeal from said judgment of validation has been taken.

WITNESS my manual or facsimile signature and seal of the Superior Court of Coweta County, Georgia.

Clerk, Superior Court,
Coweta County, Georgia

(SEAL)

* * * * *

A-7

[FORM OF ASSIGNMENT]

ASSIGNMENT

The following abbreviations, when used in the inscription on this bond or in the assignment below, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	-	as tenants in common
TEN ENT	-	as tenants by the entireties
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common and not as community property
UNIF TRANS		
MIN ACT	-	_____Custodian _____ (Custodian) (Minor) under Uniform Transfer to Minors Act _____ (State)

Additional abbreviations may be used although not in the above list.

FOR VALUE RECEIVED, the undersigned, _____, hereby sells, assigns, and transfers unto _____ (Tax Identification or Social Security No. _____) the within bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature(s) to this assignment must correspond with the name as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatsoever.

A-8

DTC FAST RIDER

Each Bond certificate shall remain in the Bond Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Bond Trustee and DTC.

[END OF FORM OF Bond]

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TABLE OF CONTENTS

(This Table of Contents is not a part of the Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing but is for convenience of reference only)

-----Space Above This Line for Recorder's Use-----
Tax Parcel ID# _____
After recording, please return to:
Benjamin J. Brooks
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.,
AS GRANTOR

in favor of

RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY
OF COWETA COUNTY, AND ITS SUCCESSORS AND ASSIGNS,
AS GRANTEE

DEED TO SECURE DEBT, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

Dated as of December 1, 2021

THIS DEED TO SECURE DEBT, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING SECURES OBLIGATIONS INCURRED FOR THE CONSTRUCTION OF IMPROVEMENTS ON LAND AND IS A "CONSTRUCTION MORTGAGE" AS THAT TERM IS USED IN O.C.G.A. § 11-9-334(h), AND CONSTITUTES A SECURITY AGREEMENT UNDER THE GEORGIA UNIFORM COMMERCIAL CODE AND IS ALSO A FINANCING STATEMENT FILED AS A FIXTURE FILING AND IS TO BE INDEXED IN THE INDEX OF FINANCING STATEMENTS UNDER THE NAMES OF THE GRANTOR, AS DEBTOR, AND THE GRANTEE, AS SECURED PARTY, IN ACCORDANCE WITH O.C.G.A. § 11-9-502(c).

THIS DEED TO SECURE DEBT, ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT IS DELIVERED IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY, A PUBLIC BODY CORPORATE AND POLITIC EXISTING UNDER THE LAWS OF THE STATE OF GEORGIA, THEREFORE, THIS INSTRUMENT IS NOT SUBJECT TO THE INTANGIBLE RECORDING TAX. SEE RULE 560-11-8-.14(a) OF THE RULES AND REGULATIONS OF THE GEORGIA DEPARTMENT OF REVENUE.

ALL OF THE RIGHT, TITLE AND INTEREST OF THE GRANTEE HEREUNDER HAVE BEEN ASSIGNED TO UMB BANK, NATIONAL ASSOCIATION, AS MASTER TRUSTEE, AS MORE FULLY DESCRIBED HEREIN.

	Page
ARTICLE I DEFINITIONS AND INTERPRETATIONS.....	5
Section 101. Definitions.....	5
Section 102. Interpretations.....	9
Section 103. Assignment of Security Instrument to Master Trustee.....	9
ARTICLE II SECURITY AGREEMENT.....	10
Section 201. Security Agreement.....	10
Section 202. Grant of Security Interest.....	12
Section 203. Grantor's Representations and Warranties.....	13
Section 204. Grantor's Covenants.....	13
Section 205. Rights of Grantee.....	13
Section 206. Possession and Use of Collateral.....	13
ARTICLE III GENERAL COVENANTS AND PROVISIONS.....	14
Section 301. Subrogation.....	14
Section 302. Instruments of Further Assurance; Recording.....	14
Section 303. Warranties of Title.....	14
Section 304. General.....	15
Section 305. Releases of Collateral.....	16
ARTICLE IV REMEDIES UPON EVENT OF DEFAULT.....	17
Section 401. Remedies Upon Event of Default.....	17
Section 402. Appointment of Receivers.....	20
Section 403. Application of Proceeds.....	21
Section 404. Remedies Not Exclusive.....	21
Section 405. Abandonment of Sale; Termination of Proceedings.....	22
Section 406. Non-Extinguishment of Lien, Security Interest and Security Title.....	22
Section 407. Right to Purchase.....	22
Section 408. Waivers.....	22
ARTICLE V ASSIGNMENT OF LEASES AND RENTS.....	24
Section 501. Covenants Relating to Leases and Rents; Liability of the Grantee.....	24
Section 502. Collections.....	25
Section 503. Execution of Leases.....	25
Section 504. Not Additional Security.....	26
ARTICLE VI MISCELLANEOUS.....	27
Section 601. Discharge.....	27
Section 602. No Waiver.....	27
Section 603. Extension, Rearrangement or Renewal of Secured Obligations.....	27

Section 604.	Tenants at Will	27
Section 605.	Notice.....	27
Section 606.	Severability.....	28
Section 607.	Governing Law.....	28
Section 608.	Amendments.....	28
Section 609.	Assignment and Binding Effect; Protection of Master Trustee.....	28
Section 610.	Addresses.....	28
Section 611.	Time is of the Essence.....	29
Section 612.	Damage, Destruction and Condemnation.....	29
Section 613.	Future Advances.....	29

EXHIBIT A - DESCRIPTION OF LAND	A-1
EXHIBIT B - CONTRACT DOCUMENTS	B-1
EXHIBIT C - PERMITTED ENCUMBRANCES	C-1
EXHIBIT D - UCC INFORMATION	D-1
EXHIBIT E - ASSIGNMENT OF DEED TO SECURE DEBT	E-1

**DEED TO SECURE DEBT, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING**

THIS DEED TO SECURE DEBT, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Security Instrument**”), dated as of December 1, 2021, from **WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC.** (the “**Grantor**”), a nonprofit corporation formed and existing under the laws of the State of Georgia, to **RESIDENTIAL CARE FACILITIES FOR THE ELDERLY AUTHORITY OF COWETA COUNTY**, a public body corporate and politic of the State of Georgia (the “**Authority**” or, together with its successors and assigns, the “**Grantee**”);

W I T N E S S E T H:

WHEREAS, Residential Care Facilities for the Elderly Authority of Coweta County (the “**Issuer**”) has adopted a resolution dated October 5, 2021, as supplemented on November ____, 2021 (together, the “**Bond Resolution**”) authorizing the issuance of FIFTEEN MILLION FOUR HUNDRED SEVENTY THOUSAND DOLLARS (\$15,470,000) in aggregate principal amount of its Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2021 (the “**Series 2021 Bonds**”), the Series 2021 Bonds to be dated their date of issue, and the Series 2021 Bonds to have a final maturity of _____, and authorizing the execution and delivery of a Loan Agreement (“**Loan Agreement**”) with the Grantor, dated the date hereof, under the terms of which the Issuer agreed to sell the Series 2021 Bonds and to loan the proceeds from the sale of the Series 2021 Bonds to the Grantor;

WHEREAS, the Issuer is issuing the Series 2021 Bonds pursuant to a Trust Indenture (the “**Bond Indenture**”), dated as of December 1, 2021, between the Issuer and UMB Bank, National Association (in its capacity as trustee under the Bond Indenture, the “**Bond Trustee**”);

WHEREAS, the Grantor and the UMB Bank, National Association (the “**Master Trustee**”) have entered into a Master Trust Indenture, dated as of December 1, 2021 (as supplemented from time to time, including by the First Supplement described below, the “**Master Trust Indenture**”); and

WHEREAS, as security for the Series 2021 Bonds, the Grantor has caused the issuance of a Master Note in the principal amount of \$15,470,000 (the “**Series 2021 Master Note**”) in favor of the Bond Trustee, pursuant to a Supplemental Master Indenture Number 1, dated as of December 1, 2021 (the “**First Supplement**”) between the Grantor and the Master Trustee, the payments on which Series 2021 Master Note will be sufficient to pay the debt service on the Series 2021 Bonds as the same becomes due;

WHEREAS, the Grantor herein desires to provide security for the Series 2021 Bonds by executing this Security Instrument, and requesting that the Security Instrument be assigned by the Authority to the Master Trustee as security for the Grantor’s obligations issued under the Master Trust Indenture from time to time, including without limitation the Series 2021 Master Note (the “**Secured Obligations**”) to be delivered to the Bond Trustee; and

WHEREAS, the Grantor has agreed under the terms of the Master Trust Indenture to grant to the Master Trustee a first lien on and first security title to all of the Grantor's right, title and interest in the Premises, defined herein, and to further assign and pledge to the Master Trustee certain rents and leases derived from the Premises, as security for the Secured Obligations and certain other obligations of the Grantor; and

WHEREAS, in consideration for the delivery of the Master Note to the Bond Trustee as security for the Authority's Series 2021 Bonds, the Authority wishes to assign all of its right, title and interest in and to this Security Instrument to the Master Trustee in order to secure the Series 2021 Master Note and all other Secured Obligations issued or to be issued under the Master Trust Indenture; and

WHEREAS, capitalized terms used herein but not defined shall have the meanings assigned to them in the Master Trust Indenture.

NOW, THEREFORE:

The Grantor, in consideration of the foregoing premises, the obligations hereinafter mentioned, the sum of Ten Dollars (\$10.00) in hand paid, and other good and valuable consideration, all of which the Grantor acknowledges receiving as legally sufficient consideration at or prior to the execution and delivery of this Security Instrument, in order to secure the full and punctual payment and performance of the Secured Obligations, according to their tenor and effect, does hereby grant, bargain, convey, transfer, assign and sell unto the Grantee and its successors and assigns, and any future holder or holders of the Secured Obligations, the following property, rights, titles, interests and estates:

GRANTING CLAUSE FIRST

All estates, rights, title and interest of the Grantor in, to and under all those tracts or parcels of land situated in Coweta County, Georgia, described in Exhibit A attached hereto (as the same may be supplemented from time to time) and incorporated herein by reference (the "**Land**"), (i) together with the Project, and all buildings, structures, additions, railroad spur tracks and sidings and other improvements of every kind and description now or hereafter located on the Land or on any part or parcel thereof, and all extensions, betterments and replacements thereof, with all and singular the tenements, hereditaments, servitudes, appurtenances, rights, powers, benefits, options, privileges and immunities now or hereafter belonging or in anywise appertaining to the Land, (ii) together with all and singular the easements and riparian and littoral rights now or hereafter thereunto belonging or in anywise appertaining, and including all rights of ingress to and egress from adjoining property (whether such rights now exist or subsequently arise), (iii) together with all options related thereto, reversion or reversions and remainder and remainders with respect to the Land, (iv) together with all development rights and credits, air rights, water and water rights appurtenant to the Land; (v) together with the minerals, soil, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on, under or above the Land or any part or parcel thereof, (vi) together with all of the water, sanitary and storm sewer systems that are now or hereafter located by, over and upon the Land, or any part and parcel thereof, which water system includes all water mains, service laterals, hydrants, valves and appurtenances, and which sewer

system includes all sanitary sewer lines, including mains, laterals, manholes and appurtenances, and (vii) together with all highways, roads, streets, alleys and other public thoroughfares bordering on or adjacent to the Land hereinbefore described, all land lying within such highways, roads, streets, alleys and other public thoroughfares, all heretofore or hereafter vacated highways, roads, streets, alleys and public thoroughfares and all strips and gores adjoining or within such property, and all paving for streets, roads, walkways or entrance ways that are now or hereafter located on the Land or any part or parcel thereof, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described that is affixed or attached or annexed to the Land shall be and remain or become and constitute a portion of the Land and the collateral encumbered by and subject to the security title of this Security Instrument (the estate and other property described in this **GRANTING CLAUSE FIRST** is hereinafter sometimes collectively referred to as the "**Premises**").

GRANTING CLAUSE SECOND

(a) Any and all leases (together with any guaranties, letters of credit and other security related thereto), usufructs, tenant contracts, rental agreements, undertakings to lease, contracts to rent, and other agreements for use, occupancy or possession now or hereafter affecting the Premises or any portion thereof and any and all franchise agreements, agreements for the operation of or management of the Premises, construction contracts, concessions and other agreements, contracts, licenses, permits and arrangements now or hereafter affecting or granting a possessory interest in the Premises or any part thereof, together with all security therefor and any and all renewals, extensions and modifications thereof and any guarantees of the obligations thereunder, whether written or oral and whether now existing or hereafter made, executed or delivered (the property described in this subdivision (a) of **GRANTING CLAUSE SECOND** is hereinafter sometimes referred to as the "**Leases**"), and

(b) all of the rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits now or hereafter accruing from the Premises and from and in connection with the Grantor's rights and title in, occupancy, use or enjoyment of the Premises, including, without limiting the generality of the foregoing, all rents, issues, profits, revenues, income, receipts, moneys, royalties, rights and benefits now or hereafter accruing from and under any and all Leases, and all security deposits, damage deposits and other funds paid to the Grantor by any lessee, tenant, licensee, permittee or other obligee under any of the Leases, whether paid in a lump sum or installments, and proceeds of the conversion, whether voluntary or involuntary, of the Premises into cash or liquidated claims, including without limitation proceeds of casualty and title insurance, condemnation awards, judgments, settlements and performance, labor and material payment bonds relating to the Premises (the property described in this subdivision (b) of **GRANTING CLAUSE SECOND** is hereinafter sometimes referred to as the "**Rents**").

