

Event Notice
June 2, 2023

Obligated Person: Lifespace Communities, Inc. (*“Lifespace”*)

Event Reported: New Financial Obligation - Series 2023A Bonds

The information contained in this notice has been submitted by Lifespace pursuant to contractual undertakings Lifespace made in accordance with SEC Rule 15c2-12. Nothing contained in this notice is, or should be construed as, a representation by Lifespace that the information included in this notice constitutes all of the information that may be material to a decision to invest in, hold or dispose of any of the securities listed above, or any other securities of Lifespace.

On May 25, 2023, the Iowa Finance Authority (the *“Authority”*) issued its Revenue Bonds (Lifespace Communities, Inc.), Series 2023A in the original principal amount of \$52,500,000 (the *“Series 2023A Bonds”*), pursuant to a Bond Trust Indenture (the *“Bond Indenture”*) dated as of May 1, 2023, between the Authority and U.S. Bank Trust Company, National Association, as bond trustee. The Series 2023A Bonds were purchased by Goldman Sachs & Co. LLC (the *“Purchaser”*).

Lifespace has issued its Lifespace Communities, Inc. Master Indenture Note, Series 2023A (the *“Note”*), in the principal amount of \$52,500,000, under the Master Trust Indenture dated as of November 1, 2010, as supplemented and amended, among the Corporation, other Members of the Obligated Group (as defined therein), and U.S. Bank Trust Company, National Association, as master trustee (the *“Master Trustee”*), and Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, (*“Supplemental Master Indenture No. 13”*) between the Corporation, as Obligated Group Representative, on behalf of itself and the other Members of the Obligated Group, and the Master Trustee (said Master Trust Indenture, together with said Supplemental Master Indenture No. 13 and all other amendments and supplements thereto, being referred to herein collectively as the *“Master Indenture”*). Supplemental Master Indenture No. 13 contains certain covenants solely for the benefit of the Purchaser and which only remain effective while the Series 2023A Bonds remain outstanding.

The Series 2023A Bonds are also secured by the Barton Creek Senior Living Center, Inc. Series 2021 Obligation, issued by Barton Creek Senior Living Center, Inc., a Texas nonprofit corporation (*“Querencia”*), pursuant to the Master Trust Indenture, Deed of Trust and Security Agreement dated as of October 1, 2015, between Querencia and U.S. Bank Trust Company, National Association (the *“Querencia Master Trustee”*), and Supplemental Indenture Number 4 (*“Querencia Supplemental Indenture Number 4”*) between Querencia and the Querencia Master Trustee (said Master Trust Indenture, Deed of Trust and Security Agreement, together

with said Supplemental Indenture Number 4 and all other amendments and supplements thereto, being referred to herein collectively as the “*Querencia Master Indenture*”).

The proceeds of the Series 2023A Bonds were loaned by the Authority to Lifespace pursuant to a Loan Agreement dated as of May 1, 2023 (the “*Loan Agreement*”), to provide a portion of the funds necessary (a) to fund, pursuant to the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the “*Plan*”) filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division case *In re: Northwest Senior Housing Corporation, et al.*, in settlement of any potential claims against the Corporation relating to its affiliation with Northwest Senior Housing Corporation d/b/a Edgemere (“*Edgemere*”), a Texas nonprofit corporation, and Senior Quality Lifestyle Corporation, a Texas nonprofit corporation, and in exchange for full releases and exculpation provided under the Plan: (i) initial payments to a residents trust and (ii) a bond settlement contribution payment to UMB Bank, N.A., as successor bond trustee under certain bond trust indentures relating to Edgemere and (b) to pay certain costs associated with the issuance of the Bonds, all as more fully defined and described hereinafter and in the Loan Agreement. Additional information about the Plan and the related bankruptcy case is available at kccllc.net/Edgemere.

A summary of the Lifespace Master Indenture (attached as **Exhibit A**), and redacted copies of the Supplemental Master Indenture No. 13 (attached as **Exhibit B**), *Querencia Supplemental Indenture Number 4* (attached as **Exhibit C**), Bond Indenture (attached as **Exhibit D**), and Loan Agreement (attached as **Exhibit E**).

A copy of the Consultant’s Report demonstrating that the incurrence of the debt associated with the Series 2023A Bonds described in this Event Notice complied with certain applicable additional debt tests is attached as **Exhibit F** to this notice. The report attached as Exhibit F was obtained for the sole purpose of satisfying Lifespace’s additional long-term debt tests with respect to the issuance of the Series 2023A Bonds and was provided solely for such purpose. The report was not utilized by Lifespace for the purpose of offering or soliciting offers to purchase the Series 2023A Bonds described above. No investment decision with respect to any outstanding Bonds or other obligations of Lifespace should be made on the basis of the attached report, the use of which is limited for the foregoing purpose and as stated in the report.

The achievement of certain results or other expectations contained in forward looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from that which is shown. There will usually be differences between the projected and actual results and those differences may be material. Lifespace does not intend to issue any updates or revisions to these projections.

Exhibit A
Lifespace Master Indenture

DEFINITIONS AND SUMMARIES OF LIFESPACE MASTER INDENTURE

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DEFINITIONS

In addition to terms defined elsewhere in this Official Statement, the following are definitions of certain terms used in the Master Indenture, the Bond Indenture, the Loan Agreement and this Official Statement unless the context clearly otherwise requires. Reference is hereby made to the Master Indenture, the Bond Indenture and the Loan Agreement for complete definitions of all terms.

See “SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2021B BONDS” for additional definitions applicable only to the Series 2021B Bonds as set forth in the Bond Indenture relating to the Series 2021B Bonds.

“Act” or “Acts” means, as applicable, Chapter 154, Part III and Chapter 159, Part II of the Florida Statutes, as supplemented and amended, or Iowa Code Chapter 16, as from time to time amended.

“Additional Payments” means the payments described under “SUMMARY OF THE LOAN AGREEMENT – Additional Payments.”

“Affiliate” means any Person which controls, or is controlled by, or is under common control with a Member. For purposes of this definition, a Person controls another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, partnership interests, membership, reserved powers, or the power to appoint members, trustees or directors, by contract, or otherwise.

“Authority” means, as applicable, the Florida Authority or the Iowa Authority.

“Authority Representative” means, as applicable, the Chair or Vice Chair of the Florida Authority, or the Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director of the Iowa Authority, and such other person or persons at the time designated to act on behalf of the Authority in matters relating to the Loan Agreement and the Bond Indenture as evidenced by a written certificate furnished to the Corporation and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chairperson or Vice Chairperson or Executive Director. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authority Representative.

“Balloon Debt” means Long-Term Debt, 25% or more of the original principal of which becomes due and payable (either by maturity or scheduled mandatory redemption), or may become due and payable or required to be purchased or redeemed upon demand of the holder, during any consecutive 12-month period, if such principal becoming due is not required to be amortized below such percentage by scheduled mandatory redemption or prepayment before such 12-month period, but shall not include Put Debt or Extendable Debt.

“Book Value” means (a) when used with respect to Property of a Member, the value of such Property, net of accumulated depreciation and amortization, as reflected in or derived from the most recent audited financial statements of such Member or the most recent audited combined financial statements of the Obligated Group; and (b) when used with respect to Property of all Members, 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, provided that aggregate is 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 a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office of the Bond Trustee or any Paying Agent is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange is closed.

“Capital Lease” means any lease of real or personal property that is capitalized on the balance sheet of the lessee under generally accepted accounting principles.

“Certificate of Corporation Representative” means a written certificate signed by a Corporation Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Corporation with respect to matters set forth therein.

“Commitment Debt” means the obligation of a Member to repay amounts disbursed pursuant to a binding commitment from a financial institution (including a line of credit, letter of credit, standby bond purchase agreement, reimbursement agreement or similar credit or liquidity facility or arrangement established in connection with the issuance or incurrence of any Debt of a Member or Related Bonds for the benefit of a Member) to refinance, pay, purchase or redeem when due, tendered or required to be paid, purchased or redeemed, other Debt of such Member or Related Bonds, which other Debt was incurred or Related Bonds were issued in accordance with the Master Indenture, and the obligation of such Member to pay interest payable on amounts disbursed for such purposes, plus any fees payable to such financial institution for such commitment.

“Completion Debt” means Long-Term Debt of a Member incurred for the purpose of financing, without materially changing the scope thereof, (a) the completion of facilities for which Long-Term Debt was previously incurred under the Master Indenture, or (b) the improvement, replacement or substitutions for, or additions to, facilities for which Long-Term Debt was previously incurred, necessitated by faulty design, damage to or destruction of such facilities, or required by enactment of legislation or the promulgation of any ruling affecting the operation of such Member by a government agency.

“Consultant” means a professional consulting firm, certified public accounting firm, investment banking firm, or other Person, selected by the Obligated Group Representative in accordance with the Master Indenture, having the skill and experience necessary to render the particular report required by the Master Indenture and having a favorable reputation for such skill and experience, which Person shall have no interest, direct or indirect, in any Member and shall not have a partner, member, director, officer or employee who is a partner, member, director, officer or employee of any Member, it being understood that an arm’s-length contract between any firm and any Member for the performance of consulting, accounting, investment banking or financial analysis or other services is not regarded as creating any such disqualifying interest or employee relationship.

“Corporate Headquarters Accounts” means all the Corporation’s existing bank and securities accounts that are not accounts for an individual Facility, including the Amended and Restated Subordinated Note dated March 15, 2007, from Deerfield Retirement Communities, Inc. to the Corporation, and any future bond or securities accounts established solely to hold accounts and securities already held in another Corporate Headquarters Account or that are transferred to a Corporate Headquarters Account pursuant to the Master Indenture. The Corporate Headquarters Accounts are not a part of the Trust Estate under the Master Indenture.

“Corporation” means Lifespace Communities, Inc., an Iowa nonprofit corporation, its successors and assigns, and any surviving, resulting or transferee entity.

“Corporation Representative” means the Chief Executive Officer, the President or the Chief Financial Officer of the Corporation or other person or persons at the time designated to act on behalf of the Corporation in matters relating to the Loan Agreement and the Bond Indenture as evidenced by a written certificate furnished to the Authority and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its Chief Executive Officer, President or Chief Financial Officer. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Corporation Representative.

“Credit Facility” means with respect to any Master Notes or Related Bonds, any insurance policy, surety bond, letter of credit, line of credit or other form of credit enhancement issued by a bank, trust company, national banking association, insurance company or other credit provider in favor of the Owners of such Master Notes or the owners of such Related Bonds for the purpose of providing a source of funds for the payment of all or a portion of the Obligated Group’s obligations under the related Debt or Related Bonds.

“Current Value” means (a) with respect to Property, Plant and Equipment, the aggregate fair market value of such Property, Plant and Equipment as determined by (1) a written report of an appraiser acceptable to the Master Trustee 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 must be dated not more than three years before the date as of which Current Value is calculated), or (2) a bona fide offer for the purchase of such Property made on an arm’s length basis within six months of the date of determination as established by an Officer’s Certificate; and (b) with respect to any other Property, the fair market value of such Property as determined by a qualified appraiser for the type of Property being valued selected by the Obligated Group Representative that is not unacceptable to the Master Trustee, or, if a qualified appraiser cannot be identified for any such Property, the Book Value for that Property.

“Days Cash on Hand” means, as of the date of calculation, the number obtained by dividing (a) the amount of Unrestricted Cash and Investments of the Obligated Group as of that date by (b) the quotient resulting from dividing (1) the sum of Total Expenses of the Obligated Group for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available plus the interest expense (taking into account any Interest Rate Exchange Agreement) of the Obligated Group for that Fiscal Year by (2) 365.

“Debt” means all debt or obligations of any Member for the repayment of borrowed money (including capital leases, installment purchase contracts and Guarantees) shown as liabilities on the balance sheet of such Member or which are properly capitalized on the balance sheet of such Member in accordance with generally accepted accounting principles; provided that Debt shall not include:

- (a) obligations of any Member to another Member or guarantees or assumptions by a Member, directly or indirectly, of Debt of another Member;
- (b) any portion of any Debt or any Related Bonds for which cash or Escrow Obligations are irrevocably on deposit in an escrow or trust account with the Master Trustee, the Related Bond Trustee or a third party escrow agent, which cash and Escrow Obligations (including, where appropriate, the earnings or other increments to accrue thereon) are required to be used to pay the principal of such Debt or Related Bonds;
- (c) liabilities incurred by the endorsement for collection or deposit of checks or drafts received in the ordinary course of business or overdrafts to banks to the extent there are immediately available funds sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business;
- (d) accounts payable and other current liabilities (other than for the repayment of borrowed money) incurred in the ordinary course of business;
- (e) liabilities payable out of current payments for the funding of employee pension plans, retiree benefits other than pensions, health plans and other benefit programs, contributions to self-insurance or pooled-risk insurance programs and estimated long-term self-insurance liability, and the funding of reserves for deferred taxes, deferred revenues, deferred compensation, and similar such liabilities;
- (f) obligations under contracts for supplies, services or pensions allocated to the current operating expenses of future years in which the supplies are to be furnished, the services rendered or the pensions paid;

- (g) rentals payable under leases which are not or would not be capitalized under generally accepted accounting principles in effect on the date thereof;
- (h) Debt of any entity that is not a Member (even though such entity may be a subsidiary of or controlled by or under common control with a Member) except to the extent of any Guarantee by any Member of such Debt or to the extent that Member is otherwise obligated with respect to that Debt;
- (i) any other obligations that do not constitute debt under generally accepted accounting principles;
- (j) liabilities to residents of senior living or similar facilities to refund entrance fees or other fees paid by those residents;
- (k) any Interest Rate Exchange Agreement or any Master Note issued to evidence or secure obligations thereunder; and
- (l) Subordinated Debt to an Affiliate.

“Debt Service” means, for any period of time for which calculated, the aggregate of the scheduled payments required to be made during such period in respect of principal (whether at maturity or as a result of scheduled mandatory redemption or scheduled mandatory prepayment, but not (i) principal refinanced with the proceeds of Debt or (ii) purchase price payments for Extendable Debt or Put Debt purchased at the option of the holder thereof, or (iii) optional prepayments of Debt) and interest on Long-Term Debt of the Members (other than Subordinated Debt); provided that:

- (a) the amount of such payments for a future period are calculated in accordance with the assumptions described under “SUMMARY OF THE MASTER INDENTURE – Calculation of Debt Service Requirements;”
- (b) payments under Interest Rate Exchange Agreements are taken into account in accordance with the provisions described under “SUMMARY OF THE MASTER INDENTURE – Calculation of Debt Service Requirements;”
- (c) such payments are excluded from Debt Service to the extent that cash or Escrow Obligations are on deposit in an irrevocable escrow or trust account and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal or interest and are sufficient to pay such principal or interest;
- (d) principal of Long-Term Debt shall be excluded from the last principal maturity of that Long-Term Debt to the extent moneys were initially deposited into a debt service reserve fund and moneys on deposit in the debt service reserve fund on the due date of that last principal maturity are required to be used to pay that principal maturity; and
- (e) any fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds of a bond or Master Note issue set aside for that purpose) shall be included; such fees to be calculated at the rates existing at the date of such calculation; and
- (f) for purposes of calculating Debt Service as described above, the “scheduled payments required to be made during such period” shall be determined as of the date of calculation and, for the avoidance of doubt, shall incorporate and reflect any reductions in originally scheduled payments arising from or due to any unscheduled prepayment of Long-Term Debt occurring prior to such date of calculation.

“Encumbrance” means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on Property.

“Entrance Fee Debt” means Debt that is projected to be paid prior to maturity solely from Initial Entrance Fees.

“Entrance Fees” means fees, other than monthly rentals or monthly service charges, paid to a Member by residents of living units for the purpose of obtaining the right to reside in those living units including any refundable resident deposits described in any lease or similar Residency Agreements with respect to those living units, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement before the occupancy of the living unit covered by such agreement (which amounts shall be included if and when occupancy occurs).

“Escrow Obligations” means

(a) with respect to any Master Note which secures a series of Related Bonds, the obligations permitted to be used to defease such series of Related Bonds under the Related Bond Documents, and

(b) with respect to any Master Notes for which there are no Related Bonds and any other Debt,

(i) Government Obligations which are not subject to redemption in advance of their maturity dates;

(ii) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(A) the obligations are (i) not subject to redemption before maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(B) the obligations are secured by cash or Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(C) such cash and the principal of and interest on such Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(D) such cash and Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(E) such cash and Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(F) the obligations are rated in the highest rating category by Moody’s (presently “Aaa”), S&P (presently “AAA”) or Fitch (presently “AAA”); or

(iii) other obligations, if any, permitted to be used to discharge the obligor’s obligation (except for payment from proceeds of Escrow Obligations) to pay those Master Notes or other Debt by the Supplemental Master Indenture under which those Master Notes were issued or by the document under which the other Debt was issued or secured.

“Event of Default” means with respect to the Master Indenture, an “Event of Default” as defined under “SUMMARY OF THE MASTER INDENTURE – Events of Default.”

“Excluded Property” means (a) the Corporate Headquarters Accounts and the Corporation’s home office building leasehold improvements and equipment and furnishings therein, (b) any assets of “employee pension benefit plans” as defined in the Employee Retirement Income Security Act of 1974, as amended, (c) any assets of a self-insurance trust which prohibits any application of such assets for purposes that are not related to claims as defined in the governing trust document, (d) all endowment funds and property derived from gifts, grants, research contracts, bequests, donations and contributions made to or with any Member that are specifically restricted by the donor, testator or grantor to a particular purpose inconsistent with their use to pay Debt Service or operating expenses, and the income and gains derived therefrom to the extent so restricted, (e) the real estate and other property described in the Master Indenture and all improvements, fixtures, equipment and other tangible personal property located thereon, (f) the property of any Person that becomes a Member after the date of the Master Indenture that is to be considered Excluded Property as evidenced by an amendment to the Master Indenture at the time such Person becomes a Member, provided that such property may be treated as Excluded Property only if such property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property, and (g) any other property which the Obligated Group Representative has established in an Officer’s Certificate delivered to the Master Trustee is property upon which none of the primary operations of any Member are conducted and which does not constitute a material or integral part of the primary operations of any Member and is not material in the generation of Net Income Available for Debt Service.

“Existing Debt” means (a) the Debt listed in the Master Indenture, (b) all other Debt of the Corporation that is Outstanding at the time of execution and delivery of the Master Indenture, and (c) Debt of a Person that becomes a Member after the date of the Master Indenture that is Outstanding at the time such Person becomes a Member.

“Extendable Debt” means Long-Term Debt that is to be purchased by or for the account of the Obligated Group or a Member at the option of the holder thereof before its stated maturity; provided that (i) the option may not be exercised more frequently than once each year and (ii) the obligation by the Obligated Group or Member to purchase the Debt is subject to the availability of funds in excess of a specified level for that purpose.

“Facility” means a senior living, health care or other facility owned or operated by a Member.

“Fiscal Year” means any period beginning on January 1 of any calendar year and ending on December 31 of that calendar year or such other twelve-month period selected by the Obligated Group Representative as the Obligated Group’s fiscal year for financial reporting purposes.

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

“Governing Board” means, with respect to a Member, the board of directors, 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.

“Guarantee” means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner, of any part or all of any Debt other than

Debt of a Member, including obligations incurred through an agreement, contingent or otherwise, by such Person: (i) to purchase such Debt or obligation or any Property constituting security therefor; (ii) to advance or supply funds for the purchase or payment of such Debt or obligation; or (iii) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Debt or obligation of the ability of the primary obligor to make payment of the Debt or obligation; (iv) to repay amounts drawn upon a letter of credit or other credit facility; or (v) providing assurance of the payment or performance (or payment of damages in the event of non-performance) of any part or all of any Debt other than Debt of a Member. A Guarantee shall not include any agreement solely because such agreement creates a lien on assets of any Person or any agreement providing for indemnification. The amount of a Guarantee shall be the maximum amount of the Debt guaranteed for which the guarantor could be held liable under the Guarantee. A Guarantee may be evidenced or secured by a Master Note if the Guarantee is an obligation of the Obligated Group or a Member.

“Historical Debt Service Coverage Ratio” means, for any historical period of time, the ratio determined by dividing (a) a numerator equal to the Net Income Available for Debt Service for that period by (b) a denominator equal to the Debt Service for Long-Term Debt of the Obligated Group for that period of time, provided that, in determining this ratio, (i) the Debt Service for Long-Term Debt incurred to finance in whole or in part the acquisition, construction, renovation or replacement of revenue-producing facilities, together with all Revenues and Total Expenses attributable to those facilities, shall be excluded to the extent so provided in paragraph (c) under “SUMMARY OF THE MASTER INDENTURE – Rate Covenant” and (ii) any principal amount of any Long-Term Debt paid from proceeds of other Debt incurred in accordance with the Master Indenture shall be excluded.

“Historical Maximum Annual Debt Service Coverage Ratio” means, for any historical period of time, the ratio determined by dividing (a) a numerator equal to the Net Income Available for Debt Service for that period by (b) a denominator equal to the Maximum Annual Debt Service for the Long-Term Debt of the Obligated Group Outstanding immediately after the effectiveness of transaction for which the Master Indenture requires the calculation of the ratio; provided that, in determining this ratio, (i) the Debt Service for Long-Term Debt incurred to finance in whole or in part the acquisition, construction, renovation or replacement of revenue-producing facilities, together with all Revenues and Total Expenses attributable to those facilities, shall be excluded to the extent so provided in paragraph (c) under “SUMMARY OF THE MASTER INDENTURE – Rate Covenant” and (ii) any principal amount of any Long-Term Debt paid from proceeds of other Debt incurred in accordance with the Master Indenture shall be excluded.

“Historical Pro Forma Debt Service Coverage Ratio” means, for any historical period of time, the ratio determined by dividing (a) a numerator equal to the Net Income Available for Debt Service for that period by (b) a denominator equal to the Maximum Annual Debt Service for the Long-Term Debt of the Obligated Group then Outstanding (other than any Long-Term Debt being refunded with the Long-Term Debt then proposed to be issued) and the Long-Term Debt proposed to be issued; provided that, in determining this ratio, (i) the Debt Service for Long-Term Debt incurred to finance in whole or in part the acquisition, construction, renovation or replacement of revenue-producing facilities, together with all Revenues and Total Expenses attributable to those facilities, shall be excluded to the extent so provided in paragraph (c) under “SUMMARY OF THE MASTER INDENTURE – Rate Covenant” and (ii) any principal amount of any Long-Term Debt paid from proceeds of other Debt incurred in accordance with the Master Indenture shall be excluded.

“Initial Entrance Fees” means Entrance Fees received upon the initial occupancy of any living unit not previously occupied.

“Insurance Consultant” means an individual or firm selected by the Obligated Group Representative and if the Master Trustee has requested in writing the right to approve such Insurance Consultant, approved by the Master Trustee (which approval shall not be unreasonably withheld), qualified to survey risks and to recommend insurance coverage for organizations engaged in like operations to those of the Obligated Group

and having a favorable reputation for skill and experience in such surveys and such recommendations, but who may be a broker or agent with whom any Member transacts business.

“Interest Rate Exchange Agreement” means any interest rate exchange agreement or comparable agreement entered into by any Member for a term exceeding one year, pursuant to which such Member is obligated to make interest-like payments to or on behalf of another Person and that Person is obligated to make similar interest-like payments to or on behalf of any Member (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Long-Term Debt” means (a) Debt having an original stated maturity or term greater than one year, or (b) Debt having an original stated maturity or term equal to or less than one year that is renewable or extendable at the option of the debtor for a period greater than one year from the date of original issuance or incurrence thereof, or with respect to which a Member has incurred Commitment Debt that would refinance such Debt for a period extending beyond one year from the date of original issuance or incurrence thereof.

“Management Report” means a report of management of the Obligated Group approved by the Governing Board of the Obligated Group Representative and delivered to the Master Trustee, each Related Bond Trustee and each Original Purchaser.

“Master DSRF Secured Note” means a Master Note secured by the Master Reserve Fund.

“Master Indenture” means the Master Trust Indenture dated as of November 1, 2010, between the Corporation, any other Members of the Obligated Group and the Master Trustee, as from time to time amended and supplemented by Supplemental Master Indentures.

“Master Noteowner” or **“Owner”** when used in relation to a Master Note means the registered owner as recorded in the Note Register maintained by the Master Trustee of any Master Note unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Master Note is issued for establishing ownership of such Master Note, in which case such alternative provision shall control.

“Master Notes” means Master Notes issued, authenticated and delivered under the Master Indenture.

“Master Reserve Fund” means the fund by that name created in the Master Indenture.

“Master Reserve Fund Balance” means as of any date of determination the amount held by the Master Trustee in the Master Reserve Fund. The Master Reserve Fund Balance as of the date of issuance of the Series 2021 Bonds is \$-0-.

“Master Reserve Fund Requirement” means, as of any date of determination specified in the Master Indenture for the Master Reserve Fund, an amount equal to (i) the least of (A) 10% of the then outstanding aggregate principal amount of all Master DSRF Secured Notes and all Master Notes secured by a Specified Reserve Fund, (B) the Maximum Annual Debt Service on all Master DSRF Secured Notes and all Master Notes secured by a Specified Reserve Fund, or (C) 125% of the average future annual debt service on all Master DSRF Secured Notes and all Master Notes secured by a Specified Reserve Fund, minus (ii) the Specified Reserve Funds Balance as of the date of determination, minus (iii) the amounts as of the date of determination held in any funded interest fund, or equivalent, to fund interest on any Related Bonds secured by a Master DSRF Secured Note; provided that for purposes of computing the amounts in clause (i) above, the principal amount and Debt Service on any Entrance Fee Debt shall be excluded; and provided further that if a Master DSRF Secured Note secures Related Bonds with interest that is excludable from gross income under

the Internal Revenue Code and the Master Reserve Fund Requirement is greater than the amount permitted by the federal income tax laws to be invested without regard to yield restrictions, the Master Reserve Fund Requirement shall be reduced to an amount equal to the maximum amount permitted by the federal income tax laws to be invested without regard to yield restrictions. The Master Reserve Fund Requirement as of the date of issuance of the Series 2021 Bonds is \$-0-.

“Master Trustee” means U.S. Bank National Association, Fort Lauderdale, Florida, and its successors and assigns, as master trustee under the Master Indenture.

“Maximum Annual Debt Service” means the maximum amount of Debt Service for all Outstanding Long-Term Debt as computed for the then current or any future Fiscal Year.

“Member” means each Person that is a Member of the Obligated Group on the date of original execution and delivery of the Master Indenture and each Person that after the date of the Master Indenture becomes a Member of the Obligated Group pursuant to the Master Indenture, and their successors and assigns, other than any Persons that have withdrawn from the Obligated Group pursuant to the Master Indenture.

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

“Mortgages” means any mortgages, deeds of trust, security agreements, pledge agreements, assignments, leases and other documents granting a lien, security interest or other interest in Property to the Master Trustee to secure the Master Notes.

“Mortgaged Property” means the Property of the Corporation subject to the Mortgages.

“Net Income Available for Debt Service” means, as to any period of time, all Revenues of the Obligated Group minus Total Expenses of the Obligated Group.

“Net Proceeds” means the proceeds of any insurance (excluding any proceeds of business interruption or similar insurance) relating damage or destruction of any facilities of a Member and the proceeds of any condemnation or sales pursuant to condemnation proceedings in exercise of the power of eminent domain or under the threat thereof, in both cases less the costs and expenses incurred in obtaining those proceeds, including attorneys’ fees and any expenses of a Member or the Master Trustee.

“Net Proceeds Threshold” means 3% of the Book Value, or at the option of the Obligated Group Representative, the Current Value, of Property, Plant and Equipment of the Obligated Group as shown on the most recent audited financial statements of the Obligated Group.

“Non-Recourse Debt” means Long-Term Debt incurred after the date of execution and delivery of the Master Indenture for the purpose of financing the purchase or acquisition of real or tangible personal property secured by a lien on, or security interest in, the property being purchased or acquired and evidenced by an instrument that expressly provides that upon default in the payment of the principal thereof or interest thereon the obligee thereof may look only to property securing the same and not to the credit of any Member nor to any other Property of any Member; provided that no revenues or funds of a Member have been applied to any payment on the Non-Recourse Debt other than revenues or funds derived from the property securing the Debt.

“Non-Recurring,” when used in connection with a gain, loss or expense means the nature of the gain, loss or expense is such that, in the written opinion of a Consultant, (a) it is not reasonably likely to recur within two years, and (b) there was not a similar gain, loss or expense within the prior two years.

“Note Register” means the registration books kept by the Master Trustee to evidence the registration, transfer and exchange of Master Notes pursuant to the Master Indenture.

“Obligated Group” means the Corporation, Querencia, and all other Persons that have fulfilled the requirements for entry into the Obligated Group set forth in the Master Indenture, but excluding any Persons that have ceased to be Members of the Obligated Group pursuant to the Master Indenture.

“Obligated Group Representative” means the Corporation, acting through its Governing Board, its chief executive officer, its chief financial officer or its other duly authorized officers acting pursuant to duly delegated authority, or any other Member from time to time designated as the Obligated Group Representative in an Officer’s Certificate delivered to the Master Trustee and each Related Bond Trustee.

“Officer’s Certificate” means a written certificate, request or other instrument of the Obligated Group Representative (or of another Member, if the context so requires and if acceptable to the Master Trustee) signed by the chairman of its Governing Board, its chief executive officer, its chief financial officer or any other duly authorized officer whose authority to execute such certificate is evidenced to the satisfaction of the Master Trustee, and which certificate in each instance, including the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee.

“Opinion of Bond Counsel” means an opinion in writing addressed to the applicable Authority and the Bond Trustee and signed by legal counsel acceptable to the Authority, the Bond Trustee and the Master Trustee who is nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means a written opinion of any legal counsel acceptable to the Master Trustee, which may include independent legal counsel for the Master Trustee, any Member, any Related Bond Issuer or any Related Bond Trustee.

“Outstanding” means:

(a) when used with respect to Master Notes, as of the date of determination, all Master Notes theretofore authenticated and delivered under the Master Indenture, except: (1) Master Notes theretofore cancelled by the Master Trustee or delivered to the Master Trustee for cancellation; (2) Master Notes for whose payment or redemption money or Escrow Obligations in the necessary amount are deposited with the Master Trustee or any Paying Agent in trust for the Owners of such Master Notes, provided that, if such Master Notes are to be redeemed, notice of such redemption is duly given pursuant to the Master Indenture or provision therefor satisfactory to the Master Trustee is made; (3) Master Notes issued in connection with the issuance of a series of Related Bonds, to the extent that such Related Bonds are discharged and no longer deemed outstanding under the Related Bond Documents; (4) Master Notes in exchange for or in lieu of which other Master Notes are authenticated and delivered under the Master Indenture; and (5) Master Notes alleged to be destroyed, lost or stolen which are paid as provided in the Master Indenture;

(b) when used in connection with other Debt, all such Debt except Debt with respect to which the obligation to make payments is discharged and no longer deemed outstanding in accordance with the terms of the instrument or instruments creating or evidencing such Debt.

“Owner” when used with respect to the Master Notes, shall have the same meaning as the term “Master Noteowner,” and when used with respect to the Bonds, shall have the same meaning as the term “Bondowner.”