IN EACH CASE, whether now owned or hereafter acquired by the Grantor and howsoever its interest therein may arise or appear (whether by ownership, leasehold, lien, security interest, claim or otherwise) and whether due or to become due and whether or not earned by performance;

TO HAVE AND TO HOLD the Premises, the Rents and the Leases and all parts, rights, members and appurtenances thereof, to the use, benefit and behalf of the Grantee; and the Grantor warrants that it is lawfully seized and possessed of the Premises, and has good right to convey its

interest in the same, that the same is unencumbered except for “Permitted Encumbrances” set forth in Exhibit C, attached hereto and by this reference thereto incorporated herein and made a part hereof (the “**Permitted Encumbrances**”), and that the Grantor does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to the Permitted Encumbrances.

THIS INSTRUMENT IS A DEED passing legal title pursuant to the laws of the State of Georgia governing deeds to secure debt and is not a mortgage. This Security Instrument is made and intended to secure the payment and performance of the Secured Obligations, the final payment on which is due (if not sooner paid) on March 1, 2046. This Security Instrument is intended to operate and is to be construed as a deed passing the Grantor’s estate and title in and to the Premises to the Grantee, and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt pursuant to the provisions of O.C.G.A. Section 44-14, as amended, and not as a mortgage, and is given to secure the payment and performance of the Secured Obligations.

If the Secured Obligations are paid according to the tenor and effect thereof when the same shall become due and payable, and if the Grantor performs all agreements herein contained in a timely manner, then Grantee may cause this Security Instrument to be cancelled of record and surrendered.

The Grantor **HEREBY FURTHER AGREES** with the Grantee as follows:

ARTICLE I DEFINITIONS AND INTERPRETATIONS

Section 101. Definitions. The following words and terms shall have the meanings set forth below, unless the context clearly indicates otherwise.

“**Account Debtor**” means any Person who is or may become obligated under or on account of an Account.

“**Accounts**” means all accounts, contract rights, chattel paper, instruments and documents (excluding Contract Documents) received by or on behalf of the Grantor from or in connection with the ownership, operation or leasing of any Collateral located at the Locations and all rights to receive the same, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Grantor’s interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Secured Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“**Bond Indenture**” is defined in the recitals of this Security Instrument.

“**Bond Resolution**” is defined in the recitals of this Security Instrument.

“**Collateral**” means, collectively, the Premises, the Rents, the Leases and the property that is the subject of a grant of a security interest in Section 202 hereof.

“**Contract Documents**” means any and all tenant contracts, rental agreements, franchise agreements, management contracts, construction contracts, renovation agreements, development agreements, project management agreements, architect’s agreements, plans and specifications, Hedge Agreements, and other contracts, licenses and permits now or hereafter affecting any Collateral, including, without limitation, the contracts described in Exhibit B hereto (as the same may be supplemented from time to time), together with all rights and privileges of any nature thereunder accruing, together with any changes, renewals, supplements, addenda, amendments, consolidations, extensions, revisions, modifications or guarantees of performance of obligations to the Grantor under the foregoing contracts, all of the Grantor’s rights and title to modify, alter or amend the foregoing contracts, to terminate the foregoing contracts, and to waive or release the performance or observance of any obligation or condition of the foregoing contracts, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Grantor’s interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise).

“**County**” means Coweta County, Georgia.

“**Equipment**” means all machinery, apparatus, equipment, fittings, furniture, furnishings, fixtures (whether actually or constructively attached or affixed to the Land or the Project or other improvements located thereon and including all trade, domestic and ornamental fixtures), and other articles of tangible personal property of every kind, description and nature whatsoever now

or hereafter located at, in, upon or under the Land or the Project and other improvements at the Locations or used or usable in connection with any present or future operations conducted or to be conducted at the Locations or with respect to the Project or other improvements at the Locations, and all parts, accessories and special tools and all increases, additions and accessions thereto and substitutions and replacements therefor, including, without limiting the generality of the foregoing, all building materials, supplies, goods, machinery, fixtures and equipment now or hereafter delivered to the Locations and placed on the Land for the purpose of being affixed to or installed or incorporated or otherwise used in the Project or other improvements now or hereafter located at the Locations or on any part or parcel of the Land, including but not limited to, lumber, plaster, cement, shingles, roofing, plumbing, pipe, lath, wallboard, cabinets, nails, sinks, toilets, furnaces, heaters, brick, tile, water heaters, screens, window frames, glass, doors, flooring, paint, lighting fixtures and unattached refrigerating and cooking, heating and ventilating appliances and equipment, in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Grantor's interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise). Notwithstanding anything herein to the contrary, however, Equipment specifically shall exclude any furniture, equipment or similar goods purchased with public funds.

“Event of Default” is defined in the Master Trust Indenture.

“First Supplement” is defined in the recitals hereto.

“General Intangibles” means all general intangibles received by or on behalf of the Grantor from or in connection with the ownership, operation or leasing of the Project and the Premises and all rights to receive the same, including, without limitation, all choses in action, causes of action, corporate or other business records, deposit accounts, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, customer lists, tax refund claims, computer programs, software, all claims under guaranties, security interests or other security held by or granted to the Grantor to secure payment of any of the Accounts by an Account Debtor, all rights to indemnification, all supporting obligations, all letter of credit rights, and all other intangible property of every kind and nature (other than Accounts and Contract Documents), in each case, whether now owned or existing or hereafter acquired, created or arising and howsoever the Grantor's interest therein may arise or appear (whether by ownership, leasehold, security interest, claim or otherwise); excluding, however, all gifts, grants, bequests, donations and contributions that are specifically designated or restricted at the time of making thereof by the donor or maker as being for certain specified purposes inconsistent with the application thereof to the payments due under the Secured Obligations, and the income derived therefrom but only to the extent specifically required by such designation or restriction.

“Grantee” means Residential Care Facilities for the Elderly Authority of Coweta County, a public body corporate and politic of the State of Georgia, together with its successors and assigns, including without limitation UMB Bank, National Association, as Master Trustee.

“Grantor” means the party named as such on the first page of this Security Instrument, its legal representatives, successors and assigns.

“Grantor Contracts” means, collectively, the Master Trust Indenture, the Loan Agreement, the Series 2021 Master Note, this Security Instrument and all documents, instruments and agreements related to any of the foregoing.

“Gross Revenues” means all revenues, income, receipts and money (other than proceeds of borrowings) received in any period by or on behalf of the Grantor, including, but without limiting the generality of the foregoing, (i) revenues derived from its operations; (ii) gifts, grants, bequests, donations and contributions and the income therefrom, exclusive of any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of operating expenses or indebtedness; (iii) proceeds derived from (1) insurance, except to the extent otherwise required by the Master Trust Indenture, (2) accounts, (3) securities and other investments, (4) inventory and other tangible and intangible property, (5) medical or hospital or disability insurance including without limitation long-term care insurance, indemnity or reimbursement programs or agreements, and (6) contract rights and other rights and assets now or hereafter owned, held or possessed by the Grantor; and (iv) rentals received from the leasing of real or tangible personal property.

“Hedge Agreement” means, without limitation, (i) any contract known as or referred to or which performs the function of an interest rate swap agreement, currency swap agreement, forward payment conversion agreement or futures contract; (ii) any contract providing for payments based on levels of or changes or differences in, interest rates, currency exchange rates or stock or other indices; (iii) any contract to exchange cash flows or payments or series of payments; (iv) any type of contract called or designed to perform the function of, interest rate floors, collars or caps, options, puts or calls, to hedge or minimize any type of financial risk, including, without limitation, payment, currency, rate or other financial risk; and (v) any other type of contract or arrangement that the Grantor determines is to be used, or is intended to be used, to manage or reduce the cost of any Master Obligations issued under the Master Trust Indenture or bonds issued under the Bond Indenture, to convert any element of any such bonds from one form to another, to maximize or increase investment return, to minimize investment return risk, or to protect against any type of financial risk or uncertainty.

“Hedge Receipts” means amounts payable by any provider of a Hedge Agreement pursuant to such Hedge Agreement, other than termination payments, fees, expenses and indemnity payments.

“Issuer” means the party named as such on the first page of this Security Instrument, its legal representatives, successors and assigns

“Land” is defined in **GRANTING CLAUSE FIRST** of this Security Instrument.

“Leases” is defined in **GRANTING CLAUSE SECOND** of this Security Instrument.

“Lien” means any interest in the Collateral securing an obligation owed to, or a claim by, a Person other than the owner of any such Collateral, whether such interest is based on the common law, statute or contract, and including, but not limited to, the security interest, security title or lien arising from a security agreement, mortgage, deed of trust, security deed, capital lease, encumbrance, charge, pledge, conditional sale or trust receipt or a lease, consignment or bailment

for security purposes. The term “Lien” shall include reservations, exceptions, encroachments, easements, rights-of-way, covenants, conditions, restrictions, leases and other title exceptions and encumbrances affecting the Premises. For the purpose of this Security Instrument, the Grantor shall be deemed to be the owner of any Premises that it has acquired or holds subject to a conditional sale agreement or other arrangement pursuant to which title to such Premises has been retained by or vested in some other person for security purposes.

“**Loan Agreement**” means the Loan Agreement defined in the recitals of this Security Instrument, as amended, restated, modified or replaced, from time to time.

“**Locations**” means 2280 North Highway 29, in or near Newnan, Georgia, within the corporate limits of Coweta County, Georgia, a legal description of which is attached hereto as Exhibit A (as the same may be supplemented from time to time), and, if Collateral is moved from the foregoing address in violation of the terms of the Master Trust Indenture and this Security Instrument, any location to which such Collateral is moved (but only to the extent of such moved Collateral).

“**Master Trust Indenture**” is defined in the recitals of this Security Instrument.

“**Master Trustee**” means the trustee at the time serving as such under the Master Trust Indenture and shall include any successor Trustee. UMB Bank, National Association, having a corporate trust office in St. Louis, Missouri, is the initial Master Trustee.

“**Permitted Encumbrances**” mean the items set forth in Exhibit C hereto.

“**Person**” means an individual, a corporation, a partnership, a nonprofit corporation, an association, a joint stock company, a joint venture, a trust, an unincorporated organization, a governmental unit or an agency, a political subdivision or instrumentality thereof, or any other group or organization of individuals.

“**Personalty**” is defined in Section 401(i) of this Security Instrument.

“**Premises**” is defined in **GRANTING CLAUSE FIRST** of this Security Instrument.

“**Project**” means the 2021 Project and any other Capital Addition described in the Master Trust Indenture.

“**Rents**” is defined in **GRANTING CLAUSE SECOND** of this Security Instrument.

“**Secured Obligations**” means, collectively, (i) the indebtedness evidenced by the Series 2021 Master Note in the original aggregate principal amount of Fifteen Million Four Hundred Seventy Thousand Dollars (\$15,470,000) with the final payment being due on March 1, 2046, together with any and all renewals, modifications, consolidations, replacements and extensions thereof; (ii) all obligations, liabilities, covenants, agreements and duties owing, arising, due or payable from the Grantor to the Master Trustee of any kind or nature arising from or in connection with the Grantor Contracts, present or future, whether or not evidenced by any note or other instrument, whether direct or indirect (including those acquired by assignment), absolute or contingent, primary or secondary, due or to become due, now existing or hereafter acquired,

together with all renewals, extensions, replacements, consolidations and modifications thereof, in each case whether for principal, interest, fees, expenses or any and all additional advances made by or on behalf of the Grantee to protect or preserve the Collateral or the lien, security title and security interest created by this Security Instrument in the Collateral, for taxes, assessments or insurance premiums, or for the performance of any of the Grantor’s obligations under the Grantor Contracts or otherwise, and (iii) all obligations of the Grantor under the Grantor Contracts.

“**Security Instrument**” means this Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, as the same may be modified, amended or supplemented from time to time.

“**Series 2021 Bonds**” is defined in the recitals of this Security Instrument.

“**Series 2021 Master Note**” is defined in the recitals of this Security Instrument.

“**State**” means the State of Georgia.

“**U.C.C.**” means the Uniform Commercial Code of the State, as now or hereafter amended.

Section 102. Interpretations. Except as otherwise defined herein, terms used in this Security Instrument shall have the meaning assigned to such terms in the Master Trust Indenture. The table of contents and article and section headings of this Security Instrument are for reference purposes only and shall not affect its interpretation in any respect. The use of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

Section 103. Assignment of Security Instrument to Master Trustee. The Issuer hereby assigns to the Master Trustee all of its right, title and interest in and to this Security Instrument in order to secure the payment by the Grantor of the Series 2021 Master Note issued pursuant to the First Supplement and the other Secured Obligations, and such assignment will be evidenced by the Assignment of Deed to Secure Debt attached hereto as Exhibit E.

[End of Article I]

ARTICLE II SECURITY AGREEMENT

Section 201. Security Agreement.

(a) Insofar as the Project is concerned, this Security Instrument is hereby made and declared to be a security agreement, encumbering each and every item of the Premises and the Project, in compliance with the provisions of the U.C.C. A financing statement or statements affecting all of the Collateral shall be filed. The remedies for any violation of the Master Trust Indenture, or the terms and conditions of the security agreement herein contained shall be (i) as prescribed herein, (ii) as prescribed by general law, and/or (iii) as prescribed by the specific statutory consequences now or hereafter enacted and specified in the U.C.C., all at the Grantee's election. The Grantor and the Grantee agree that the filing of such financing statement(s) in the records normally having to do with personal property shall never be construed as in any way derogating from or impairing the declaration and hereby stated intention of the Grantor and the Grantee that all portions of Collateral are, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the Premises irrespective of whether (x) any such item is physically attached to the improvements thereon, (y) serial numbers are used for the better identification of certain items capable of being thus identified in a recital contained herein, or (z) any such item is referred to or reflected in any such financing statement(s) so filed at any time. The Grantor further agrees that all of the personal property portions of the Premises shall be owned by the Grantor; nor shall the Grantor create or cause to be created any security interest covering any such property, other than the security interests created herein and the occupancy rights of tenants lawfully occupying the Premises.

(b) The Grantor warrants that (i) the Grantor's (that is, "Debtor's") name or identity or corporate structure is as set forth in Exhibit D; and (ii) the Grantor (that is, "Debtor") has been using or operating under said name or identity or corporate structure, without change from the time period set forth in Exhibit D attached hereto and by this reference thereto incorporated herein and made a part hereof. The Grantor agrees that the Grantor will promptly execute any financing statement(s) or other instruments deemed necessary by the Grantee to prevent any filed financing statement from becoming misleading or losing its perfected status and also authorizes the Grantee to file any such financing statement(s) or other instruments without execution by the Grantor. The Grantor and the Issuer agree that with respect to all items of personal property which are or will become fixtures on the Land, this Security Instrument, upon recording in the real estate records of the Clerk of Superior Court of the County, shall constitute a financing statement filed as a fixture filing within the meaning of the U.C.C. The following information is provided in order that this Security Instrument shall comply with the requirements of the U.C.C. for deeds to secure debt or mortgages to be effective as financing statements filed as a fixture filing. The name of the "Debtor" is "Wesley Woods of Newnan-Peachtree City, Inc." and the address of the Debtor is the address of the Grantor set forth in Exhibit D hereto. The name of the "Secured Party" (by assignment) is "UMB Bank, National Association, as master trustee" and the address of the Secured Party is the address of the Assignee set forth in Exhibit D hereto. The collateral covered hereby is that portion of the Premises that now or hereafter constitutes fixtures. Such fixtures are related to the real property described on Exhibit A attached to this Security Instrument and the Debtor is the record owner of such real property.

(c) The Grantor hereby irrevocably authorizes the Grantee at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (i) indicate the Collateral (1) as all assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State or such jurisdiction, or (2) as being of an equal or lesser scope or with greater detail, and (ii) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of the State for the sufficiency or filing office acceptance of any financing statement or amendment, including (1) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor, and (2) in the case of a financing statement filed as a fixture filing or indicating Collateral as extracted collateral or timber to be cut, a sufficient description of real property to which the Collateral relates. The Grantor agrees to furnish any such information to the Grantee promptly upon request. The Grantor also ratifies its authorization for the Grantee to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof.

(d) Further to insure the attachment, perfection and first priority of, and the ability of the Grantee to enforce, the Grantee's security interest in the Collateral, the Grantor agrees, in each case at the Grantor's own expense, to take the following actions with respect to the following Collateral:

(i) If any goods are at any time in the possession of a bailee, the Grantor shall promptly notify the Grantee thereof and, if requested by the Grantee, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to the Grantee, that the bailee holds such Collateral for the benefit of the Grantee and shall act upon the instructions of the Grantee, without the further consent of the Grantor. The Grantee agrees with the Grantor that the Grantee shall not give any such instructions unless an Event of Default has occurred and is continuing under this Security Instrument or would occur after taking into account any action by the Grantor with respect to the bailee.

(ii) If the Grantor at any time holds or acquires an interest in any electronic chattel paper or any "transferable record," as that term is defined in Section 201 of the federal Electronic Signatures in Global and National Commerce Act, or in §16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, the Grantor shall promptly notify the Grantee thereof and, at the request of the Grantee, shall take such action as the Grantee may reasonably request to vest in the Grantee control under U.C.C. §9-105 of such electronic chattel paper or control under Section 201 of the federal Electronic Signatures in Global and National Commerce Act or, as the case may be, §16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Grantee agrees with the Grantor that the Grantee will arrange, pursuant to procedures satisfactory to the Grantee and so long as such procedures will not result in the Grantee's loss of control, for the Grantor to make alterations to the electronic chattel paper or transferable record permitted under U.C.C. §9-105 or, as the case may be, Section 201 of the federal Electronic Signatures in Global and National Commerce Act or §16 of the Uniform Electronic Transactions Act for a party in control to make without loss of control, unless an Event of Default has occurred and is continuing under this Security Instrument or would occur after taking into account any action by the Grantor with respect to such electronic chattel paper or transferable record.

(iii) If the Grantor shall at any time hold or acquire a commercial tort claim, the Grantor shall immediately notify the Grantee in a writing signed by the Grantor of the brief details thereof and grant to the Grantee in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Security Instrument, with such writing to be in form and substance satisfactory to the Grantee.

(e) The Grantor further agrees to take any other action reasonably requested by the Grantee to insure the attachment, perfection and first priority of, and the ability of the Grantee to enforce, the Grantee's security interest in any and all of the Collateral including, without limitation, (i) executing, delivering and, where appropriate, filing financing statements and amendments relating thereto under the U.C.C., to the extent, if any, that the Grantor's signature thereon is required therefor, (ii) causing the Grantee's name to be noted as secured party on any certificate of title for a titled good if such notation is a condition to attachment, perfection or priority of or ability of the Grantee to enforce, the Grantee's security interest in such Collateral, (iii) complying with any provision of any statute, regulation or treaty of the United States as to any Collateral if compliance with such provision is a condition to attachment, perfection or priority of or ability of the Grantee to enforce, the Grantee's security interest in such Collateral, (iv) obtaining governmental and other third party consents and approvals, including without limitation any consent of any licensor, lessor or other person obligated on Collateral, (v) obtaining waivers from mortgagees and landlords in form and substance satisfactory to the Grantee, and (vi) taking all actions required by any earlier versions of the Uniform Commercial Code or by other law, as applicable in any relevant U.C.C. jurisdiction, or by other law as applicable in any foreign jurisdiction.

Section 202. Grant of Security Interest. To secure the prompt and full payment and performance of the Secured Obligations, the Grantor hereby grants to the Grantee a continuing security interest in and Lien upon the interests of the Grantor in all of the following.

- (a) Equipment,
- (b) Accounts,
- (c) General Intangibles,
- (d) Contract Documents,
- (e) Gross Revenues and Hedge Receipts,

(f) all accessions to, substitutions and replacements for, and products and cash and non-cash proceeds of any or all of the foregoing Collateral described in (a), (b), (c), (d) and (e) above, including, without limitation, all payments of insurance (whether or not the Grantee is the loss payee thereof) and any indemnity, condemnation award, performance, labor and material payment bond, warranty or guaranty payable by reason of loss or damage to, or otherwise with respect to, any of the Collateral described in (a), (b), (c), (d) and (e) above, and

(g) all books and records (including, without limitation, customer lists, credit files, computer programs, print-outs and other computer or electronic materials and records) of the Grantor pertaining to any of the Collateral described in (a), (b), (c), (d), (e) and (f) above.

The security interest granted hereby is subject to only Permitted Encumbrances and shall encumber any and all rights, titles and interests of Grantor in and to any and all the aforementioned Collateral, whether real or personal, tangible or intangible, and wherever situated.

Notwithstanding anything herein to the contrary, no security interest hereunder shall extend to Equipment funded through public funds to the extent that such security instrument or the realization thereon is prohibited by law.

Section 203. Grantor's Representations and Warranties. Grantor represents and warrants that: (i) subject to the Permitted Encumbrances, Grantor has, or will have, good title to the Collateral as of the date hereof; (ii) Grantor has not previously assigned or encumbered the Collateral except for the Permitted Encumbrances, encumbrances to be released simultaneously herewith, and no financing statement covering any of the Collateral has been delivered to any other Person which remains in effect as of the date hereof; (iii) Grantor's principal place of business is located at the address shown on Exhibit D; and (iv) Grantor's legal name is exactly as set forth on the first page of this Security Instrument and all of Grantor's organizational documents or agreements delivered to Grantee are complete and accurate in every respect.

Section 204. Grantor's Covenants. Grantor agrees: (i) to execute and deliver such documents as Grantee reasonably deems necessary to create, perfect and continue the security interests contemplated hereby; (ii) not to change its name, and as applicable, its chief executive office, its principal residence or the jurisdiction in which it is organized and/or registered without giving Grantee prior written notice thereof; (iii) to cooperate with Grantee in perfecting all security interests granted herein and in obtaining such agreements from third parties as Grantee deems necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of Grantee's rights hereunder; and (iv) that Grantee are authorized to file financing statements in the name of Grantor to perfect Grantee's security interest in Collateral.

Section 205. Rights of Grantee. In addition to Grantee's rights as a "Secured Party" under the U.C.C., Grantee shall have the rights to, from time to time: (i) give notice to any Person of Grantee's rights hereunder and enforce such rights at law or in equity; (ii) insure, protect, defend and preserve the Collateral or any rights or interests of Grantee therein; (iii) inspect the Collateral upon reasonable advance notice to Grantor; and (iv) endorse, collect and receive any right to payment of money owing to Grantor under or from the Collateral. Notwithstanding the above, in no event shall Grantee be deemed to have accepted any property other than cash in satisfaction of any obligation of Grantor to Grantee unless Grantee shall make an express written election of said remedy under U.C.C. §9-620, or other applicable law.

Section 206. Possession and Use of Collateral. Except as otherwise provided in this Article II or the Grantor Contracts, so long as no Event of Default exists under this Security Instrument or any of the Grantor Contracts, Grantor may possess, use, move, transfer or dispose of any of the Collateral in the ordinary course of Grantor's business and in accordance with the Master Trust Indenture.

[End of Article II]

ARTICLE III GENERAL COVENANTS AND PROVISIONS

Section 301. Subrogation. The Grantee shall be subrogated to all right, title, equity, liens and claims of all Persons to whom the Grantee has paid or pays moneys, in settlement of claims, liens or charges or in acquisition of right or title for the Grantor's benefit under this Security Instrument or for the benefit and account of the Grantor.

Section 302. Instruments of Further Assurance; Recording.

(a) The Grantor covenants that it will do, make, execute and deliver, or cause to be done, made, executed and delivered, such amendments or supplements hereto and such further acts, assurances, documents, instruments, certificates, agreements, letters, representations and transfers as the Grantee may reasonably require to cure any defect in the Secured Obligations or any other writings secured hereby or executed in connection herewith, in the execution hereof or thereof, or in the description of the Collateral or to better grant, bargain, convey, transfer, assign and sell unto the Grantee the Premises, Rents, Leases and any other Collateral granted, bargained, conveyed, transferred, assigned and sold hereunder, or intended so to be, or to properly evidence or give notice of the Secured Obligations or of each lien securing payment of the Secured Obligations or to perfect and protect the lien, security interest and security title created by this Security Instrument.

(b) The Grantor covenants that (i) upon the execution and delivery of this Security Instrument and thereafter, from time to time, it shall cause this Security Instrument and each amendment and supplement hereto (or a memorandum with respect hereto or to such amendment or supplement) to be filed, registered and recorded and to be re-filed, re-registered and re-recorded in such manner and in such places as may be required by any present or future law or by the Grantee in order to publish notice of and to fully protect and perfect the lien, security interest and security title of this Security Instrument upon the Collateral; and (ii) it shall perform or cause to be performed from time to time any other act as required by law, and it shall execute or cause to be executed any and all instruments of further assurance that may be necessary for such publication, protection and perfection.

Section 303. Warranties of Title.

(a) The Grantor warrants that it has good fee simple title to the Collateral described and conveyed pursuant hereto and all rights and interests relating thereto, that it is lawfully seized and possessed of the Premises, and that it has the right to convey and assign the Collateral, and that the Collateral is free and clear of every mortgage, lien, encumbrance or charge, other than Permitted Encumbrances. The Grantor has acquired or will lawfully acquire and own the Collateral and, subject to the provisions of this Security Instrument concerning release of property, will forever warrant and defend the title to the Collateral unto the Grantee against the claims and demands of all persons whomsoever, except those claiming under Permitted Encumbrances.