“Paying Agent” means with respect to the Master Notes, the Master Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or

any national banking association designated pursuant to the Master Indenture as paying agent for any Master Notes at which the principal of, and redemption premium, if any, and interest on such Master Notes shall be payable; and

“Permitted Encumbrances” means, with respect to Property of any Member as of any particular time, the following:

- (a) the lien and security interest of the Master Indenture on the Trust Estate and any other liens or security interest in Property that equally and ratably secure all of the Master Notes on a parity basis;
- (b) liens for taxes, assessments, and other governmental charges not delinquent, or if delinquent that are being contested in good faith by appropriate proceedings and as to which a Member shall have set aside on its books adequate reserves with respect thereto;
- (c) mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s liens not filed of record and similar charges not delinquent, or if filed of record are being contested in good faith and have not proceeded to judgment and as to which a Member shall have set aside on its books adequate reserves with respect thereto;
- (d) liens in respect of judgments or awards with respect to which a Member is in good faith currently prosecuting an appeal or proceedings for review, and with respect to which a Member shall have secured a stay of execution pending such appeal or proceedings for review, provided a Member shall have set aside on its books adequate reserves with respect thereto;
- (e) utility, access and other easements and rights-of-way, restrictions, encumbrances and exceptions that do not materially affect the marketability of title to such Property and do not in the aggregate materially impair the use of such Property for the purposes for which it is held by a Member;
- (f) such minor defects and irregularities of title as normally exist with respect to property similar in character to the Property affected thereby and which do not materially affect the marketability of title to or value of such Property and do not materially impair the use of such Property for the purposes for which it is held by a Member;
- (g) zoning laws, ordinances or regulations and similar restrictions that are not violated by the Property affected thereby;
- (h) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal or state statutes;
- (i) statutory liens and rights of setoff granted to banks or other financial institutions with respect to funds on deposit in the ordinary course of business;
- (j) all right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;
- (k) rights reserved to, or vested in, any municipality or governmental or other public authority by virtue of any franchise, license, contract or statute to control or regulate any Property of a Member, or to use such Property in any manner, or to purchase, or designate a purchaser of or

order the sale of, any Property of a Member upon payment of cash or reasonable compensation therefor, or to terminate any franchise, license or other rights;

- (l) liens on moneys deposited by patients, residents or others with a Member as security for or as prepayment of the cost of patient or resident care, liens due to rights of third party payors for recoupment of excess reimbursement paid to any Member, and liens of residents of life care, elderly housing or similar facilities on endowment or other funds deposited by or on behalf of such residents;
- (m) liens arising by reason of (1) good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), (2) deposits by a Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, (3) deposits as security for the payment of taxes or assessments or other similar charges, and (4) deposits with, or the giving of any form of security to, any municipality or governmental or other public authority for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;
- (n) liens on cash, securities or deposits securing obligations relating to letters of credit to enable Members or their Affiliates to maintain self-insurance or to participate in funds established in connection with worker's compensation;
- (o) liens on cash, securities or deposits securing obligations relating to letters of credit to secure payment of utility charges;
- (p) liens on cash, securities or deposits securing obligations relating to lines of credit incurred for working capital purposes for Members or their Affiliates which obligations relating to lines of credit do not exceed in the aggregate \$1,000,000;
- (q) liens or restrictions on Property received by a Member through gifts, grants, bequests, contributions or donations imposed by the donor or grantor of such Property;
- (r) liens on and security interests in the proceeds of Debt before the application of such proceeds or any debt service fund, reserve fund, escrow fund or similar fund established to secure the payment of Debt;
- (s) liens existing on Property at the time of its acquisition by a Member through purchase, lease or otherwise, and liens existing on Property of a Person on the date such Person becomes a Member or merges into or consolidates with a Member that were not imposed or incurred in contemplation of such Member joining the Obligated Group or merging into or consolidating with a Member; provided that no such lien may be increased, extended, renewed, or modified after such date to apply to any Property of any Member not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance under the Master Indenture if at the time of incurrence of such Debt, and after giving effect to all liens classified as Permitted Encumbrances under this subparagraph, the Book Value (or, at the option of the Obligated Group Representative, the Current Value) of all Property, Plant and Equipment of the Obligated Group subject to such liens is not more than 10% of such value of all of the Property, Plant and Equipment of the Obligated Group;

- (t) leases, under which a Member is lessor, that relate to Property of any Member which is of a type that is customarily the subject of such leases including leases of office space for physicians and educational institutions, food service facilities, parking facilities, day care centers, gift shops, barber shops, beauty shops, flower shops, radiology, pathology or other hospital-based specialty services, and pharmacy and similar departments; and any other leases entered into in accordance with the disposition of Property provisions of the Master Indenture;
- (u) purchase money mortgages, security interests, and liens securing Purchase Money Debt placed upon Property in order to obtain the use of such Property or to secure a portion of the purchase price thereof;
- (v) liens securing any Debt between Members;
- (w) liens on not more than 20% of the accounts receivable of the Obligated Group to secure Short-Term Debt not exceeding 15% of the Revenues of the Obligated Group as shown on the audited financial statements of the Obligated Group for the most recent Fiscal Year for which audited financial statements are available;
- (x) liens on Property securing Commitment Debt issued in support of any Long-Term Debt which are equal in rank and priority with or subordinate to the liens granted to secure the Long-Term Debt;
- (y) liens on Property securing Subordinated Debt, provided that a superior lien on the same Property is granted to secure all Master Notes;
- (z) liens on Property which are existing at the date of the Master Indenture; provided that no such lien (or the amount of Debt secured thereby) may be increased, extended, renewed or modified to apply to any Property of any Member not subject to such lien on such date unless such lien as so increased, extended, renewed or modified otherwise qualifies as a Permitted Encumbrance under the Master Indenture;
- (aa) liens on unimproved real property and any other lien or encumbrance 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 and which, individually or in the aggregate, does not materially impair the value or the utility of the Property subject to such lien or encumbrance;
- (bb) liens on cash or securities securing the obligations of the Corporation or the Obligated Group under an interest rate exchange, hedge or similar agreement (including an interest rate swap, a forward or futures contract, an option (*e.g.*, a call or put), cap, floor or collar), entered into by a Member and a swap counterparty pursuant to which the Member is obligated to make interest-like payments to or on behalf of another Person and that Person is obligated to make similar interest-like payments to or on behalf of the Member (based on a different rate of, or formula for, interest), with neither party obligated to repay any principal, which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof; and
- (cc) any other liens on Property expressly permitted by the Master Indenture or approved in writing by the Owners of all of the Master Notes.

“Permitted Investments” means, if and to the extent the same are at the time legal for investment of funds held under the Bond Indenture):

- (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 in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency;
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank or the Student Loan Marketing Association) which is either (i) rated in the highest rating category by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America;
- (d) U.S. denominated deposit account, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Master Trustee or Bond Trustee or their affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which mature not more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which matures not more than 270 days after the date of purchase;
- (f) bonds, notes, debentures or other evidences of debt 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 the agreement is executed are rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency or investment agreements with non-bank financial institutions, provided that (1) 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 the agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if the non-bank financial institution and any related guarantor 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 the non-bank financial institution is rated by any Rating Agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term debt by any Rating Agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;
- (h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including the Master Trustee, the Bond Trustee or their affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Bond Trustee or a custodial agent of the Bond Trustee has possession of the collateral and that 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, and (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) the collateral securities are held in the custody of the Bond Trustee or the Bond Trustee's agent;

(i) investments in a money market fund, including funds of the Bond Trustee, the Master Trustee or their affiliates, rated (at the time of purchase) in the highest rating category for this type of investment by any Rating Agency; and

(j) shares in any investment company, money market mutual fund, fixed income mutual fund, exchange-traded 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, and whose investments consist solely of Permitted Investments as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Bond Trustee, the Master Trustee or their affiliates derive a fee for investment advisory or other services to the fund.

The Bond Trustee or 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, absent receipt of written notice or information to the contrary. For the purposes of this definition, obligations issued or held in the name of the Bond Trustee or Master Trustee in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Bond Trustee or Master Trustee.

“Person” means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, public body, agency or political subdivision thereof or any other similar entity.

“Projected Debt Service Coverage Ratio” means, for any future period, the ratio determined by dividing (a) a numerator equal to the projected Net Income Available for Debt Service for that period by (b) a denominator equal to the Maximum Annual Debt Service for the Long-Term Debt expected to be Outstanding during such period.

“Projected Rate” means the projected yield at par of an obligation, as set forth in the report of a Consultant (which Consultant and report, including the scope, form, substance and other aspects thereof, are acceptable to the Master Trustee) which report shall state that in determining the Projected Rate the Consultant reviewed the yield evaluations at par of not less than three obligations selected by the Consultant, the interest on which is exempt from federal income tax (or, if it is not expected that it will be possible to issue such tax-exempt obligations to refinance the Debt with respect to which debt service is being estimated, obligations the interest on which is subject to federal income tax), which obligations the Consultant states in its opinion are reasonable comparators to be utilized in developing the Projected Rate and which obligations: (i) were outstanding on a date selected by the Consultant that occurred during the 45-day period preceding the date of the calculation utilizing the Projected Rate, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement including any letter of credit, insurance policy or other credit enhancement, and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which the Projected Rate is being determined.

“Property” means any and all rights, titles and interests of a Member in and to all land, leasehold interests, buildings, fixtures and equipment and any and all other property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired; but does not include Excluded Property.

“Property, Plant and Equipment” means all Property of a Member that is classified as property, plant and equipment as shown on the balance sheet of each Member, determined in accordance with generally accepted accounting principles.

“Purchase Money Debt” means Debt incurred by a Member pursuant to a purchase money contract, conditional sale agreement, installment purchase contract, capitalized lease or other similar debt or title retention agreement in connection with the acquisition of real or personal property and secured by a purchase money mortgage, security interest or lien with respect to the property acquired by such Member, where the lien of the seller or lender under such agreement is limited to such property.

“Put Debt” means Debt, which is payable or required to be purchased or redeemed, at the option of the holder thereof, before its stated maturity date in intervals of less than one year.

“Qualified Financial Institution” means a bank, trust company, national banking association, insurance company or other financial services company or entity, whose unsecured long term debt obligations (in the case of a bank, trust company, national banking association or other financial services company or entity) or whose claims paying abilities (in the case of an insurance company) are rated in either of the two highest categories by Fitch, Moody’s or S&P.

“Querencia” means Barton Creek Senior Living Center, a Texas nonprofit corporation, and its successors and assigns, and any surviving, resulting or transferee entity.

“Rating Agency” means Moody’s, S&P or Fitch.

“Rebate Fund” means the fund by that name created by the Bond Indenture.

“Record Date” means the last day (whether or not a business day) of the calendar month next preceding the date on which an interest payment on any Bond is to be made.

“Refunding Debt” means Long-Term Debt issued for the purpose of refunding other Long-Term Debt (including Long-Term Debt commonly referred to as current refunding debt, advance refunding debt or cross-over refunding debt where the proceeds of such Refunding Debt are deposited in an irrevocable escrow or trust account to secure the payment on the applicable payment dates of the interest on and principal of such Refunding Debt and/or the Debt being refunded).

“Related Bond Documents” means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued, and the document or documents (including any loan agreement, lease agreement, installment sale agreement or other financing agreement) pursuant to which any proceeds of any Related Bonds are made available to or for the benefit of any Member or any Affiliate of any Member.

“Related Bond Issuer” means any issuer of a series of Related Bonds.

“Related Bond Trustee” means any trustee under any Related Bond Document and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Document, the Related Bond Issuer.

“Related Bonds” means any revenue bonds or similar obligations issued by any state of the United States or any municipal corporation or other political subdivision formed under the laws thereof or any constituted authority, agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof, the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of a Master Note or Master Notes to such governmental issuer.

“Required Information Recipients” means each Member, the Master Trustee, each Related Bond Trustee, the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system, each Original Purchaser, any registered owners or beneficial owners of Master Notes and any registered owners or beneficial owners of at least \$500,000 in aggregate principal amount of Related Bonds that have

requested to receive information in a writing with the Master Trustee and the Obligated Group Representative and any other person designated as a Required Information Recipient in a Supplemental Master Indenture.

“Residency Agreement” means any written agreement or contract, as amended from time to time, between a Member and a resident or potential resident of a facility giving the resident or potential resident certain rights of occupancy in the facility, including independent living units, assisted living units, memory support units, nursing beds or specialty care beds, and providing for certain services to such resident, including any reservation agreement or other agreement or contract reserving rights of occupancy.

“Revenues” means for any period, (i) in the case of any Member providing health care or senior living services, the sum of (a) gross service revenues less contractual allowances and provisions for uncollectable accounts, discounted care, and free care (to the extent related revenue is booked), including Medicaid, Medicare and other third-party payments, plus (b) other operating revenues other than the amortization of deferred Entrance Fees, plus (c) non-operating revenues, all as determined in accordance with generally accepted accounting principles consistently applied, plus (d) deferred Entrance Fees, excluding Initial Entrance Fees, actually received net of refunds, plus (e) gifts, grants, bequests and donations actually received during that period of time not otherwise included in Revenues if not required to be excluded from Revenues by the remainder of this definition, plus (f) Unrestricted Contributions; and (ii) in the case of any other Member, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally acceptable accounting principles consistently applied; provided that no determination thereof shall take into account (A) unrealized gains on investments, investment contracts or Interest Rate Exchange Agreements, or changes in value of split interest gifts or adjustments of actuarial liabilities for annuity obligations, (B) income derived from the investment of Escrow Obligations that is irrevocably deposited in escrow to pay the principal of or interest on Debt or Related Bonds, (C) any gain resulting from the early extinguishment or forgiveness of Debt or the sale, exchange or other disposition of Property not in the ordinary course of business or any reappraisal, revaluation or write-up of assets and any other extraordinary or Non-Recurring gain or income, (D) gifts, grants, bequests or donations restricted as to use by the donor or grantor for a purpose inconsistent with the payment of Debt Service or operating expenses, (E) gifts, grants, bequests or donations pledged but not actually received during that period of time, (F) insurance (other than business interruption) and condemnation proceeds, (G) proceeds of borrowing, (H) payments or deposits under a Residency Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of that payment or deposit have been satisfied, (I) all deposits and advance payments made in connection with Residency Agreements or leases respecting independent living units or other areas to be occupied by or leased to residents or tenants and received before receipt of any required occupancy certificates of those units or other areas, (J) earnings and gains on investments held in the Corporate Headquarters Accounts, and (K) if the calculation is made with respect to the Obligated Group, 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 before the date the applicable Officer’s Certificate is required to be delivered with respect to such calculation. For purposes of any calculation that is made with reference to both Revenues and Total Expenses, any deduction from revenues otherwise required by the preceding provisions of this definition shall not be made if and to the extent that the amount of such deduction is included in Total Expenses.

“S&P” means S&P Global Ratings, 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, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to Bond Trustee.

“Series 2019 Entrance Fees Fund” means the fund by that name created under the Master Indenture.

“Series 2021 Entrance Fees Fund” means the fund by that name created under the Master Indenture.

“Short-Term Debt” means Debt having an original maturity less than or equal to one year from the date of original incurrence thereof, and not renewable at the option of the debtor for a term greater than one year beyond the date of original incurrence.

“Specified Reserve Funds” means, as of any date of calculation, any debt service reserve fund held by a Related Bond Trustee for the benefit of a particular series of Related Bonds. As of the date of issuance of the Series 2021 Bonds, debt service reserve funds are held by the Related Bond Trustee for the following Related Bonds:

- Iowa Finance Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2018A;
- Palm Beach County Health Facilities Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2018B.
- Iowa Finance Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2016A;
- Palm Beach County Health Facilities Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2016B;
- Illinois Finance Authority Revenue Bonds, Series 2015A (Lifespace Communities, Inc.);
- Palm Beach County Health Facilities Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2015C;
- Illinois Finance Authority Revenue Refunding Bonds, Series 2005B (Beacon Hill) Extendable Rate Adjustable SecuritiesSM (EXTRASSM);
- Palm Beach County Health Facilities Authority Revenue Bonds, Series 2004A (Harbour’s Edge Project);
- Palm Beach County Health Facilities Authority Revenue Bonds, Series 2004B Extendable Rate Adjustable SecuritiesSM (EXTRASSM) (Harbour’s Edge Project);
- Palm Beach County Health Facilities Authority Revenue Refunding Bonds, Series 2003 (Abbey Delray South); and
- Palm Beach County Health Facilities Authority Revenue Bonds, Series 2001A (Abbey Delray Project).

“Specified Reserve Funds Balance” means the aggregate amounts held by Related Bond Trustees in the Specified Reserve Funds.

“Stable Occupancy” means, with respect to any facility financed with Long-Term Debt for which the Master Trustee was furnished a Consultant’s report pursuant to the Master Indenture (or, if no Consultant’s report was required by the Master Indenture, a Management Report), occupancy of that facility at the level reflected as stabilized occupancy for that facility in the Consultant’s report or the Management Report. (If two or more units are combined into a single unit, they shall continue to be counted as separate units.)

“State” means, as applicable, the State of Iowa or the State of Florida.

“Subordinated Debt” means Debt of a Member that by the terms thereof is specifically junior and subordinate to the Master Notes with respect to payment of principal and interest thereon and that is evidenced by an instrument containing provisions substantially the same as those set forth in the Master Indenture.

“Supplemental Master Indenture” means an indenture amending or supplementing the Master Indenture entered into pursuant to the Master Indenture.

“Supplemental Mortgage” means any document amending or supplementing a Mortgage entered into pursuant to the Master Indenture.

“Tax-Exempt Organization” means a nonprofit organization, organized under the laws of the United States of America or any state thereof, that is an organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Total Expenses” means, for any period of time for which calculated, the total of all operating and non-operating expenses or losses incurred during such period by the Members, determined in accordance with generally accepted accounting principles, but excluding (a) interest expense included in Debt Service, (b) depreciation and amortization, (c) unrealized losses on investments, investment contracts or Interest Rate Exchange Agreements, or changes in value of split interest gifts or adjustments of actuarial liabilities for annuity obligations or any temporary or other than temporary impairment of investment securities, (d) losses resulting from the early extinguishment of debt, the sale or other disposition of assets not in the ordinary course of business or any reappraisal, revaluation or write-down of assets, and any other extraordinary or Non-recurring losses or expenses, (e) any development, marketing, management or other subordinated fees that have been deferred from the year in which they were originally due, (f) any expenses paid from proceeds of Long-Term Debt, (g) future service obligations or changes thereto, (h) other expenses not requiring the payment of cash in *any* period, (i) any losses on investments held in the Corporate Headquarters Accounts, and (j) if the calculation is made with respect to the Obligated Group, any expenses attributable to transactions between any Member and any other Member.

“Trust Estate” means, with respect to the Master Indenture, the Trust Estate described under “SUMMARY OF THE MASTER INDENTURE – Trust Estate.”

“Unrestricted Cash and Investments” means, as of the date of determination, the cash, cash equivalents, marketable securities, and board-designated funds of the Obligated Group (specifically excluding amounts in any project, issuance costs, funded interest, funded fee, debt service, debt service reserve fund held by a trustee, escrow agent or custodian, but including any amounts held in any working capital or operating reserve fund), all to the extent available for the payment of operating expenses *and* Debt Service and as evidenced by the most recent financial statements of the Obligated Group, and any operating or repair and replacement reserves required by state law (but excluding any debt service reserve fund).

“Unrestricted Contributions” means unrestricted cash contributions from an Affiliate that can be used for the payment of Debt Service on Master Notes.

“Unrestricted Receivables” means all income, revenues, receipts and other moneys received by or on behalf of any Member from any source and all rights to receive the same whether in the form of accounts, deposit accounts, investment property, contract rights, chattel paper, instruments, general intangibles or other rights now owned or hereafter acquired by any Member, and all proceeds therefrom whether cash or noncash, all as defined in Article 9 of the Uniform Commercial Code of the applicable state where a Member is located; but excluding (i) gifts, grants, bequests, donations and contributions to any Member made that are specifically restricted by the donor, testator or grantor to a particular purpose that is inconsistent with their use for payments required under the Master Indenture or on the Master Notes, and, if also so restricted, the income and gains derived therefrom, (ii) payments or deposits under a Residency Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of that payment or deposit have been satisfied, (iii) all deposits and advance payments made in connection with any Residency Agreements or leases respecting independent living units or other areas to be occupied by or leased to residents or tenants and received before receipt of any required certificates of occupancy for those units or other areas, and (iv) all amounts or investment property transferred to the Corporate Headquarters Accounts pursuant to the Master Indenture.

“Written Request” means, with reference to the Authority, a request in writing signed by an Authority Representative and, with reference to the Corporation, a request in writing signed by the Corporation Representative, or any other officers designated by the Authority or the Corporation, as the case may be, to sign such Written Request.

* * * * *

SUMMARY OF THE MASTER INDENTURE

The following is a summary of certain provisions contained in the Master Indenture. The following is not a comprehensive description, however, and is qualified in its entirety by reference to the Master Indenture for a complete recital of its terms.

Reference is made to the description of certain pending amendments to the Master Indenture, certain of which amendments will become effective upon the approval of thereof by the Owners of not less than a majority in principal amount of Outstanding Master Notes, and certain of which amendments will become effective when all Master Notes issued prior to 2019 are no longer Outstanding under the Master Indenture. The purchasers of the Series 2021 Bonds in this offering will be deemed to have consented to the amendments to the Master Indenture described below under “SUMMARY OF PENDING AMENDMENTS TO THE MASTER INDENTURE” beginning on page C-60. Such consents, together with consents or deemed consents previously obtained, will constitute approximately 45% of the principal amount of Master Notes Outstanding as of the date of issuance of the Series 2021 Master Notes.

Trust Estate

To secure the payment of the Master Notes and the performance and observance of all the covenants and conditions in the Master Indenture and the Master Notes, the Corporation and all other Persons that become Members, grant a security interest in, pledge, assign and transfer in trust to the Master Trustee, subject to Permitted Encumbrances, upon the terms set forth in the Master Indenture for the equal and proportionate benefit and security of all Owners of the Master Notes, the following property (the “Trust Estate”): (i) all Unrestricted Receivables of the Members of the Obligated Group, (ii) all moneys and securities, if any, at any time held by the Master Trustee under the Master Indenture, (iii) the interests of the Master Trustee under the Mortgages and all moneys and proceeds therefrom received by the Master Trustee, and (iv) any and all other real or personal property conveyed, mortgaged, pledged, assigned or transferred to the Master Trustee as additional security under the Master Indenture.

Payment of Master Notes

The Members shall duly and punctually pay the principal of and premium, if any, and interest on all Master Notes, and any other payments required by the terms of the Master Notes, on the dates, at the times and at the places and in the manner provided in such Master Notes, the applicable Supplemental Master Indenture and the Master Indenture, when and as the same become payable, whether at maturity, upon call for redemption, by acceleration of maturity or otherwise. The Master Indenture, the Master Indenture Notes and the obligations thereunder are joint and several obligations of the Members (subject to the right of each Member to cease its status as a Member pursuant to the terms and conditions of the Master Indenture).

Notwithstanding any other provision of the Master Indenture, the principal of and premium, if any, and interest on Master Notes and amounts payable under the Master Indenture or the Mortgages (or any liability of the Corporation for failure to perform its covenants thereunder) shall not be payable from the Corporate Headquarters Accounts, and the Corporate Headquarters Accounts shall not be available for that purpose.

Creation of Funds and Accounts

There are established in the custody of the Master Trustee the following special trust funds: (a) the Series 2019 Entrance Fees Fund; (b) the Series 2021 Entrance Fees Fund; and (c) the Master Reserve Fund.

Series 2019 Entrance Fees Fund

All Initial Entrance Fees received by the Corporation for a calendar month shall be transferred by the Corporation to the Master Trustee for deposit into the Series 2019 Entrance Fees Fund on the 15th day of the following month. Moneys in the Series 2019 Entrance Fees Fund shall be disbursed by the Master Trustee, on the 15th day of each month to the Related Iowa Bond Trustee under the Related Iowa Bond Indenture, for deposit into the Debt Service Fund established under the Related Iowa Bond Indenture for redemption of the Series 2019A-2 Bonds described in the front portion of this Official Statement, until all Series 2019A-2 Bonds have been redeemed in accordance with the terms thereof.

When the Corporation delivers an Officer's Certificate to the Master Trustee (i) stating that none of the Series 2019A-2 Bonds remains Outstanding, and (ii) requesting that any funds on deposit in the Series 2019 Entrance Fees Fund be transferred to the Corporation, the Corporation need not deposit any additional Initial Entrance Fees into the Series 2019 Entrance Fees Fund, the Master Trustee shall pay any amounts on deposit in the Series 2019 Entrance Fees Fund to the Corporation, and the Series 2019 Entrance Fees Fund shall be closed.

Series 2021 Entrance Fees Fund

On and after the date the Series 2019 Entrance Fees Fund established under Supplemental Master Trust Indenture No. 9 is closed in accordance with the terms thereof, all Oak Trace Initial Entrance Fees received by the Corporation for a calendar month shall be transferred by the Corporation to the Master Trustee for deposit into the Series 2021 Entrance Fees Fund on or before the 15th day of the following month. Moneys in the Series 2021 Entrance Fees Fund shall be disbursed by the Master Trustee, on the 15th day of each month to the Related Iowa Bond Trustee under the Related Iowa 2021D Bond Indenture, for deposit into the Debt Service Fund established under the Related Iowa 2021D Bond Indenture for redemption of the Series 2021D Bonds described in the front portion of this Official Statement, until all Series 2021D Bonds have been redeemed in accordance with the terms thereof.

When the Corporation delivers an Officer's Certificate to the Master Trustee (i) stating that none of the Series 2021D Bonds remains Outstanding, and (ii) requesting that any funds on deposit in the Series 2021 Entrance Fees Fund be transferred to the Corporation, the Corporation need not deposit any additional Oak Trace Initial Entrance Fees into the Series 2021 Entrance Fees Fund, the Master Trustee shall pay any amounts on deposit in the Series 2021 Entrance Fees Fund to the Corporation, and the Series 2021 Entrance Fees Fund shall be closed.

Master Reserve Fund

Master Notes may be secured by the Master Reserve Fund on a parity basis if so designated in the Supplemental Master Indenture pursuant to which such additional Master Note is issued and upon receipt of an Officer's Certificate demonstrating that, upon issuance thereof, the Master Reserve Fund Balance is equal to the Master Reserve Fund Requirement.

Moneys in the Master Reserve Fund shall be used on a parity basis solely for the payment of the principal of and interest on the Master DSRF Secured Notes if moneys otherwise available for such purposes are insufficient to pay the same as they become due.

As of the date of issuance of the Series 2021 Bonds, the only Master Notes that are Master DSRF Secured Notes are the Master Notes securing the Series 2019A Bonds and Series 2019B Bonds described in this Official Statement. The Series 2021 Master Notes are not designated as Master DSRF Secured Notes.

If the Owner of a Master DSRF Secured Note delivers a written notice to the Master Trustee to the effect that the amount of principal or interest paid by the Obligated Group or the amount otherwise available to the Owner of such Master Note is less than the amount of principal or interest then due on such Master Note,

specifying the amount of such deficiency of principal, interest or both, and directing the transfer of moneys from the Master Reserve Fund in the amount of any such deficiency, the Master Trustee, without further direction, shall (i) confirm with all other Owners of Master DSRF Secured Notes whether the amount of principal or interest paid by the Obligated Group or otherwise available to the Owner of such Master DSRF Master Notes is less than the amount of principal or interest then due on such Master DSRF Secured Notes, and (ii) upon receipt of such notice or confirmation of deficiency or deficiencies, immediately withdraw moneys from the Master Reserve Fund in the amount of such deficiency or deficiencies and transfer such moneys to such Owner or Owners of the Master DSRF Secured Notes. If moneys on deposit in the Master Reserve Fund are insufficient to satisfy such deficiency or deficiencies the Master Trustee shall pay from available moneys on deposit in the Master Reserve Fund such deficiency or deficiencies proportionally to each Owner based on the outstanding principal amount of each Master DSRF Secured Note. The Master Trustee shall promptly provide written notice to the Members of any such withdrawal from the Master Reserve Fund.

No transfer of monies shall be made by the Master Trustee from the Master Reserve Fund if the Obligated Group Representative delivers written notice to the Master Trustee that the proposed transfer would violate any applicable state law that requires any insurance regulatory approval for the transfer. If a transfer of monies is suspended in accordance with the preceding sentence, such transfer shall be made as soon as the Master Trustee receives written notice from the Obligated Group Representative that all applicable insurance regulatory approvals for the transfer have been obtained. The Obligated Group Representative shall use its reasonable efforts to obtain all required insurance and other regulatory approvals for any required transfers from the Master Reserve Fund.

In conjunction with the redemption, refunding or maturity or all or any part of a series of Related Bonds, the Master Trustee shall, at the written request of the Obligated Group Representative, transfer moneys in the Master Reserve Fund to the Person designated by the Obligated Group Representative in an amount not in excess of the deposit to the Master Reserve Fund attributable to such series of Related Bonds if immediately after that transfer of moneys and after giving effect to any contemporaneous deposits to the Master Reserve Fund by the Members the amount on deposit therein is not less than the Master Reserve Fund Reserve Requirement.

Beginning on the 25th day of the month following a month in which money is withdrawn from the Master Reserve Fund, the Members jointly and severally covenant promptly to pay or cause to be paid to the Master Trustee for deposit into the Master Reserve Fund, one-twelfth of the amount so withdrawn until the Master Reserve Fund Balance is equal to the Master Reserve Fund Requirement.

The amount on deposit in the Master Reserve Fund shall be valued by the Master Trustee (i) as of each May 15 and November 15, (ii) at the time of any withdrawal from the Master Reserve Fund, (iii) at the time of refunding of any Related Bonds secured by a Master DSRF Secured Note or by a Specified Reserve Fund, (iv) at such other times as the Master Trustee deems appropriate, and (v) at any other time requested in writing by the Obligated Group Representative. Upon any such valuation, the Master Trustee shall give immediate written notice to the Obligated Group Representative if the Master Reserve Fund Balance is less than the Master Reserve Fund Requirement. For the purpose of determining the Master Reserve Fund Balance, the value of any investments shall be valued at their fair market value, including accrued interest.

If on any valuation date the Master Reserve Fund Balance exceeds the Master Reserve Fund Requirement, such excess amount shall be transferred to the Owners of any Master DSRF Secured Note or Notes for deposit into the debt service funds for the Related Bonds. Such excess amount shall be transferred proportionally to each Owner based on the outstanding principal amount of the Master DSRF Secured Notes; provided that if the Master Trustee is furnished with an Opinion of Bond Counsel to the effect that the transfer will not adversely affect the exclusion of interest on any Related Bonds from gross income for federal income tax purposes, to the Corporation, or as directed by the Corporation.

If on any valuation date the Master Reserve Fund Balance is less than 90% of the Master Reserve Fund Requirement, beginning on the 25th day of the month (and on the 25th day of each month thereafter)

following a valuation in which the Master Reserve Fund Balance is less than 90% of the Master Reserve Fund Requirement due to a loss resulting from a decline in the value of Permitted Investments held for the credit of the Master Reserve Fund, the Members jointly and severally covenant promptly to pay or cause to be paid to the Master Trustee for deposit into the Master Reserve Fund, one-sixth of the amount by which the Master Reserve Fund Requirement exceeds the Master Reserve Fund Balance until the Master Reserve Fund Balance is equal to the Master Reserve Fund Requirement.

Moneys held in the Master Reserve Fund shall be invested and reinvested by the Master Trustee, pursuant to written directions of the Obligated Group Representative, in accordance with the provisions of this Master Indenture in Permitted Investments that mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed. Any such Permitted Investments shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the Master Reserve Fund. The interest accruing on the Master Reserve Fund and any profit realized from such Permitted Investments shall be credited to the Master Reserve Fund, and any loss resulting from such Permitted Investments shall be charged to the Master Reserve Fund.

The Master Reserve Fund Requirement may be satisfied by (1) deposits in cash or Permitted Investments, or (2) an insurance policy, a letter of credit or surety bond issued by a Qualified Financial Institution providing for payments into the Master Reserve Fund in the amount of the Master Reserve Fund Requirement, or (3) by a combination of the foregoing. The Master Reserve Fund Balance at any time shall be deemed to be the amount of cash therein plus the value of any Permitted Investments (other than investment agreements constituting Permitted Investments) held therein, plus the face amount of any letter of credit or surety bond issued by a Qualified Financial Institution, plus the face amount of any investment agreement constituting a Permitted Reserve Fund Investment.

Nothing in this section of the Master Indenture prohibits the Obligated Group from establishing one or more separate debt service reserves for a series of Related Bonds, other Debt, or other Master Notes, securing only such Related Bonds, other Debt, or other Master Notes, so long as such debt service reserve constitutes a Permitted Encumbrance.