(b) The Grantor will proceed with reasonable diligence to correct any defect in title to the Collateral should any such defect be found to exist after the execution and delivery of this instrument, and in this connection, should it be found after the execution and delivery of this

instrument that there exists upon the Collateral any lien or encumbrance, other than a Permitted Encumbrance, equal or superior or subordinate in rank or priority to the lien, security interest and security title created by this Security Instrument, or should any such lien or encumbrance hereafter arise, then, unless the Grantee is the only holder of such other lien or encumbrance, or the Grantee shall have given specific prior written consent to the creation or continuation thereof, the Grantor will promptly discharge and remove any such lien or encumbrance from the Collateral.

(c) In order to contest any liens, the Grantor shall furnish the Grantee with a bond or cash deposit equal to at least the amount so contested and with an opinion of Counsel stating that by nonpayment of any such items the liens of this Security Instrument will not be endangered and neither the Collateral nor any part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the Grantee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit shall be returned to the Grantor if the lien is successfully contested. If the Grantor is unable or otherwise fails to obtain such a bond or provide such a cash deposit and such an opinion of Counsel, the Grantor shall cause to be satisfied and discharged promptly all such items by payment thereof. If the Grantor is unable or otherwise fails to obtain such a bond or cash deposit and an opinion of Counsel, or to satisfy and discharge the lien, the Grantee may satisfy and discharge the lien by payment thereof or provide security which causes the claimant to release the lien against the Collateral, and all amounts so paid by the Grantee shall be treated as an advance to the Grantor payable in accordance with Section 304(e) hereof.

Section 304. General. For the purpose of better securing payment of the Secured Obligations, the Grantor covenants and agrees with the Grantee that:

(a) The Grantor shall not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Collateral for a period in excess of thirty (30) days unless being contested in accordance with the provisions of the Master Trust Indenture and this Security Instrument.

(b) The Grantor shall permit the Grantee and its agents, representatives and employees at all reasonable times and upon reasonable prior notice to go upon, examine, inspect and remain on the Premises, and shall furnish to the Grantee on reasonable request all pertinent information in regard to the construction, development and operation of the Premises.

(c) The Grantor shall notify the Grantee in writing promptly of the commencement of any legal proceedings affecting the Collateral or any part thereof and shall take such action as may be necessary to preserve the Grantee's rights affected thereby.

(d) Promptly upon demand by the Grantee, the Grantor shall pay all reasonable costs and expenses heretofore or hereafter incurred by the Grantee for legal, architectural or engineering services rendered to or for the benefit of the Grantee in connection with the enforcement of any of the Grantee's rights or remedies hereunder.

(e) If the Grantor should fail to comply with any of the agreements, covenants or obligations of the Grantor under this or any other instrument securing, guaranteeing or otherwise relating to the Secured Obligations or any part thereof, then the Grantee may perform the same for

the account and at the expense of the Grantor but shall not be obligated to do so; any and all expenses incurred or paid in so doing shall be payable by the Grantor to the one making the advancement with interest at a rate 3% above the highest interest rate on the Series 2021 Bonds, from the date the same was incurred or paid; the amount thereof and accrued interest thereon shall be due and payable on demand and shall be secured by and under this Security Instrument; and the amount and nature of such expense and the time when paid shall be fully established by a certificate of the Grantee.

Section 305. Releases of Collateral. Notwithstanding the existence at any time of junior liens or encumbrances on the Collateral, the Grantee, without notice to anyone and without regard to the consideration, if any, paid therefor, may release any part of the Collateral or any Person liable for any part of the Secured Obligations, without in any way affecting the priority of this Security Instrument upon any part of the Collateral not expressly released. In addition, the Grantee may agree with any party directly or indirectly obligated with respect to any part of the Secured Obligations or having any interest in the Collateral to extend the time for payment of any part or all of the Secured Obligations, and such agreement by the Grantee shall not in any way release or impair the priority of this Security Instrument against the right, title or interest of all parties having any interest in the Collateral junior and inferior to this Security Instrument.

[End of Article III]

ARTICLE IV REMEDIES UPON EVENT OF DEFAULT

Section 401. Remedies Upon Event of Default. If an Event of Default shall occur and is continuing, the Grantee shall have the right and option to and shall exercise any or all of the following remedies or any or all other remedies then provided by law or in equity:

(a) The Grantee may proceed to protect and enforce its rights under this Security Instrument by suit in equity, action at law or other appropriate proceedings, including actions for the specific performance of any covenant or agreement contained in this Security Instrument or in aid of the exercise of any power granted in this Security Instrument, or may proceed in any other manner to enforce the payment of the Secured Obligations and any other legal or equitable right of the Grantee.

(b) The Grantee may, as provided in and subject to the terms of the Master Trust Indenture, declare all or any portion of the Secured Obligations to be immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are expressly waived by the Grantor.

(c) The Grantor, upon the demand of the Grantee, shall forthwith surrender the actual possession of, and it shall be lawful for the Grantee, by such officer or agent as it may appoint, with or without force or process of law, to enter the Premises and take possession of, and exclude the Grantor and its agents and servants wholly from, all or any part of the Collateral together with the books, papers and accounts of the Grantor pertaining thereto, without the appointment of a receiver, or an application therefor, and to hold, operate, store, use, control and manage the same and conduct the business thereof and from time to time make all necessary and appropriate repairs, maintenance, renewals, restorations, replacements and improvements and procure all necessary and appropriate insurance as desired by the Grantee; and the Grantee may lease the Collateral or any part thereof in the name and for the account of the Grantor and collect, receive and sequester the rents, revenues, issues, earnings, income, products and profits therefrom and, out of the same and any moneys received from any receiver of any part thereof, pay, or set up proper reserves for the payment of, all proper costs and expenses of so taking, holding and managing the same, including reasonable compensation to the Grantee and its agents and counsel and for any charges of the Grantee hereunder, any taxes and assessments and other charges prior to the lien, security interest and security title of this Security Instrument, and all expenses of such maintenance, repairs and improvements of the Collateral and apply the remainder of the moneys so received in accordance with the provisions of Section 403 hereof. The Grantee may complete the construction of any improvements that have been undertaken but not completed, and the Grantee for such purpose may use all available plans, drawings, materials and equipment at the Premises and may acquire all other necessary plans, drawings, materials and equipment and employ contractors and other employees. The authority and agency conferred hereby upon the Grantee shall be deemed to create a power coupled with an interest and shall be irrevocable.

(d) The Grantee may sell the Collateral, or any part thereof or any interest therein separately, with or without taking possession thereof, at public sale before the courthouse door of the county in which the Premises, or a part thereof, is located, to the highest bidder for cash, after first giving notice of the time, place, and terms of such sale by advertisement published once a

week for four weeks (without regard for the number of days) in a newspaper in which advertisements of sheriff's sales are published in such county. The advertisement so published shall be notice to the Grantor, and the Grantor hereby waives all other notices. The Grantee may bid and purchase at any such sale, and credit upon all or any part of the Secured Obligations shall be deemed cash paid for the purposes of this Article. The Grantee may execute and deliver to the purchaser or purchasers at any such sale a sufficient conveyance of the Collateral or any part thereof or interest therein sold. The Grantee's conveyance may contain recitals as to the occurrence of an Event of Default under this Security Instrument, which recitals shall be presumptive evidence that all preliminary acts prerequisite to such sale and conveyance were duly complied with in all respects. The recitals made by the Grantee shall be binding and conclusive upon the Grantor, and the sale and conveyance made by the Grantee shall completely divest the Grantor of all right, title, interest, claim, demand or equity that the Grantor may have had in, to and under the Collateral, or the part thereof or interest therein sold, and shall vest the same in the purchaser or purchasers at such sale. The Grantee may hold one or more sales hereunder until the Secured Obligations have been satisfied in full. The Collateral or any part thereof may be sold in such parcels, manner or order as the Grantee desires, and one or more exercises of the power of sale herein granted shall not extinguish or exhaust the power of sale unless the entire Collateral is sold or the Secured Obligations are paid and performed in full. The purchaser, upon paying the purchase money to the Grantee and receiving its receipt therefor, need not inquire into the authorization, necessity, expediency or regularity of the sale and need not see to or in any way be responsible for the application by the Grantee of any part of the purchase money. The Grantor hereby irrevocably constitutes and appoints the Grantee as the Grantor's agent and attorney-in-fact to make such sale, to execute and deliver such conveyance, and to make such recitals, and the Grantor hereby ratifies and confirms all of the acts and doings of the Grantee as the Grantor's agent and attorney-in-fact hereunder. The Grantee's agency and power as attorney-in-fact hereunder are coupled with an interest, cannot be revoked by death, incompetence, bankruptcy, dissolution, reorganization, insolvency or otherwise, and shall not be exhausted until the Secured Obligations have been satisfied in full. In the event of any sale pursuant to the agency and power herein granted, the Grantor shall be and become a tenant holding over and shall deliver possession of the Premises, or the part thereof or interest therein sold, to the purchaser or purchasers at the sale or be summarily dispossessed in accordance with the provisions of law applicable to tenants holding over.

(e) Instead of exercising the power of sale granted in paragraph (d) above, the Grantee shall have the right to foreclose the lien and security title created by this Security Instrument by proceedings in equity as provided by law.

(f) With respect to the Leases and Rents, the Grantee may, personally or through an agent selected by the Grantee, take possession and control of the Premises and the Leases, or any part thereof, and serve notice of the assignment of any Leases, and demand, sue for, receive, collect and give full acquittance for all Rents theretofore accrued and all thereafter accruing therefrom. The Grantee or the Grantee's agent may use against the Grantor or any other Person such lawful or peaceable means as the Person acting may see fit to enforce the collection of any such Rents and to secure possession of the Premises and the Leases, or any part thereof, and may settle or compromise, on any terms as the Grantee or the Grantee's agent sees fit, the liability of any Person or Persons for any such Rents. Particularly, the Grantee or the Grantee's agent (i) may institute and prosecute to final conclusion actions of forcible entry and detainer, or actions of trespass to

try title, or actions for damages, or any other appropriate actions, in the name of the Grantee or in the name of the Grantor, and may settle, compromise, or abandon any such actions as the Grantee or the Grantee's agent may see fit, (ii) may contest, litigate and compromise any claim for rebate, setoff, loss, demand, abatement or reduction in connection with the Rents or the Leases, or (iii) lease or rent any of the Premises and employ and pay rental agents or broker commissions to facilitate such leasing or renting, such commissions to be added to the Secured Obligations. The Grantor binds itself and all Persons and concerns claiming by, through or under the Grantor to take whatever lawful or peaceful steps the Grantee or the Grantee's agent may ask the Grantor or any such Person or concern so claiming to take for such purposes, including the institution and prosecution of actions of the character above stated; provided, however, that the Grantee shall not be required to collect any Rents or be liable or chargeable for failure so to do.

(g) The Grantee may pay any sum or sums deemed necessary or appropriate by the Grantee to protect or preserve the Collateral or the Grantee's interest therein.

(h) The Grantee may exercise any and all rights and remedies contained in the Grantor Contracts or in any other instrument, document, agreement or other writing heretofore, concurrently herewith, or in the future executed by or binding upon the Grantor in connection with any transaction that resulted in any part of the Secured Obligations, including but not limited to the Master Trust Indenture and this Security Instrument.

(i) With respect to the portion of the Collateral constituting personal property or fixtures (the "Personalty") in which a security interest is herein granted, the Grantee shall have the right to foreclose the liens and security interests created under this Security Instrument by any available judicial procedure or without judicial process; to enter any Premises where any of the Personalty may be located for the purpose of taking possession of or removing the same; to sell, assign, lease or otherwise dispose of the Personalty, or any part thereof, either at public or private sale, in lots or in bulk, for cash or credit or otherwise, with or without representations or warranties, and upon such terms as shall be acceptable to the Grantee, and the Grantee may bid or become a purchaser at any such sale, free from any right of redemption, which is hereby expressly waived by the Grantor, and the Grantee shall have the right to apply or credit the amount of all or any part of the Secured Obligations against the purchase price bid by the Grantee at any such sale. If notification to the Grantor of intended disposition by the Grantee of any of the Personalty is required by law, such notification shall be deemed to have been reasonably and properly given if personally delivered to the Grantor or deposited in the United States mail with postage prepaid, duly addressed to the Grantor at the address specified for notices to the Grantor in this Security Instrument, at least ten (10) business days prior to such disposition. The Grantor shall be liable to the Grantee and shall pay to the Grantee on demand any deficiency that may remain after such sale, disposition, collection or liquidation of the Personalty, and the Grantee in turn agrees to remit to the Grantor any surplus remaining after the Secured Obligations have been paid in full. If any of the Personalty shall require repairing, maintenance, preparation or the like, or is in process or other unfinished state, the Grantee shall have the right, but shall not be obligated, to do such repairing, maintenance, preparation, processing or completion of manufacturing for the purpose of putting the same in such saleable form as the Grantee shall deem appropriate, but the Grantee shall have the right to sell or dispose of such Personalty without such processing. The Grantor shall, at the Grantee's request, assemble all the Personalty and make it available to the Grantee at places within any county in which the Collateral, or a part thereof, is located, whether at the Premises or

elsewhere, and shall make available to the Grantee the Premises and Project for the purpose of the Grantee's taking possession of the Personalty or of removing or putting the Personalty in saleable form. To facilitate the exercise by the Grantee of the rights and remedies set forth in this paragraph, the Grantor hereby constitutes the Grantee or its agents, or any other Person whom the Grantee may designate, attorney-in-fact for the Grantor, at the Grantor's cost and expense, to exercise all or any of the following powers, which appointment, being coupled with an interest, shall be irrevocable, shall continue until the Secured Obligations have been paid and satisfied in full, and shall be in addition to any other rights and remedies that the Grantee may have: (i) to remove from the Premises where the same shall be located any and all documents, instruments, files and records, and any receptacles and cabinets containing the same, relating to the Personalty, and the Grantee may, at the Grantor's cost and expense, use such of the personnel, supplies and space of the Grantor at the Grantor's place of business as may be necessary to properly administer and control the Personalty and realizations thereon; and (ii) to take or bring in the Grantee's name or the name of the Grantor all steps, actions, suits or proceedings deemed by the Grantee necessary and desirable to realize upon the Personalty. **THE GRANTOR HEREBY WAIVES ANY AND ALL RIGHTS THE GRANTOR MAY HAVE TO NOTICE OR HEARING PRIOR TO SEIZURE BY THE GRANTEE OF THE PERSONALTY, WHETHER BY WRIT OF POSSESSION OR OTHERWISE.**

Nothing herein shall limit the Grantee from exercising any and all other remedies available to it at law or in equity or under any of the Grantor Contracts.

Section 402. Appointment of Receivers.

(a) If an Event of Default occurs and is continuing, a receivership may be necessary to protect the Collateral, whether before or after maturity of the Secured Obligations, or at the time of or after the institution of suit to collect the principal of, premium (if any) or interest on the Secured Obligations, or to enforce this Security Instrument; accordingly, the Grantee shall, as a matter of strict right and regardless of the value of the Collateral or of the solvency of any party bound for the payment of the Secured Obligations, have the right to the appointment on ex parte application and without notice to the Grantor, by any court having jurisdiction, of a receiver to take charge of, manage, preserve, protect and operate the Collateral and any business or businesses located thereon, to collect the revenues, rents, issues, profits, products and income thereof, to make all necessary and needed repairs, to complete the construction of any improvements that have been undertaken but not completed, to pay all taxes and assessments against the Collateral and insurance premiums for insurance thereon, and after the payment of the expenses of the receivership, including reasonable attorneys' fees to the Grantee's attorneys, and after compensation for management of the Collateral, to apply the net proceeds to pay the Secured Obligations or in such manner as the court shall direct. All such expenses shall become Secured Obligations.

(b) The receiver or its agents shall be entitled to enter upon the Premises and take possession of the Collateral or any part thereof, together with any and all businesses conducted and all business assets used therewith or thereon, or any part or parts thereof, and to operate and conduct the business or businesses, or complete construction of improvements, to the same extent and in the same manner as the Grantor might lawfully do. The receiver, personally or through its agents or attorneys, may exclude the Grantor and its subsidiaries, agents, servants and employees wholly from the Premises and may have, hold, use, operate, manage and control the same and each

and every part thereof, and in the name of the Grantor, its subsidiaries or agents, may exercise all of their rights and powers and use all of the then existing items of security and Collateral, materials, current supplies, stores and assets and, at the expense of Grantor, may maintain, restore, complete construction, insure and keep insured the properties, equipment and apparatus provided or required for use in connection with such business or businesses, and may make all necessary and proper repairs, renewals and replacements and all such useful alterations, additions, betterments and improvements as the receiver may deem judicious.

(c) Such receivership shall, at the option of the Grantee, continue until full payment of the Secured Obligations, title to and interest in the Collateral having passed by sale under the powers granted in this Security Instrument, or the Event of Default having been cured.

Section 403. Application of Proceeds. The Grantee shall pay, distribute and apply the proceeds of any disposition of the Collateral as provided in the Master Trust Indenture. Said disposition shall forever be a bar against the Grantor, its legal representatives, successors and assigns, and all other Persons claiming under any of them. It is expressly agreed that the recitals in each conveyance to the purchaser shall be full evidence of the truth of the matters therein stated, and all lawful prerequisites to said disposition shall be conclusively presumed to have been performed.

Section 404. Remedies Not Exclusive. No lien, right or remedy herein conferred upon or otherwise available to the Grantee is intended to be or shall be construed to be exclusive of any other available lien, right or remedy, but each and every such lien, right or remedy shall be cumulative and shall be in addition to every other lien, right or remedy given hereunder or now or hereafter existing at law or in equity or by statute, including, without limitation, the right of the Grantee to take legal action to collect the Secured Obligations without taking action with respect to the Collateral. No delay or omission to exercise any right, power or remedy accruing upon any default or Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such default or Event of Default, or an acquiescence thereto, but every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights, powers or remedies available to Grantee. The giving, taking or enforcement of any other or additional security, collateral or guaranty for the payment of the Secured Obligations shall not operate to prejudice, waive or affect the security of this Security Instrument or any rights, powers or remedies hereunder, nor shall the Grantee be required to first look to, enforce or exhaust such other additional security, collateral or guarantees. The Grantee may, at the Grantee's election, exercise each and every right, power and remedy hereunder concurrently or separately or in any combination.

Section 405. Abandonment of Sale; Termination of Proceedings.

(a) If enforcement of the power of sale granted in Section 401(d) hereof should be commenced by the Grantee, the Grantee may at any time before the sale abandon the sale, and may at any time or times thereafter again commence enforcement of the power of sale granted in Section 401(d) hereof; or, irrespective of whether such enforcement is commenced by the Grantee, the Grantee may at any time after an Event of Default institute suit for collection of all or any part of the Secured Obligations or enforcement of the lien, security interest and security title of this Security Instrument or both. If the Grantee should institute suit for collection of the Secured Obligations and enforcement of the lien, security interest and security title of this Security Instrument, the Grantee may at any time before the entry of final judgment dismiss the same and sell the Collateral in accordance with the provisions of this Security Instrument.

(b) In case the Grantee, in the rightful exercise of remedies, shall have proceeded to enforce any right under this Security Instrument by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Grantee, then and in every such case the Grantor and the Grantee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Grantee shall continue unimpaired as if no such proceedings had been taken.

Section 406. Non-Extinguishment of Lien, Security Interest and Security Title. No single sale or series of sales by the Grantee under this instrument and no judicial foreclosure shall extinguish, impair or affect the lien, security interest or security title or exhaust the power of sale under this Security Instrument except with respect to the items of property sold, but such lien, security interest and security title and power shall exist for so long as, and may be exercised in any manner by law or in this instrument provided as often as, the circumstances may require to give the Grantee full relief hereunder.

Section 407. Right to Purchase. The Grantee shall have the right to become the purchaser at any sale made hereunder, by being the highest bidder, and credit upon all or any part of the Secured Obligations shall be deemed cash paid for the purposes of this Article.

Section 408. Waivers.

(a) All rights of marshaling of assets or sale in inverse order of alienation in the event of foreclosure of any lien or security title at any time securing the Secured Obligations or any part thereof (including, but not limited to, the lien and security title hereby created) are hereby waived.

(b) The Grantor agrees, to the full extent permitted by law, that in case of an Event of Default hereunder, neither the Grantor nor anyone claiming through or under it shall set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension, homestead, dower, elective share, exemption or redemption laws, statutory or otherwise, now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Security Instrument, or the absolute sale of the Collateral, or the delivery of possession thereof immediately after such sale to the purchaser at such sale, and the Grantor, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all such laws.

(c) To the extent allowed by applicable law, the Grantor shall not at any time insist upon or plead or in any manner whatever claim or take the benefit or advantage of any stay or extension law or any law exempting the Collateral from attachment, levy, or sale on execution now or at any time hereafter in force in any locality where the Collateral or any part thereof may or shall be situated, and the Grantor hereby expressly waives all benefit and advantage of any such law or laws and covenants that the Grantor will not hinder, obstruct, delay or impede the execution of any power herein granted and delegated to the Grantee, but that the Grantor will suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

(d) TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE GRANTOR HEREBY WAIVES ANY RIGHT IT MAY HAVE UNDER THE CONSTITUTION OF THE STATE OF GEORGIA OR THE CONSTITUTION OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT, POWER OR REMEDY PROVIDED TO THE GRANTEE BY THIS SECURITY INSTRUMENT, AND THE GRANTOR WAIVES THE GRANTOR'S RIGHTS, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE UNDER POWER DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECURITY INSTRUMENT ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT PRIOR NOTICE OR A PRIOR JUDICIAL HEARING. THE WAIVERS MADE BY THE GRANTOR IN THIS PARAGRAPH AND ELSEWHERE IN THIS SECURITY INSTRUMENT HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY ON BEHALF OF THE GRANTOR BY ITS DULY AUTHORIZED REPRESENTATIVES AFTER THEY HAVE READ AND UNDERSTOOD THIS SECURITY INSTRUMENT AND HAVE BEEN AFFORDED AN OPPORTUNITY TO BE INFORMED BY COUNSEL OF THE GRANTOR'S POSSIBLE ALTERNATIVE RIGHTS, AND BY EXECUTING THIS SECURITY INSTRUMENT THE DULY AUTHORIZED REPRESENTATIVES OF THE GRANTOR ACKNOWLEDGE SO MAKING SUCH WAIVERS ON BEHALF OF THE GRANTOR.

(e) The interest of the Grantee hereunder and the obligations of the Grantor for the Secured Obligations arise from a commercial transaction within the meaning of Section 44-14-260(1) of the Official Code of Georgia Annotated. Accordingly, pursuant to Section 44-14-263 of the Official Code of Georgia Annotated, the Grantor waives any and all rights the Grantor may have to notice prior to seizure by the Grantee of any interest in personal property of the Grantor that constitutes part of the Collateral, whether such seizure is by writ of possession or otherwise.

[End of Article IV]

ARTICLE V
ASSIGNMENT OF LEASES AND RENTS

Section 501. Covenants Relating to Leases and Rents; Liability of the Grantee.

(a) The Grantor covenants that:

(i) The Grantor shall fully and faithfully perform all of its duties, covenants and obligations as lessor, landlord or owner of the Premises under the Leases and observe, satisfy and comply with all of the terms, covenants, conditions, agreements, requirements, restrictions and provisions of the Leases, and do all acts otherwise necessary to maintain and preserve the Rents, to prevent the termination of any of the Leases, except in the event of a default by the lessee or the tenant, and to prevent any diminishment or impairment of the value of the Leases or the Rents or the interest of the Grantor or the Grantee therein or thereunder, it being expressly understood and agreed that the Grantee neither undertakes nor assumes any of the Grantor's liabilities, responsibilities, duties or obligations in connection with the Leases or the Rents.

(ii) The Grantor shall enforce the full and faithful performance of all of the duties and obligations of each of the tenants and lessees under the Leases, and the observance, satisfaction and compliance with all of the terms, covenants, conditions, agreements, requirements, restrictions and provisions of the Leases required to be observed, satisfied or complied with by the tenants and lessees thereunder.

(iii) The Grantor shall appear in and prosecute and defend, as shall be necessary, any action or proceeding arising under, out of, with respect to, or in connection with any of the Leases, and, upon request by the Grantee, do so in the name of and on behalf of the Grantee, and pay all costs and expenses, including attorneys' fees, incurred by the Grantee in connection therewith.

(iv) The Grantor shall not further assign the Leases or the Rents or terminate, cancel, alter, modify or amend in any respect, or permit the termination, cancellation, alteration, modification or amendment of, or accept the early surrender of, any of the Leases without the prior written consent of the Grantee.

(v) The Grantor shall be the lessor or landlord under all of the Leases; provided, however, that the Grantor may appoint a leasing agent to act on its behalf upon prior written notice to the Grantee of the identity and mailing address of such leasing agent.

(vi) The Grantor shall not collect Rents for more than thirty (30) days in advance.

(vii) The Grantor shall fully and completely satisfy and comply with the provisions of Article 2 of Chapter 7 of Title 44 of the Official Code of Georgia Annotated, relating to security deposits, if applicable.

(b) The Grantee shall not be liable to the Grantor for a failure to collect any part or all of the Rents, and the Grantee may be required to account for only such sums as the Grantee actually collects.

Section 502. Collections.

(a) The Grantor hereby authorizes and empowers the Grantee, and hereby irrevocably and duly constitutes and appoints the Grantee, as the Grantor's attorney-in-fact, to receive any and all of the Rents, to collect any or all of the Rents, by such means and taking such action as the Grantee shall deem necessary, and to act in all other ways with respect to the Rents and the Leases for the Grantor and in the Grantor's place and stead. The Grantee shall have the right, as the Grantor's attorney-in-fact, but not the obligation, to take any action hereby authorized in the Grantor's name and to exercise any and all of the Grantor's rights and remedies, whether available at law or in equity or otherwise, with respect to the Rents or the Leases. The foregoing appointment of the Grantee as the Grantor's attorney-in-fact is coupled with an interest, cannot be revoked by death, incompetence, bankruptcy, insolvency, reorganization, dissolution or otherwise and shall not terminate until the Secured Obligations have been paid and satisfied in full.