Entrance Into the Obligated Group

Any Person that is not a Member may become a Member if the following conditions are met:

(a) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, and which shall contain (1) the agreement of such Person to become a Member and thereby to become subject to compliance with all provisions of the Master Indenture, (2) the unconditional and irrevocable agreement of such Person (subject to the right of such Person to cease its status as a Member pursuant to the terms and conditions of the Master Indenture) to jointly and severally make payments upon each Master Note at the times and in the amounts provided in each such Master Note, and (3) representations and warranties by such Person substantially similar to those set forth in the Master Indenture;

(b) The Obligated Group Representative, by appropriate action of its Governing Board, approves and consents to the admission of such Person to the Obligated Group;

(c) The Master Trustee receives an Officer's Certificate which certifies that (1) immediately upon such Person becoming a Member, (A) the Obligated Group would not, as a result of the entrance of the Person into the Obligated Group, be in default in the performance or observance of any covenant or condition to be performed or observed under the Master Indenture; and (B) the number of Days Cash on Hand either (i) would not be less than 120; or (ii) would be greater as a result of such Person becoming a Member; and (2) assuming that the entrance of the Person into the Obligated Group occurred at the beginning of the most recent Fiscal Year for which audited financial

statements of the Obligated Group are available, the Historical Maximum Annual Debt Service Coverage Ratio for that Fiscal Year either (A) would not have been less than 1.20, or (B) would have been greater as a result of such Person becoming a Member, which Officer's Certificate shall contain demonstrations of the satisfaction of those conditions;

(d) The Master Trustee receives either (1) an Officer's Certificate which certifies that, as of the time immediately before such Person becomes a Member, no Master Notes or Related Bonds are rated by a Rating Agency, or (2) evidence satisfactory to the Master Trustee from each Rating Agency maintaining a rating or ratings for any Master Notes or Related Bonds that such rating or ratings will not be reduced or withdrawn as a result of such Person becoming a Member; or (3) evidence satisfactory to the Master Trustee from a Rating Agency evidencing that, immediately after such Person becomes a Member, such Rating Agency will maintain an investment grade rating (BBB- or Baa3 or higher) for the Master Notes or the Related Bonds;

(e) The Master Trustee receives an Opinion of Counsel to the effect that (1) the conditions contained in the Master Indenture relating to membership in the Obligated Group have been complied with; (2) the Supplemental Master Indenture described in paragraph (a) above has been duly authorized, executed and delivered and the Master Indenture (including such Supplemental Master Indenture) constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to the applicable exceptions set forth in the Master Indenture; (3) 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; (4) the Person which is to become a Member is liable on all Master Notes Outstanding under the Master Indenture, as if such Master Notes were originally issued by such Person, subject only to the applicable exceptions set forth in the Master Indenture; and (5) under then existing law such person becoming a Member of the Obligated Group will not subject any Master Notes to the registration provisions of the Securities Act of 1933, as amended (or that such Master Notes have been so registered if registration is required) and will not subject the Master Indenture to the qualification provisions of the Trust Indenture Act of 1939, as amended (or that the Master Indenture has been so qualified if qualification is required); and

(f) If all amounts due or to become due on all Related Bonds which bear interest that is not includible in gross income under the Internal Revenue Code have not been paid to the owners thereof, the Master Trustee, each Related Bond Trustee and each Related Bond Issuer for such Related Bonds receives an Opinion of Bond Counsel to the effect that, under then existing law, the entrance of the Person into the Obligated Group would not cause the interest on such Related Bonds to become includible in gross income under the Internal Revenue Code.

Withdrawal From the Obligated Group

No Member shall take any action, corporate or otherwise, which will cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to not be a Member, and no Member shall cease to be a Member, unless the following terms and conditions are satisfied:

(a) The Obligated Group Representative, by appropriate action of its Governing Board, approves and consents to the withdrawal of such Person from the Obligated Group;

(b) The Master Trustee receives an Officer's Certificate which certifies that (1) immediately upon such Member withdrawing as a Member, (A) the Obligated Group would not, as a result of the withdrawal of the Member from the Obligated Group, be in default in the performance or observance of any covenant or condition to be performed or observed under the Master Indenture, (B) no Member would, as a result of such withdrawal, be in default under or in violation of, any Related Bond Documents, and (C) the number of Days Cash on Hand either (i) would not be less than 120 or (ii) would be greater as a result of such withdrawal; and (2) assuming that the withdrawal of the Member from the Obligated Group occurred at the beginning of the most recent Fiscal Year for which

audited financial statements of the Obligated Group are available, the Historical Maximum Annual Debt Service Coverage Ratio for that Fiscal Year would not have been less than 1.20; or (B) would have been greater as a result of such withdrawal, which Officer's Certificate shall contain demonstrations of the satisfaction of those conditions;

(c) The Master Trustee receives either (1) an Officer's Certificate which certifies that no Master Notes or Related Bonds were rated by a Rating Agency immediately before such Person withdraws as a Member, or (2) evidence from each Rating Agency maintaining such rating, satisfactory to the Master Trustee, that its rating or ratings for any Master Notes or Related Bonds will not be reduced or withdrawn as a result of such Person withdrawing as a Member; or (3) evidence satisfactory to the Master Trustee from a Rating Agency evidencing that, immediately after such Person withdraws as a Member, such Rating Agency will maintain an investment grade rating (BBB- or Baa3 or higher) for the Master Notes or the Related Bonds;

(d) If all amounts due or to become due on all Related Bonds which bear interest that is not includible in gross income for federal income tax purposes have not been paid to the owners thereof, the Master Trustee, each Related Bond Trustee and each Related Bond Issuer for such Related Bonds receives an Opinion of Bond Counsel to the effect that, under then existing law, the withdrawal of the Member from the Obligated Group would not cause the interest on such Related Bonds to become includible in gross income for federal income tax purposes.

Upon satisfaction of the foregoing provisions for a Member to withdraw from the Obligated Group, the Master Trustee shall execute and deliver such appropriate instruments as reasonably requested by the Obligated Group Representative evidencing that such Member has withdrawn from the Obligated Group and has ceased to be a Member and releasing such Member from its liabilities and obligations under the Master Indenture and the Master Notes, except as otherwise provided in the next sentence. Any Member that withdraws from the Obligated Group shall remain liable on all Outstanding Master Notes that were issued for the primary benefit of such Member and for which such Member is primarily liable in accordance with the Master Indenture unless another Member has assumed such primary liability in writing. In any event, all other Members shall also remain liable thereon. The Master Trustee may accept an Opinion of Counsel as conclusive evidence that any such withdrawal complies with this Section and that it is proper for the Master Trustee under this Section to join in the execution of any instrument required to be delivered by this Section.

Covenants as to Legal Existence, Maintenance of Property, and Similar Matters

(a) *Maintenance of Legal Existence.* Except as otherwise expressly provided in the Master Indenture, each Member shall (1) preserve its corporate or other separate legal existence, and (2) be and remain in good standing and duly qualified to conduct its business and affairs in the state of its incorporation or organization and in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification. If a Member changes its state of incorporation, changes its form of organization, changes its name, or takes any other action that could affect the proper location for filing Uniform Commercial Code financing statements or continuation statements or which could render existing filings seriously misleading or invalid, that Member shall immediately provide written notice of the change to the Master Trustee, and thereafter promptly deliver to the Master Trustee such amendments and/or replacement financing statements, together with an Opinion of Counsel to the effect that those amendments and/or replacement financing statements have been properly filed so as to create a perfected security interest in the collateral securing the Master Indenture affected by the change to the extent the same may be perfected by filing, and such additional information or documentation regarding the change as the Master Trustee may reasonably request.

(b) *Maintenance and Use of Property.* Each Member shall cause all its Property used or useful in the conduct of its business and operations to be maintained, preserved and kept in good repair, working order and condition and in as safe condition as its operations will permit and make all proper repairs, renewals, replacements and improvements thereof necessary for the efficient, proper and advantageous conduct of its

business and operations; provided that nothing contained in the Master Indenture shall be construed (1) to prevent it from discontinuing the operation of any of its Property or from removing or demolishing any building or buildings, if such discontinuance is, in its judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Board), desirable in the conduct of its business and not disadvantageous in any material respects to the Owners of the Master Notes or if any such removal or demolishing is in connection with a construction or remodeling project, or (2) to obligate it to retain, preserve, repair, renew or replace any Property, leases, rights, privileges or licenses no longer used or, in the judgment of its Governing Board, useful in the conduct of its business. So long as the Member is in full compliance with the Master Indenture, the Member may possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

(c) *Compliance with Laws and Regulations.* Each Member shall comply in all material respects with all valid laws, ordinances, orders, decrees, decisions, rules, regulations and requirements of every duly constituted governmental authority, commission and court applicable to any of its affairs, business, operations and Property, except as permitted by subparagraph (j).

(d) *Payment of Taxes and Other Charges.* Each Member shall pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon such Member or its Property or any part thereof or upon any income therefrom, and also (to the extent that such payment will not be contrary to any applicable laws) all taxes, assessments and other governmental charges lawfully levied, assessed or imposed upon the lien or interest of the Master Trustee or of the Master Noteowners in the Trust Estate, so that (to the extent aforesaid) the lien of the Master Indenture shall at all times be wholly preserved at the cost of the Members and without expense to the Master Trustee or the Master Noteowners, except as permitted by subparagraph (j).

(e) *Payment of Obligations.* Each Member shall promptly pay or otherwise satisfy and discharge all of its obligations and Debt and all demands and claims against it as and when the same become due and payable, except as permitted by subparagraph (j).

(f) *Encumbrances.* Each Member shall not create or incur or permit to be created or incurred or to exist any Encumbrance upon its Property except Permitted Encumbrances, and shall promptly discharge or terminate all Encumbrances on its Property that are not Permitted Encumbrances. Each Member shall at all times comply in all material respects with all terms, covenants and provisions contained in any Encumbrance at such time existing upon its Property or any part thereof or securing any of its Debt, except as permitted by subparagraph (j).

(g) *Licenses and Permits.* Each Member shall procure and maintain all necessary or desirable licenses and permits and, so long as reasonably deemed by its Governing Board to be in the best interests of the Obligated Group and the Owners of Master Notes, use its best efforts to maintain the status of its applicable business and affairs (other than those not currently having such status or not having such status on the date the Person owning or operating such facilities becomes a Member under the Master Indenture) as providers of services eligible for payment or reimbursement under those third-party payment programs that are significant sources of revenue for the Obligated Group.

(h) *Maintenance of Tax-Exempt Status.* Each Member or the sole member of each Member that is a limited liability company (except any Member that has represented that it is not a Tax-Exempt Organization at the time it becomes a Member in the Supplemental Master Indenture executed pursuant to the provisions described in subparagraph (a) under “Entrance Into the Obligated Group” or has ceased to be a Tax-Exempt Organization in accordance with this Section), so long as all amounts due or to become due on all Related Bonds have not been fully paid to the Owners thereof, shall take no action, fail to take any action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status or its sole member’s status as a Tax-Exempt Organization, that could cause the interest on any Related Bond to become includible in gross income for federal income tax purposes. The foregoing notwithstanding, any Member, or the sole member of any Member that is a limited liability company, may cease to be a

Tax-Exempt Organization, or take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization if prior thereto there is delivered to the Master Trustee, each Related Bond Trustee and each Related Bond Issuer an Opinion of Bond Counsel to the effect that such action would not adversely affect the exemption from federal income taxation of interest payable on any Related Bond otherwise entitled to such exemption and an Opinion of Counsel to the effect that such action will not subject any Master Notes to the registration provisions of the Securities Act of 1933, as amended (or that such Master Notes have been so registered if registration is required), will not subject the Master Indenture to the qualification provisions of the Trust Indenture Act of 1939, as amended (or that the Master Indenture has been so qualified if qualification is required), and will not adversely affect the enforceability in accordance with their terms of the Master Indenture and the Master Notes against any Member.

(i) *Advances.* If any Member fails (i) to pay any tax, charge, assessment or imposition to the extent required under the Master Indenture, (ii) to remove any lien or terminate any lease to the extent required under the Master Indenture, (iii) to maintain its Property in repair to the extent required under the Master Indenture, (iv) to procure the insurance required by the Master Indenture, in the manner therein described, or to provide adequate proof of the existence of such insurance, or (v) to make any other payment or perform any other act required to be performed under the Master Indenture, and is not contesting the same in accordance with subparagraph (j), then and in each case the Master Trustee may (but shall not be obligated to) remedy such failure for the account of such Member and make advances for that purpose. No such performance or advance shall operate to release such Member from any such failure and any sums so advanced by the Master Trustee shall be repayable by such Member on demand and shall bear interest at the Master Trustee's announced prime rate plus 2% per annum from time to time in effect, from the date of the advance until repaid. The Master Trustee shall have the right of entry on such Member's Property or any portion thereof, in order to effectuate the purposes on this Section, subject to the permission of a court of competent jurisdiction, if required by law. Any insurance purchased under the Master Indenture at the cost of any Member, as provided above, may, but need not, protect the interests of such Member. The coverage that the Master Trustee purchases, may, but need not, pay any claim that such Member may make or that is made against such Member in connection with the Property of the Member.

(j) *Contests.* No Member of the Obligated Group shall be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to in this Section, to remove any Encumbrance required to be removed under this Section, pay or otherwise satisfy and discharge its obligations, Debt (other than any Master Notes), demands and claims against it or to comply with any Encumbrance, law, ordinance, rule, order, decree, decision, regulation or requirement referred to in this Section, so long as such Member shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Debt, demand, claim or Encumbrance so contested, and the sale, forfeiture, or loss of its Property or any material part thereof, provided that no such contest shall subject any Related Bond Issuer, any Related Bond Trustee, any Master Noteowner or the Master Trustee to the risk of any liability. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Debt, demand, claim or Encumbrance being contested unless such Member agrees to settle such contest. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Members shall save all Related Bond Issuers, all Related Bond Trustees, all Master Noteowners and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. If the Master Trustee shall notify such Member that, in the Opinion of Counsel, by nonpayment of any of the foregoing items the Property of such Member or any material part thereof will be subject to imminent loss or forfeiture, then such Member shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

Insurance

Each Member shall maintain insurance, which may include one or more self-insurance or other alternative risk management programs described below, with respect to its Property and operations covering such risks that are of an insurable nature and of the character customarily insured against by health care organizations operating similar properties and engaged in similar operations (including property, business interruption, worker's compensation, general and professional liability and employee dishonesty) and in such amounts as, in its judgment, are customary for health care organizations operating similar properties and engaged in similar operations and are available at commercially reasonable rates. All such insurance must be effected with responsible insurance carriers. Each policy or other contract for such insurance shall contain an agreement by the insurer that, notwithstanding any right of cancellation reserved to such insurer, such policy or contract shall continue in force for at least 30 days after written notice to the Member and the Master Trustee of cancellation.

Annually, within 150 days after the close of each Fiscal Year, the Obligated Group Representative shall file with the Master Trustee an Officer's Certificate stating that the Obligated Group Representative has reviewed the insurance, self-insurance and other alternative risk management programs in force upon the Property and operations of each Member on a date therein specified (which date shall be within 30 days of the filing of such Officer's Certificate) and stating that the Obligated Group is in compliance with this Section.

In addition, the Obligated Group Representative shall cause a review to be conducted at least once every Fiscal Year by an Insurance Consultant and shall cause a report of such Insurance Consultant to be delivered to the Master Trustee which indicates whether the insurance then being maintained by the Members is customary and adequate. Each Member shall follow any recommendations of the Insurance Consultant, except to the extent that its Governing Board determines that such recommendations are not feasible, the reasons for such determination to be set forth in an Officer's Certificate delivered to the Master Trustee which states the Obligated Group Representative's concurrence with such decision. The Obligated Group Representative shall cause copies of such review, or the report of the Insurance Consultant, to be delivered promptly to the Master Trustee.

In lieu of maintaining the insurance coverage stated above (other than property insurance in excess of customary deductibles for Property), the Members shall have the right to adopt alternative risk management programs that the Governing Board of the Obligated Group Representative determines to be reasonable and in the best interests of such Member, including to self-insure in whole or in part, individually or in connection with other institutions or organizations, to participate in programs of captive insurance companies and/or to create and operate such captive insurance companies, to participate with other health care institutions in mutual or other cooperative insurance or other risk management programs, to participate in state or federal laws now or hereafter in existence limiting medical malpractice liability, or to establish or participate in other alternative risk management programs.

Each Member shall also comply with any additional applicable insurance provisions contained in any Mortgage, to the extent compliance with those provisions would not result in a violation of this Section.

Damage, Destruction and Condemnation

(a) Each Member will notify the Master Trustee immediately in the event of damage or destruction of the facilities of a Member or any portion thereof as a result of fire or other casualty, or the condemnation or sale of such facilities or any portion thereof pursuant to any condemnation proceedings in exercise of the power of eminent domain or under the threat thereof.

(b) If the Net Proceeds are estimated to exceed the Net Proceeds Threshold, each Member irrevocably assigns to the Master Trustee all of its rights, title and interest in and to any of the Net Proceeds.

(c) The Net Proceeds shall be applied as follows:

(i) If the Net Proceeds are not expected to exceed the Net Proceeds Threshold, the Net Proceeds shall be paid directly to the affected Member. Each Member will expend or contract to expend an amount not less than the amount of any such Net Proceeds either (A) to repair, replace or restore the Property with respect to which the Net Proceeds were received, (B) to acquire or construct additional capital assets, or (C) to prepay Master Notes or repay the principal portion of any other Debt incurred by any Member to acquire or construct capital assets or refinance Debt incurred for such purpose.

(ii) If the Net Proceeds are expected to exceed the Net Proceeds Threshold, the Obligated Group Representative shall immediately notify the Master Trustee and, within 12 months after the date on which the amount of Net Proceeds are finally ascertained, deposit when received the Net Proceeds with the Master Trustee or another depository satisfactory to the Master Trustee for use in accordance with this Section and deliver to the Master Trustee an Officer's Certificate certifying that the Net Proceeds have been applied, or will be diligently applied, to (A) repair, replace or restore the damaged, destroyed or condemned facilities (in which event the Net Proceeds shall be deposited with the Master Trustee to be held in a construction fund and disbursed within 24 months of receipt to pay or reimburse a Member for costs of the repair, replacement or restoration), and shall include a list of the expenditures to be made and stating that such Net Proceeds, together with other monies legally available, will be sufficient to repair, replace or restore the damaged, destroyed or condemned facilities, and attached to the Officer's Certificate shall be the written statement from an independent architect certifying that the amount of Net Proceeds together with other available monies will be sufficient to repair, replace or restore the damaged, destroyed or condemned facilities, and (B) to the extent a portion or all of the Net Proceeds have not been deposited with the Master Trustee pursuant to clause (A) and subject to provisions set forth in the Master Indenture, prepay or redeem the principal portion of any Debt incurred by any one or more Members in such order of maturities and proportions as the Obligated Group Representative shall determine.

(iii) If any Mortgage covering a Facility or any Related Bond Document contains different provisions requiring a Member to use the Net Proceeds to repair, reconstruct or replace that Facility or any part thereof or to pay all or a portion of any Debt and those provisions conflict with this subparagraph (c), the Net Proceeds shall be applied in accordance with that Mortgage or Related Bond Document rather than this subparagraph (c) so long as no Event of Default exists.

Sale or Other Disposition of Property

Each Member will not in any Fiscal Year sell, lease, transfer or otherwise dispose of Property, except for transfers of Property as follows:

(a) Each Member may freely transfer Property to any other Member.

(b) Each Member may transfer Property to any Person in the ordinary course of business upon fair and reasonable terms.

(c) Each Member may transfer Property to any Person in return for other Property of equal or greater value and usefulness.

(d) Each Member may transfer Property to any Person if, in the reasonable judgment of the Member, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete or worn out, or otherwise unsuitable, unprofitable, undesirable or unnecessary for the operation of the Member's primary business.

(e) Each Member may transfer Property to any Person, if such Property consists solely of assets that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payment on Long-Term Debt of a Member.

(f) Each Member may transfer Property as part of a merger, consolidation, sale or conveyance permitted by the provisions described below under “Consolidation, Merger, Conveyance or Transfer.”

(g) Each Member may pay to an Affiliate or other Person management or similar fees for the management of that Member’s Facilities that do not exceed fees that are considered acceptable in the industry for such management.

(h) Property in an amount that, together with all other Property transferred by Members in any consecutive 12-month period pursuant to this subparagraph (h) and subparagraph (i), aggregates less than 3% (the “Basket Percentage”) of the total value of the Property of the Obligated Group (calculated on the basis of the Book Value or, if the Obligated Group Representative so elects, on the basis of Current Value) if the Unrestricted Cash and Investments of the Obligated Group would be not less than 120 Days Cash on Hand after giving effect to the transfer; provided that, if the Historical Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available would have been not less than 1.20, assuming the transfer occurred at the beginning of that Fiscal Year (which assumption, in the case of a transfer of any Unrestricted Cash and Investments, shall include a reduction of Revenues for that Fiscal Year by one year’s estimated interest earnings attributable to the Unrestricted Cash and Investments to be transferred using, at the option of the Obligated Group Representative, either (1) the average investment rate for that Fiscal Year for all of the Obligated Group’s Unrestricted Cash and Investments, as certified in an Officer’s Certificate, or (2) the actual average investment rate for that Fiscal Year for the Unrestricted Cash and Investments to be transferred, as certified in a report of a Consultant), then:

(i) the Basket Percentage will be increased to 5% if the Unrestricted Cash and Investments of the Obligated Group would be not less than 300 Days Cash on Hand after giving effect to the transfer,

(ii) the Basket Percentage will be increased to 7.5% if the Unrestricted Cash and Investments of the Obligated Group would not have been less than 400 Days Cash on Hand after giving effect to the transfer; and

(iii) the Basket Percentage will be increased to 10% if the Unrestricted Cash and Investments of the Obligated Group would not have been less than 500 Days Cash on Hand after giving effect to the transfer.

(i) no Member will transfer Property to a Corporate Headquarters Account held by a Member so long as it is held by a Member except for Property that, together with all other Property transferred by Members in any consecutive 12-month period pursuant to this subparagraph (i) and subparagraph (h), aggregates less than the Basket Percentage specified in subparagraph (h); or

The Master Trustee shall release and discharge the lien of any Mortgage on any Property transferred pursuant to this Section to an entity that is not a Member.

Consolidation, Merger, Conveyance or Transfer

Each Member shall not (i) consolidate with or merge into any other Person that is not a Member, (ii) allow a Person that is not a Member to merge into it, or (iii) convey or transfer its Property substantially as an entirety to any Person that is not a Member, unless the following conditions are met:

(a) Such merger, consolidation, conveyance or transfer shall be on such terms as shall fully preserve the lien and security of the Master Indenture and all other liens and security interests described in subparagraph (a) of the definition of “Permitted Encumbrances” set forth under “DEFINITIONS” and the rights and powers of the Master Trustee and the Owners of the Master Notes under the Master Indenture;

(b) If the resulting, surviving or transferee entity is to be a Person that is not a Member, such Person shall be a corporation or other legal entity organized and existing under the laws of the United States of America or any state thereof and shall execute and deliver to the Master Trustee a Supplemental Master Indenture or other written instrument, in any case in form satisfactory to the Master Trustee, and containing (i) an assumption by such Person of all of the obligations of the Member under the Master Indenture and the Master Notes and its agreement to perform and observe every obligation, covenant and condition of the Master Indenture to be performed or observed by the Member and (ii) representations and warranties by such Person substantially similar to those contained in the Master Indenture with respect to the Member;

(c) The Master Trustee shall have received an Officer’s Certificate to the effect that, (1) immediately after giving effect to such transaction, (A) no event that constitutes, or with the giving of notice or the passage of time or both would constitute, an Event of Default shall have occurred and be continuing; and (B) the number of Days Cash on Hand either (i) would not be less than 120 or (ii) would be greater as a result of such transaction; and (2) assuming that such transaction occurred at the beginning of the most recent Fiscal Year for which audited financial statements of the Obligated Group are available, the Historical Maximum Annual Debt Service Coverage Ratio for that Fiscal Year either (A) would not have been less than 1.20; or (B) would be greater as a result of such transaction, which Officer’s Certificate shall contain any demonstrations required to satisfy said conditions;

(d) The Master Trustee receives either (1) an Officer’s Certificate which certifies that, as of the time immediately before giving effect to such transaction, no Master Notes or Related Bonds are rated by a Rating Agency, or (2) evidence satisfactory to the Master Trustee from each Rating Agency maintaining a rating or ratings for any Master Notes or Related Bonds that such rating or ratings will not be reduced or withdrawn as a result of such transaction; or (3) evidence satisfactory to the Master Trustee from a Rating Agency evidencing that, immediately after such transaction becomes effective, such Rating Agency will maintain an investment grade rating (BBB- or Baa3 or higher) for the Master Notes or the Related Bonds;

(e) The Master Trustee receives an Opinion of Counsel to the effect that (1) such consolidation, merger, conveyance or transfer and any Supplemental Master Indenture comply with this Section and that all conditions precedent in the Master Indenture provided for relating to such transaction have been complied with and that it is proper for the Master Trustee under the Master Indenture and this Section to join in the execution of any instrument required to be executed and delivered by this Section; (2) such merger, consolidation, sale or conveyance will not adversely affect the status as a Tax-Exempt Organization of any Member (except any Member that has represented that it is not a Tax-Exempt Organization at the time it became a Member in the Supplemental Master Indenture executed pursuant to subparagraph (a) under “Entrance Into the Obligated Group” or has ceased to be a Tax-Exempt Organization in accordance with subparagraph (h) under “Covenants as to Legal Existence, Maintenance of Property, and Similar Matters”); (3) the Person that is the resulting, surviving or transferee entity is a Member and is liable on all Master Notes Outstanding under the Master Indenture, as if such Master Notes were originally issued by such Person, subject only to the applicable exceptions set forth in the Master Indenture is a legal, valid and binding agreement of such Person enforceable in accordance with its terms subject to the applicable exceptions set forth in the Master Indenture; and (4) under then existing law such merger, consolidation, sale or conveyance will not subject any Master Notes to the registration provisions of the Securities Act of 1933, as amended

(or that such Master Notes have been so registered if registration is required) and will not subject the Master Indenture to the qualification provisions of the Trust Indenture Act of 1939, as amended (or that the Master Indenture has been so qualified if qualification is required); and

(f) If all amounts due or to become due on any Related Bonds that bear interest that is not includable in gross income for federal income tax purposes have not been fully paid to the owners thereof, the Master Trustee, each Related Bond Trustee and each Related Bond Issuer for such Related Bonds receives an Opinion of Bond Counsel to the effect that, under then existing law the consummation of such merger, consolidation, sale or conveyance would not cause the interest payable on such Related Bonds to become includable in gross income for federal income tax purposes.

Upon any such consolidation or merger or any conveyance or transfer of a Member's Property substantially as an entirety in accordance with this Section, the resulting, surviving or transferee entity shall succeed to and be substituted for, and shall have all of the obligations of and may exercise every right and power of, the Member under the Master Indenture with the same effect as if such resulting or surviving entity had been named as the Member therein.

No such conveyance or transfer of a Member's Property substantially as an entirety shall have the effect of releasing the Member from its liability as obligor and maker on any of the Master Notes, unless such conveyance or transfer is followed by the complete liquidation of such Member.

Rate Covenant

(a) Each Member agrees to operate its facilities on a revenue producing basis and to charge such rates and charges for its facilities and services and to exercise such skill and diligence as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Debt, 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. In addition, each Member agrees to, from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

(b) Each Member agrees to operate its facilities on a revenue producing basis and to charge such rates and charges for its facilities and services and to exercise such skill and diligence such that the Historical Debt Service Coverage Ratio is at least 1.20 for each Fiscal Year.

(c) In calculating the Historical Debt Service Coverage Ratio for each Fiscal Year, if the conditions in subparagraph (4) below are met, there shall be excluded from the calculation of Debt Service for Long-Term Debt any additional Debt incurred under subparagraph (a) under "Permitted Debt" and the Revenues and Expenses of any project described in subparagraph (1) or (2) below, until the first full Fiscal Year following:

(1) In the case of the acquisition, construction, renovation, or replacement of revenue-producing facilities financed with the proceeds of such additional Debt if the Consultant's report or Management Report described in subparagraph 4(A) below includes a projection of Stable Occupancy, the earlier of (A) the Fiscal Year in which Stable Occupancy occurs or (B) the fourth full Fiscal Year following the incurrence of such additional Debt;

(2) In any other case in which the acquisition, construction, renovation or replacement of facilities is financed with the proceeds of such additional Debt, the earlier of (A) the Fiscal Year in which the completion of those facilities occurs or (B) six months following the date that such completion is projected to occur in the Consultant's report or Management Report described in subparagraph 4(A) below;

(3) In any other case, the Fiscal Year in which the additional Debt is incurred;

(4) For an exclusion set forth in subparagraph (1), (2) or (3) above to be effective for a calculation period, the following conditions must be met for that calculation period:

(A) the Master Trustee must have been furnished a written report of a Consultant (or, if no report of a Consultant is required by subparagraph (a) under “Permitted Debt” for the incurrence of that Long-Term Debt, a Management Report delivered to the Master Trustee at the time such Long-Term Debt is incurred) to the effect that the Projected Debt Service Coverage Ratio will not be less than 1.20 for the Fiscal Year following (x) in the case of the acquisition, construction, renovation or replacement of revenue-producing facilities to be financed with the proceeds of such additional Debt if Stable Occupancy is projected in such report to occur no later than during the fourth full Fiscal Year following the incurrence of such additional Debt, the Fiscal Year in which Stable Occupancy is projected in such report to occur; (y) in all other cases in which the acquisition, construction, renovation or replacement is to be financed with the proceeds of such additional Debt, the Fiscal Year in which such completion is projected in such report to occur; or (z) in any other case, the Fiscal Year in which such additional Debt is incurred; provided however, if the Consultant delivers a report stating that state or federal laws do not permit the Obligated Group to achieve a Projected Debt Service Coverage Ratio of 1.20, then the required Projected Debt Service Coverage Ratio shall be reduced to that permitted by law, but in no event shall the required Projected Debt Service Coverage Ratio be less than 1.00,

(B) interest on such Long-Term Debt during the calculation period is funded from the proceeds of such Long-Term Debt,

(C) no principal of such Long-Term Debt is paid during the calculation period (except principal paid from Initial Entrance Fees collected), and

(D) any projected start-up losses for those facilities during the calculation period are paid from proceeds of such Long-Term Debt, projected Initial Entrance fees or other funds not included in Revenues.

Notwithstanding the foregoing, if the foregoing conditions are met for a portion, but not all, of a calculation period described in subparagraph (1), (2) or (3), then the exclusion shall apply for the portion of that calculation period during which they are met.

(d) If the Historical Debt Service Coverage Ratio for any such Fiscal Year is less than the level required by subparagraph (b) above, the Obligated Group Representative shall engage a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase the Historical Debt Service Coverage Ratio for subsequent Fiscal Years to at least 1.20, subject to subparagraph (e) below. The Obligated Group Representative shall select the Consultant and notify the Master Trustee of the selection within 30 days of the date the Officer’s Certificate described in subparagraph (d) under “Financial Statements and Other Information” specifying the Historical Debt Service Coverage Ratio is filed with the Master Trustee and shall thereafter engage a consultant in accordance with the provisions described under “Approval of Consultants.” A copy of the report of such Consultant and recommendations, if any, shall be filed with each Required Information Recipient within 60 days after the Consultant is engaged. Each Member shall follow each recommendation of the Consultant applicable to it unless compliance with the recommendation is not permitted by law or has been determined by the Governing Board of such Member by resolution not to be feasible. This Section shall not be construed to prohibit any Member from serving indigent patients or 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 patients or residents without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section. If the Historical Debt Service Coverage Ratio for any Fiscal Year is less than otherwise required by subparagraph (b) above, the Obligated Group shall be deemed to have complied with subparagraph (b) for that Fiscal Year and the failure of the Obligated Group to achieve the Historical Debt Service Ratio otherwise required by subparagraph (b) for that Fiscal Year will not constitute an Event of Default so long as (i) the Obligated Group Representative retains a Consultant as required by this subparagraph, (ii) each Member follows each recommendation contained in the report of the Consultant applicable to it to the extent required by this subparagraph, and (iii) the Historical Debt Service Coverage Ratio for that Fiscal Year or the immediately preceding Fiscal Year was at least 1.00. (Failure to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years shall constitute an Event of Default after the giving of notice thereof in accordance with the Master Indenture.)