(b) The Grantor hereby directs, instructs and demands each and every Person, now or hereafter owing any of the Rents to the Grantor to pay the Rents promptly and directly to the Grantee upon demand therefor by the Grantee. All payments so made shall have the same effect in satisfaction of the Rents as if made directly to the Grantor, and the Grantor shall not question or otherwise contest any such payment authorized hereby. By accepting the Grantor's delivery of this Security Instrument, however, the Grantee agrees that the Rents shall be payable to and collected by the Grantor until such time as the Grantee may demand payment thereof directly to the Grantee and that the Grantee shall not demand such payment until the occurrence of an Event of Default; provided, however, that the Grantor's privilege to continue collecting the Rents shall automatically terminate if the Grantor collects any installment of rent or any other payment (by cash, note or otherwise) that is part of the Rents more than thirty (30) days in advance of the date such rent or other payment is due, except for advance payments required under any Lease for security deposits, brokerage commissions or other economic reasons in the normal course of business.

Section 503. Execution of Leases. The Grantor shall deliver to the Grantee a copy of a representative Residence and Services Agreement, as such term is defined in the Master Trust Indenture, and a copy of all other Leases (together with any guaranties, letters of credit and other security related thereto). Unless the Grantee shall otherwise consent, the Grantor shall not enter into any new Lease without complying with the following conditions: (i) each such instrument shall contain a provision that the terms and conditions hereof and the rights of the parties thereunder are expressly subordinate to all of the terms and conditions thereof and the rights of the Grantee under this Security Instrument; and (ii) each such instrument shall contain a provision whereby (A) the parties thereunder expressly recognize and agree that, notwithstanding such subordination, the Grantee may sell the Premises in the manner provided in this Security Instrument and thereby, at the option of the Grantee, sell the same subject to such instrument. At or prior to the time of execution of any Lease (other than a Residence and Services Agreement, as such term is defined in the Master Trust Indenture), the Grantor shall, as a condition to such execution, procure from the other party or parties thereto an agreement in favor of the Grantee, in form and substance satisfactory to the Grantee, under which such party or parties agree to be bound by (i) the provisions of this Security Instrument regarding the manner in which the Grantee may sell the Premises under this Security Instrument, and (ii) Section 502 of this Security Instrument.

Section 504. Not Additional Security. The assignment of the Rents and the Leases made in this Security Instrument shall not be deemed or construed to be merely additional security or collateral for the Secured Obligations but rather primary and unconditional security. The Grantee may exercise all rights granted hereunder without regard to the existence, value or adequacy of any other collateral or security for the Secured Obligations held by the Grantee. All collateral and security for the Secured Obligations is primary and unconditional collateral and security. The Grantor hereby authorizes, directs and instructs any trustee or receiver in bankruptcy having possession of the Leases or the Rents or any of them to deliver the same to the Grantee upon the occurrence and continuation of an Event of Default and the exercise by the Grantee of its rights hereunder.

[End of Article V]

ARTICLE VI MISCELLANEOUS

Section 601. Discharge. When all of the Secured Obligations shall have been paid or deemed to have been paid pursuant to the provisions of the Master Trust Indenture, then this Security Instrument and the lien and security title created hereby shall be canceled and surrendered, and the Grantor shall be released from the covenants, agreements and obligations of the Grantor contained in this Security Instrument, and the Grantee, at the request and the expense of the Grantor, shall execute such documents as may be reasonably requested by the Grantor to evidence the cancellation and satisfaction of this Security Instrument and the release of the Grantor from its obligations hereunder. Otherwise, this Security Instrument shall remain and continue in full force and effect.

Section 602. No Waiver. The exercise of the privileges granted to the Grantee in this Security Instrument to perform the Grantor's obligations under this Security Instrument shall in no event be considered or constitute a waiver of the right of the Grantee at any time after an Event of Default hereunder to declare the Secured Obligations to be at once due and payable, but is cumulative of such right and of all other rights given by this instrument, all mortgages, security instruments, guarantees and other instruments now or hereafter executed by (or accepted by the Grantor as binding upon) the Grantor, and of all rights given the Grantee by law.

Section 603. Extension, Rearrangement or Renewal of Secured Obligations. It is expressly agreed that any of the Secured Obligations at any time secured hereby may be from time to time extended for any period, rearranged or renewed, and that any part of the security herein described, or any other security for the Secured Obligations, may be waived or released without in anywise altering, varying or diminishing the force, effect, lien, interest or security title of this Security Instrument as to unaffected property; and the lien and security title granted by this Security Instrument shall continue as a prior lien and security title on all of the Collateral not expressly so released, until all sums with interest and charges hereby secured are fully paid; and no other security now existing or hereafter taken to secure the payment of the Secured Obligations or any part thereof or the performance of any obligation or liability whatever shall in any manner impair or affect the security given by this Security Instrument; and all security for the payment of the Secured Obligations or any part thereof and the performance of any obligation or liability shall be taken, considered and held as cumulative.

Section 604. Tenants at Will. Subject to Permitted Encumbrances, the Grantor agrees for itself and any and all Persons claiming by, through or under the Grantor, that if the Grantor shall hold possession of the Premises or any part thereof subsequent to a sale under Section 401(d) herein, the Grantor and any other Persons so holding possession, shall become and be considered as tenants at will of the purchaser or purchasers at such sale; and Grantor and any such tenant failing or refusing to surrender possession upon demand shall be guilty of forcible detainer and shall be liable to such purchaser or purchasers for reasonable rental on the Premises, and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, all damages that may be sustained by any such tenant as a result thereof being hereby expressly waived.

Section 605. Notice. Except where other notice is required by applicable law, all notices, requests, demands, directions and other communications hereunder shall be in writing and shall be

deemed to be sufficiently given or made when delivered personally to any party who is to receive the same or when sent by the method described in the Master Trust Indenture, addressed as provided in Section 610 of this Security Instrument.

Section 606. Severability. In the event any item, term or provision contained in this Security Instrument is in conflict, or may hereafter be held by a court of competent jurisdiction to be in conflict, with the laws of the State or of the United States of America, this Security Instrument shall be affected only as to such particular item, term or provision, and shall in all other respects remain in full force and effect. In the event that any part of the Secured Obligations cannot lawfully be secured hereby, or in the event that the lien, security interest or security title hereof cannot be lawfully enforced to pay any part of the Secured Obligations, or in the event that the lien, security interest or security title created by this Security Instrument shall be invalid or unenforceable as to any part of the Secured Obligations, then, and in any such event, all payments on the Secured Obligations shall be deemed to have been first applied to the complete payment and liquidation of that part of the Secured Obligations that is not secured by this Security Instrument, and the unsecured portion of the Secured Obligations shall be completely paid and liquidated prior to the payment and liquidation of the remaining and secured portion of the Secured Obligations.

Section 607. Governing Law. This Security Instrument shall be governed, in all respects including validity, interpretation and effect by, and shall be enforceable in accordance with, the laws of the State and of the United States of America.

Section 608. Amendments. No amendment or waiver of any provision of this Security Instrument, nor consent to any departure by the Grantor therefrom, shall in any event be effective unless the same is in writing and signed by the Grantor and the Grantee and is accomplished in accordance with the Master Trust Indenture, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 609. Assignment and Binding Effect; Protection of Master Trustee. This Security Instrument shall be binding upon the Grantor and its successors and assigns and shall inure to the benefit of the Grantee and its successors, transferees and assigns, and no Person other than the Grantee and its successors and assigns shall under any circumstances be deemed to be a beneficiary of any provision of this Security Instrument. Without limiting the generality of the foregoing, the Grantee may assign, grant a security interest in or otherwise transfer this Security Instrument to any other Person or entity, and such other Person or entity shall thereupon become vested with all the benefits in respect thereof granted to the Grantee herein or otherwise. In the performance of its duties under this Security Instrument, the Master Trustee shall be entitled to all of the protections, immunities, rights and indemnities set forth in the Master Trust Indenture.

Section 610. Addresses. The addresses of the Issuer, the Master Trustee and the Grantor are as follows:

If to the Issuer:	Residential Care Facilities for the Elderly Authority of Coweta County 22 E. Broad Street Newnan, Georgia 30263 Attn: Chairman
With a copy to:	Glover & Davis, P.A. 10 Brown St., P.O. Box 1038 Newnan, Georgia 30264 Attn: Jerry Ann Conner
If to the Grantor:	Wesley Woods of Newnan-Peachtree City, Inc. Houston Building 1817 Clifton Road, N.E. Atlanta, Georgia 30329 Attn: President and CEO
With a copy to:	Smith, Gambrell & Russell, LLP 1105 West Peachtree Street, N.E. Suite 1000 Atlanta, Georgia 30309 Attn: Benjamin J. Brooks
If to the Master Trustee:	UMB Bank, National Association 2 South Broadway, Suite 600 St. Louis, Missouri 63102 Attn: Corporate Trust & Escrow Services

The addresses set forth above may be changed as provided in the Master Trust Indenture.

Section 611. Time is of the Essence. Time is and shall be the essence of this Security Instrument.

Section 612. Damage, Destruction and Condemnation. All moneys and awards payable either as damages or compensation for any damage or destruction to or for the taking of title or possession of the Premises by reason of any condemnation or eminent domain proceedings shall be paid and applied as provided in the Master Trust Indenture.

Section 613. Future Advances. This Security Instrument shall secure not only existing indebtedness, but such future advances and additional indebtedness to the Grantee, and any notes evidencing the same, whether such advances or indebtedness is obligatory or made at the option of the Grantee, or otherwise, to the extent as if such future advances or indebtedness was made on the date of the execution of this Security Instrument.

[End of Article VI]

SIGNATURES AND SEALS

IN WITNESS WHEREOF, the parties hereto have executed this Security Instrument by causing their names to be hereunto subscribed by duly authorized officers, under seal, all being done as of the day and year first above written.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**

(SEAL)

By: _____
Title:

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

[Signatures continued on Following Page]

[Signature Page to Deed to Secure Debt, Assignment of
Leases and Rents, Security Agreement and Fixture Filing]

**RESIDENTIAL CARE FACILITIES FOR
THE ELDERLY AUTHORITY OF
COWETA COUNTY**

(SEAL)

By: _____
Title:

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

[Signatures Continued on Following Page]

[Signature Page to Deed to Secure Debt, Assignment of
Leases and Rents, Security Agreement and Fixture Filing]

The undersigned has executed this Security Instrument as assignee of all of the right, title and interest of the Issuer hereunder.

UMB BANK, NATIONAL ASSOCIATION,
as Master Trustee and assignee

By: _____
Title:

Signed, sealed and delivered
in the presence of:

Unofficial Witness

Notary Public

My Commission Expires:

(NOTARIAL SEAL)

[Signature Page to Deed to Secure Debt, Assignment of
Leases and Rents, Security Agreement and Fixture Filing]

EXHIBIT A

DESCRIPTION OF LAND

Tract 1:

DEED BOOK 1068 PAGE 433:

ALL THAT CERTAIN TRACT OR PARCEL OF LAND SITUATE, LYING AND BEING IN LAND LOTS 140 AND 149 OF THE FIFTH LAND DISTRICT OF COWETA COUNTY, GEORGIA CONTAINING 52.212 ACRES AS DEPICTED ON THAT CERTAIN PRELIMINARY CONCEPTUAL SITE PLAN FOR WESLEY WOODS, INC. AND ON THAT SURVEY FOR LAMBERT & PARK, SAID SURVEY BEING PREPARED BY JOHN R. CHRISTOPHER, REGISTERED LAND SURVEYOR.

SAID PROPERTY IS DESCRIBED ACCORDING TO THE AFORESAID SURVEY AS FOLLOWS:

TO LOCATE THE TRUE POINT OF BEGINNING, COMMENCE AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY RIGHT OF WAY OF EDGEWORTH ROAD (80-FOOT RIGHT OF WAY) AND THE NORTHWESTERLY RIGHT OF WAY OF U.S. HIGHWAY 29 (50-FOOT RIGHT OF WAY); THENCE RUN ALONG THE NORTHWESTERLY RIGHT OF WAY OF U.S. HIGHWAY 29 IN A GENERALLY SOUTHWESTERLY DIRECTION 339.90 FEET TO AN IRON PIN SET AT THE TRUE POINT OF BEGINNING. FROM THE TRUE POINT OF BEGINNING, THENCE RUN ALONG SAID RIGHT OF WAY SOUTH 47 DEGREES 25 MINUTES 52 SECONDS WEST 1,304.97 FEET TO AN IRON PIN; THENCE RUN NORTH 00 DEGREES 00 MINUTES 26 SECONDS EAST 460.31 FEET TO AN IRON PIN; THENCE RUN SOUTH 89 DEGREES 27 MINUTES 35 SECONDS WEST 276.89 FEET TO AN IRON PIPE FOUND; THENCE RUN SOUTH 89 DEGREES 40 MINUTES 57 SECONDS WEST 181.59 FEET TO AN IRON PIPE FOUND; THENCE RUN SOUTH 88 DEGREES 59 MINUTES 03 SECONDS WEST 164.51 FEET TO AN IRON PIPE FOUND; THENCE RUN SOUTH 89 DEGREES 24 MINUTES 04 SECONDS WEST 119.36 FEET TO AN IRON PIN FOUND; THENCE RUN NORTH 00 DEGREES 01 MINUTES 06 SECONDS WEST 1,856.95 FEET TO AN IRON PIN FOUND ON THE SOUTHWESTERLY RIGHT OF WAY OF EDGEWORTH ROAD; THENCE RUN ALONG SAID RIGHT OF WAY SOUTH 59 DEGREES 21 MINUTES 45 SECONDS EAST 2,009.71 FEET TO AN IRON PIN FOUND; THENCE LEAVING SAID RIGHT OF WAY RUN SOUTH 43 DEGREES 53 MINUTES 55 SECONDS WEST 180.77 FEET TO AN IRON PIN FOUND; THENCE RUN SOUTH 29 DEGREES 10 MINUTES 14 SECONDS WEST 169.11 FEET TO AN IRON PIN FOUND; THENCE RUN SOUTH 55 DEGREES 40 MINUTES 27 SECONDS EAST 221 FEET TO THE IRON PIN FOUND AT THE TRUE POINT OF BEGINNING.