(e) The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio, as calculated at the end of any Fiscal Year, is less than the level specified for that Fiscal Year in subparagraph (b) above, the Obligated Group Representative shall not be required to maintain the Historical Debt Service Coverage Ratio at that level for that Fiscal Year or to retain a Consultant to make recommendations pursuant to subparagraph (b) if (i) there is filed with the Master Trustee a written report of a Consultant that contains an opinion of such Consultant to the effect that federal, state or other applicable governmental laws or final regulations placing restrictions and limitations on the rates, fees and charges to be fixed, charged and collected by the Members for the use of their facilities or the services furnished by the Members have prevented the Obligated Group from generating Net Income Available for Debt Service during such Fiscal Year in an amount sufficient to cause the Historical Debt Service Coverage Ratio to equal or exceed that level and such report is accompanied by a concurring Opinion of Counsel as to any conclusions of law supporting the opinion of such Consultant; (ii) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Net Income Available for Debt Service reasonably practicable given such laws or regulations; and (iii) the Historical Debt Service Coverage Ratio for that Fiscal Year was at least 1.00. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group Representative provides to the Master Trustee an Opinion of Counsel to the effect that applicable laws or regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Liquidity Covenant

Each Member of the Obligated Group will conduct its business so that the Obligated Group will have at least 120 Days Cash on Hand on each June 30 and December 31 (each such date being a "Liquidity Testing Date").

If the Obligated Group fails to have at least 120 Days Cash on Hand on any Liquidity Testing Date, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing the deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Board of the Obligated Group Representative to the Required Information Recipients setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to increase the number of Days Cash on Hand to 120 for future Liquidity Testing Dates.

If the Obligated Group does not have at least 120 Days Cash on Hand on the first Liquidity Testing Date occurring after the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative shall engage a Consultant to make recommendations with respect to the rates, fees and charges of the Members and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the number of Days Cash on Hand to 120 for future Liquidity Testing Dates. The Obligated Group Representative shall select the Consultant and notify the Master Trustee of the selection within 30 days of the date the Officer's Certification disclosing the deficiency is filed with the Master

Trustee and shall thereafter engage a Consultant in accordance with the provisions described under “Approval of Consultants.” A copy of the report of such Consultant and recommendations, if any, shall be filed with each Required Information Recipient within 60 days after the Consultant is engaged. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Board of the Member) and permitted by law.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to have at least 120 Days Cash on Hand on any Liquidity Testing Date shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the requirements set forth above for adopting a plan or obtaining a Consultant’s report (whichever is required) and follows that plan or each recommendation contained in that plan or Consultant’s report (whichever is applicable) to the extent feasible (as determined by the Governing Board of the Obligated Group Representative) and permitted by law.

Permitted Debt

No Member shall incur any Debt other than Existing Debt and the following Debt:

(a) *Long-Term Debt.* A Member may incur Long-Term Debt to finance capital expenditures by a Member or Members if before incurrence thereof or, if such Long-Term Debt was incurred in accordance with another subparagraph of this Section and the Obligated Group Representative wishes to have such Debt reclassified as having been issued under this subparagraph (a), before such reclassification, there is delivered to the Master Trustee:

(1) *Historical Pro Forma Debt Service Coverage Test:* An Officer’s Certificate demonstrating that the Historical Pro Forma Debt Service Coverage Ratio, after giving effect to the incurrence of such Debt, for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available was not less than 1.20; or

(2) *Historical and Projected Debt Service Coverage Test:* (A) An Officer’s Certificate demonstrating that the Historical Debt Service Coverage Ratio for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available was not less than 1.20; and (B) a written report of a Consultant (which report shall include forecast balance sheets, statements of revenues and expenses and statements of cash flow and a statement of the relevant assumptions upon which such forecasted statements are based) to the effect that the Projected Debt Service Coverage Ratio is not less than 1.25 for the first Fiscal Year following (i) in the case of acquisition, construction, renovation or replacement of revenue-producing facilities being financed in whole or in part with the proceeds of such Long-Term Debt if Stable Occupancy is projected in the Consultant’s report to occur no later than during the fourth full Fiscal Year following the incurrence of such Long-Term Debt, interest on such Long-Term Debt and projected start-up losses for those facilities are funded from the proceeds of such Long-Term Debt or other funds designated for that purpose until Stable Occupancy is projected to occur and no principal of such Long-Term Debt is scheduled to come due during that period except Debt that comes due as the result of the collection of Initial Entrance Fees during that period, the Fiscal Year in which Stable Occupancy is projected in the Consultant’s report to occur, (ii) in any other case in which the Long-Term Debt is being incurred to finance the acquisition, construction, renovation or replacement of facilities if interest on such Long-Term Debt and start-up losses for those facilities are funded from the proceeds of such Long-Term Debt or other funds designated for that purpose until completion of those facilities is projected to occur and no principal of such Long-Term Debt is scheduled to come due during that period, the Fiscal Year in which those facilities are projected to be completed, or (iii) in any other case, the Fiscal Year in which the Long-Term Debt is to be incurred.

(b) *Commitment Debt.* A Member may incur Commitment Debt if the Debt supported by such Commitment Debt was incurred in accordance with one of the provisions of this Section.

(c) *Completion Debt.* A Member may incur Completion Debt to complete facilities of the Obligated Group in a principal amount not in excess of the lesser of (i) 10% of the principal amount of the Long-Term Debt originally incurred to finance those facilities or (ii) the amount required to provide completed and equipped facilities of substantially the same type and scope contemplated at the time such prior Long-Term Debt was originally incurred, to provide for capitalized interest during the period of construction, to provide any reserve fund relating to such Completion Debt and to pay the costs and expenses of issuing or incurring such Completion Debt, if before the incurrence thereof there is delivered to the Master Trustee an Officer's Certificate stating: (1) that at the time the original Long-Term Debt for the facilities to be completed was incurred, the Obligated Group Representative had reason to believe that the proceeds of such Debt together with other moneys then expected to be available would provide sufficient moneys for the completion of such facilities; (2) the amount estimated to be needed to so complete the facilities; and (3) that the proceeds of such Completion Debt to be applied to the completion of the facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated bank loans (including letters or lines of credit) and any other moneys reasonably expected to be available, will be in an amount not less than the estimated amount needed to complete the facilities set forth in such Officer's Certificate.

(d) *Guaranties.* A Member may execute a Guarantee, if the conditions for the incurrence of Debt set forth in this Section are satisfied where it is assumed that the obligation guaranteed by a Member is Debt of such Member, and any calculation required by the applicable subparagraph of this Section is made in accordance with the requirements and assumptions contained in subparagraph (g) under "Calculation of Debt Service."

(e) *Debt Assumed In Connection With Gifts.* A Member may incur Debt assumed in connection with a gift, bequest or devise of Property, if the principal amount of such Debt does not exceed the Current Value of the Member's interest in such Property.

(f) *Non-Recourse Debt.* A Member may incur Non-Recourse Debt without limit.

(g) *Refunding Debt.* A Member may incur Refunding Debt for the purpose of refunding (whether in advance of maturity or otherwise) any Outstanding Long-Term Debt, if the Maximum Annual Debt Service for all Long-Term Debt of the Obligated Group, after giving effect to the issuance of the Refunding Debt and the application of the proceeds thereof, is not more than 110% of the Maximum Annual Debt Service for all Long-Term Debt of the Obligated Group immediately before the issuance of the Refunding Debt.

(h) *Short-Term Debt.*

(1) A Member may incur Short-Term Debt if, immediately after the incurrence of such Short-Term Debt, the total principal amount of Outstanding Short-Term Debt of the Members under this subparagraph (h)(1) will not exceed 10% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available; provided that for a period of at least 20 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Debt of the Obligated Group Outstanding under this subparagraph (h)(1) shall be not more than 5% of Revenues for the preceding Fiscal Year.

(2) A Member may incur Short-Term Debt in such amount as the Obligated Group Representative certifies in an Officer's Certificate is (A) attributable to Short-Term

Debt incurred to offset a temporary delay in the receipt of funds due from third party payors and (B) in the minimum amount reasonably practicable taking into account such delay.

(i) *Subordinated Debt.* A Member may incur Subordinated Debt without limit.

(j) *Other Debt.* A Member may incur other Debt if, immediately after incurring such Debt, the aggregate principal amount of other Debt Outstanding under this subparagraph (j) will not exceed 10% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available; provided that the total principal amount of Outstanding Debt pursuant to subparagraph (h)(1) and this subparagraph (j) plus the total principal amount of Balloon Debt deemed payable in accordance with subparagraph (a)(3) under "Calculation of Debt Service" does not exceed 15% of the Revenues of the Obligated Group for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available.

(k) *Entrance Fee Debt.* *The Master Indenture is proposed to be amended, subject to receipt of approval by the Owners of not less than a majority in principal amount of Master Notes Outstanding, to provide for the incurrence of Entrance Fee Debt as described below under "SUMMARY OF PENDING AMENDMENTS TO THE MASTER INDENTURE."*

Debt may be classified and incurred under any of the above-referenced subparagraphs with respect to which the tests set forth in such subparagraphs are met. Each Member may elect to have Debt that was classified and issued pursuant to one subparagraph, reclassified as having been incurred under another subparagraph, by demonstrating compliance with such other subparagraph on the assumption that such Debt is being reissued on the date of delivery of the materials required to be delivered under such other subparagraph. From and after such demonstration, such Debt shall be deemed to have been incurred under the subparagraph with respect to which such compliance has been demonstrated until any subsequent reclassification of such Debt.

Each Member shall, before the incurrence of any Debt by such Member, deliver to the Master Trustee an Officer's Certificate that identifies the Debt to be incurred, identifies the subparagraph pursuant to which such Debt was incurred and demonstrates compliance with such subparagraph.

Calculation of Debt Service

For purposes of the various calculations under the Master Indenture, the amount of Long-Term Debt, the amortization schedule of such Debt and the Debt Service with respect to such Debt shall be calculated in accordance with the actual amortization schedule for such Debt, except as follows:

(a) *Balloon Debt.* The future Debt Service on Balloon Debt may be deemed to be payable as follows:

(1) If a Member has incurred and there is in effect at the time any such Debt is incurred Commitment Debt to provide refinancing sufficient to pay the principal amount of any such Balloon Debt becoming due in each Fiscal Year in which 25% or more of the original principal amount of such Balloon Debt comes due, such Debt may be deemed to be Long-Term Debt payable on a level annual debt service basis over 30 years (or such shorter period as set forth and deemed reasonable in a written report of a Consultant) from the date of issuance or incurrence of such Debt, bearing interest on the unpaid principal balance at the rate equal to the Projected Rate; and

(2) Balloon Debt for which there is no Commitment Debt in effect that satisfies the requirements of subparagraph (1), in a principal amount not in excess of 10% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available, may be deemed to be Long-Term Debt payable on a level annual debt service

basis over 30 years (or such shorter period as set forth and deemed reasonable in a written report of a Consultant) from the date of issuance or incurrence of such Debt, bearing interest on the unpaid principal balance at the rate equal to the Projected Rate;

(3) If the Balloon Debt has a remaining term of five years or longer and the Obligated Group Representative delivers an Officer's Certificate to the Master Trustee that establishes an amortization schedule for any such Debt, which provides for payments of principal and interest for each Fiscal Year that are sufficient to make any actual payments required to be made in such Fiscal Year by the terms of such Debt; and the Obligated Group Representative agrees in such Officer's Certificate that such Member will deposit for each Fiscal Year with a bank or trust company (pursuant to an agreement between such Member and such bank or trust company, which agreement shall be satisfactory in form and substance to the Master Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Debt during such Fiscal Year (other than from amounts on deposit with such bank or trust company), which deposit shall be made before any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments, then such Debt may be deemed to be payable in accordance with the terms of such amortization schedule and agreement; and

Principal on any other Balloon Debt shall be deemed to be payable when it becomes due and payable (either by maturity or scheduled mandatory redemption), or may become due and payable or required to be purchased or redeemed upon demand of the holder.

The Master Indenture is proposed to be amended, subject to receipt of approval by the Owners of not less than a majority in principal amount of Master Notes Outstanding, to provide for additional methodologies for calculating debt service with respect to Balloon Debt as described below under "SUMMARY OF PENDING AMENDMENTS TO THE MASTER INDENTURE."

(b) *Put Debt.* The future Debt Service on Put Debt may be deemed to be payable as follows:

(1) Put Debt in a principal amount not in excess of 10% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available, may be deemed to be Long-Term Debt payable on a level annual debt service basis over 30 years (or such shorter period as set forth and deemed reasonable in a written report of a Consultant) from the date of issuance or incurrence of such Debt, bearing interest on the unpaid principal balance at the rate equal to the Projected Rate; and

(2) If a Member has incurred and there is in effect at the time any such Debt in excess of the Put Debt described in subparagraph (b)(1) is incurred Commitment Debt to provide refinancing sufficient to pay the principal amount of any such Put Debt in the event it is payable or required to be redeemed or purchased at the option of the holder thereof before its maturity date, such Debt may be deemed to be Long-Term Debt payable on a level annual debt service basis over 30 years (or such shorter period as set forth and deemed reasonable in a written report of a Consultant) from the date of issuance or incurrence of such Debt, bearing interest on the unpaid principal balance at the rate equal to the Projected Rate.

Principal on any other Put Debt shall be deemed to be payable when it becomes due and payable (either by maturity or scheduled mandatory redemption), or may become due and payable or required to be purchased or redeemed upon demand of the holder.

(c) *Extendable Debt.* The Debt Service on Extendable Debt shall be deemed payable in accordance with the principal amortization applicable on the Extendable Debt without regard to the right of the holders thereof to tender the Extendable Debt for purchase. The future interest rate

applicable to such Extendable Debt shall be the interest rate then in effect for such Extendable Debt at the time of calculation.

(d) *Capital Appreciation Debt.* The principal amount of Debt that constitutes “Capital Appreciation Debt” (defined below) shall be deemed to be the “accreted value” (defined below) thereof as of the relevant date. “Capital Appreciation Debt” means any Long-Term Debt for which interest is payable only at the maturity of such Debt, upon the prepayment or redemption of such Debt before maturity, or upon the conversion of such Debt to Debt with interest payable periodically in installments before maturity. “Accreted value” means with respect to any Capital Appreciation Debt (a) as of any “Valuation Date” (defined below), the amount set forth in the Supplemental Master Indenture authorizing such Debt or in the Related Bond Documents as the value of such Debt on such Valuation Date and (b) as of any date other than a Valuation Date the sum of (i) the accreted value on the next preceding Valuation Date and (ii) the product of (A) a fraction, the numerator of which is the number of days having elapsed from the preceding Valuation Date and the denominator of which is the number of days from such preceding Valuation Date to the next succeeding Valuation Date and (B) the difference between the accreted values for such Valuation Dates. “Valuation Date” means with respect to any Capital Appreciation Debt the date or dates set forth in the Supplemental Master Indenture relating to such Debt or the Related Bond Documents on which specific accreted values are assigned to the Capital Appreciation Debt.

(e) *Capital Leases.* The principal amount of Debt in the form of a Capital Lease shall be deemed to be the amount, as of the date of determination, at which the aggregate “Net Rentals” (defined below) due and to become due under such Capital Lease would be reflected as a liability on the balance sheet of the lessee, and the Debt Service on a Capital Lease for the period of time for which calculated shall be deemed to be the aggregate amount of Net Rentals to be payable under such Capitalized Lease during such period. “Net Rentals” means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default thereunder) payable under such lease 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.

(f) *Commitment Debt.* No debt service shall be deemed payable with respect to Commitment Debt until such time as the obligation to make payments under the commitment actually rises (and only to the extent of advances actually made under such Commitment Debt) except as provided in subparagraphs (a), (b) or (h). 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 Debt and the actual interest rate and amortization schedule applicable thereto. No new Debt shall be deemed to arise when any funding occurs under any such commitment.

(g) *Guarantees.* When calculating the principal and the Debt Service attributable to a Guarantee, including the Debt Service of any Master Note issued to evidence or secure a Guarantee:

(1) The principal amount of such Debt shall be deemed to equal the principal amount of the obligation guaranteed by the Member.

(2) The Debt Service on such Debt shall be deemed to be:

(A) For purposes of calculating the Historical Debt Service Coverage Ratio, the actual amount paid under the Guarantee.

(B) For purposes of calculating the Historical Pro Forma Debt Service Coverage Ratio or the Projected Debt Service Coverage Ratio,

(i) 20% of the debt service requirements (calculated in the same manner as Debt Service) on the guaranteed obligation, if a Member has not been called upon to make a payment under the Guarantee within the 24 months immediately preceding the date of the calculation; or

(ii) 100% of the debt service requirements (calculated in the same manner as Debt Service) on the guaranteed obligation, if a Member has made any payment in respect of the debt service requirements on the guaranteed obligation within the 24 months immediately preceding the date of the calculation.

(h) *Long-Term Debt Supported By Commitment Debt.* The future Debt Service on Long-Term Debt with respect to which a Member has incurred Commitment Debt that would refinance such Debt for a period extending beyond its original maturity date, may be deemed to be payable in accordance with the terms of such Commitment Debt.

(i) *Variable Rate Debt.* In determining the future Debt Service on any Debt other than Extendable Debt which provides for interest to be payable thereon at a rate per annum that may vary from time to time over the term thereof in accordance with procedures provided in the instrument creating such Debt and which for any future period of time is not susceptible of precise determination, the interest rate on such Debt for any period before the date of calculation or for which the interest rate has been determined shall be the actual interest payable during such period, and for each year in which such Debt is Outstanding and for which the actual interest rate cannot be determined, the interest rate on such Debt for the period of determination shall be deemed to be the average annual rate of interest payable on such Debt during the 12 months immediately preceding the date of calculation, or if such Debt is to be incurred or was incurred less than 12 months preceding such date, the initial rate or the average annual rate of interest payable on such Debt during such period immediately preceding the date of calculation.

(j) *Interest Rate Conversions.* No new Debt is incurred by the conversion of interest on Debt from one rate to another rate or from one method of determining interest to another method.

(k) *Interest Rate Exchange Agreements.* In the case of any Interest Rate Exchange Agreement, the net amount be paid by such Member (computed in accordance with this sentence) shall be taken into account in calculating Debt Service; if such net amount is less than zero, such net amount may be credited against other interest coming due in so calculating Debt Service so long as the swap counterparty (or any guarantor thereof) is rated by a nationally recognized rating agency in one of the three highest rating categories (without regard to modifiers) by a nationally recognized rating agency.

Financial Statements and Other Information

The Members shall keep proper books of record and account, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the Obligated Group in accordance with generally accepted accounting principles. The Obligated Group Representative shall furnish, or cause to be furnished, to each Required Information Recipient the following:

- (a) *Monthly Reports.* As soon as practicable after it is available but in no event more than 45 days after the completion of each month, until such time as the Plan (as defined in the Official Statement for the Related Bonds and as the same shall be modified or extended from time to time) has been completed, the following information relating to the Plan:
- (i) an update to the permitting, guaranteed maximum price and liquidated damages information of the same general nature as that contained in APPENDIX A under the heading “IMPROVEMENTS TO THE COMMUNITIES – Permitting and Construction Status” in the final Official Statement for the Bonds;
 - (ii) a description of any new material variances to the construction or renovation budget or timetable together with a brief explanation of the cause of such variance and copies of the revised budget and construction timetable, if applicable;
 - (iii) the anticipated remaining costs of the Plan (as defined in the final Official Statement for the Bonds) as well as the amount of bond proceeds and initial entrance fees remaining available for the payment thereof; and
 - (iv) prior to the receipt of an occupancy certificate in connection therewith, marketing and pre-sale information for any independent living units being constructed as part of the Plan;
- (b) *Quarterly Reports.* As soon as practicable after they are available but in no event more than 45 days after the end of each quarterly fiscal period of each Fiscal Year, the following:
- (i) the unaudited financial statements for that period, including a statement of revenues and expenses together with a comparison to the operating budget for such period, a statement of cash flow during that period, and a balance sheet as of the end of that period, in each case on either a combined or combining basis for the Obligated Group;
 - (ii) a calculation of the number of Days Cash on Hand and the Historical Debt Service Coverage Ratio as of the end of that fiscal quarter, all of the foregoing to be in reasonable detail and certified, subject to year-end adjustment, by the chief executive officer, the chief financial officer or other authorized financial officer of the Obligated Group Representative;
 - (iii) a management’s discussion and analysis regarding that fiscal quarter.
- (c) *Annual Financial Statements.* As soon as practicable after they are available but in no event more than 150 days after the last day of each Fiscal Year, beginning with the Fiscal Year ending December 31, 2010, the audit report of the Obligated Group’s independent certified public accountants and audited combined financial statements of the Obligated Group for that Fiscal Year, including a balance sheet as of the end of that Fiscal Year and a statement of revenues and expenses and a statement of cash flow for that Fiscal Year, in each case on audited combined basis and showing in each case in comparative form the financial figures for or as of the end of the preceding Fiscal Year as appropriate.
- (d) *Annual Compliance Certificate.* At the time of delivery of each audit report and financial statements referred to in subsection (b), an Officer’s Certificate signed by the chief executive officer or the chief financial officer of the Obligated Group Representative:

- (i) stating that a review of the activities of the Obligated Group during the last completed Fiscal Year and the performance of the Obligated Group under the Master Indenture and all Related Bond Documents has been made by the signer thereof or under the signer's supervision, and to the best of the signer's knowledge, based on such review, the Obligated Group and the Members have fulfilled all their obligations under the Master Indenture and all Related Bond Documents throughout that Fiscal Year, or, if there has been a default in the fulfillment of any such obligation, specifying each such default known to the signer and the nature and status thereof; and
 - (ii) calculating and certifying the number of Days Cash on Hand and the Historical Debt Service Coverage Ratio as of the end of or for the most recently completed Fiscal Year as appropriate if required to be calculated by the provisions described under "Rate Covenant" and "Liquidity Covenant;" and
 - (iii) attaching a copy or summary of the Obligated Group's annual operating and capital budget for the current Fiscal Year.
- (e) *Other Items Promptly Upon Receipt.* Promptly, copies of (i) any board-approved revisions to the annual budget provided pursuant to subsection (c)(iii), (ii) any actuarial study (or a summary thereof) relating to the business of any Member, and (iii) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member (or the sole member of any Member that is a limited liability company) as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes.
- (f) *Consultant Reports.* A copy of each report of a Consultant required under the Master Indenture within 10 days of receipt of the report.
- (g) *Notice Regarding Privately-Placed Financial Obligation.* Notice of the occurrence of either of the following, in each case within **10** business days after such occurrence:
- (i) the incurrence any material privately-placed financial obligation secured by a Master Note, including a summary of any covenants that are in addition to or more restrictive than those contained in the Master Indenture and to which any Obligated Group Member has agreed to be bound in connection with the incurrence of such indebtedness; or
 - (ii) any event of default under or termination of any material privately placed financial obligation secured by a Master Note.

Each Member will at any and all times, upon the written request of the Master Trustee and at the expense of the Member, permit the Master Trustee by its representatives to inspect the properties, books of account, records, reports and other papers of the Member, except donor records, nonfinancial patient and resident records, personnel records, and any other confidential records, and to take copies and extracts therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Member will furnish to the Master Trustee any and all information as the Master Trustee may reasonably request, with respect to the performance by the Member of its covenants in the Master Indenture.

Combined financial statements of the Obligated Group as referred to in the Master Indenture shall be prepared in accordance with generally accepted accounting principles and shall include financial data of all Members and may include financial data pertaining to such other Persons, as the Obligated Group

Representative may determine, that are not Members but are permitted or required to be included in such combined financial statements under generally accepted accounting principles; provided that such combined financial statements include financial data of Persons that are not Members only if (i) such combined financial statements include such schedules consolidating such financial data for the Obligated Group as is necessary or appropriate to determine compliance with the requirements of the Master Indenture or (ii) the Obligated Group Representative represents that for or as of the end of the subject period the total revenues and the total assets of such Persons, in the aggregate, do not exceed 10% of the total combined revenues or 10% of the total combined assets for or as of the end of the subject period as reflected in such financial statements.

Approval of Consultants

(a) If at any time the Obligated Group Representative is required to engage a Consultant under the Master Indenture, the Consultant shall be engaged in the manner set forth below in this Section.

(b) Upon selecting a Consultant as required under the Master Indenture, the Obligated Group Representative will notify the Master Trustee of the selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Owners of all Master Notes Outstanding of such selection. Such notice shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged including a description of the covenant(s) of the Master Indenture that require the Consultant to be engaged, and (iii) state that each Owner of a Master Note will be deemed to have consented to the selection of the Consultant named in such notice unless such Owner submits an objection to the selected Consultant in writing (in a manner acceptable to the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Owners. No later than two Business Days after the end of 15-day objection period, the Master Trustee shall notify the Obligated Group Representative of the number of objections. If two-thirds or more in aggregate principal amount of the Owners of the Outstanding Master Notes have been deemed to have consented to the selection of the Consultant, the Obligated Group Agent shall engage the Consultant within five days after receiving notice of that consent. If more than one-third in aggregate principal amount of the Owners of the Master Notes Outstanding have objected to the Consultant selected, the Obligated Group Agent shall select another Consultant within 14 days after receiving notice of such objection, which Consultant may be engaged upon compliance with the procedures of this Section.

(c) When the Master Trustee notifies the Owners of Master Notes of such selection, the Master Trustee will also request any Related Bond Trustee to send a notice containing the information required by subparagraph (b) to the owners of all of the Related Bonds Outstanding and the issuer of any Credit Facility securing any Related Bonds. Such Related Bond Trustee shall, as the Owner of a Master Note securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the responses received and the Master Indenture.

(d) The 15-day notice period described in subparagraph (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give registered owners of the Related Bonds and the issuer of any Credit Facility securing any Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of a Master Note securing any Related Bonds, the Related Bond Trustee agrees to comply with this Section.

(e) All Consultant reports required under the Master Indenture shall be prepared in accordance with then-effective industry-appropriate standards.

(f) If a Consultant is required to be engaged under two or more Sections described in the Master Indenture, the requirements of those Sections may be (but need not be) satisfied through the engagement of a single Consultant under a single engagement in lieu of multiple engagements. Any requirement for a Consultant's report under the Master Indenture may be satisfied by an update of a previous Consultant's Report so long as the update when taken together with the previous report satisfies the requirements of the Master Indenture.

(g) A Consultant's report under one Section of the Master Indenture may satisfy a requirement for a Consultant's report under another Section of the Master Indenture but only if the nature of the Consultant and the substance of the report are sufficient to satisfy that requirement.

(h) The Obligated Group shall not be required to obtain a Consultant's report that satisfies the requirements of a particular Section of the Master Indenture more than one time in any 12-month period.

Events of Default

The term "Event of Default," wherever used in the Master Indenture, means any one of the following events (whatever the reason for such event and whether it is voluntary or involuntary or effected by operation of law or pursuant to 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 any interest on any Master Note when such interest becomes due and payable; or

(b) default in the payment of the principal of (or premium, if any, on) any Master Note when the same becomes due and payable (whether at maturity, upon proceedings for redemption, by acceleration or otherwise); or

(c) default in the performance, or breach, of any covenant or agreement of any Member in the Master Indenture (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of 60 days after there has been given to such Member and the Obligated Group Representative by the Master Trustee or to such Member, the Obligated Group Representative and the Master Trustee by the Owners of at least 25% in principal amount of the Master Notes Outstanding a written notice specifying such default or breach and requiring it to be remedied or such longer period as shall be required to remedy such default if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, and the Member shall immediately upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(d) any representation or warranty made by any Member in the Master Indenture or in any written statement or certificate furnished to the Master Trustee or the purchaser of any Master Note in connection with the sale of any Master Note or Related Bonds or furnished by any Member pursuant to the Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof and, if the same may be corrected or brought into compliance so that the interests of the Master Trustee, all Related Bond Trustees, all Related Bond Issuers and all Master Noteowners are not materially adversely affected by such untruth, shall not be corrected or brought into compliance within 60 days after there has been given to such Member and the Obligated Group Representative by the Master Trustee or to such Member, the Obligated Group Representative and the Master Trustee by the Owners of at least 25% in principal amount of the Master Notes Outstanding, a written notice specifying such untruth and requiring it to be remedied or such longer period as shall be required to remedy such untruth if such untruth cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, and the Member shall immediately upon receipt of such notice commence the curing of such untruth and shall thereafter prosecute and complete the same with due diligence and dispatch; or

(e) default in the payment of the principal of or premium, if any, or interest on any Debt other than a Master Note when the same becomes due and payable, and any applicable grace period shall have expired, or an event of default as defined in any mortgage, indenture or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Debt;

provided that such default shall not constitute an Event of Default if payment of such Debt has not been accelerated under the terms of payment of such Debt or if within 60 days, or within the time allowed for service of a responsive pleading in any proceeding to enforce payment of the Debt, any Member in good faith commences proceedings to contest the obligation to pay or the existence or payment of such Debt; and provided further that a default in payment thereunder shall not constitute an Event of Default unless the unpaid principal amount of such Debt, together with the unpaid principal amount of all other Debt so in default, exceeds the greater of (i) 5% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available or (ii) 10% of the Book Value of the Obligated Group's Property, Plant and Equipment; or

(f) any judgment which is final, writ or warrant of attachment or any similar process shall be entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 60 days; provided that none of the foregoing shall constitute an Event of Default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds the greater of (i) 5% of Revenues for the most recent Fiscal Year for which audited financial statements of the Obligated Group are available or (ii) 10% of the Book Value of the Obligated Group's Property, Plant and Equipment; or

(g) the entry of a decree or order by a court having jurisdiction in the premises for relief in respect of any Member, or adjudging any Member as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, adjustment or composition of or in respect of any Member under the United States Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of or for any Member or any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 90 consecutive days; or

(h) the commencement by any Member of a voluntary case, or the institution by it of proceedings to be adjudicated as bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization, arrangement or relief under the United States Bankruptcy Code or any other applicable federal or state law, or the consent or acquiescence by it to the filing of any such petition or the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of any Member or any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability or its failure to pay its debts generally as they become due, or the taking of corporate action by any Member in furtherance of any such action; or

(i) failure of the Obligated Group to achieve an Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years and notice thereof has been given to the Obligated Group Representative by the Master Trustee or to the Obligated Group Representative and the Master Trustee by the Owners of at least 25% in principal amount of the Master Notes Outstanding; or

(j) declaration of the principal of any Master Note to be due and payable as the result of a default or event of default under any Related Bond Document or other instrument related to that Master Note.

Promptly after any officer of the Obligated Group Representative may reasonably be deemed to have knowledge of a default under the Master Indenture, the Obligated Group Representative will deliver to the Master Trustee a written notice specifying the nature and period of existence thereof and the action the Obligated Group Representative is taking and proposes to take with respect thereto.

Acceleration of Maturity; Rescission and Annulment

If an Event of Default occurs and is continuing, then and in every such case the Master Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Master Notes Outstanding shall, by written notice to the Obligated Group Representative, declare the principal of all the Master Notes and the interest accrued thereon to be due and payable immediately, and upon any such declaration such principal and interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made, but before any judgment or decree for payment of money due on any Master Notes has been obtained by the Master Trustee as provided in the Master Indenture, the Owners of a majority in principal amount of the Master Notes Outstanding may, by written notice to the Obligated Group Representative and the Master Trustee, rescind and annul such declaration and its consequences if

- (a) the Members have deposited with the Master Trustee a sum sufficient to pay
 - (1) all overdue installments of interest on all Master Notes,
 - (2) the principal of and premium, if any, on any Master Notes which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Master Notes,
 - (3) interest upon overdue installments of interest at the rate or rates prescribed therefor in the Master Notes, and
 - (4) all sums paid or advanced by the Master Trustee under the Master Indenture and the compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and
- (b) all Events of Default, other than the non-payment of the principal of Master Notes which have become due solely by such declaration of acceleration, have been cured or have been waived as provided under “SUMMARY OF THE MASTER INDENTURE – Waiver of Past Defaults.”