LESS AND EXCEPT PROPERTY CONVEYED BY RIGHT OF WAY DEED FROM WESLEY WOODS OF NEWNAN-PEACHTREE CITY, INC. TO COWETA COUNTY, GEORGIA BY DEED RECORDED IN DEED BOOK 2374, PAGE 430, COWETA COUNTY, GEORGIA RECORDS.

A-1

Tract 2:

DEED BOOK 3927 PAGE 761:

ALL THAT TRACT OR PARCEL OF LAND SITUATE, LYING AND BEING IN LAND LOT 140 OF THE FIFTH LAND DISTRICT, COWETA COUNTY, GEORGIA, CONTAINING 2.120 ACRES AND BEING MORE PARTICULARLY SHOWN ON PLAT OF PROPERTY DATED 7/16/81, PREPARED FOR AMMA C. PARK, LATRELLE C. JACKSON AND JACQUELINE C. LAMBERT BY JOHN R. CHRISTOPHER, REGISTERED LAND SURVEYOR, SAID PLAT APPEARING OF RECORD IN PLAT BOOK 29, PAGE 217, OFFICE OF THE CLERK, COWETA SUPERIOR COURT, REFERENCE TO WHICH PLAT IS HEREBY MADE FOR A MORE COMPLETE AND ACCURATE DESCRIPTION OF THE TRACT HEREIN CONVEYED. SAID TRACT IS DESCRIBED ACCORDING TO SAID PLAT AS FOLLOWS:

BEGIN AT THE POINT OF INTERSECTION OF THE SOUTHWESTERLY RIGHT OF WAY OF THE EDGEWORTH ROAD WITH THE NORTHWESTERLY SIDE OF U.S. HIGHWAY 29 AND FROM SAID BEGINNING POINT RUN THENCE ALONG THE SOUTHWESTERLY RIGHT OF WAY OF EDGEWORTH ROAD A CHORD DISTANCE OF NORTH 47 DEGREES 23 MINUTES 20 SECONDS WEST 142.80 FEET TO A POINT ON SAID RIGHT OF WAY; THENCE CONTINUE ALONG SAID RIGHT OF WAY A CHORD DISTANCE NORTH 54 DEGREES 32 MINUTES 35 SECONDS WEST 150.77 FEET TO AN ALUMINUM PIPE SET; THENCE RUN SOUTH 45 DEGREES 00 MINUTES 00 SECONDS WEST 180.77 FEET TO AN ALUMINUM PIPE SET; THENCE SOUTH 30 DEGREES 16 MINUTES 20 SECONDS WEST 169.11 FEET TO AN ALUMINUM PIPE SET; THENCE SOUTH 54 DEGREES 34 MINUTES 20 SECONDS EAST 221.00 FEET TO AN ALUMINUM PIPE SET ON THE NORTHWESTERLY SIDE OF U.S. HIGHWAY 29; THENCE RUN ALONG THE NORTHWESTERLY SIDE OF U.S. HIGHWAY 29 NORTH 50 DEGREES 08 MINUTES 20 SECONDS EAST 339.90 FEET TO THE POINT OF BEGINNING.

[LESS AND EXCEPT – PARCEL TO BE SOLD TO COUNTY]

EXHIBIT B

CONTRACT DOCUMENTS

(None)

EXHIBIT C

PERMITTED ENCUMBRANCES

- (i) liens for *ad valorem* taxes, special assessments and other charges not then delinquent;
- (ii) the Bond Documents, as defined in the Loan Agreement;
- (iii) all matters shown on Schedule B-Section II of that certain policy of title insurance issued by Old Republic National Title Insurance Company, Policy No. _____.

C-1

EXHIBIT D

UCC INFORMATION

DEBTOR: Wesley Woods of Newnan-Peachtree City, Inc.
Houston Building
1817 Clifton Road, N.E.
Atlanta, Georgia 30329

Structure: The Grantor was initially formed as a nonprofit corporation and has used no other name and identity or corporate structure.

SECURED PARTY
(as assignee): UMB Bank, National Association, as Master Trustee
2 South Broadway, Suite 600
St. Louis, Missouri 63102

D-1

EXHIBIT E

FORM OF ASSIGNMENT OF DEED TO SECURE DEBT

PREPARED BY, AND UPON RECORDATION, RETURN TO:
Benjamin J. Brooks
Smith, Gambrell & Russell, LLP
1105 West Peachtree Street, N.E.
Suite 1000
Atlanta, Georgia 30309

CROSS-REFERENCE:
Deed Book ____, Page ____

ASSIGNMENT OF DEED TO SECURE DEBT

KNOW ALL MEN BY THESE PRESENTS:

THAT, Residential Care Facilities for the Elderly Authority of Coweta County having an address of 22 E. Broad Street, Newnan, Georgia 30263 (hereinafter referred to as “**Assignor**”), for value received, does by these presents, grant, sell, transfer, assign, convey and set over to UMB Bank, National Association (in its capacity as master trustee under that certain Master Trust Indenture, dated as of December 1, 2021, by and between Assignee and Wesley Woods of Newnan-Peachtree City, Inc. (the “**Borrower**”), hereinafter referred to as “**Assignee**”), its successors and assigns having an address of 2 South Broadway, Suite 600, St. Louis, Missouri 63102, all of Assignor’s right, title and interest in and to that certain:

Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, by Borrower in favor of Assignor, and recorded at Deed Book ____, Page ____, Coweta County records.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns.

THIS ASSIGNMENT IS MADE WITHOUT RECOURSE, AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED OR BY OPERATION OF LAW, OF ANY KIND AND NATURE WHATSOEVER, BY ASSIGNOR.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Assignor has executed this Assignment effective as of the ____ day of December, 2021 (the “Effective Date”).

ACKNOWLEDGMENT

Signed, sealed and delivered
In the presence of:

ASSIGNOR:

**RESIDENTIAL CARE FACILITIES FOR
THE ELDERLY AUTHORITY OF
COWETA COUNTY**

By: _____

Name: _____

Title: _____

Unofficial Witness

Notary Public
My Commission Expires:

[SEAL]

[NOTARIAL SEAL]

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APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

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December 2, 2021

Residential Care Facilities for the Elderly Authority of Coweta County
Newnan, Georgia

Wesley Woods of Newnan-Peachtree City, Inc.
Newnan, Georgia

Herbert J. Sims & Company, Inc.
Fairfield, Connecticut

UMB Bank, National Association
St. Louis, Missouri

Re: \$_____ Residential Care Facilities for the Elderly Authority of Coweta County
 Revenue Bonds (Wesley Woods of Newnan – Peachtree City Project), Series 2021

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the Residential Care Facilities for the Elderly Authority of Coweta County (the “Issuer”) of the captioned bonds (the “Bonds”). We have examined:

(a) the Bond Resolution adopted by the Issuer on October 5, 2021, as supplemented on November 10, 2021 (together, the “Bond Resolution”), with respect to the issuance of the Bonds;

(b) the Master Trust Indenture, dated as of December 1, 2021, by and between Wesley Woods of Newnan-Peachtree City, Inc., a Georgia nonprofit corporation (the “Borrower”), and UMB Bank, National Association, as master trustee (the “Master Trustee”), as supplemented by the Supplemental Master Indenture Number 1, dated as of December 1, 2021 (collectively, the “Master Trust Indenture”), between the Borrower and the Master Trustee;

(c) the Bond Trust Indenture, dated as of December 1, 2021 (the “Bond Indenture”), by and between the Issuer and UMB Bank, National Association, as bond trustee (the “Bond Trustee”);

(d) the Loan Agreement, dated as of December 1, 2021 (the “Loan Agreement”), by and between the Issuer and the Borrower;

(e) the Deed to Secure Debt, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated as of December 1, 2021, by the Borrower in favor of the Issuer, as assigned to the Master Trustee;

(f) the Bond Purchase Agreement, dated December 10, 2021, among the Issuer, the Borrower and Herbert J. Sims & Company, Inc., as underwriter;

(g) the Tax Exemption Certificate and Agreement, dated as of December 2, 2021, between the Issuer and the Borrower; and

(h) such other papers, laws and legal materials as we have deemed necessary, proper or appropriate to form the opinions herein expressed.

The documents referred to in subparagraphs (c), (d), (f) and (g) are together referred to herein as the “Bond Documents.”

In our examination, we have assumed the genuineness of all signatures and the authenticity of all documents submitted to us as originals and conformity to original documents of all documents submitted to us as certified or photostatic copies. As to various questions of fact material to our opinion, we have relied solely upon the representations of the Issuer and the Borrower contained in the Bond Documents and upon certifications of the Borrower and officers or other representatives of the Issuer delivered as part of the closing proceedings.

The Bonds were issued for the purpose of providing funds for some or all of the following purposes: (a) financing improvements to and expansion of the continuing care retirement community known as Wesley Woods of Newnan-Peachtree City, (b) financing the defeasance and refunding of the Issuer’s outstanding Revenue Bonds (Wesley Woods of Newnan-Peachtree City Project), Series 2016A (the “Series 2016 Bonds”), (c) funding certain reserves, and (d) paying costs of issuance of the Bonds. The Borrower has agreed under the Loan Agreement to make payments sufficient to pay the principal of, premium (if any) and interest on the Bonds as the same become due and payable. Under the terms of the Bond Indenture, the Issuer’s interest in the Loan Agreement and payments thereunder (except certain reserved rights and payments) have been assigned and pledged to the Trustee as security for the payment of the Bonds. Under the terms of the Master Trust Indenture, the Borrower issued its Series 2021 Note (the “Master Obligation”) in favor of the Issuer to provide additional security for the Bonds.

In rendering the opinions expressed herein, we have relied upon certain representations and covenants of the Borrower and the Issuer, including representations and covenants with respect to the use of the proceeds of the Bonds and compliance with certain arbitrage and arbitrage rebate requirements.

Based upon and subject to the foregoing, and subject to the qualifications set forth below, we are of the opinion that, under existing law:

1. The Issuer is validly existing as a public body corporate and politic under the Constitution and laws of the State of Georgia, with power to enter into and perform its duties under the Bond Documents and issue the Bonds.

2. The Bonds have been duly authorized, executed and delivered by the Issuer in accordance with the Constitution and laws of the State of Georgia and constitute the valid, legal and binding limited obligations of the Issuer, except that the rights of the holders of the Bonds and the enforceability thereof may be subject to the exercise of judicial discretion in appropriate cases, principles of equity and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors’ rights.

3. The Bonds, together with interest and any premium thereon, constitute only the special, limited and not general obligations of the Issuer giving rise to no pecuniary liability of the Issuer, will be payable solely from the special funds provided therefor, and will be a valid claim of the respective holders thereof only against the special funds provided therefor. The Bonds and interest thereon will never constitute an indebtedness or general obligation of the Issuer nor constitute an indebtedness or general obligation of the State of Georgia or any political subdivision of the State of Georgia, within the meaning of any constitutional or statutory provision whatsoever. The principal of, premium (if any) and interest on the Bonds will be payable solely from the special funds provided therefor, and nothing in the Bonds or in the Indenture will be considered as pledging any other funds or assets of the Issuer. Neither the faith and credit nor the taxing power of the State of Georgia or any political subdivision thereof is pledged to the payment of the principal of, premium (if any), or interest on Bonds or other costs incident thereto. The Issuer has no taxing power. Neither the members of the governing body of the Issuer nor any person executing Bonds will be liable personally on the Bonds by reason of the issuance thereof.

4. Under the Constitution and laws of the State of Georgia, the Bond Documents have been duly authorized, executed and delivered by the Issuer and constitute the valid, legal and binding obligations of the Issuer, enforceable in accordance with their terms, except as enforcement thereof may be limited by the exercise of judicial discretion in appropriate cases, applicable bankruptcy, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights and general rules of law and equity that may limit the enforcement of certain remedies.