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

Exercise of Remedies by the Master Trustee

Upon the occurrence and continuance of any Event of Default, unless the same is waived as provided in the Master Indenture, the Master Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under the Master Indenture or by law:

- (a) *Uniform Commercial Code Remedies; Mortgages.* With respect to the Unrestricted Receivables, and any other Property that is subject to a security interest securing the Master Notes and that is subject to the Uniform Commercial Code in the state where the Property is located, the Master Trustee may exercise any and all remedies available under the applicable Uniform Commercial Code or other applicable law. With respect to the Mortgages, exercise any and all rights and remedies available under the Mortgages (including foreclosure).
- (b) *Lockbox.* The Master Trustee may direct the Members to (and upon such direction the Members shall) deposit or cause to be deposited, as directed by the Master Trustee, all Unrestricted Receivables with the Master Trustee or a depository designated by the Master Trustee to

hold the same on behalf of the Master Trustee. All amounts so deposited shall be applied as described under “Application of Moneys Collected” provided that such amounts may be used to pay Total Expenses of the Obligated Group if and to the extent the Master Trustee determines in its sole discretion that it is in the best interests of the Master Noteowners to do so.

(c) *Right to Bring Suit, Etc.* The Master Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of and premium, if any, and interest on the Master Notes Outstanding, including interest on overdue principal and premium, if any, and on overdue installments of interest, and any other sums due under the Master Indenture, to realize on, or to foreclose, any of its interests or liens under the Master Indenture, to enforce and compel the performance of the duties and obligations of the Members as set forth in the Master Indenture and to enforce or preserve any other rights or interests of the Master Trustee under the Master Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity.

(d) *Exercise of Remedies at Direction of Master Noteowners.* If requested in writing to do so by the Owners of not less than 25% in principal amount of Master Notes Outstanding and if indemnified as provided in the Master Indenture, the Master Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by the Master Indenture as the Master Trustee shall deem most expedient in the interests of the Owners of the Master Notes.

(e) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and of the Master Noteowners, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.

(f) *Suits to Protect the Trust Estate.* The Master Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Master Indenture and to protect its interests and the interests of the Master Noteowners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under the Master Indenture or be prejudicial to the interests of the Master Noteowners or the Master Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Master Noteowners in any judicial proceeding to which any Member is a party and which in the judgment of the Master Trustee has a substantial bearing on the interests of the Master Noteowners.

(g) *Enforcement Without Possession of Master Notes.* All rights of action under the Master Indenture or any of the Master Notes may be enforced and prosecuted by the Master Trustee without the possession of any of the Master Notes or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust. 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, and subject to the provisions set forth under “Application of Moneys Collected,” be for the equal and ratable benefit of the Owners of the Master Notes in respect of which such judgment has been recovered.

(h) *Restoration of Positions.* If the Master Trustee or any Master Noteowner has instituted any proceeding to enforce any right or remedy under the Master Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Master Noteowner, then and in every case the Members, the Master Trustee and the Master Noteowners shall,

subject to any determination in such proceeding, be restored to their former positions and rights under the Master Indenture, and thereafter all rights and remedies of the Master Trustee and the Master Noteowners shall continue as though no such proceeding had been instituted.

Limitation on Suits by Master Noteowners

No Owner of any Master Note shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Master Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Master Indenture, unless

- (a) such Owner has previously given written notice to the Master Trustee of a continuing Event of Default;
- (b) the Owners of not less than 25% in principal amount of the Master Notes Outstanding 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 under the Master Indenture;
- (c) such Owner or Owners have offered to the Master Trustee indemnity as provided in the Master Indenture against the fees, costs, expenses and liabilities including agents' and counsels' fees and expenses to be incurred in compliance with such request;
- (d) the Master Trustee for 30 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 30-day period by the Owners of a majority in principal amount of the Outstanding Master Notes;

it being understood and intended that no one or more Owners of Master Notes shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Master Indenture to affect, disturb or prejudice the lien of the Master Indenture or the rights of any other Owners of Master Notes, or to obtain or to seek to obtain priority or preference over any other Owners or to enforce any right under the Master Indenture, except in the manner provided for in the Master Indenture and for the equal and ratable benefit of all Outstanding Master Notes.

Notwithstanding the foregoing or any other provision in the Master Indenture, however, the Owner of any Master Note shall have the right which is absolute and unconditional to receive payment of the principal of and premium, if any, and interest on such Master Note on the respective stated maturities expressed in such Master Note (or, in the case of redemption, on the redemption date) and nothing contained in the Master Indenture shall affect or impair the right of any Owner to institute suit for the enforcement of any such payment.

Control of Proceedings by Master Noteowners

The Owners of a majority in principal amount of the Master Notes Outstanding shall have the right, during the continuance of an Event of Default, provided indemnity pursuant to the Master Indenture has been provided to the Master Trustee:

- (a) to require the Master Trustee to proceed to enforce the Master Indenture or the Mortgages or both, either by judicial proceedings for the enforcement of the payment of the Master Notes and the foreclosure of the Master Indenture or the Mortgages or both, or otherwise; and

(b) 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 upon the Master Trustee under the Master Indenture, provided that

(1) such direction shall not be in conflict with any rule of law or the Master Indenture, and

(2) the Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction, and

(3) the Master Trustee shall not determine that the action so directed would be unjustly prejudicial to the Owners not taking part in such direction, and

(4) the Master Trustee has not received an Opinion of Counsel to the effect that exercising such trust or power may be in conflict with the terms of the Master Indenture, the Master Notes or any applicable law.

Application of Moneys Collected

Any moneys collected by the Master Trustee pursuant to remedies pursued upon an Event of Default (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys except as otherwise provided in subparagraph (b) under “Exercise of Remedies by the Master Trustee”) together with any other sums then held by the Master Trustee as part of the Trust Estate, shall be applied in the following order, 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, or interest, upon presentation of the Master Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) First: To the payment of all amounts due the Master Trustee under the Master Indenture and the creation of a reasonable reserve for the payment of anticipated fees, costs and expenses;

(b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Master Notes for principal and premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Master Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Master Notes) on overdue principal and premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Master Notes, then to the payment of such principal, premium and interest, without any preference or priority, ratably according to the aggregate amount so due;

(c) Third: To the payment of any other sums required to be paid by any Member under the Master Indenture, the Master Notes or the Mortgages; and

(d) Fourth: To the payment of the remainder, if any, to the Obligated Group Representative or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

The Master Trustee may cooperate with any Related Bond Trustee in such manner as the Master Trustee in its sole discretion considers appropriate in connection with the payment of any moneys held by that Related Bond Trustee for distribution to pay amounts due and unpaid upon Outstanding Master Notes.

Whenever moneys are to be applied by the Master Trustee pursuant to this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine, having due regard

for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Owner of any unpaid Note until such Note shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Notes and interest thereon have been paid under this Section and all compensation, expenses, disbursements and advances of the Master Trustee have been paid, any balance remaining shall be paid to the person entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the Obligated Group Representative on behalf of the Members.

Waiver of Past Defaults

Before any judgment or decree for payment of money due has been obtained by the Master Trustee as provided in the Master Indenture, the Owners of a majority in principal amount of the Master Notes Outstanding may, by written notice delivered to the Master Trustee and the Obligated Group Representative, on behalf of the Owners of all the Master Notes waive any past default under the Master Indenture and its consequences, except a default

(a) in the payment of the principal of or premium, if any or interest on any Master Note,
or

(b) in respect of a covenant or provision of the Master Indenture which under the Master Indenture cannot be modified or amended without the consent of the Owner of each Outstanding Master Note affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of the Master Indenture; but no such waiver shall extend to or affect any subsequent or other default or impair any right or remedy consequent thereon.

The Master Trustee

The Master Indenture contains various provisions relating to the rights, duties and responsibilities of the Master Trustee and limitations on the Master Trustee's liabilities under the Master Indenture.

No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee shall become effective until the successor Master Trustee has accepted its appointment under the Master Indenture. The Master Trustee may resign or be removed at any time as follows:

(a) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative and to all Owners of Outstanding Master Notes. If an instrument of acceptance by a successor Master Trustee is not 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.

(b) If the Master Trustee has or shall acquire any conflicting interest (as defined in the Trust Indenture Act of 1939, as amended), it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Obligated Group Representative (so long as the Obligated Group is not in default under the Master Indenture) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in subparagraph (a).

(c) The Master Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by the Owners of a majority in principal amount of the Outstanding Master Notes, delivered to the Master Trustee and to the Obligated Group Representative.

(d) The Master Trustee may be removed at any time (so long as no Event of Default or condition that with the giving of notice or passage of time, or both, would constitute an Event of Default, has occurred and is continuing under the Master Indenture), by an instrument in writing signed by the Obligated Group Representative and delivered to the Master Trustee and the Owners of the Outstanding Master Notes.

If the Master Trustee resigns, is removed or becomes incapable of acting, or if a vacancy occurs in the office of the Master Trustee for any cause, then the Obligated Group Representative (so long as the Obligated Group is not in default under the Master Indenture), or the Owners of a majority in principal amount of Master Notes Outstanding (if the Obligated Group is in default under the Master Indenture), by an instrument or concurrent instruments in writing delivered to the Obligated Group Representative, the retiring Master Trustee and all Owners of Outstanding Master Notes, shall promptly appoint a successor Master Trustee. If all or substantially all of the Trust Estate is in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a successor to fill such vacancy until a new Master Trustee is so appointed by the Master Noteowners. If a successor Master Trustee is appointed in the manner provided in the Master Indenture, the successor Master Trustee so appointed will, forthwith upon its acceptance of such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by such receiver or trustee. If no successor Master Trustee is so appointed and accepted appointment in the manner provided in the Master Indenture within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, any Master Noteowner or the Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court will immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Trustee must be a bank or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Section.

Supplemental Master Indentures

Without Consent of Master Noteowners. The Members and the Master Trustee may, from time to time, without the consent of or notice to the Owners of any Master Notes, enter into one or more Supplemental Master Indentures for any of the following purposes:

(a) to correct or amplify the description of any property at any time subject to the lien of the Master Indenture, or better to assure, convey and confirm unto the Master Trustee any property subject or required to be subjected to the lien of the Master Indenture, or to subject to the lien thereof additional property; or

(b) to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Master Notes, as set forth in the Master Indenture, additional conditions, limitations and restrictions thereafter to be observed; or

(c) to authorize the issuance of Master Notes and make such other provisions as provided in the Master Indenture; or

(d) to modify or eliminate any of the terms of the Master Indenture; provided that

(1) such Supplemental Master Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Master Note Outstanding created before the execution of such Supplemental Master Indenture; and

(2) the Master Trustee may, in its discretion, decline to enter into any such Supplemental Master Indenture which, in its opinion, may not afford adequate protection to the Master Trustee when the same becomes operative; or

(e) to evidence the succession of another corporation to a Member and the assumption by any such successor of the obligations and covenants of the Member contained in the Master Indenture and in the Master Notes; or

(f) to add to the covenants of the Members or to the rights, powers and remedies of the Master Trustee for the benefit of the Owners of all or any series of Master Notes or to surrender any right or power under the Master Indenture conferred upon the Members; or

(g) to cure any ambiguity, to correct or supplement any provision of the Master Indenture which may be inconsistent with any other provision therein or to make any other provisions, with respect to matters or questions arising thereunder, which shall not be inconsistent with the Master Indenture, provided such Supplemental Indenture shall not, in the judgment of the Master Trustee, materially adversely affect the interests of the Owners of the Master Notes; or

(h) to modify, eliminate or add to the Master Indenture to such extent as shall be necessary to effect the qualification thereof under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter enacted, or to permit the qualification of any Master Notes for sale under the securities laws of the United States or any state of the United States; or

(i) to effect the addition of a Member to or withdrawal of a Member from the Obligated Group (including the addition or deletion of any Excluded Property of such new or withdrawing Member set forth in the Master Indenture); or

(j) to make any modification, amendment or supplement to the Master Indenture in such a manner as to establish or maintain the exclusion of interest on any Related Bonds from gross income for federal income tax purposes; or

(k) to make any other change which, in the judgment of the Master Trustee, does not materially adversely affect the interests of Owners of the Master Notes and, in the judgment of each Related Bond Trustee, does not materially adversely affect the owners of the Related Bonds with respect to which it acts as trustee.

With Consent of Master Noteowners. With the consent of the Owners of not less than a majority in principal amount of all Master Notes then Outstanding affected by such Supplemental Master Indenture, the Members and the Master Trustee may enter into one or more Supplemental Master Indentures for the purpose of adding any provisions to or changing in any manner or eliminating any provision of the Master Indenture or of modifying in any manner the rights of the Owners of the Master Notes thereunder; provided that no such Supplemental Master Indenture shall, without the consent of the Owner of each Outstanding Master Note affected thereby,

(a) change the stated maturity of the principal of, or any installment of interest on, any Master Note, 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 Note, 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 Notes, the consent of whose Owners is required for any such Supplemental Master Indenture, or the consent of

whose Owners is required for any waiver provided for in the Master Indenture of compliance with certain provisions thereof or certain defaults thereunder and their consequences; or

(c) modify the obligation of the Members to make payment on or provide funds for the payment of any Master Note; or

(d) modify this Section, except to increase any percentage set forth in this Section or to provide that certain other provisions of the Master Indenture cannot be modified or waived without the consent of the Owner of each Master Note affected thereby; or

(e) permit the creation of any lien ranking before or on a parity with the lien of the Master Indenture with respect to any of the Trust Estate or terminate the lien thereof on any Property at any time subject thereto or deprive the Owner of any Master Note of the security afforded by the lien of the Master Indenture.

The Master Trustee may in its discretion determine whether or not any Master Notes would be affected by any Supplemental Master Indenture and any such determination shall be conclusive upon the Owners of all Master Notes, whether theretofore or thereafter authenticated and delivered under the Master Indenture. The Master Trustee shall not be liable for any such determination made in good faith.

Supplemental Mortgages

Without Consent of Master Noteowners. Without the consent of or notice to the Owners of any Master Notes, any Member and the Master Trustee may from time to time enter into one or more Supplemental Mortgages for any of the following purposes:

(a) to correct or amplify the description of any property at any time subject to the lien of a Mortgage, or better to assure, convey and confirm unto the Master Trustee any property subject or required to be subjected to the lien of a Mortgage, or to subject to the lien of a Mortgage additional property; or

(b) to release from the lien of a Mortgage any Property to be released from that lien in accordance with the terms of that Mortgage or the Master Indenture; or

(c) in connection with the issuance of Master Notes to the extent, if any, to have the lien of a Mortgage extend to those Master Notes; or

(d) to modify or eliminate any of the terms of a Mortgage; provided that

(1) such Supplemental Mortgage shall expressly provide that any such modifications or eliminations shall become effective only when there is no Master Note Outstanding created before the execution of such Supplemental Mortgage; and

(2) the Master Trustee may, in its discretion, decline to enter into any such Supplemental Mortgage which, in its opinion, may not afford adequate protection to the Master Trustee when the same becomes operative; or

(e) to evidence the succession of another corporation to a Member and the assumption by any such successor of the obligations and covenants of the Member contained in the Master Indenture and in a Mortgage; or

(f) to add to the covenants of the Members or to the rights, powers and remedies of the Master Trustee for the benefit of the Owners of all or any series of Master Notes or to surrender any right or power conferred upon the Members under the Master Indenture; or

(g) to cure any ambiguity, to correct or supplement any provision therein which may be inconsistent with any other provision therein or to make any other provisions, with respect to matters or questions arising under a Mortgage, which shall not be inconsistent with a Mortgage, provided such Supplemental Mortgage shall not, in the judgment of the Master Trustee, materially adversely affect the interests of the Owners of the Master Notes; or

(h) to make any modification, amendment or supplement to a Mortgage in such a manner as to establish or maintain the exclusion of interest on any Related Bonds from gross income for federal income tax purposes; or

(i) to make any other change which, in the judgment of the Master Trustee, does not materially adversely affect the interests of Owners of the Master Notes and, in the judgment of each Related Bond Trustee, does not materially adversely affect the owners of the Related Bonds with respect to which it acts as trustee.

With Consent of Master Noteowners. With the consent of the Owners of not less than a majority in principal amount of all Master Notes then Outstanding affected by such Supplemental Mortgage, the Members and the Master Trustee may enter into one or more Supplemental Mortgages for the purpose of adding any provisions to or changing in any manner or eliminating any provision of a Mortgage or of modifying in any manner the rights of the Owners of the Master Notes under a Mortgage.

The Master Trustee may in its discretion determine whether or not any Master Notes would be affected by any Supplemental Mortgage and any such determination shall be conclusive upon the Owners of all Master Notes, whether theretofore or thereafter authenticated and delivered under the Master Indenture. The Master Trustee shall not be liable for any such determination made in good faith.

Payment, Discharge and Defeasance of Master Notes

The Master Notes of a particular series or a portion of such series (subject to the provisions described under “Satisfaction of Related Bonds”) will be deemed to be paid and discharged and no longer Outstanding under the Master Indenture and will cease to be entitled to any lien, benefit or security thereunder if the Obligated Group has paid or provided for the payment of the entire debt on such Master Notes in any one or more of the following ways: (a) by paying or causing to be paid the principal of and premium, if any, and interest on such Master Notes, as and when the same become due and payable; (b) by delivering such Master Notes to the Master Trustee for cancellation; or (c) by depositing with the Master Trustee or other Paying Agent, in trust, moneys and Escrow Obligations in an amount, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the debt on such Master Notes at or before their respective maturity dates (including the payment of the principal of and premium, if any, and interest payable on such Master Notes to the maturity or redemption date thereof), provided that, if any such Master Notes are to be redeemed before the maturity thereof, notice of such redemption is given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee are made for the giving of such notice.

The foregoing notwithstanding, the liability of the Obligated Group in respect of such Master Notes will continue, but the Owners thereof will thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid. Moneys so deposited with the Master Trustee pursuant to this Section will not be a part of the Trust Estate but will constitute a separate trust fund for the benefit of the Persons entitled thereto. Such moneys shall be applied by the Master Trustee to the payment (either directly or through any 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 moneys have been deposited with the Master Trustee.

Satisfaction and Discharge of Master Indenture

The Master Indenture and the lien, rights and interests created thereby will cease, determine and become null and void if (a) the principal of and premium, if any, and interest on all Master Notes is paid or is deemed to be paid and discharged by meeting the conditions of the Master Indenture; and (b) the Obligated Group has paid or caused to be paid all other sums payable under the Master Indenture by the Obligated Group with respect to such Master Notes.

Thereupon the Master Trustee, upon written request of the Obligated Group Representative, and upon receipt by the Master Trustee of an Officer's Certificate and an Opinion of Counsel, each to the effect that all conditions precedent to the satisfaction and discharge of the Master Indenture have been complied with, shall forthwith execute proper instruments acknowledging satisfaction and discharge thereof and the lien thereof. The satisfaction and discharge of the Master Indenture shall be without prejudice to the rights of the Master Trustee to indemnification and to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection therewith.

Any moneys, funds, securities, or other property remaining on deposit under the Master Indenture (other than said Escrow Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction thereof, forthwith be transferred, paid over and distributed to the Obligated Group Representative.

Satisfaction of Related Bonds

The provisions of the Master Indenture notwithstanding, any Master Note which secures a Related Bond will not be deemed paid and will continue to be entitled to the lien, benefit and security under the Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Document pursuant to the provisions thereof.

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SUMMARY OF RECENT AND PENDING AMENDMENTS TO THE MASTER INDENTURE

The following is a summary of certain recent amendments to the Master Indenture, which became effective in 2022 upon the approval thereof by the Owners of not less than a majority in principal amount of Outstanding Master Notes. The following is not a comprehensive description of the recent amendments, however, and is qualified in its entirety by reference to Supplemental Master Trust Indenture No. 9 for a complete recital of its terms.

Entrance Fee Debt. An Obligated Member may incur Entrance Fee Debt without limit as to principal amount if (1) prior to the incurrence of such Debt, there is delivered to the Master Trustee an Officer's Certificate stating that such principal of that Debt is projected to be paid prior to maturity solely from Initial Entrance Fees expected to be received by the Obligated Group, and (2) the Obligated Group was in compliance with the Historical Debt Service Coverage Ratio as provided in the Master Indenture for the most recent Fiscal Year for which audited financial statements for the Obligated Group are available.

Historical Debt Service Coverage - Entrance Fee Debt. In calculating Historical Debt Service Coverage Ratio for each Fiscal Year, there shall be excluded from the calculation of Debt Service for Long-Term Debt any Debt Service on Entrance Fee Debt to the extent such Entrance Fee Debt was paid from Initial Entrance Fees.

Balloon Debt. In addition to provisions for computing future debt service on Balloon Debt described above under "SUMMARY OF THE MASTER INDENTURE – Calculation of Debt Service – Balloon Debt," the Obligated Group may also calculate future Debt Service on Balloon Debt by treating any Balloon Debt as Long-Term Debt payable on a level annual debt service basis over a period specified by the Obligated Group Representative up to 30 years from the date of issuance or incurrence of such Debt, bearing interest on the unpaid principal balance at the rate equal to the Projected Rate; provided, however, that if the Projected Rate cannot be determined, the rate shall be assumed to be a fixed rate of interest equal to the most recently public Bond Buyer 30-year Revenue Bond Index or a similar index.

The following is a summary of certain proposed amendments to the Master Indenture, which will become effective only when all Master Notes issued prior to 2019 are no longer Outstanding under the Master Indenture. The purchasers of the Series 2021 Bonds in this offering will be deemed to have consented to the amendments to the Master Indenture described below.

Release of Florida Mortgages. The Master Indenture is proposed to be amended by the addition of a new Section 805, permitting the release of the Florida Mortgages (as described below) subject to the conditions set forth in the proposed Section 805.

Section 805. Release of Florida Mortgages.

(a) The Master Trustee, at the expense and direction of the Corporation, shall release and cancel the Florida Mortgages, unless any Supplemental Master Indenture entered into after December 1, 2019, instructs the Master Trustee not to do so,

(i) upon the payment or provision for payment in full, without the exercise of remedies under the Mortgages, of the Master Notes Outstanding before 2019; or

(ii) if the Release Requirements (as defined below) have been met.

"Release Requirements" means the delivery to the Master Trustee and each Related Bond Trustee of an Officer's Certificate stating that (i) no Event of Default has occurred and is continuing under this Master Indenture, (ii) for the most recent Fiscal Year for which audited financial statements required by **Section 415** are available the Obligated Group met the Liquidity Requirement and the

Historical Debt Service Coverage Ratio as of and for the end of such Fiscal Year, and (iii) the Related Bonds are rated in one of the three highest rating categories (without regard to modifiers) by one of the Rating Agencies.

(b) Upon receipt of the Officer's Certificate specified in **Section 805(a)** the Master Trustee is authorized and directed to execute and deliver to the Obligated Group Representative such deeds of release and UCC-3 terminations statements, each in form and substance acceptable to the Master Trustee, as the Obligated Group Representative may request to effect the release of the Florida Mortgages pursuant to this **Section 805**. the Master Trustee shall be entitled to receive, and, subject to **Section 601**, shall be fully protected in relying upon, an Opinion of Counsel stating that the conditions to the release of the Florida Mortgages is authorized or permitted by and in compliance with this Master Indenture, which Opinion of Counsel may be based upon certifications by the Obligated Group Representative or a Consultant as to factual matters pertaining to the Release Requirements.

(c) For purposes of this **Section 805**, "**Florida Mortgages**" means any Mortgage granted by the Obligated Group to the Master Trustee to secure Master Notes and encumbering any Facilities of the Obligated Group located in the State of Florida.

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Exhibit B
Supplemental Master Indenture No. 13

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 13

Dated as of May 1, 2023

Among

LIFESPACE COMMUNITIES, INC.

And

**SUCH OTHER PERSONS
AS FROM TIME TO TIME
ARE MEMBERS OF THE OBLIGATED GROUP**

And

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee**

Supplemental to:

**Master Trust Indenture
Dated as of November 1, 2010**

In connection with the issuance of

**Lifespace Communities, Inc.
Master Indenture Note,
Series 2023A**

SUPPLEMENTAL MASTER TRUST INDENTURE NO. 13

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SUPPLEMENTAL MASTER TRUST INDENTURE NO. 13

THIS SUPPLEMENTAL MASTER TRUST INDENTURE NO. 13, dated as of May 1, 2023 (this “**Supplemental Master Indenture**”), among **LIFESPACE COMMUNITIES, INC.**, a nonprofit corporation organized and existing under the laws of the State of Iowa (the “**Corporation**” and “**Obligated Group Representative**”), for itself and as Obligated Group Representative and for such other entities as from time to time are or become Members of the Obligated Group, and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America (the “**Master Trustee**”), supplementing the Master Trust Indenture dated as of November 1, 2010 (as supplemented and amended prior to the date hereof, the “**Existing Master Indenture**” and as further supplemented and amended by this Supplemental Master Indenture, the “**Master Indenture**”), among the Corporation, the other Members of the Obligated Group, and the Master Trustee;

RECITALS:

1. Simultaneously with the execution and delivery of this Supplemental Master Indenture, the Iowa Finance Authority (the “**Related Bond Issuer**”) and U.S. Bank Trust Company, National Association, as trustee (the “**Related Bond Trustee**”), will execute and deliver a Bond Trust Indenture dated as of May 1, 2023 (the “**Related Bond Indenture**”), relating to the Related Bond Issuer’s Revenue Bonds (Lifespace Communities, Inc.), Series 2023A in the principal amount of \$52,500,000 (the “**Related 2023 Bonds**”).

2. The Corporation and the Related Bond Issuer are simultaneously herewith entering into a Loan Agreement dated as of May 1, 2023 (the “**Related Loan Document**”), which sets forth the provisions relating to the loan of the proceeds of the Related 2023 Bonds to the Corporation.

3. Pursuant to the corresponding Related Bond Indenture, the Related Bond Issuer will pledge and assign to the Related Bond Trustee, among other things, all Loan Payments under the applicable Related Loan Document and hereunder in order to secure the full and prompt payment of the principal of and redemption premium, if any, and interest on the Related 2023 Bonds.

4. The Related 2023 Bonds will be purchased by Goldman Sachs & Co. LLC (with its successors and assigns, the “**Purchaser**”) in accordance with the terms of a Bond Placement and Purchase Agreement dated May 23, 2023 (the “**Placement Agreement**”), among the Related Bond Issuer, the Purchaser, Herbert J. Sims & Co, Inc., as Placement Agent, and the Corporation.

5. As additional security for the Related 2023 Bonds, the Corporation has agreed to pledge and grant a security interest in the Corporate Headquarters Accounts (as defined in the Master Indenture), which constitutes Excluded Property under the Master Indenture, to the Purchaser.

6. The Corporation, as Obligated Group Representative, is authorized by law and the Master Indenture, and deems it necessary and desirable, to issue the Lifespace Communities, Inc. Master Indenture Note, Series 2023A” (the “**Series 2023A Note**”), in the principal amount of \$52,500,000, pursuant to the Master Indenture and this Supplemental Master Indenture and to deliver its Series 2023A Note to the Related Bond Issuer (which will endorse the Series 2023A Note to the Related Bond Trustee) in order to evidence and secure the obligations of the Corporation to repay the loan under the Related Loan Document.

7. The Obligated Group Representative, as representative of the Members, and the Master Trustee are authorized under **Section 701(c)** of the Master Indenture, without the consent of or notice to any of the Owners of Master Notes, to supplement the Master Indenture to provide for the issuance of Notes under the Master Indenture, and the Members and the Master Trustee desire that the Master Indenture be

supplemented by this Supplemental Master Indenture as permitted under **Section 701(c)** of the Master Indenture to provide for the authorization, issuance and delivery of the Series 2023A Note.

8. The Obligated Group Representative, as representative of the Members, and the Master Trustee are authorized under **Section 701(f)** of the Master Indenture, without the consent of or notice to any of the Owners of Master Notes, to supplement the Master Indenture to add to the covenants of the Members or to the rights, powers and remedies of the Master Trustee for the benefit of the Owners of all or any series of Master Notes or to surrender any right or power herein conferred upon the Members, and the Members and the Master Trustee desire that the Master Indenture be supplemented by this Supplemental Master Indenture as permitted under **Section 701(f)** of the Master Indenture for such purposes.

9. The Purchaser, by its purchase of the Related 2023 Bonds, has consented to the amendments to the Master Indenture set forth in **Article IV** of this Supplemental Master Indenture, including the release of the Florida Mortgages at any time that the Release Requirements have been met.

10. Certain amendments to the Master Indenture set forth in Supplemental Master Indenture No. 9 dated as of November 1, 2019, between the Obligated Group Representative and the Master Trustee became effective upon the execution of Supplemental Master Indenture No. 12 between the Obligated Group Representative and the Master Trustee dated as of November 1, 2022, at which time Owners of not less than a majority in principal amount of all Master Notes then Outstanding had consented to such amendments.

11. All acts and things necessary to make the Series 2023A Note authorized by this Supplemental Master Indenture, when executed by the Obligated Group Representative and authenticated and delivered by the Master Trustee as provided in the Master Indenture and this Supplemental Master Indenture, the valid, binding and legal obligations of the Members of the Obligated Group, and to constitute these presents, together with the Master Indenture, a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Supplemental Master Indenture and the issue hereunder and under the Master Indenture of the Series 2023A Note have in all respects been duly authorized, and the Obligated Group Representative in the exercise of the legal right and power vested in it, on behalf of the Obligated Group, executes this Supplemental Master Indenture and the Obligated Group Representative proposes to make, execute, issue and deliver Series 2023A Note hereunder and under the Master Indenture.

NOW, THEREFORE, in order to declare the terms and conditions upon which the Series 2023A Note authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the acquisition and acceptance of the Series 2023A Note by the Owners thereof, and in consideration of the mutual covenants, conditions and agreements which follow, the Members covenant and agree with the Master Trustee as follows:

ARTICLE I

DEFINITIONS

Section 101. Definitions of Words and Terms. Words and terms used in this Supplemental Master Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Master Indenture, including Supplemental Master Trust Indenture No. 9, the Related Bond Indenture and the Related Loan Document. In addition to the foregoing, the following terms shall have the following meanings for purposes of this Supplemental Master Indenture:

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Obligated Group from time to time concerning or relating to bribery or corruption.

“Deposit Account Control Agreement” means the Third Party Collateral Account Control Agreement dated May 25, 2023 among the Corporation, the Bond Trustee, and Bankers Trust Company, as depository bank, relating to the Corporate Headquarters Accounts.

“Liquidity Arrangement” means any guaranty, liquidity support agreement, bond purchase agreement, stock purchase agreement, asset purchase agreement, grant of liquidity, or similar agreement or instrument pursuant to which a Person agrees to provide capital or liquidity support to provide funds to support the operations of another Person or to purchase the debt or equity of another Person, including but not limited to any Guaranty.

“Non-Obligated Group Communities” means Affiliates of the Members of the Obligated Group that are not Members of the Obligated Group.

“Permitted Facility Transaction” means, in connection with a refinancing or other transaction involving the Obligated Group Representative, together or separately, (i) a Liquidity Arrangement in an amount not to exceed \$8,000,000 or (ii) a disposition of Property the Book Value of which does not exceed \$15,000,000.

“Purchaser” means (i) Goldman Sachs & Co. LLC and its successors and assigns or (ii) if Goldman Sachs & Co. LLC is no longer the owner of any of the Related Series 2023 Bonds, the beneficial owners of the Outstanding Related 2023 Bonds.

“Sanctioned Country” means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

“Sanctioned Person” means, at any time, (a) any Person or group listed in any Sanctions-related list of designated Persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any Person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any Person 50% or more owned, directly or indirectly, by any of the above.

“Sanctions” means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or His Majesty’s Treasury of the United Kingdom.

ARTICLE II

THE SERIES 2023A NOTE

Section 201. Authorization of Series 2023A Note.

- (a) There is hereby created and authorized to be issued hereunder the Series 2023A Note to be known and entitled as “Lifespace Communities, Inc. Master Indenture Note, Series 2023A,” in the principal amount of \$52,500,000.

- (b) The Series 2023A Note shall be dated the date of its initial issuance and delivery. The Series 2023A Note shall be registered in the name of the Related Bond Issuer or its successor or assigns. The Series 2023A Note shall be executed, authenticated and delivered in accordance with **Article II** of the Master Indenture.
- (c) The Series 2023A Note shall not be issued until all conditions precedent to the issuance of the Series 2023A Note set forth in the Master Indenture have been satisfied and all conditions precedent to the issuance of the Related 2023 Bonds set forth in any purchase contract pertaining to the Related 2023 Bonds shall have been satisfied or waived by the proper party or parties.

Section 202. Form of Series 2023A Note. The Series 2023A Note shall be issued as a single fully registered note without coupons. The Series 2023A Note shall be in substantially the form set forth in **Exhibit A** attached hereto. The Series 2023A Note shall be numbered from R-1, and consecutively upward.

Section 203. Payments on Series 2023A Note. The principal of or payment obligations with respect to the Series 2023A Note shall be payable in the amounts and on the dates, and each of the unpaid installments of principal shall bear interest from the date of the Series 2023A Note, at the rate, and the Series 2023A Note shall have such other terms and provisions as are set forth in or incorporated by reference into the forms of Series 2023A Note attached hereto.

Section 204. Credits on Series 2023A Note.

- (a) The Corporation shall receive a credit against amounts due on the Series 2023A Note on any payment date of principal, redemption premium or interest, respectively, equal to the amounts paid as or credited against payments of the principal of, redemption premium, if any, or interest on the Related 2023 Bonds, respectively, on such payment date including credit against any mandatory sinking fund redemption payments as provided in the Related Bond Indenture.
- (b) Notwithstanding the provisions of subsection (a) above, in the event that any payment on the Series 2023A Note shall have been made by or on behalf of the Corporation and, by reason of bankruptcy or other act of insolvency, such payment shall be deemed to be a preferential payment, and the holder of the Series 2023A Note, as applicable, shall be required by a court of competent jurisdiction to surrender such payment, any credit on the Series 2023A Note which may have been given as a result of such payment shall be rescinded, and the amount owing on the Series 2023A Note shall be calculated as if such payment shall not have been made.

Section 205. Interest on Overdue Installments. The Series 2023A Note shall bear interest on overdue installments of principal, redemption premium, if any, and interest, to the extent permitted by law, at a rate equal to the applicable interest rate or rates borne by the corresponding series of Outstanding Related 2023 Bonds.

Section 206. Registration, Transfer and Exchange. The Corporation shall be responsible for the payment of any and all charges, including but not limited to printing costs and taxes or other governmental charges, for the registration of transfers and exchanges of the Series 2023A Note.

Section 207. Security for Series 2023A Note. The Series 2023A Note shall stand on a parity with all Notes issued and Outstanding under the Master Indenture and all Notes are equally and ratably secured by a security interest in the Trust Estate pursuant to the Granting Clauses of the Master Indenture, including the security interest in all Unrestricted Receivables and the Mortgages; provided that the Master Reserve Fund established under the Master Indenture will secure only the Master DSRF Secured Notes. *The Series 2023A Note is not designated as a Master DSRF Secured Note and is not secured by the Master Reserve Fund.*

ARTICLE III

REDEMPTION OF SERIES 2023A NOTE

Section 301. Redemption and Prepayment. The Series 2023A Note shall be subject to redemption prior to maturity as provided in **Section 301** of the Master Indenture and, to the extent and with respect to the corresponding redemption of the Related 2023 Bonds, in accordance with the terms of the Related Bond Indenture. Notice of redemption of the Related 2023 Bonds (other than by mandatory sinking fund redemption for which a corresponding principal amount of the Series 2023A Note is scheduled to come due) shall, without further notice or action by the Master Trustee or the Corporation, constitute notice of redemption of the corresponding amounts of principal due on the Series 2023A Note, and the same shall thereby become due and payable on the redemption date of such Related 2023 Bonds or at such earlier time as payment is required with respect thereto pursuant to the terms of the Related Bond Indenture, and at a redemption price equal to the redemption price payable with respect to the Related 2023 Bonds so redeemed.

ARTICLE IV

AMENDMENTS TO EXISTING MASTER INDENTURE EFFECTIVE UPON PAYMENT OR DISCHARGE OF ALL MASTER NOTES OUTSTANDING AS OF NOVEMBER 1, 2019

Section 401. Release of Florida Mortgages.

- (a) The Purchaser of the Related 2023 Bonds, by its purchase of the Related 2023 Bonds has consented to the release of the Florida Mortgages at any time that the Release Requirements set forth in this **Article V** have been met.
- (b) New **Section 805** is added to the Master Indenture effective on the date on which all Master Notes issued and Outstanding as of November 1, 2019 have been paid or discharged in accordance with their terms in accordance with **Section 702(e)** of the Master Indenture, such **Section 805** to read in its entirety as set forth below. **Section 805** shall be effective only upon the Corporation's delivery of written certification to the Master Trustee that the requisite percentage of Master Notes has consented to this amendment to the Existing Master Indenture, which the Master Trustee may conclusively rely upon.

Section 805. Release of Florida Mortgages.

- (a) The Master Trustee, at the expense and direction of the Corporation, shall release and cancel the Florida Mortgages, unless any Supplemental Master Indenture entered into after December 1, 2019, instructs the Master Trustee not to do so,

- (i) upon the payment or provision for payment in full, without the exercise of remedies under the Mortgages, of the Master Notes Outstanding before the issuance of the Series 2019 Notes in accordance with the Master Indenture; or
- (ii) if the Release Requirements (as defined below) have been met.

“Release Requirements” means the delivery to the Master Trustee and each Related Bond Trustee of an Officer’s Certificate stating that (i) no Event of Default has occurred and is continuing under this Master Indenture, (ii) for the most recent Fiscal Year for which audited financial statements required by **Section 415** are available the Obligated Group met the Liquidity Requirement and the Historical Debt Service Coverage Ratio as of and for the end of such Fiscal Year, and (iii) the Related 2023 Bonds are rated in one of the three highest rating categories (without regard to modifiers) by one of the Rating Agencies.

- (b) Upon receipt of the Officer’s Certificate specified in **Section 805(a)** the Master Trustee is authorized and directed to execute and deliver to the Obligated Group Representative such deeds of release and UCC-3 terminations statements, each in form and substance acceptable to the Master Trustee, as the Obligated Group Representative may request to effect the release of the Florida Mortgages pursuant to this **Section 805**. the Master Trustee shall be entitled to receive, and, subject to **Section 601**, shall be fully protected in relying upon, an Opinion of Counsel stating that the conditions to the release of the Florida Mortgages is authorized or permitted by and in compliance with this Master Indenture, which Opinion of Counsel may be based upon certifications by the Obligated Group Representative or a Consultant as to factual matters pertaining to the Release Requirements.
- (c) For purposes of this **Section 805**, **“Florida Mortgages”** means any Mortgage granted by the Obligated Group to the Master Trustee to secure Master Notes and encumbering any Facilities of the Obligated Group located in the State of Florida.

ARTICLE V

PLEDGE OF CORPORATE HEADQUARTERS ACCOUNTS; NON-OBLIGATED GROUP COMMUNITY REVENUES

Section 501. Pledge of Corporate Headquarters Accounts.

To secure the payment of the Related 2023 Bonds and the Series 2023A Note, and the performance of the duties and obligations of the Corporation under this Supplemental Master Indenture, the Corporation hereby pledges and assigns and grants a security interest in the Corporate Headquarters Accounts (as defined in the Master Indenture) to the Bond Trustee, and, to the extent the following constitute Excluded Property under the Master Indenture, any other accounts created in substitution for the Corporate Headquarters Accounts and any other accounts of the Corporation that are intended to hold funds similar to those currently held in the Corporate Headquarters Accounts.

The Corporation shall take all necessary action to maintain and preserve the security interest in the Corporate Headquarters Accounts granted by this Supplemental Master Indenture so long as any Related

2023 Bonds are Outstanding. The Corporation shall cause this Supplemental Master Indenture and any financing statements in respect thereof to be promptly filed and recorded in such manner and in such places as may be required by law in order to fully perfect and protect such security interest and to preserve and protect the rights of the holders of the Related 2023 Bonds and the Purchaser, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Purchaser for such perfection and protection.

To the extent any of the property pledged and assigned under this **Section 501** consists of property, rights or interests covered by the Uniform Commercial Code in each applicable jurisdiction, this Supplemental Master Indenture shall constitute a security agreement and is intended to create a security interest in such property in favor of the Purchaser. During the continuance of any event of default under this Supplemental Master Indenture or any other document or instrument evidencing, securing or otherwise relating to the Related 2023 Bonds, the Purchaser shall have all the rights of and remedies with regard to such property available to a secured creditor under the Uniform Commercial Code in each applicable jurisdiction. This Supplemental Master Indenture shall be self-operative with respect to such property, but the Corporation agrees to execute and deliver on demand such security agreements, financing statements, continuation statements and other documents necessary to perfect a security interest in such property as the Purchaser may request in order to impose or continue the lien and security interest hereof more specifically in any such property.

Except to the extent it is exempt therefrom, the Corporation shall pay or cause to be paid all filing, registration and recording fees and all expenses incident to the preparation, execution and acknowledgment of such instruments of perfection, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Supplemental Master Indenture and such instruments of perfection. In the event that the Corporation fails to execute any of such instruments within **10** days after demand by the Purchaser to do so, the Corporation hereby makes, constitutes and irrevocably appoints the Purchaser as its attorney-in-fact and in its name, place and stead so to do.

The Corporation shall not create or incur or permit to be created or incurred or to exist any lien on the Corporate Headquarters Accounts superior to the interest granted pursuant to this Supplemental Master Indenture. The Corporation shall enter into the Deposit Account Control Agreement with respect to the Corporate Headquarters Accounts.

Section 502. Transfer of Non-Obligated Group Communities Revenues to Headquarters Account.

The Obligated Group Representative will transfer to the Corporate Headquarters Accounts excess revenues generated by the Non-Obligated Group Communities or unrestricted cash and investments in possession of the Non-Obligated Group Communities as soon as practicable after the end of each calendar quarter; provided, however, no such transfer shall be required if in the reasonable judgment of the Obligated Group Representative such transfer would result in a violation of applicable law or a contractual obligation of a Non-Obligated Group Community.

Section 503. Termination of Corporate Headquarters Accounts Pledge.

The pledge of the Corporate Headquarters Accounts and the covenant to transfer funds from Non-Obligated Group Communities set forth in this **Article V** are solely for the benefit of the Purchaser, and will only be in full force and effect so long as Related 2023 Bonds remain outstanding.

ARTICLE VI

COVENANTS FOR THE BENEFIT OF THE PURCHASER

Section 601. Covenants for the Benefit of the Purchaser.

(a) The covenants of the Obligated Group contained in the Master Indenture shall also be for the benefit of the Purchaser, but with the additions, modifications and restrictions set forth in this **Article VI**. The additional covenants and restrictions set forth in this **Article VI** are solely for the benefit of the Purchaser, and will be in full force and effect only so long as Related 2023 Bonds remain outstanding.

Any of the provisions of this **Article VI** may be waived by the Purchaser without the consent of any other Person, including the Master Trustee, the Related Bond Trustee, the Related Issuer, any Bondowner or any holder of a Master Note. Any of the provisions of this **Article VI** may be amended or modified by agreement between the Obligated Group Representative and the Purchaser and, in the event that the Obligated Group Representative presents the Master Trustee with a Supplemental Master Indenture modifying this **Article VI** and with evidence satisfactory to the Master Trustee of the agreement of the Obligated Group Representative and the Purchaser to such Supplemental Master Indenture, the Master Trustee shall execute such Supplemental Master Indenture if it otherwise conforms to the requirements of **Article VII** of the Master Indenture.

This **Article VI** is intended solely for the benefit of the Purchaser and may not be enforced by any Person other than the Purchaser or, if requested in writing to do so by the Purchaser, the Master Trustee. The failure of the Obligated Group to observe or perform any covenant or agreement contained in this **Article VI** shall not constitute a basis for an event of default under **Section 501** of the Master Indenture without the written consent of the Purchaser.

(b) ***Entrance Into the Obligated Group.*** Notwithstanding the provisions of **Section 404** of the Master Indenture, the Obligated Group Representative and each Member agree that they shall not allow any Person to become a Member without the prior written consent of the Purchaser.

(c) ***Withdrawal From the Obligated Group.*** Notwithstanding the provisions of **Section 405** of the Master Indenture, the Obligated Group Representative and each Member agree that they shall not allow any Member to cease to be a Member without the prior written consent of the Purchaser.

(d) ***Sale or Other Disposition of Property.*** Notwithstanding the provisions of **Section 409** of the Master Indenture, the Obligated Group Representative and each Member agree that no Member shall make any disposition of any Property or enter into any agreement to make any disposition of Property (including pursuant to a Liquidity Arrangement), other than a Permitted Facility Transaction, without the prior written consent of the Purchaser; provided that any Member may make a disposition of Property (i) described under **Section 409(a), (e), or (f)**, of the Master Indenture, (ii) that has been deemed to be impaired or otherwise has a Book Value of less than \$250,000, or (iii) if relating to a Facility, having independent living occupancy less than 70% and if the net operating margin, plus net entrance fees, less capital expenditures, and less associated debt service is negative for the trailing 12 months.

(e) ***Consolidation, Merger, Conveyance or Transfer.*** Notwithstanding the provisions of **Section 410** of the Master Indenture, the Obligated Group Representative and each Member agree that no Member shall, without the prior written consent of the Purchaser (i) consolidate with or merge into any other Person that is not a Member, (ii) allow a Person that is not a Member to merge into it, or (iii) convey or transfer its Property substantially as an entirety to any Person that is not a Member.

(f) ***Anti-Corruption and Sanctions Compliance.*** The Members shall maintain in effect and enforce policies and procedures designed to ensure compliance by the Members, their subsidiaries and their directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

(g) ***Financial Statements and Other Information.*** The Obligated Group Representative shall provide to the Purchaser all financial statements and other information provided by the Obligated Group Representative to the Master Trustee pursuant to **Section 415** of the Master Indenture at the times such financial information and other information is provided to the Master Trustee.

The Obligated Group Representative shall, not later than 21 days after the end of each month (beginning with the month ending May 31, 2023), provide or cause to be provided to the Purchaser and each Required Information Recipient monthly financial statements including a balance sheet, statement of operations and changes in unrestricted assets, calculations of the net operating margin by Facility, balances of cash and unrestricted investments, and occupancy statistics for each community.

(h) ***Permitted Debt; Liquidity Arrangement.*** Notwithstanding the provisions of **Section 413** of the Master Indenture, the Obligated Group Representative and each Member agree that no Member shall incur any Long-Term Debt or enter into a Guarantee or enter into or amend a Liquidity Arrangement, without the prior consent of the Purchaser except (i) in connection with a Permitted Facility Transaction or (ii) an amendment to a Liquidity Arrangement in place prior to May 1, 2023 that does not result in an increase of aggregate financial support by the Obligated Group or result in an increased likelihood that the Liquidity Agreement would be drawn upon. In addition, the Obligated Group Representative and each Member agree that no Member shall, nor shall it permit any Member to, incur any Long-Term Debt, enter into a Guarantee or enter into or amend a Liquidity Arrangement unless after such transaction, (i) no Default or Event of Default shall have occurred as a result thereof, (ii) such transaction could not reasonably be expected to result in a material adverse effect on the financial condition of the Obligated Group and (iii) such transaction complies with the terms of the Master Indenture.

(i) ***Further Assurances.*** Promptly upon the reasonable request of the Purchaser, at any time (which request may be made in the reasonable discretion of the Purchaser), the Members shall grant to or for the benefit of the Master Trustee such security interests, execute and deliver to or for the benefit of the Master Trustee such documents and instruments, and take such other actions as the Master Trustee (at the direction of the Purchaser) may reasonably require to ensure that the Master Trustee has a valid lien securing the Series 2023A Note.

(j) ***Interest Rate Exchange Agreement.*** The Obligated Group Representative and each Member agree not to enter into any Interest Rate Exchange Agreement, without the prior written consent of the Purchaser, (i) wherein any termination payments thereunder are senior to the payment of the Master Notes or (ii) which requires any Member to post cash collateral to secure its obligations thereunder.

(k) ***Supplemental Master Indentures, etc.*** The Obligated Group Representative and each Member agree not to amend, restate, supplement, substitute or otherwise modify, or consent to any amendment, restatement, supplement, substitution or other modification or waiver in any material respect of this Supplemental Master Indenture or any Bond Document without the prior written consent of the Purchaser.

(l) ***Affiliate Transactions.*** The Members shall not enter into any transaction of any kind with any Affiliate of any Member, unless such transaction is in accordance with the terms of the Master Indenture and such transaction is for the sole purpose of paying operating expenses of such Affiliate; provided, however, that the Members shall not enter into any transaction of any kind with any Affiliate of any Member, whether or not in the ordinary course of business, on less than fair and reasonable terms, or if

such transaction shall result in a Default or an Event of Default. No Member shall create, form or acquire any Affiliate without the prior written consent of the Purchaser, except as permitted by the terms of the Master Indenture. Notwithstanding the foregoing, the Members shall be permitted to enter into the Permitted Facility Transaction.

(m) **Offering Document.** The Obligated Group Representative shall, within 90 days after receipt of a written request for an offering document from the Purchaser, prepare and provide to the Purchaser an offering document relating to the Related 2023 Bonds reasonably sufficient to permit the Purchaser to transfer the Related 2023 Bonds; provided, however, the Obligated Group Representative shall not be required to prepare an offering document before October 1, 2023. The Obligated Group Representative shall provide customary certifications regarding the material accuracy and completeness of any offering document required pursuant to this subsection (m).

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 701. Representations and Warranties. The Obligated Group Representative represents and warrants that (a) it is duly authorized under the laws of the State of Iowa and all other applicable provisions of law to execute this Supplemental Master Indenture and the Obligated Group Representative is duly authorized, on behalf of itself and each other Member, to execute and deliver the Series 2023A Note, (b) all corporate action on the part of each Member and of the Obligated Group Representative required by its articles of incorporation and bylaws and the Master Indenture to establish this Supplemental Master Indenture as its binding obligation has been duly and effectively taken, and (c) all such action so required for the authorization and issuance of the Series 2023A Note has been duly and effectively taken.

Section 702. Application of Proceeds. The Corporation will apply the proceeds derived from the sale of the Related 2023 Bonds and the issuance, execution and delivery of the Series 2023A Note as provided in the Related Bond Indenture.

Section 703. Covenants under the Master Indenture and Related Loan Document. The Obligated Group Representative, on behalf of the Members, will deliver to the Related Bond Trustee and the Purchaser all reports, certificates, opinions and other documents required by the Master Indenture to be submitted to the Master Trustee at the time they are required to be submitted to the Master Trustee. Each Member will faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in the Master Indenture, the Series 2023A Note, the Related Bond Indenture, the Related Loan Document, and the Placement Agreement.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

Section 801. Ratification of Master Indenture. The Master Indenture as amended and supplemented by this Supplemental Master Indenture and as otherwise amended and supplemented is in all respects ratified and confirmed and the Master Indenture as so amended and supplemented shall be read, taken and construed as one in the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Master Indenture, as amended and supplemented by this

Supplemental Master Indenture and as otherwise amended and supplemented, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture.

Section 802. Deemed Owner of Series 2023A Note. In accordance with **Section 903** of the Master Indenture, the Registered Owner of the Related 2023 Bonds shall be deemed to be the Owner of a corresponding principal amount of the Series 2023A Note for purposes of any right of such Owner to direct or consent to any action or remedy to be undertaken by the Master Trustee pursuant to the Master Indenture and any right of such an Owner to consent to the execution of any Supplemental Master Indenture.

Section 803. Limitation of Rights. Nothing in this Supplemental Master Indenture or in the Series 2023A Note, express or implied, shall give or be construed to give any person, firm or corporation, other than the Members, the Master Trustee and the Owner of the Series 2023A Note, any legal or equitable right, remedy or claim under or in respect of this Supplemental Master Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Corporation, the other Members, the Master Trustee and the Owner of the Series 2023A Note.

Section 804. Binding Effect. All the covenants, stipulations, promises and agreements in this Supplemental Master Indenture by or on behalf of the Members, the Obligated Group or the Master Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 805. Severability Clause. If any provision of this Supplemental Master Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.


Section 806. Execution in Counterparts; Electronic Transaction. This Supplemental Master Indenture may be executed in multiple counterparts, each of which shall be an original, and such counterparts shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and this Supplemental Master Indenture and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

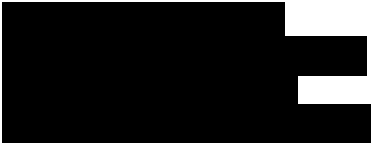
Section 807. Governing Law. This Supplemental Master Indenture and the Series 2023A Note shall be deemed to be a contract made under the laws of the State of Iowa, and for all purposes shall be construed in accordance with the laws of said State.

Section 808. Status of Master Indenture. Except insofar as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Master Indenture, as supplemented by this Supplemental Master Indenture, shall be deemed to be incorporated in, and made a part of, this Supplemental Master Indenture; and the Master Indenture as supplemented by this Supplemental Master Indenture is in all respects ratified and confirmed; and the Master Indenture and this Supplemental Master Indenture shall be read, taken and construed as one and the same instrument. All references to “this Master Indenture” in the Master Indenture shall be to the Master Indenture as amended and supplemented by this Supplemental Master Indenture and as otherwise amended and supplemented from time to time.

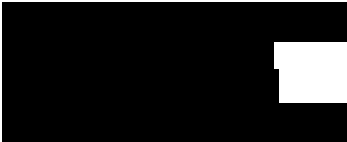
Section 809. Notices. Notices to be given in accordance with **Section 1001** of the Master Indenture to the Master Trustee, the Obligated Group Representative or any other Member of the Obligated Group shall be addressed as follows:

(a) To the Master Trustee at: 

(b) To the Obligated Group Representative or any Member c/o the Obligated Group Representative: 

With a copy to its counsel: 

(c) To the Purchaser: 

With a copy to its counsel: 

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Master Trust Indenture No. 13 to be duly executed by the persons thereunto duly authorized, as of the day and year first above written.

**LIFESPACE COMMUNITIES, INC.,
as Obligated Group Representative**

By:



By:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Master Trustee**

By
Na



EXHIBIT A

FORM OF SERIES 2023A MASTER NOTE

**THIS MASTER NOTE HAS NOT BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933, AS AMENDED**

No. R-1

\$52,500,000

**LIFESPACE COMMUNITIES, INC.
MASTER INDENTURE NOTE
SERIES 2023A**

**Final
Maturity Date**

**Dated
Date**

May 15, 2043

May __, 2023

REGISTERED OWNER: IOWA FINANCE AUTHORITY

PRINCIPAL AMOUNT: FIFTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

LIFESPACE COMMUNITIES, INC., an Iowa nonprofit corporation (the “Obligated Group Representative” or the “Corporation”), as Obligated Group Representative acting for itself and on behalf of the other Members under the hereinafter referred to Master Indenture, for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the principal amount shown above on and prior to the final maturity date shown above, in installments in the amounts and on the dates that are the same as and correspond with the principal amounts of the Related 2023 Bonds coming due (and the dates on which those amounts come due) whether at maturity or by scheduled mandatory redemption, and earlier upon any other redemption in whole or in part of the Related 2023 Bonds described herein, all as set forth in the hereinafter referred to Related Bond Indenture, and to pay to the Registered Owner hereof interest on the unpaid principal balance hereof from the date of this Master Note shown above to the final maturity date shown above at the rates of interest on the hereinafter described Related 2023 Bonds so that the interest coming due on this Master Note on any date corresponds with the interest component on the Related 2023 Bonds on that date, until this Master Note is paid.

Time, Method and Place of Payment. The principal hereof, redemption premium, if any, and interest hereon shall be payable at the times and in the amounts as provided in the Related Bond Indenture described herein. The last such installment shall be in an amount sufficient to discharge all unpaid principal of, redemption premium, if any, and accrued interest on this Master Note in full. The principal of, redemption premium, if any, and interest on this Master 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 and redemption premium, if any, and interest hereon shall be payable by depositing the same with the hereinafter referred to Related Bond Trustee, by check, draft or wire transfer in immediately available funds, at or before the opening of business on the date the same shall become due and payable, and giving notice of payments to the hereinafter referred to Master Trustee as

provided in the Master Indenture. The obligation evidenced by this Master Note shall terminate only when payment in full of the principal hereof and redemption premium, if any, and interest hereon has been made.

Authorization of Master Note. This Master Note represents the duly authorized Master Note of the Obligated Group, in the principal amount stated above, designated as “Lifespace Communities, Inc. Master Indenture Note, Series 2023A” (this Master Note, together with all other Master Notes issued and secured under the Master Indenture, referred to collectively as the “Master Notes”) issued under and pursuant to the Master Trust Indenture dated as of November 1, 2010, as supplemented and amended including by Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023 (the “Master Indenture”), among the Obligated Group Representative and the other Members (the “Obligated Group”) and U.S. Bank Trust Company, National Association, as trustee (the “Master Trustee”). This Master Note is issued for the purpose of securing and further providing for the payment of the principal of and premium, if any, and interest on \$52,500,000 principal amount of Revenue Bonds (Lifespace Communities, Inc.), Series 2023A (the “Related 2023 Bonds”), issued under and pursuant to the Constitution and laws of the State of Iowa, and a Bond Trust Indenture dated as of May 1, 2023 (the “Related Bond Indenture”), between the Iowa Finance Authority (the “Related Bond Issuer”) and U.S. Bank Trust Company, National Association, as trustee (the “Related Bond Trustee”), and, in addition to the installments described above, the Corporation shall pay upon demand any further amounts in federal or other immediately available funds as may from time to time be required to pay when due any principal of or premium, if any, or interest on the Related 2023 Bonds.

Credits on the Master Note. The Obligated Group shall receive certain credits against its required payments on this Master Note as specified in the Master Indenture.

Security for Master Notes. All Master Notes issued and Outstanding under the Master Indenture are equally and ratably secured by the pledge and assignment of a security interest in the Trust Estate pursuant to the Granting Clauses of the Master Indenture, including a pledge and assignment of all Unrestricted Receivables of the Obligated Group and the Mortgages (as such terms are defined in the Master Indenture), except the Master Reserve Fund established under the Master Indenture will secure only the Master Notes that are designated in a Supplemental Master Indenture as being secured thereby. This Master Note is **not** a Master DSRF Secured Note and is **not** secured by the Master Reserve Fund. This Master Note is secured by a pledge of the Corporate Headquarters Accounts, which shall immediately terminate when this Master Note is no longer Outstanding.

Members jointly and severally agree under the Master Indenture to be liable on all Master Notes, including this Master Note, issued under the Master Indenture. It is provided in the Master Indenture that the Obligated Group Representative and any other Members, with the consent of the Obligated Group Representative, may hereafter issue additional Master Notes from time to time, and if issued, such additional Master Notes will rank *pari passu* with this Master Note and all other Master Notes heretofore or hereafter issued under the Master Indenture, except as otherwise provided in the Master Indenture.

Copies of the Master Indenture and the Related Bond Indenture are on file at the principal corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture and the Related Bond Indenture for the provisions, among others, with respect to the nature and extent of the security for and the rights of the Registered Owner of this Master Note, the terms and conditions on which, and purposes for which, this Master Note is issued and the rights, duties and obligations of the Obligated Group and the Master Trustee under the Master Indenture, to all of which the Registered Owner hereof, by acceptance of this Master Note, assents. The Master Indenture may be modified, amended or supplemented only to the extent and under the circumstances permitted by, and subject to the terms and conditions of, the Master Indenture. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Master Indenture.

Redemption Prior to Maturity. The principal of this Master Note is subject to redemption from time to time in the manner, under the circumstances, upon such notice and at the prices set forth in the Master Indenture and the Related Bond Indenture.

Upon the call for redemption of any Related 2023 Bonds of any stated maturity date pursuant to the Related Bond Indenture, the same principal amount of this Master Note maturing on the same date shall be deemed to have been called for redemption on the same redemption date and at the same redemption price (plus accrued interest to the redemption date) as such Related 2023 Bonds so called for redemption. Mailing of notice to the Registered Owners of the Related 2023 Bonds of any stated maturity date in accordance with the terms of the Related Bond Indenture shall, without further notice or action by the Related Bond Trustee, the Master Trustee or the Obligated Group Representative, constitute notice of redemption of the corresponding amount of principal on this Master Note maturing on the same date and the same shall thereby become due and payable on the date specified for the redemption of such Related 2023 Bonds and at a redemption price (plus accrued interest to the redemption date) equal to the redemption price payable with respect to such Related 2023 Bonds.

This Master Note may also be redeemed in whole or in part by paying the amount necessary to provide for the payment, prepayment, redemption, refunding, defeasance or advance refunding of the Related 2023 Bonds or any portion of the Related 2023 Bonds. In the event this Master Note is to be redeemed as set forth in the preceding sentence, notice thereof identifying the portion of this Master Note to be redeemed, unless waived, will be given by mailing a copy of the redemption notice to the Registered Owner hereof, at the address shown on the registration books, at the times and in the manner provided in the Master Indenture.

This Master Note or the portion hereof called for redemption will cease to bear interest on the specified redemption date, provided funds for its redemption are on deposit at the place of payment at that time, and this Master Note or such portion will no longer be protected by the Master Indenture and will not be deemed to be Outstanding under the Master Indenture.

Advance Defeasance of Master Note. This Master Note is subject to advance defeasance as provided in the Master Indenture if the Obligated Group deposits with the Master Trustee or other institution with trust powers cash and/or Escrow Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the Debt on this Master Note Outstanding under the Master Indenture at or before its maturity date. The Obligated Group shall remain the obligor on this Master Note, but the Registered Owner hereof will be entitled to payment solely out of such cash and funds received from such Escrow Obligations. The Obligated Group may also pay or provide for the payment of a portion of this Master Note by depositing with the Master Trustee cash and/or Escrow Obligations in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge such portion of the Debt on this Master Note at or before its maturity date. Upon such deposit, such portion of this Master Note will cease to be entitled to any lien, benefit or security under the Master Indenture. The Obligated Group shall remain the obligor on such portion, but the Registered Owner hereof shall be entitled to payment (to the exclusion of all other Master Noteowners) solely out of such cash and funds received from such Escrow Obligations. Master Notes other than this Master Note, or any portion of such Master Notes, are also subject to advance defeasance in the manner described in the Master Indenture.

Limitation of Rights. The Registered Owner of this Master Note has no right to enforce the Master Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Master Indenture, or to institute, appear in or defend any suit or other

proceedings with respect thereto, except as provided in the Master Indenture. No recourse may be had for the payment of the principal of or premium or interest on this Master Note or for any claim based thereon or upon any obligation, covenant or agreement contained in the Master Indenture, against any past, present or future officer, trustee, director, member, employee or agent of the Obligated Group Representative or any other Member, or any incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Master Indenture and the issuance of this Master Note.

Acceleration of Master Note. In certain events (including the occurrence of an “Event of Default” as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the Master Trustee may declare the outstanding principal of this Master Note due and payable before the stated maturity thereof, together with interest accrued thereon.

Transfer of Master Note. This Master Note is transferable by the Registered Owner hereof in person or by duly authorized attorney at the principal corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Master Note. Upon such transfer a new registered Master Note without coupons of the same series and maturities and for the same outstanding principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

Authentication of Master Note. This Master Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Master Note shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

Waiver of Presentment or Notice. The Obligated Group Representative, on behalf of itself and the other Members, hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Master Trustee to the Obligated Group Representative or the other Members.

IT IS HEREBY CERTIFIED that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Master Note, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Master Note have been duly authorized by resolutions of the Obligated Group Representative and the Borrower duly adopted.

IN WITNESS WHEREOF, LIFESPACE COMMUNITIES, INC., as Obligated Group Representative, has caused this Master Note to be executed in its name and on its behalf by the manual or facsimile signature of its Chief Executive Officer, President or Chief Financial Officer, and this Master Note to be dated as of the Dated Date shown above.

**LIFESPACE COMMUNITIES, INC.,
as Obligated Group Representative**

By: _____


By: _____


MASTER TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Master Note is one of the Master Notes described in the within-mentioned Master Indenture.

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Master Trustee**

By: _____


ASSIGNMENT

The undersigned pledges and assigns all of its right, title and interest in and to the above Master Note to U.S. Bank Trust Company, National Association, the Bond Trustee under the Bond Trust Indenture dated as of May 1, 2023, between the undersigned and said bank, as trustee, or to its successor or successors as Bond Trustee under that Bond Trust Indenture, for the benefit and security of the owners of the Bonds secured by said Bond Trust Indenture. This assignment is without recourse against or warranty of any nature or description by the undersigned.

Dated: May __, 2023.