5. All of the right, title and interest of the Issuer in and to the Loan Agreement (except certain reserved rights and payments), and the Master Obligation, and the revenues and receipts arising therefrom, have been validly assigned to the Trustee under the Indenture.

6. The interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). Moreover, such interest is not an item of tax preference for purposes of the federal alternative minimum tax. The opinion set forth in this paragraph is subject to the condition that the Issuer and the Borrower comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer and the Borrower have covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Interest on the Bonds is an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

7. The interest on the Bonds is exempt from income taxation by the State of Georgia.

This opinion is delivered on the date hereof and is based upon the facts represented and the law as of the date hereof. No undertaking is made to amend, supplement or otherwise change this opinion based upon any event or change in circumstances or laws subsequent to the date hereof.

Respectfully submitted,

SMITH, GAMBRELL & RUSSELL, LLP

By: _____

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Series 2021 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2021 Bonds are to be paid to and credited by DTC while the Series 2021 Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Issuer cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2021 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2021 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Series 2021 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 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 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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 Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

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

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Series 2021 Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2021 Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Indenture will be given only to DTC.

Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer or the Underwriter.

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued by DTC or the use of the Book-Entry Only System is discontinued by the Issuer, the following provisions will be applicable to the Series 2021 Bonds. The Series 2021 Bonds may be exchanged for an equal aggregate principal amount of the Series 2021 Bonds in authorized denominations and of the same maturity upon surrender thereof at the principal office for payment of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon the surrender of such Bond to the Bond Trustee with a duly executed assignment in form satisfactory to the Bond Trustee. For every exchange or transfer of registration of Bonds, the Bond Trustee and the Issuer may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Issuer shall pay the fee, if any, charged by the Bond Trustee for the transfer or exchange. The Bond Trustee will not be required to transfer or exchange any Bond after its selection for redemption. The Issuer and the Bond Trustee may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on, such Bond.

Limitations

For so long as the Series 2021 Bonds are registered in the name of DTC or its nominee, Cede & Co., the Issuer and the Bond Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Series 2021 Bonds for all purposes, including payments, notices and voting.

Under the Bond Indenture, payments made by the Bond Trustee to DTC or its nominee will satisfy the Issuer's respective obligations under the Bond Indenture and the Borrower's respective obligations under the Loan Agreement to the extent of the payments so made.

None of the Issuer, the Underwriter nor the Bond Trustee will have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any notice with respect to any Bond including, without limitation, any notice of redemption, tender, purchase or any event that would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on, or the purchase price of, any Bond or (iv) any consent given by DTC as registered owner.

Prior to any discontinuation of the book-entry only system described above, the Issuer and the Bond Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Series 2021 Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Series 2021 Bonds, (ii) giving notices of redemption and other matters with respect to the Series 2021 Bonds, (iii) registering transfers with respect to the Series 2021 Bonds, and (iv) the selection of Bonds for redemption.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) dated as of December 1, 2021 is executed and delivered by Wesley Woods of Newnan-Peachtree City, Inc. (the “Borrower”) and UMB Bank, National Association, as Dissemination Agent hereunder (in such capacity, the “Dissemination Agent”) in connection with the issuance by Residential Care Facilities for the Elderly Authority of Coweta County (the “Issuer”) of its Revenue Bonds (Wesley Woods of Newnan-Peachtree City, Inc. Project) Series 2021 (the “Bonds”).

The Bonds are being issued pursuant to a Bond Trust Indenture dated as of December 1, 2021 (the “Indenture”) between the Issuer and UMB Bank, N.A., as trustee. The proceeds of the Bonds are being loaned by the Issuer to the Borrower pursuant to the Loan Agreement dated as of December 1, 2021 (the “Loan Agreement”) between the Issuer and the Borrower. Under the Loan Agreement, the Borrower will agree to make payments to the Trustee to provide for the full and prompt payment when due of the principal of, and premium, if any, and interest on the Bonds.

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Borrower and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and to assist the Underwriter (as defined below) in complying with the Rule (as defined below). The Borrower and the Dissemination Agent acknowledge that the Issuer has undertaken no responsibility with respect to any reports, notices or disclosures provided for or required under this Disclosure Agreement, and has no liability to any person, including any Holder or Beneficial Owner of the Bonds, with respect to the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Indenture and the Loan Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Borrower pursuant to, and as described in, and containing the information specified in Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” shall mean any person that (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Disclosure Representative” shall mean the Authorized Representative of the Borrower or his or her designee, or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean UMB Bank, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor dissemination agent designated in writing by the Borrower.

“Financial Obligation” means a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B).

“Fiscal Year” shall mean the period of 12 consecutive months beginning on September 1 in any calendar year and ending on August 31 of the same calendar year or such other fiscal year as the Borrower may establish.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

“National Repository” shall mean the Electronic Municipal Market Access System (“EMMA”) maintained by the MSRB. For more information on EMMA, see www.emma.msrb.org.

“Offering Memorandum” shall mean the Official Statement dated ____, 2021 relating to the Bonds.

“Repository” shall mean the National Repository and the appropriate State Repository, if any is hereafter created.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“State” shall mean the State of Georgia.

“State Repository” shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the SEC.

“Underwriter” shall mean Herbert J. Sims & Company, Inc.

SECTION 3. Provision of Annual Reports.

(a) The Borrower shall, or shall cause the Dissemination Agent to, not later than 150 days after the end of the Fiscal Year (presently August 31), commencing with the report for the Fiscal Year ending August 31, 2021, provide to each Repository an Annual Report. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information included within the Annual Report; provided that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report. If the Fiscal Year changes, the Borrower shall give notice of such change in the same manner as for a Listed Event under Section 5(a) of this Disclosure Agreement. The

Borrower shall provide the Annual Report to the Dissemination Agent not later than fifteen (15) Business Days prior to the date that is 150 days following the end of the Fiscal Year. Promptly upon receipt of such Annual Report the Dissemination Agent shall provide a copy thereof to each Repository.

(b) The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the appropriate State Repository, if any is hereafter created, and confirm to the Borrower that the Annual Report has been provided pursuant to this Disclosure Agreement, the date on which it was provided and each Repository to which it was provided.

(c) In addition, the Borrower shall provide to any Holder or Beneficial Owner of Bonds who shall have filed a written request therefor with the Borrower, the Annual Report and the Occupancy Data (as defined below) at the time such items are filed with each Repository.

SECTION 4. Content of Annual Reports.

(a) Capitalized terms used in Section 4 and not otherwise defined herein shall have the meanings set forth in the Master Trust Indenture (defined below). The Annual Report of the Borrower shall contain:

(1) As required by Section 4.15(b)(ii) of the Master Trust Indenture dated as of December 1, 2021 (the “Master Trust Indenture”) by and between the Borrower and UMB Bank, National Association, as master trustee, the audited financial statements, if any, of the Borrower for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated from time to time by the Financial Accounting Standards Board. If the Borrower’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) of this Disclosure Agreement, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Offering Memorandum and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(2) A management’s discussion and analysis of results for the applicable Fiscal Year, as required by Section 4.15(b)(ii) of the Master Trust Indenture.

(b) Any or all of the items listed in subsections (a) may be included by specific reference to other documents, including offering documents of debt issues with respect to which the Borrower is an “obligated person” (as defined by the Rule), which have been filed with each Repository or with the SEC. If the document included by reference is a final offering document, it must be available from the MSRB. The Borrower shall clearly identify each such other document so included by reference.

(c) In addition to the information contained in the Annual Report, the Borrower shall periodically disclose:

(1) Quarterly financial statements, as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal

quarter, in the manner required by Section 4.15(b)(i) of the Master Trust Indenture.

(2) A management's discussion and analysis of results for the applicable fiscal quarter, as required by Section 4.15(b)(iv) of the Master Trust Indenture.

(3) Monthly financial statements, but only when and to the extent required by Section 4.15(b)(i) of the Master Indenture.

(4) The Annual Budget, 30 days after the start of each Fiscal Year, as required in Section 4.15(a)(ii) of the Master Trust Indenture.

(5) Information required to be disclosed by Sections 4.15(b)(v), 4.15(b)(vii) and 4.15(b)(viii) of the Master Trust Indenture.

SECTION 5. Reporting of Significant Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Listed Event:

- (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 or events affecting the tax-exempt status of the Bonds;
- (7) modifications to rights of Bondholders, if material;
- (8) bond calls;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Bonds, if material;
- (11) rating changes;

- (12) the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds;
- (13) tender offers;
- (14) bankruptcy, insolvency, receivership or similar event of the Borrower;
- (15) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of the Borrower, other than in the ordinary course of business, or the entry into or termination of a definitive agreement relating to the foregoing, other than pursuant to its terms, if material;
- (16) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (17) incurrence of a Financial Obligation of the Borrower, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Borrower, any of which affect Noteholders, if material; and
- (18) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Borrower, any of which reflect financial difficulties.

(b) The Borrower shall or shall cause the Dissemination Agent to file written notice describing the occurrence of a Listed Event with the Repository within ten (10) business days of the occurrence of such Listed Event. The foregoing notwithstanding, notice of a Listed Event described in subsections (a)(8) and (a)(9) of this Section 5 need not be given under this subsection any earlier than when the notice (if any) of the underlying event is given to the Holders of affected Bonds pursuant to the Indenture.

SECTION 6. Termination of Reporting Obligation. The obligations of the Borrower under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Borrower's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Disclosure Agreement in the same manner as if it were the Borrower, and the Borrower shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Listed Event under Section 5 of this Disclosure Agreement. In addition, if all or any part of the Rule ceases to be in effect for any reason, then the information required to be provided under this Disclosure Agreement, insofar as the provision of the Rule no longer in effect required the provision of such information, shall no longer be required to be provided. The Borrower shall deliver to the Trustee an opinion of a nationally recognized bond

counsel to the effect that the information that will no longer be provided is no longer required under the Rule as then in effect.

SECTION 7. Dissemination Agent. The Trustee is appointed as the Dissemination Agent and agrees to act in such capacity hereunder. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Borrower pursuant to this Disclosure Agreement or for ensuring the compliance with any rule or regulation of the Borrower or Underwriter in connection with the filings of information herein but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Borrower. The Borrower shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Disclosure Agreement. The Dissemination Agent may be removed by the Borrower at any time upon at least 30 days' written notice to the Issuer, the Dissemination Agent and the Trustee or may resign at any time upon at least 30 days' written notice to the Issuer, the Borrower and the Trustee. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent unless the Borrower has advised the Trustee in writing that the Borrower will act as the Dissemination Agent on its own behalf.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Borrower, the Trustee and the Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) of this Disclosure Agreement, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; and

(b) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders or (ii) does not, in the opinion of a nationally recognized bond counsel addressed to the Issuer, the Borrower, the Trustee and the Dissemination Agent, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Borrower shall describe such amendment in the next Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver.

SECTION 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is specifically required by this Disclosure Agreement, the Borrower shall

have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Borrower or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of the Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, and subject to receipt of indemnity as described in Section 1114 of the Indenture, shall), or any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture or the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the Borrower or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 11. Duties; Immunities and Liabilities of the Trustee and the Dissemination Agent. The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Borrower agrees to indemnify and to hold the Dissemination Agent, its officers, directors, employees and agents harmless against any loss, expense and liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and the payment of the Bonds.

SECTION 12. Notices. Any notices or communications to or between the parties to this Disclosure Agreement may be given as follows:

To the Borrower: Wesley Woods of Newnan-Peachtree City, Inc.
Houston Building
1817 Clifton Road, N.E.
Atlanta, Georgia 30329

To the Trustee: UMB Bank, National Association
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attn: Corporate Trust & Escrow Services

To the Dissemination Agent: UMB Bank, National Association
2 South Broadway, Suite 600
St. Louis, Missouri 63102
Attn: Corporate Trust & Escrow Services

Any person may, by written notice to the other persons listed above, designate a different address to which subsequent notices or communications should be sent.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Borrower, the Trustee, the Dissemination Agent, the Underwriter, and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 15. Applicable Law. This Disclosure Agreement shall be construed under the laws of the State of Georgia.

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IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have executed this Agreement on the date and year first written above.

**WESLEY WOODS OF NEWNAN-
PEACHTREE CITY, INC.**

By: _____

UMB BANK, NATIONAL ASSOCIATION,
as Dissemination Agent

By: _____

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Residential Care Facilities for the Elderly Authority of Coweta County

Name of Bond Issue: \$_____Residential Care Facilities for the Elderly Authority of Coweta County Revenue Bonds (Wesley Woods of Newnan- Peachtree City, Inc. Project) Series 2021

Name of Borrower: Wesley Woods of Newnan-Peachtree City, Inc. (the “Borrower”)

Date of Issuance: December __, 2021

NOTICE IS HEREBY GIVEN that the Borrower has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Borrower’s Continuing Disclosure Agreement. The Borrower anticipates that the Annual Report will be filed by _____.

Dated: _____

_____,
on behalf of Wesley Woods of Newnan-Peachtree
City, Inc.



WESLEY WOODS *of* NEWNAN



Mixed Sources
Product group from well managed
forests, controlled sources and
recycled wood or fibres.

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