IOWA FINANCE AUTHORITY

By: _____
Title: Chairperson

Exhibit C
Querencia Supplemental Master Indenture No. 4

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SUPPLEMENTAL INDENTURE NUMBER 4

Dated as of May 1, 2023

Between

**BARTON CREEK SENIOR LIVING CENTER, INC.,
as Obligated Group Representative,**

And

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Master Trustee**

Supplemental to:

**Master Trust Indenture, Deed of Trust and Security Agreement
Dated as of October 1, 2015**

SUPPLEMENTAL INDENTURE NUMBER 4

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SUPPLEMENTAL INDENTURE NUMBER 4

SUPPLEMENTAL INDENTURE NUMBER 4, dated as of May 1, 2023 (this “**Supplemental Indenture**”), by and between **BARTON CREEK SENIOR LIVING CENTER, INC.**, a Texas nonprofit corporation (the “**Corporation**” or the “**Obligated Group Representative**”), as Obligated Group Representative acting on behalf of itself and all other Obligated Group Members under the hereinafter referred to Indenture), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor master trustee (the “**Master Trustee**”).

WITNESSETH:

WHEREAS, the Obligated Group Representative, as the initial Obligated Group Member, and the predecessor Master Trustee have entered into a Master Trust Indenture, Deed of Trust and Security Agreement dated as of October 1, 2015 (as previously supplemented and amended by Supplemental Indenture Number 1, the “**Original Indenture**”), recorded on October 29, 2015, as Instrument No. 2015173937 with the County Clerk of Travis County, Texas in the Official Public Records of Travis County, Texas, encumbering the real property located in Travis County, Texas more particularly described on **Exhibit A** attached hereto;

WHEREAS, the Obligated Group Representative, Lifespace Communities, Inc., an Iowa nonprofit corporation (“Lifespace”), and the Master Trustee have entered into a Supplemental Indenture Number 2 dated as of August 1, 2021 (the “**Second Supplemental Indenture**”), recorded on September 7, 2021, as Instrument No. 202100004 with the County Clerk of Travis County, Texas in the Official Public Records of Travis County, Texas, encumbering the real property located in Travis County, Texas more particularly described on **Exhibit A** attached hereto;

WHEREAS, the Obligated Group Representative, Lifespace Communities, Inc., an Iowa nonprofit corporation (“Lifespace”), and the Master Trustee have entered into a Supplemental Indenture Number 3 dated as of November 1, 2022 (the “**Third Supplemental Indenture**”) and together with the Original Indenture, and the Second Supplemental Indenture, the “**Existing Indenture**”), recorded on November 22, 2022, as Instrument No. 2022183042 with the County Clerk of Travis County, Texas in the Official Public Records of Travis County, Texas, encumbering the real property located in Travis County, Texas more particularly described on **Exhibit A** attached hereto;

WHEREAS, the Obligated Group Representative has previously issued on behalf of the Obligated Group the Barton Creek Senior Living Center, Inc. Series 2021 Obligation (the “**Series 2021 Obligation**”) in the original principal amount of \$605,588,972, which represented the principal amount of all master notes outstanding under the Lifespace Master Indenture (as defined in the Second Supplemental Indenture). The principal of the Series 2021 Obligation is deemed to be equal to the amount due by the Corporation under the Lifespace Master Indenture from time to time, as determined and calculated in accordance with the Lifespace Master Indenture;

WHEREAS, additional master notes are being issued under the Lifespace Master Indenture in the aggregate principal amount of \$52,500,000, with the current outstanding principal amount of all master notes under the Lifespace Master Indenture being \$752,535,000 as of the date hereof, and the Obligated Group Representatives desires to document the increased principal amount of the Series 2021 Obligation in accordance with its terms; and

WHEREAS, all acts and things necessary to make the Series 2021 Obligation authorized by the Second Supplemental Indenture, the principal amount of which is hereby increased in accordance with the terms thereof, the valid, binding and legal obligation of the Obligated Group, and to constitute these presents, together with the Existing Indenture, a valid indenture and agreement according to its terms and the terms of the Indenture, have been done and performed and the execution of this Supplemental Indenture and the Obligated Group Representative, in the exercise of the legal right and power vested in it, executes this Supplemental Indenture;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That in consideration of the premises the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Words and terms used in this Supplemental Indenture and not otherwise defined herein shall, except as otherwise stated, have the meanings assigned to them in the Existing Indenture.

ARTICLE II

PRINCIPAL AMOUNT OF SERIES 2021 OBLIGATION

Section 2.01. Principal Amount of Series 2021 Obligation. The principal amount of the Series 2021 Obligation is hereby increased to \$752,535,000, which represents the aggregate maximum principal amount of all master notes outstanding under the Lifespace Master Indenture, including the \$52,500,000 principal amount of master notes issued by Lifespace dated May 25, 2023, pursuant to the Lifespace Master Indenture.

The principal of the Series 2021 Obligation shall be deemed to be equal to the amount due by the Corporation under the Lifespace Master Indenture from time to time, as determined and calculated in accordance with the Lifespace Master Indenture.

The final maturity of the Series 2021 Obligation is unchanged at May 15, 2056.

ARTICLE III

MISCELLANEOUS PROVISIONS

Section 3.01. Ratification of Indenture. The Indenture as amended and supplemented by this Supplemental Indenture and as otherwise amended and supplemented is in all respects ratified and confirmed and the Indenture as so amended and supplemented shall be read, taken and construed as one in the same instrument. Except as herein otherwise expressly provided, all the provisions, definitions, terms

and conditions of the Indenture, as amended and supplemented by this Supplemental Indenture and as otherwise amended and supplemented, shall be deemed to be incorporated in, and made a part of, this Supplemental Indenture.

Section 3.02. Limitation of Rights. Nothing in this Supplemental Indenture or in the Series 2021 Obligation, express or implied, shall give or be construed to give any person, firm or corporation, other than the Members, the Master Trustee and the Holder of the Series 2021 Obligation, any legal or equitable right, remedy or claim under or in respect of this Supplemental Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the Corporation, the other Members, the Master Trustee and the Holder of the Series 2021 Obligation.

Section 3.03. Binding Effect. All the covenants, stipulations, promises and agreements in this Supplemental Indenture by or on behalf of the Members, the Obligated Group or the Master Trustee shall inure to the benefit of and shall bind their respective successors and assigns, whether so expressed or not.

Section 3.04. Severability Clause. If any provision of this Supplemental Indenture shall be held or deemed to be, or shall in fact be, inoperative or unenforceable as applied to any particular case in any jurisdiction or jurisdictions, or in all jurisdictions or in all cases because of the conflicting of any provision with any constitution or statute or rule of public policy or for any other reason, such circumstance shall not have the effect of rendering the provision or provisions in question inoperative or unenforceable in any other jurisdiction or in any other case or circumstance or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to the extent that such other provisions are not themselves actually in conflict with such constitution, statute or rule of public policy.

Section 3.05. Execution in Counterparts; Electronic Transaction. This Supplemental Indenture may be executed in multiple counterparts, each of which shall be an original, and such counterparts shall constitute but one and the same instrument. In addition, the transaction described herein may be conducted and this Supplemental Indenture and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 3.06. Governing Law. This Supplemental Indenture and the Series 2021 Obligation shall be deemed to be a contract made under the laws of the State of Iowa, and for all purposes shall be construed in accordance with the laws of said State.

Section 3.07. Status of Indenture. Except insofar as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Indenture, as supplemented by this Supplemental Indenture, shall be deemed to be incorporated in, and made a part of, this Supplemental Indenture; and the Indenture as supplemented by this Supplemental Indenture is in all respects ratified and confirmed; and the Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument. All references to “this Indenture” in the Indenture shall be to the Indenture as amended and supplemented by this Supplemental Indenture and as otherwise amended and supplemented from time to time.

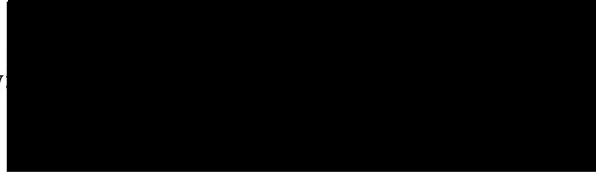
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IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

**BARTON CREEK SENIOR LIVING CENTER,
INC.,**

as Obligated Group Representative



By

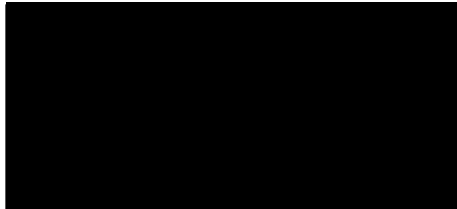
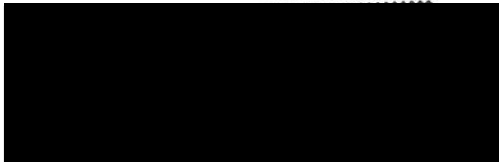


ACKNOWLEDGEMENT

STATE OF IOWA)
)
COUNTY OF POIK)

SS

This instrument was acknowledged before me on May 17th, 2023 by 
 of **BARTON CREEK SENIOR LIVING CENTER, INC.**, a Texas nonprofit corporation, for and on behalf of said corporation.



[SEAL]

**BARTON CREEK SENIOR LIVING CENTER,
INC.,**

as Obligated Group Representative

By:





ACKNOWLEDGEMENT

STATE OF IOWA)

COUNTY OF POIK)

SS

This instrument was acknowledged before me on May 17th, 2023 by 
 of **BARTON CREEK SENIOR LIVING CENTER, INC.**, a Texas
nonprofit corporation, for and on behalf of said corporation.


Notary Public

[SEAL] 

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Master Trustee

By _____
[Redacted Signature]

ACKNOWLEDGEMENT

STATE OF FLORIDA)
) SS
COUNTY OF DUVAL)

This instrument was acknowledged before me on May 12th, 2023 by [Redacted]
[Redacted] of U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, a national banking association, for and on behalf of said association.

[Redacted]

[Redacted]
Notary Public 0

[SEAL]

EXHIBIT A

LEGAL DESCRIPTION

TRACT 1 (FEE SIMPLE):

LOT 1, BLOCK "A", BARTON CREEK ABC MIDSECTION FINAL PLAT, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN VOLUME 98, PAGE(S) 289-292 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS; AND

LOT(S) 2 AND 3, BLOCK B, BARTON CREEK SECTION E, PHASE 2, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED UNDER DOCUMENT NO. 200500229 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

TRACT 2 (NON-EXCLUSIVE EASEMENT ESTATE):

NON-EXCLUSIVE EASEMENT ESTATE AS CREATED BY ACCESS EASEMENT AGREEMENT BY AND BETWEEN THE WOODS III COMMUNITY, INC., AND STRATUS PROPERTIES OPERATING CO., L.P., DATED MARCH 27, 2000, RECORDED UNDER DOCUMENT NO. 2000049543 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING OVER AND ACROSS A PORTION OF LOT 75, BLOCK "A", BARTON CREEK ABC MIDSECTION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN VOLUME 98, PAGE(S) 289-292 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, COMMONLY KNOWN AS CHALK KNOLL DRIVE.

TRACT 3 (NON-EXCLUSIVE EASEMENT ESTATE):

NON-EXCLUSIVE EASEMENT ESTATE AS CREATED BY ACCESS EASEMENT AGREEMENT BY AND BETWEEN THE WOODS III COMMUNITY, INC., AND STRATUS PROPERTIES OPERATING CO., L.P., DATED MARCH 27, 2000, RECORDED UNDER DOCUMENT NO. 2000049544 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING OVER AND ACROSS A PORTION OF LOT 75, BLOCK "A", BARTON CREEK ABC MIDSECTION, A SUBDIVISION IN TRAVIS COUNTY, TEXAS, ACCORDING TO THE MAP OR PLAT THEREOF, RECORDED IN VOLUME 98, PAGE(S) 289-292 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, COMMONLY KNOWN AS CHALK KNOLL DRIVE.

Exhibit D
Series 2023A Bond Indenture

BOND TRUST INDENTURE

Dated as of May 1, 2023

Between

IOWA FINANCE AUTHORITY

And

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Bond Trustee**

Relating to:

**\$52,500,000
Iowa Finance Authority
Revenue Bonds
(Lifespace Communities, Inc.)
Series 2023A**

BOND TRUST INDENTURE

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BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE (this “Bond Indenture”), dated as of May 1, 2023, by and between the **IOWA FINANCE AUTHORITY**, a public instrumentality and agency of the State of Iowa (the “**Authority**”), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association duly organized and existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America, and having its corporate trust office located in Jacksonville, Florida, as bond trustee (the “**Bond Trustee**”);

RECITALS

1. The Authority is authorized under Chapter 16 of the Code of Iowa, as amended (the “**Act**”), to issue revenue bonds for the purpose of defraying the cost of any project for which tax-exempt financing is authorized by the Internal Revenue Code of 1986.

2. The Authority is authorized, pursuant to the Act and a resolution duly adopted by the Authority to issue under this Bond Indenture its Revenue Bonds (Lifespace Communities, Inc.), Series 2023A in the aggregate principal amount of \$52,500,000 (the “**Bonds**”), for the purpose of making a loan to Lifespace Communities, Inc., an Iowa nonprofit corporation (the “**Corporation**”), under the terms of a Loan Agreement of even date herewith (the “**Loan Agreement**”), between the Authority and the Corporation, to provide a portion of the funds necessary (a) to fund, pursuant to the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the “**Plan**”) filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division case *In re: Northwest Senior Housing Corporation, et al.*, in settlement of any potential claims against the Corporation relating to its affiliation with Northwest Senior Housing Corporation d/b/a Edgemere, a Texas nonprofit corporation, and Senior Quality Lifestyle Corporation, a Texas nonprofit corporation, and in exchange for full releases and exculpation provided under the Plan: (i) initial payments to a residents trust (the “**Residents Trust**”) and (ii) a bond settlement contribution payment (the “**Edgemere Bond Contribution**,” and together with the payments to the Residents Trust, the “**Settlement Payments**”) to UMB Bank, N.A., as successor bond trustee under certain bond trust indentures (the “**Edgemere Bond Trustee**”) and (b) to pay certain costs associated with the issuance of the Bonds, all as more fully defined and described hereinafter and in the Loan Agreement.

3. As evidence of and further security for its obligation to repay the loan, the Corporation has issued its Lifespace Communities, Inc. Master Indenture Note, Series 2023A (the “**Note**”), in the principal amount of \$52,500,000, under the Master Trust Indenture dated as of November 1, 2010, as supplemented and amended, among the Corporation, other Members of the Obligated Group (as defined therein), and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as master trustee (the “**Master Trustee**”), and Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, among the Corporation, as Obligated Group Representative, on behalf of itself and other Members of the Obligated Group, Barton Creek Senior Living Center, Inc. and the Master Trustee (said Master Trust Indenture, together with said Supplemental Master Trust Indenture No. 13 and all other amendments and supplements thereto, being referred to herein collectively as the “**Master Indenture**”).

4. All things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, legal and binding obligations of the Authority, and to constitute this Bond Indenture a valid, legal and binding pledge and assignment of the property, rights, interests and revenues herein made for the security of the payment of the principal of, redemption premium, if any, and interest on the Bonds issued hereunder, have been done and performed, and the execution and

delivery of this Bond Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

The Authority, in consideration of the premises, the acceptance by the Bond Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding under this Bond Indenture from time to time according to their tenor and effect and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, does hereby transfer, pledge and assign to the Bond Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Bond Trustee and its successors in trust and its assigns, in and to all and singular the property described in paragraphs (a) and (b) below (said property being herein referred to as the "Trust Estate"), to wit:

(a) All right, title and interest of the Authority (including the right to enforce any of the terms thereof other than the Unassigned Authority Rights) in, to and under (1) the Loan Agreement and the Note, and all payments derived by the Authority from the Corporation including Loan Payments and other amounts to be received by the Authority and paid by the Corporation under and pursuant to and subject to the Loan Agreement and the Note (but excluding the Unassigned Authority Rights), and (2) all financing statements or other instruments or documents evidencing, securing or otherwise relating to the loan of the proceeds of the Bonds; and

(b) All moneys and securities from time to time held by the Bond Trustee under the terms of this Bond Indenture (except moneys and securities held in the Rebate Fund), and any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter, by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone in its behalf or with its written consent, 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.

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Bond Trustee and its successors and assigns in trust forever in trust, nevertheless, upon the terms and conditions herein set forth for the equal and pro rata benefit and security of each and every Owner, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Bonds shall have the same right, lien and privilege under this Bond Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Bond Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the

provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Bond Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Corporation and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Bond Indenture shall be and remain in full force.

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Bond Trustee and with the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS, RULES OF CONSTRUCTION

Section 101. Definitions of Words and Terms. In addition to words and terms elsewhere defined herein and in the Master Indenture, the following words and terms as used in this Bond Indenture and in the Loan Agreement shall have the following meanings, unless some other meaning is plainly intended:

“**Act**” means Iowa Code Chapter 16, as from time to time amended.

“**Additional Payments**” means those payments required to be made by the Corporation pursuant to **Section 4.2** of the Loan Agreement.

“**Authority**” means the Iowa Finance Authority created by the Act, or any body or instrumentality of the State succeeding to or charged with the powers, duties and functions of the Authority, its successors and assigns.

“**Authority Representative**” means the Executive Director, the Chief Financial Officer, the Chief Operating Officer or the Chief Bond Programs Director of the Authority, and such other person or persons at the time designated to act on behalf of the Authority in matters relating to the Loan Agreement and this Bond Indenture as evidenced by a written certificate furnished to the Corporation and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Authority by its Chairperson, Vice Chairperson or Executive Director. Such certificate may designate an alternate or alternates, each of whom shall be entitled to perform all duties of the Authority Representative.

“**Authorized Denominations**” means \$100,000 or any \$5,000 integral multiple in excess thereof.

“Bond Documents” means this Bond Indenture, the Bonds, the Loan Agreement, the Tax Agreement, the Master Indenture, the Note, the Placement Agreement, the Continuing Disclosure Agreement, the Deposit Account Control Agreement and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Bond Indenture” means this Bond Trust Indenture as originally executed by the Authority and the Bond Trustee, as from time to time amended and supplemented by Supplemental Bond Indentures.

“Bond Register” means the registration books kept by the Bond Trustee to evidence the registration and transfer of Bonds.

“Bond Registrar” means the Bond Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Bond Indenture.

“Bond Trustee” means U.S. Bank Trust Company, National Association and its successor or successors and any other corporation or association which at any time may be substituted in its place pursuant to and at the time serving as trustee under this Bond Indenture.

“Bondowner,” “Owner” or “Registered Owner” means the Person in whose name a Bond is registered on the Bond Register.

“Bonds” means the Revenue Bonds (Lifespace Communities, Inc.), Series 2023A, issued by the Authority aggregating the principal amount of \$52,500,000, authenticated and delivered under this Bond Indenture.

“Book-Entry System” means a system for holding beneficial ownership of the Bonds in book-entry form specified in **Section 210**.

“Business Day” means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal corporate trust office of the Bond Trustee or any Paying Agent is located are required or authorized by law to remain closed, or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company, New York, New York.

“Certificate of Corporation Representative” means a written certificate signed by a Corporation Representative, which certificate shall be deemed to constitute a representation of, and shall be binding upon, the Corporation with respect to matters set forth therein.

“Closing Date” means the date of delivery of and payment for the Bonds.

“Continuing Disclosure Agreement” means the Master Continuing Disclosure Agreement dated as of November 1, 2010, executed by the Corporation, as supplemented and amended in accordance with its terms.

“Corporation” means Lifespace Communities, Inc., an Iowa nonprofit corporation, its successors and assigns, and any surviving, resulting or transferee entity.

“Corporation Representative” means the Chief Executive Officer, the President or the Chief Financial Officer of the Corporation or other person or persons at the time designated to act on behalf of the Corporation in matters relating to the Loan Agreement and this Bond Indenture as evidenced by a written certificate furnished to the Authority and the Bond Trustee containing the specimen signature of such person or persons and signed on behalf of the Corporation by its Chief Executive Officer, President or Chief Financial Officer. Such certificate may designate an alternate or alternates each of whom shall be entitled to perform all duties of the Corporation Representative.

“Debt Service Fund” means the fund by that name created by **Section 401**.

“Defaulted Interest” means interest on any Bond which is payable but not paid on the date due.

“Defeasance Obligations” means

(a) Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) the obligations are rated in the same rating category as Government Obligations by Moody’s, S&P or Fitch.

“Deposit Account Control Agreement” means the Third Party Collateral Account Control Agreement related to the Corporate Headquarters Accounts dated as of May 25, 2023 among the Corporation, the Bond Trustee, and the Depository Bank.

“Depository Bank” means Bankers Trust Company, or a successor bank at which the Corporation maintains the Corporate Headquarters Accounts in accordance with the terms of the Loan Agreement.

“Edgemere Bond Contribution” means the \$16.5 million payment from the Corporation to the Edgemere Bond Trustee required by the Plan.

“Edgemere Bond Issuer” means the Tarrant County Cultural Education Facilities Finance Corporation.

“Edgemere Bond Trustee” means UMB Bank, N.A., as successor bond trustee, under the (i) Indenture of Trust dated May 1, 2015 between the Edgemere Bond Trustee and the Edgemere Bond Issuer relating to its Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project), Series 2015A and Series 2015B and (ii) the Indenture of Trust dated March 1, 2017 between the Edgemere Bond Trustee and the Edgemere Bond Issuer relating to its Retirement Facility Revenue Bonds (Northwest Senior Housing Corporation – Edgemere Project), Series 2017.

“Event of Default” means (a) with respect to this Bond Indenture any “Event of Default” as defined in **Section 701**, and (b) with respect to the Loan Agreement any “Event of Default” as defined in **Section 7.1** of the Loan Agreement.

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

“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.

“Initial Mandatory Tender Date” means May 15, 2024.

“Initial Interest Rate” means, from the Closing Date to and including December 15, 2023, 8.00% per annum, and from December 16, 2023, to the Initial Mandatory Tender Date, 10.00% per annum.

“Interest Rate” means the Initial Interest Rate and any other rate of interest determined pursuant to **Section 202** or **Section 306**.

“Interest Payment Date” means the 15th day of each month, beginning June 15, 2023.

“Internal Revenue Code” means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Issuance Costs” means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code, including the following:

- (a) underwriters' spread (whether realized directly or derived through purchase of Bonds at a discount below the price at which they are expected to be sold to the public) or placement agent fees;
- (b) counsel fees (including bond counsel, placement agent's counsel, Authority's counsel, Corporation's counsel, as well as any other specialized counsel fees incurred in connection with the borrowing);
- (c) financial advisor fees of any financial advisor to the Authority or the Corporation incurred in connection with the issuance of the Bonds;
- (d) rating agency fees;
- (e) trustee, escrow agent and paying agent fees;
- (f) accountant fees and other expenses related to issuance of the Bonds;
- (g) printing costs (for the Bonds and of the preliminary and final official statement relating to the Bonds); and
- (h) fees and expenses of the Authority incurred in connection with the issuance of the Bonds.

"Issuance Costs Fund" means the fund by that name created by **Section 401**.

"Loan Agreement" means the Loan Agreement dated as of the date hereof, between the Authority and the Corporation, as from time to time amended by Supplemental Loan Agreements.

"Loan Payments" means the payments referred to in **Section 4.1** of the Loan Agreement.

"Mandatory Tender Date" means the Initial Mandatory Tender Date and any other Mandatory Tender Date selected pursuant to **Section 202** or **Section 306**.

"Master Indenture" means the Master Trust Indenture dated as of November 1, 2010, among the Corporation, any other Members of the Obligated Group described therein and the Master Trustee, and the Supplemental Master Indenture and any other amendments and supplements thereto entered into from time to time.

"Master Trustee" means U.S. Bank Trust Company, National Association, Jacksonville, Florida, and its successors and assigns, as master trustee under the Master Indenture.

"Maximum Interest Rate" means the lesser of (1) 12% per annum and (2) the highest rate permitted by applicable law.

"Moody's" means Moody's Investors Service, Inc., and 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 Representative with written notice to Bond Trustee.

“**Note**” means the Lifespace Communities, Inc. Master Indenture Note, Series 2023A, in the principal amount of \$52,500,000 issued under the Master Indenture to the Authority and pledged and assigned to the Bond Trustee.

“**Opinion of Bond Counsel**” means an opinion in writing addressed to the Authority and the Bond Trustee and signed by legal counsel acceptable to the Bond Trustee and not objected to by the Authority, who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“**Opinion of Counsel**” means an opinion in writing signed by legal counsel acceptable to the Corporation and the Bond Trustee and not objected to by the Authority, who may be an employee of or counsel to the Corporation.

“**Outstanding**” means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except:

- (1) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation pursuant to **Section 209**;
- (2) Bonds which are deemed to have been paid in accordance with **Article XI**; and
- (3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to **Article II**.

“**Owner**” shall have the same meaning as the term “Bondowner.”

“**Participants**” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“**Paying Agent**” means the Bond Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Bond Indenture or any Supplemental Bond Indenture as paying agent for the Bonds at which the principal of and redemption premium, if any, and interest on such Bonds shall be payable.

“**Permitted Investments**” means, if and to the extent the same are at the time legal for investment of funds held under this Bond Indenture,

- (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 in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency;
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank or the Student Loan Marketing Association) which is either (i) rated in the

highest rating category by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Master Trustee or Bond Trustee or their affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which mature not more than 360 days after the date of purchase;

(e) commercial paper which is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and which matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of debt 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 the agreement is executed are rated in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency or investment agreements with non-bank financial institutions, provided that (1) 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 the 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 (2) if the non-bank financial institution and any related guarantor 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 the 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 debt by any Rating Agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including the Master Trustee, the Bond Trustee or their affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Bond Trustee or a custodial agent of the Bond Trustee has possession of the collateral and that 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, and (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) the collateral securities are held in the custody of the Bond Trustee or the Bond Trustee's agent;

(i) investments in a money market fund, including funds of the Bond Trustee, the Master Trustee or their affiliates, rated (at the time of purchase) in the highest rating category for this type of investment by any Rating Agency; and

(j) shares in any investment company, money market mutual fund, fixed income mutual fund, exchange-traded 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, and whose investments consist solely of Permitted Investments as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Bond Trustee, the Master Trustee or their affiliates derive a fee for investment advisory or other services to the fund.

The Bond Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent receipt of written notice or information to the contrary. For the purposes of this definition, obligations issued or held in the name of the Bond Trustee in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Bond Trustee.

"Person" means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, public body, agency or political subdivision thereof or any other similar entity.

"Placement Agent" means, Herbert J. Sims & Co., Inc.

"Placement Agreement" means the Bond Placement and Purchase Agreement among the Authority, the Corporation, the Purchaser, and the Placement Agent relating to the Bonds.

"Plan" means the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the **"Plan"**) filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division case *In re: Northwest Senior Housing Corporation, et al.*

"Prime Rate" means the interest rate per annum publicly announced from time to time by the Bond Trustee as its "prime rate," such interest rate to change automatically as of the opening of business on the effective date of any change in the Prime Rate.

"Purchase Price" for any Bond in connection with a purchase thereof pursuant to **Section 306** means the amount equal to 100% of the principal amount of such Bond, plus accrued interest, if any.

"Purchaser" means (i) Goldman Sachs & Co. LLC, and its permitted successors and assigns or (ii) if Goldman Sachs & Co. LLC is no longer the owner of any Bonds, the beneficial owners of the Bonds.

"Purchaser Affiliate Transferee" means a Person that is (i) an affiliate of the Purchaser, (ii) a trust or other custodial arrangement established by the Purchaser, or (iii) the owners of any beneficial interest in the Purchaser or any affiliate which are limited to "qualified institutional buyers" as defined in

Rule 144A promulgated under the Securities Act of 1933, as amended (the “**1933 Act**”), or institutional “accredited investors” as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the 1933 Act.

“**Purchaser Letter**” means a letter substantially in the form set forth in **Exhibit D** to this Bond Indenture.

“**Rebate Fund**” means the fund by that name created by **Section 401**.

“**Record Date**” means the last day (whether or not a business day) of the calendar month next preceding the date on which an interest payment on any Bond is to be made.

“**Remarketing Account**” means the account by that name created by **Section 401**.

“**Remarketing Agent**” means, any Person meeting the qualifications of and designated from time to time to act as Remarketing Agent with respect to the Bonds as provided in **Section 816** of this Bond Indenture.

“**Remarketing Agreement**” means each Remarketing Agreement as originally executed by the Corporation and each respective Remarketing Agent, as from time to time amended and supplemented in accordance with the provisions of the Remarketing Agreement and this Bond Indenture.

“**Replacement Bonds**” means Bonds issued to the beneficial owners of the Bonds in accordance with **Section 210(b)**.

“**Residents Trust**” means the trust created for the benefit of Edgemere residents pursuant to the Plan.

“**Residents Trust Trustee**” means the trustee of the Residents Trust appointed in accordance with the Plan.

“**Securities Depository**” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“**Settlement Payments**” means the Edgemere Bond Contribution and the payment to the Residents Trust Trustee described in the recitals to this Bond Indenture.

“**Settlement Payments Fund**” means the fund by that name created by **Section 401**.

“**Special Record Date**” means the date fixed by the Bond Trustee pursuant to **Section 205(d)** for the payment of Defaulted Interest.

“**S&P**” means S&P Global Ratings, 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, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative with written notice to Bond Trustee.

“**State**” means the State of Iowa.

“Supplemental Bond Indenture” means any indenture supplemental or amendatory to this Bond Indenture entered into by the Authority and the Bond Trustee pursuant to **Article IX**.

“Supplemental Loan Agreement” means any agreement supplemental or amendatory to the Loan Agreement entered into by the Authority and the Corporation pursuant to **Section 10.1** of the Loan Agreement and **Article X**.

“Supplemental Master Indenture” means the Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, among the Corporation, Barton Creek Senior Living Center, Inc., and the Master Trustee.

“Tax Agreement” means the Tax Compliance Agreement dated as of May 1, 2023, among the Authority, the Corporation and the Bond Trustee respecting the Bonds, as from time to time amended in accordance with the provisions thereof.

“Tax-Exempt Organization” means a nonprofit organization, organized under the laws of the United States of America or any state thereof, that is an organization described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Tender Agent” means the Bond Trustee or such other entity appointed pursuant to **Section 817** of this Bond Indenture.

“Term-Out Payments” means the payments described in **Section 202(f)**, a schedule of which is set forth on **Schedule 1** to this Bond Indenture.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Bond Indenture.

“Unassigned Authority Rights” means the Authority's rights to payment of its fees and expenses and to indemnification as set forth in the Loan Agreement, the right to limitation of its liability, and the rights to make determinations and receive notices, and the right to enforce the same, all as set forth herein and in the Loan Agreement.

“Written Request” means, with reference to the Authority, a request in writing signed by an Authority Representative and, with reference to the Corporation, a request in writing signed by the Corporation Representative, or any other officers designated by the Authority or the Corporation, as the case may be, to sign such Written Request.

Section 102. Rules of Construction. For all purposes of this Bond Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Bond Indenture:

- (a) The terms defined in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles to the extent applicable.

- (c) All references herein to “generally accepted accounting principles” refer to accounting principles generally accepted in the United States of America in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms, provided, as applied to any entity that operates a hospital, extended care facility or other discrete enterprise of a type with respect to which particular accounting principles from time to time shall have been generally adapted or modified, the term “generally accepted accounting principles” shall include the adaptations or modifications.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this Bond Indenture.
- (e) The words “herein,” “hereof” 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.
- (f) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

THE BONDS

Section 201. Amount of Bonds; Purpose. No Bonds may be issued under this Bond Indenture except in accordance with this Article. The Bonds shall be issued and secured under this Bond Indenture to make a loan to the Corporation for the purposes set forth in the Recitals. The total principal amount of Bonds that may be issued as provided in **Section 202** is hereby expressly limited to \$52,500,000 to consist of one series of Bonds in the aggregate principal amount set forth in **Section 202**.

Section 202. Authorization of Bonds; Interest Rates.

(a) The Bonds are hereby authorized to be issued and secured hereunder and designated as “Revenue Bonds (Lifespace Communities, Inc.), Series 2023A” in the aggregate principal amount of \$52,500,000 for the purposes set forth in the Recitals hereto.

(b) The Bonds shall be issued as fully registered Bonds without coupons and shall be numbered consecutively from 1 upward in the order of their issuance. The Bonds shall be dated the date of their initial issuance and delivery. The Bonds shall become due on May 15, 2043 (subject to prior redemption as hereinafter provided in **Article III**) and shall initially bear interest at the Initial Interest Rate from the date of their initial issuance and delivery until the Initial Mandatory Tender Date; provided, however that during the period prior to the Initial Mandatory Tender Date, if there exists and is continuing a default under this Bond Indenture or any other Bond Document (regardless of whether such default has been declared an Event of Default hereunder), the Bonds shall bear interest at the Maximum Interest Rate.

Schedule 1 to this Bond Indenture sets forth interest payments due during the period beginning on the Closing Date and ending on the Initial Mandatory Tender Date (subject to prior redemption as permitted under **Article III** of this Bond Indenture).

(c) The Bonds shall bear interest (computed on the basis of a 360 day year of twelve 30 day months) from their date of issuance or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date, beginning on June 15, 2023.

(d) The Bond Trustee is hereby designated as the Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Bonds and any Additional Bonds.

(e) The Remarketing Agent shall determine the Interest Rate applicable to the Bonds after a Mandatory Tender Date by the close of business on the Business Day immediately preceding the Mandatory Tender Date, which Interest Rate shall be applicable from the such Mandatory Tender Date until the next Mandatory Tender Date or maturity of the Bonds.

(f) If the Remarketing Agent fails for any reason to remarket the Bonds and no new Interest Rate for the Bonds is applicable after any Mandatory Tender Date pursuant to **Section 306**, the Bonds shall bear interest at the Maximum Interest Rate and the outstanding principal amount of the Bonds shall be due and payable in six equal installments payable monthly beginning on June 15, 2024 (the “**Term-Out Payments**”). The schedule of Term-Out Payments is included on **Schedule 1** to this Bond Indenture.

Section 203. Conditions to Delivery of Bonds.

(a) The Bonds shall be executed substantially in the form and manner set forth in **Section 206** and delivered to the Bond Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Bond Trustee there shall be filed with the Bond Trustee the following:

(1) A copy, certified by the Secretary or Assistant Secretary of the Authority, of the resolution adopted by the Authority authorizing the issuance of the Bonds and the execution of this Bond Indenture, the Loan Agreement and any other Bond Documents to which it is a party.

(2) A copy, duly certified by the Secretary or an Assistant Secretary of the Corporation, of the resolution adopted and approved by the Corporation authorizing the execution and delivery of the Loan Agreement, the Note and any other Bond Documents to which it is a party and approving this Bond Indenture and the issuance and sale of the Bonds.

(3) An original executed counterpart of this Bond Indenture, the Loan Agreement and each of the other Bond Documents.

(4) The original executed Note with an assignment thereof executed by the Authority pledging and assigning the Note to the Bond Trustee.

(5) A request and authorization to the Bond Trustee on behalf of the Authority, executed by an Authority Representative to authenticate the Bonds and deliver the Bonds to the Purchaser identified upon payment to the Bond Trustee, for the account of the Authority, of the purchase price in the case of the Bonds. The Bond Trustee shall be entitled to rely conclusively

upon such request and authorization as to the names of the purchasers and the amount of such purchase price.

(6) An opinion of Bond Counsel respecting the Bonds, dated the Closing Date, in form and substance acceptable to the Authority and the Purchaser of the Bonds.

(7) Such other certificates, statements, receipts and documents required by any of the Bond Documents or as the Bond Trustee shall reasonably require for the delivery of the Bonds.

(b) When the documents specified in paragraph (a) of this Section shall have been filed with the Bond Trustee, and when the Bonds shall have been executed and authenticated as required by this Bond Indenture, the Bond Trustee shall deliver the Bonds to or upon the order of the Purchaser thereof, but only upon payment to the Bond Trustee of the purchase price of the Bonds. The proceeds of the sale of the Bonds, including accrued interest and premium thereon, if any, shall be immediately paid over to the Bond Trustee, and the Bond Trustee shall deposit and apply such proceeds as provided in **Article IV**.

Section 204. Form, Denomination and Dating of Bonds.

(a) The Bonds and the Bond Trustee's Certificate of Authentication to be endorsed thereon shall be, respectively, in substantially the forms set forth in **Exhibit A**, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or any Supplemental Bond Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds shall be issuable in the form of fully registered Bonds without coupons in Authorized Denominations.

(c) The Bonds shall be dated as provided in **Section 202**.

Section 205. Method and Place of Payment of Bonds.

(a) The principal of and redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(b) The principal of and the redemption premium, if any, on all Bonds shall be payable at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the designated corporate trust office of the Bond Trustee or of any Paying Agent named in the Bonds.

(c) The interest payable on each Bond on any Interest Payment Date shall be paid by the Bond Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, by check or draft mailed to such registered owner at his address as it appears on such Bond Register or at such other address as is furnished to the Bond Trustee in writing by such Owner. Upon the request and at the expense of any Bondowner of at least \$1,000,000 in principal amount of the Bonds, payments of principal of and premium, if any, and interest on the Bonds shall be made by wire transfer to an account designated in writing by such Bondowner.

(d) Defaulted Interest with respect to any Bond shall cease to be payable to the Owner of such Bond on the relevant Record Date and shall be payable to the Owner in whose name such Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Corporation shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the next sentence hereof), and shall deposit with the Bond Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit prior to the date of the proposed payment; money deposited with the Bond Trustee shall be held in trust for the benefit of the Owners of the Bonds entitled to such Defaulted Interest as provided in this Section. Following receipt of such funds the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Owner of a Bond entitled to such notice at the address of such owner as it appears on the Bond Register not less than 10 days prior to such Special Record Date.

Section 206. Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Authority with the manual or facsimile signature of its Chairperson (or other officer of the Authority so authorized) and shall have impressed or imprinted thereon the official seal of the Authority or a facsimile thereof and shall be attested by the manual or facsimile signature of its Secretary or any Assistant Secretary. All authorized facsimile signatures shall have the same force and effect as if manually or electronically signed. In case any official whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official before the delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery. The Bonds may be signed on behalf of the Authority by such persons who, at the time of the execution of such Bonds, are duly authorized or hold the appropriate office of the Authority, although on the date of the Bonds such persons were not so authorized or did not hold such offices.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in **Exhibit A**, which shall be manually executed by the Bond Trustee. No Bond shall be entitled to any security or benefit under this Bond Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Bond Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Bond Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any authorized officer or employee of the Bond Trustee, but it shall not be necessary that the same officer or employee sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 207. Registration, Transfer and Exchange of Bonds.

(a) The Bond Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its designated corporate trust office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Bond Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee. Upon any such transfer, the Authority shall execute and the Bond Trustee shall authenticate and deliver in exchange for such Bond a new Bond or Bonds, registered in the name of the transferee, of any denomination or denominations authorized by this Bond Indenture and of the same maturity and bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the designated corporate trust office of the Bond Trustee, together with an assignment duly executed by the registered owner or his attorney or legal representative in such form as shall be satisfactory to the Bond Trustee, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any denomination or denominations authorized by this Bond Indenture, and bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute and the Bond Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Bond Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be cancelled by the Bond Trustee.

(e) The Authority, the Bond Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Bond Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Corporation. In the event any Registered Owner fails to provide a certified taxpayer identification number to the Bond Trustee, the Bond Trustee may impose a charge against such Registered Owner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Bond Trustee from amounts otherwise payable to such Registered Owner hereunder or under the Bonds. The Bond Trustee shall not be required to transfer or exchange any Bonds during a period between the Record Date and the next Interest Payment Date

(f) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(g) At reasonable times and under reasonable regulations established by the Bond Trustee, the Bond Register may be inspected and copied by the Corporation, the Authority or by the Owners (or a designated representative thereof) of 10% or more in 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 208. Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Bond Trustee shall

authenticate and deliver a new Bond of like date and tenor as the Bond 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 Authority and the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Bond Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured or selected for redemption, instead of issuing a substitute Bond the Authority may pay or authorize the payment of the same without surrender thereof. Upon the issuance of any substitute Bond, the Authority and the Bond Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Bond Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 209. Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which the Bond Trustee has purchased or which have otherwise been surrendered to the Bond Trustee under this Bond Indenture, either at or before maturity, shall be cancelled and destroyed by the Bond Trustee in compliance with all applicable record retention requirements upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Bond Trustee.

Section 210. Book-Entry; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial owner will receive certificates representing their respective interests in the Bonds, except in the event the Bond Trustee issues Replacement Bonds as provided in **Subsection (b)**. It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Bonds to the Participants until and unless the Bond Trustee authenticates and delivers Replacement Bonds to the beneficial owners as described in **Subsection (b)**.

(b) (1) If the Corporation determines (with written notice to the Authority and the Bond Trustee) (A) that the Securities Depository is unable to properly discharge its responsibilities, or (B) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (C) that the continuation of a Book-Entry System to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, or (2) if the Bond Trustee receives written notice from Participants having interests in not less than 50% of the Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a Book-Entry System to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial owners of the Bonds, then the Bond Trustee shall notify the Bondowners and the Authority of such determination or such notice and of the availability of certificates to Owners requesting the same, and the Bond Trustee shall register in the name of and authenticate and deliver Replacement Bonds to the beneficial owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under **(1)(A)** or **(1)(B)** of this **Subsection (b)**, the Corporation, with the consent of the Bond Trustee and the Authority, may select a successor securities depository in accordance with **Subsection (c)** to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the

Bond Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Corporation, the Bond Trustee or Bondowners are unable to locate a qualified successor of the Securities Depository, then the Bond Trustee shall authenticate and cause delivery of Replacement Bonds to Bondowners, as provided herein. The Bond Trustee may rely on information from the Securities Depository and its Participants as to the names of the beneficial owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Corporation.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Corporation, with the consent of the Bond Trustee and the Authority, may appoint a successor Securities Depository provided the Bond Trustee receives written evidence satisfactory to the Bond Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Bond Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

Section 211. Private Placement with Purchaser; Restrictions on Transfer. The Bonds are initially being privately placed with the Purchaser. In connection with the purchase of the Bonds, the Purchaser has executed and delivered a Purchaser Letter. Except pursuant to a remarketing of the Bonds in connection with the exercise of the Purchaser's rights under **Section 4** of the Placement Agreement, neither the Bonds nor any participation or beneficial interest therein may be offered, transferred or sold, to any Person other than (a) a Purchaser Affiliate Transferee, (b) a "qualified institutional buyer", as defined in Rule 144A under the Securities Act of 1933, as amended, which proposed qualified institutional buyer provides the Authority and the Corporation a Purchaser Letter, or (c) an institutional "accredited investor" as defined in Rule 501(a)(1), (2), (3), or (7) of Regulation D under the 1933 Act, which proposed institutional accredited investor provides the Authority and the Corporation a Purchaser Letter.

ARTICLE III

REDEMPTION AND TENDER OF BONDS

Section 301. Redemption of Bonds Generally. The Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article.

Section 302. Redemption of Bonds.

(a) *Optional Redemption of Bonds.* The Bonds are subject to redemption and payment prior to maturity, at the option of the Authority, which shall be exercised upon instructions from the Corporation, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date; provided, however, upon redemption of the Bonds before November 15, 2023, a redemption premium shall be paid on the redemption date in an amount equal to (1) the amount of the interest otherwise due through November 15, 2023 on the Bonds to be redeemed, if such Bonds were still outstanding on November 15, 2023, less (2) the amount of accrued and unpaid interest on the Bonds to be redeemed to the redemption date.

(b) *Mandatory Sinking Fund Redemption.* The Bonds shall be subject to mandatory redemption and payment prior to maturity pursuant to the mandatory redemption requirements of this Section on May 15 in the years 2025 through 2043, at the principal amount thereof plus accrued interest to the redemption date, without premium, as set forth below. The Loan Payments specified in **Section 4.1(a)(2)** of the Loan Agreement which are to be deposited into the Debt Service Fund shall be sufficient to redeem, and on May 15 in each of the following years, the following principal amounts of Bonds shall be redeemed:

Year	Principal Amount	Year	Principal Amount
2025	\$1,215,103.40	2035	\$2,720,006.00
2026	1,317,070.20	2036	2,948,258.20
2027	1,427,593.50	2037	3,195,664.50
2028	1,547,391.60	2038	3,463,832.20
2029	1,677,242.60	2039	3,754,503.40
2030	1,817,990.30	2040	4,069,566.60
2031	1,970,548.90	2041	4,411,068.70
2032	2,135,909.60	2042	4,781,228.30
2033	2,315,146.80	2043*	5,222,450.30
2034	2,509,424.90		

* Final maturity

The Bond Trustee shall make timely selection of such Bonds or portions thereof to be redeemed pursuant to the terms of this Section in **\$100,000** units of principal amount in such equitable manner as the Bond Trustee determines and shall give notice thereof without further instructions from the Authority or the Corporation. At the option of the Corporation, to be exercised on or before the **35th** day next preceding each mandatory redemption date, the Corporation may (1) deliver to the Bond Trustee for cancellation Bonds in the aggregate principal amount desired, (2) furnish to the Bond Trustee funds, together with appropriate instructions, for the purpose of purchasing any Bonds from any Owner thereof in the open market at a price not in excess of **100%** of the principal amount thereof, whereupon the Bond Trustee shall use its best efforts to expend such funds for such purposes, or (3) elect to receive a credit in respect to the mandatory redemption obligation under this subsection for any Bonds which prior to such date have been paid pursuant to subsection (c) above or otherwise redeemed (other than through the operation of the requirements of this subsection) and cancelled by the Bond Trustee and not theretofore applied as a credit against any redemption obligation under this subsection. Each Bond so delivered or previously purchased or redeemed shall be credited at **100%** of the principal amount thereof on the obligation to redeem Bonds of the same maturity on the next mandatory redemption date applicable to Bonds of such maturity that is at least **35** days after receipt by the Bond Trustee of such instructions from the Corporation, and any excess of such amount shall be credited on future mandatory redemption obligations for Bonds of the same maturity in chronological order or such other order as the Corporation may designate, and the principal amount of Bonds to be redeemed on such future mandatory redemption dates by operation of the requirements of this subsection shall be reduced accordingly. If the Corporation intends to exercise any option granted by the provisions of clauses (1), (2) or (3) of this subsection, the Corporation will, on or before the **35th** day next preceding the applicable mandatory redemption date,

furnish the Bond Trustee an Officer's Certificate indicating to what extent the provisions of said clauses (1), (2) and (3) are to be complied with in respect to such mandatory redemption payment.

Section 303. Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. If less than all Bonds are to be redeemed and paid prior to maturity pursuant to **Section 302**, such Bonds shall be redeemed from the maturity or maturities selected by the Corporation. If less than all Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Bond Trustee by lot.

(b) In the case of a partial redemption of Bonds when Bonds of denominations greater than \$100,000 are then Outstanding, then for all purposes in connection with such redemption each unit of principal amount being redeemed shall be treated as though it was a separate Bond of the denomination of the amount being redeemed. If it is determined that one or more, but not all, of the principal amount represented by any fully registered Bond is to be selected for redemption, then upon notice of intention to redeem such portion of the Bond, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Bond Trustee (1) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (2) for exchange, without charge to the Owner thereof, for a new Bond or Bonds of the same maturity of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Bond Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Bond Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Bond Trustee at least 35 days prior to the redemption date of a Written Request of the Corporation. Such request shall specify the principal amount of the Bonds and their maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory redemption of Bonds pursuant to **Section 302(c)**, and Bonds shall be called by the Bond Trustee for redemption pursuant to such mandatory redemption requirements without the necessity of any action by the Authority or the Corporation and whether or not the Bond Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

Section 304. Notice and Effect of Call for Redemption. Unless waived by any Owner of Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Trustee upon the written direction of the Corporation on behalf of the Authority (with a copy to the Authority) by mailing a copy of an official redemption notice by registered, certified or first-class mail to all Bondowners, at least 20 days and not more than 60 days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Trustee.

All official notices of redemption shall be dated and shall state:

- (1) the redemption date;
- (2) the redemption price;

(3) the identification (and, in the case of partial redemption, the respective principal amounts to be redeemed) of the Bonds to be redeemed;

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the Bond Trustee.

Any notice of redemption of any Bonds redeemed pursuant to **Section 302** may specify that the redemption is contingent upon the deposit of moneys with the Bond Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

Official notice of redemption having been given as aforesaid (and money having been deposited with the Bond Trustee sufficient to pay the redemption price if the redemption is contingent on that deposit), the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless a default in the payment of the redemption price occurs) such Bonds or portions of Bonds shall cease to bear interest and such Bonds or portions thereof shall cease to be entitled to any benefit or security under this Bond Indenture and the Registered Owners thereof shall have no rights in respect of such Bonds or portions thereof except the right to receive payment of the redemption price thereof and interest accrued to the redemption date. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Trustee and shall not be reissued. A second notice of redemption shall be given within 60 days after the redemption date in the manner required herein to the Bondowners of redeemed Bonds which have not been presented for payment within 30 days after the redemption date, but failure to give any such notice or any defect therein shall not affect the validity of the redemption.

In addition to the foregoing notice, further notice shall be given by the Bond Trustee on behalf of the Authority as set out below (with a copy to the Authority), but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each Bond being redeemed; (iv) the maturity date of each Bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent before the redemption date to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds.

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Bond Trustee shall provide the notices specified in this Section to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial owner of a Bond (having been mailed notice from the Bond Trustee, the Securities Depository, a Participant or otherwise) to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

Section 305. Mandatory Tender for Purchase of Bonds at Corporation's Option. The Corporation shall have the option to require Bonds to be tendered for purchase, at any time and from time to time on the same dates as Bonds are subject to optional redemption pursuant to **Section 302(a)** at a purchase price equal to the optional redemption price for those Bonds specified in that Section. To exercise its option, the Corporation shall give the Bond Trustee and the Authority a Written Request exercising its option within the time period specified in this Bond Indenture as though that Written Request was a Written Request for redemption, and the Bond Trustee shall then give the Owners of the Bonds to be purchased notice of the mandatory tender and purchase in the same manner as a notice of redemption as required by **Section 304**, which notice shall contain the same information as a notice of redemption with appropriate changes to reflect that the Bonds are to be purchased rather than redeemed. The purchase of Bonds so required to be tendered shall be mandatory and enforceable against the Bondowners and the Bondowners will not have the right to retain those Bonds. On the date fixed for purchase pursuant to any exercise of its option, the Corporation shall pay or cause to be paid an amount equal to the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds not later than 3:00 p.m., New York time, on the Business Day preceding the purchase date. On the purchase date, the Bond Trustee shall pay the purchase price to the sellers of those Bonds against delivery thereof. Following their purchase, the Bond Trustee shall cause the Bonds to be registered in the name of the Corporation or its nominee or as otherwise directed by the Corporation and shall deliver the Bonds to the Corporation or its nominee or as otherwise directed by the Corporation. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the selection process for redemption of Bonds described in **Section 303**. Notwithstanding the foregoing, no such purchase of Bonds shall be made unless the Corporation shall have delivered to the Bond Trustee and the Authority concurrently with that purchase an Opinion of Bond Counsel to the effect that the purchase and any resale of those Bonds will not affect the validity of any Bonds or any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

Section 306. Mandatory Tenders for Purchase and Remarketing of Bonds; Remarketing.

- (a) *Mandatory Tender for Purchase.* All Bonds are subject to mandatory tender for purchase at a Purchase Price equal to **100%** of the principal amount of such Bond, plus accrued interest, if any, on any Mandatory Tender Date.
- (b) *Remarketing of Tendered Bonds.*
- (1) Unless otherwise instructed by the Corporation, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for all Bonds subject to mandatory tender pursuant to this section, as provided herein and in the Remarketing Agreement. The terms of any sale of Bonds to be remarketed by the Remarketing Agent may include a new Mandatory Tender Date and shall provide for the payment of the Purchase Price (which shall be equal to **100%** of the principal amount thereof, plus accrued interest) for tendered Bonds to the Remarketing Agent in sufficient time for the Remarketing Agent to deliver such funds to the Bond Trustee in immediately available funds at or before **11:00 a.m.**, New York City time, on the Mandatory Tender Date, in exchange for Bonds registered in the name of the new Bondowner, which Bonds shall be delivered by the Bond Trustee to the Remarketing Agent at or before **3:00 p.m.**, New York City time, on the Mandatory Tender Date if the Purchase Price with respect to all of the Bonds to be remarketed has been received from the Remarketing Agent by the time set forth above on the Mandatory Tender Date.
- (2) The Remarketing Agent may not remarket any Bonds during the continuance of an Event of Default under this Bond Indenture of which the Remarketing Agent has notice, unless the purchaser of such Bonds is given notice of such Event of Default.
- (3) Unless otherwise agreed to in writing by the Authority, no Bonds shall be remarketed other than through the private placement of such Bonds accompanied by an investor representation letter in substantially the same form and substance of the Purchaser Letter.
- (4) The Purchase Price of each Bond remarketed by the Remarketing Agent must be equal to **100%** of the principal amount of each Bond plus accrued interest, if any, to the Mandatory Tender Date. The Remarketing Agent may buy as principal any Bonds to be offered under this Section.
- (5) The Corporation may, but shall not be required to, deposit funds in the Corporation Purchase Account to be used to pay the Purchase Price of tendered Bonds to the extent necessary to effectuate the purchase of **100%** of the Bonds tendered.

Any Bonds purchased by or on behalf of the Corporation pursuant to a tender by the Bondholders thereof shall be purchased with the intent that the indebtedness evidenced by such Bonds shall not be extinguished or discharged; such indebtedness shall not be extinguished or discharged and such Bonds shall be registered as directed by the Corporation and shall remain outstanding under this Bond Indenture unless and until such Bond is delivered to the Bond Trustee for cancellation.

(6) To the extent the amount in the Bond Purchase Fund (consisting of the amounts in the Remarketing Account and the Corporation Purchase Account) is insufficient to pay the Purchase Price of all Bonds on a Mandatory Tender Date, the mandatory tender for purchase required under this Bond Indenture on such Mandatory Tender Date shall be deemed to have been rescinded and the Bonds shall thereafter bear interest at the Maximum Interest Rate.

(c) *Delivery of Tendered Bonds.*

(1) When a Book-Entry System is not in effect, all tendered Bonds must be delivered to the Bond Trustee. Such Bonds shall be accompanied by an instrument of transfer satisfactory to the Bond Trustee, executed in blank by the Owner, with all signatures guaranteed. The Bond Trustee may refuse to accept delivery of any Bond for which an instrument of transfer satisfactory to it has not been provided and shall have no obligation to pay the Purchase Price of such Bond until a satisfactory instrument is delivered.

(2) When a Book-Entry System is in effect, the requirement for physical delivery of the Bonds under this Section shall be deemed satisfied when the ownership rights in the Bonds are transferred by direct Participants on the records of the Securities Depository.

(3) The Bond Trustee shall hold all Bonds delivered pursuant to this Section in trust for the benefit of the Owners thereof until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Bondowners, and thereafter, if such Bonds are remarketed, shall deliver replacement Bonds in accordance with the directions of the Remarketing Agent and authenticated by the Bond Trustee, for any Bonds purchased in accordance with the directions of the Remarketing Agent to the Remarketing Agent for delivery to the purchasers thereof.

(4) All Bonds to be purchased on any Mandatory Tender Date shall be required to be delivered to the designated payment office of the Bond Trustee or its designated agent or drop service in New York City at or before **11:00 a.m.**, New York City time, on the Mandatory Tender Date. If the Owner of any Bond (or portion thereof) in certificated form that is subject to mandatory purchase pursuant to this Article fails to deliver such Bond to the Bond Trustee for purchase on the Mandatory Tender Date, and if the Bond Trustee is in receipt of the Purchase Price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the Mandatory Tender Date thereof and ownership of such Bond (or portion thereof) shall be transferred to the purchaser thereof as provided in subsection (c)(5) below. Any Owner who fails to deliver such Bond for purchase shall have no further rights thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Bond Trustee. The Bond Trustee shall, as to any tendered Bonds which have not been delivered to it (i) promptly notify the Remarketing Agent of such nondelivery, and (ii) place or cause to be placed a stop transfer against an appropriate amount of Bonds registered in the name of such Owner(s) on the bond registration books. Notwithstanding anything herein to the contrary, so long as the Bonds are held in a Book Entry System, Bonds will not be delivered as set forth above; rather, transfers of beneficial ownership of the Bonds to the person indicated above will be effected on the registration books of the Securities Depository pursuant to its rules and procedures.

(d) *Purchase of Tendered Bonds.*

(1) Sources of Payments. The Remarketing Agent shall pay or cause to be paid to the Bond Trustee, in immediately available funds, by **11:00 a.m.**, New York City time, on the Mandatory Tender Date of tendered Bonds, all amounts representing proceeds of the remarketing of Bonds (the "*Remarketing Proceeds*"). The Bond Trustee shall deposit all such Remarketing Proceeds directly into the Remarketing Account in the Bond Purchase Fund. If the Remarketing Proceeds will not be sufficient to pay the Purchase Price of tendered Bonds, the Bond Trustee shall demand payment from the Corporation by **12:00 p.m.**, and the Corporation shall furnish to the Bond Trustee immediately available funds by **2:00 p.m.**, New York City time, on such Mandatory Tender Date, in an amount sufficient, together with the Remarketing Proceeds, to enable the Bond Trustee to pay the Purchase Price of such Bonds to be purchased on such Mandatory Tender Date. All moneys received by the Bond Trustee as Remarketing Proceeds or from payments made by the Corporation under the Loan Agreement, as the case may be, shall be deposited by the Bond Trustee in the appropriate account of the Bond Purchase Fund as herein provided and shall be used solely for the payment of the Purchase Price of tendered Bonds and shall not be commingled with other funds held by the Bond Trustee.

(2) Bond Purchase Fund. The Bond Trustee shall deposit or cause to be deposited into the Remarketing Account in the Bond Purchase Fund, when and as received, all moneys delivered to the Bond Trustee as and for the Purchase Price of remarketed Bonds by or on behalf of the Remarketing Agent. The Bond Trustee shall disburse moneys from the Remarketing Account to pay the Purchase Price of Bonds properly tendered for purchase upon surrender of such Bonds in immediately available moneys by close of business on the Mandatory Tender Date. No purchase of Bonds by the Bond Trustee or advance use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Bonds or any portion thereof, and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Bonds.

The Bond Trustee shall deposit or cause to be deposited into the Corporation Purchase Account in the Bond Purchase Fund, when and as received, all moneys delivered to the Bond Trustee as and for the Purchase Price of Bonds by or for the account of the Corporation pursuant to **Section 4.2** of the Loan Agreement. The Bond Trustee shall disburse moneys from the Corporation Purchase Account to pay the Purchase Price of Bonds properly tendered for purchase upon surrender of such Bonds.

The moneys in the Bond Purchase Fund shall not be part of any Trust Estate subject to any lien of this Bond Indenture, but shall be used solely to pay the Purchase Price of Bonds as aforesaid and may not be used for any other purposes. The Bond Trustee shall hold the moneys in the Bond Purchase Fund for the benefit of the Owners of the Bonds which have been properly tendered for purchase or deemed tendered on the Mandatory Tender Date. If sufficient funds to pay the Purchase Price for such tendered Bonds shall be held by the Bond Trustee in the Bond Purchase Fund for the benefit of the Owners thereof each such Owner shall thereafter be restricted exclusively to the Bond Purchase Fund for any claim of whatever nature on such Owner's part under this Bond Indenture or on, or with respect to, such tendered Bonds. Moneys held in the Remarketing Account or the Corporation Purchase Account of the Bond Purchase Fund for the benefit of Owners of untendered Bonds shall be held in trust and shall be invested at the written direction of

the Corporation in overnight obligations of the type described in clause (a) of the definition of “Permitted Investments” in **Section 101** hereof, maturing not later than the earlier of (i) **30** days from the date of purchase, or (ii) the date when such funds are needed. Moneys in the Bond Purchase Fund which remain unclaimed **1** year after the applicable Mandatory Tender Date shall be paid to the Corporation if the Corporation is not at the time, to the knowledge of the Bond Trustee, in default with respect to any covenant in the Loan Agreement, be paid to the Corporation, and the Owners of Bonds for which the deposit was made shall thereafter be limited to a claim against the Corporation without liability for interest.

(3) Payments by the Bond Trustee. At or before **3:00 p.m.**, New York City time, on the Mandatory Tender Date for tendered Bonds and upon receipt by the Bond Trustee of **100%** of the aggregate Purchase Price of tendered Bonds, the Bond Trustee shall pay the Purchase Price of such Bonds to the Owners thereof. Such payments shall be made in immediately available funds. The Bond Trustee shall apply such payments in the following order:

- (A) moneys paid to it by the Remarketing Agent for the Bonds as proceeds of the remarketing of such Bonds by the Remarketing Agent; and
- (B) other moneys made available by the Corporation for the payment of the Purchase Price of Bonds.

(4) Registration and Delivery of Purchased Bonds. On the date of purchase, the Bond Trustee shall register and deliver (or hold) all Bonds purchased on any Mandatory Tender Date as follows:

- (A) Bonds purchased or remarketed by the Remarketing Agent shall be registered and made available to such Remarketing Agent by **3:00 p.m.**, New York City time, in accordance with the instructions of the Remarketing Agent;
- (B) Bonds purchased with amounts provided by the Corporation under **Section 4.3** of the Loan Agreement shall be registered in the name of the Corporation and shall be held in trust by the Bond Trustee on behalf of the Corporation and shall not be released from such trust unless the Bond Trustee shall have received written instructions from the Corporation. Notwithstanding anything herein to the contrary, so long as the Bonds are held under a Book-Entry System, Bonds will not be delivered as set forth above; rather, transfers of beneficial ownership of the Bonds to the Person indicated above will be effected on the registration books of the Securities Depository pursuant to its rules and procedures.

Section 307. Book-Entry Tenders.

- (a) Notwithstanding any other provision of this Article III to the contrary, all tenders for purchase and payment of the Purchase Price of Bonds on a Mandatory Tender Date during any period in which the Bonds are held under a Book-Entry System shall be subject to the terms and conditions set forth in the representation letter between the

Authority and the Securities Depository and to any regulations promulgated by the Securities Depository. If and for so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), the tender option rights of holders of Bonds may be exercised only by DTC by giving notice of its election to tender Bonds or portions thereof at the times and in the manner described above. Beneficial Owners will not have any rights to tender Bonds directly to the Tender Agent. Procedures under which a Beneficial Owner may direct a Direct Participant of DTC, or an Indirect Participant of DTC acting through a Direct Participant of DTC, to exercise a tender option right in respect of Bonds or portions thereof in an amount equal to all or a portion of such Beneficial Owner’s beneficial ownership interest therein shall be governed by standing instructions and customary practices determined by such Direct Participant or Indirect Participant. If and for so long as the Bonds are registered in the name of Cede & Co., as nominee for DTC, delivery of Bonds required to be tendered for purchase on any Mandatory Tender Date shall be effected by the transfer on such Mandatory Tender Date of a book entry credit to the account of the Tender Agent of a beneficial interest in such Bonds.

- (b) Notwithstanding anything expressed or implied herein to the contrary, so long as the Book-Entry System for the Bonds is maintained by the Authority:
- (1) there shall be no requirement of physical delivery to or by the Remarketing Agent, the Tender Agent, or the Bond Trustee of any Bonds subject to mandatory purchase as a condition to the payment of the Purchase Price therefor; and
 - (2) none of the Bond Trustee, the Tender Agent or the Remarketing Agent shall have any responsibility for paying the Purchase Price of any tendered Bond or for remitting remarketing proceeds to any person.

ARTICLE IV

CREATION OF FUNDS AND ACCOUNTS; APPLICATION OF BOND PROCEEDS

Section 401. Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Bond Trustee the following special trust funds in the name of the Authority to be designated as follows:

- (a) “Iowa Finance Authority Edgemere Settlement Payments Fund – Lifespace Communities, Series 2023A” (the “**Settlement Payments Fund**”).
- (b) “Iowa Finance Authority Issuance Costs Fund – Lifespace Communities, Series 2023A” (the “**Issuance Costs Fund**”).
- (c) “Iowa Finance Authority Debt Service Fund – Lifespace Communities, Series 2023A” (the “**Debt Service Fund**”) and within such Debt Service Fund a “Redemption Account.”

(d) “Iowa Finance Authority Rebate Fund – Lifespace Communities, Series 2023A” (the “**Rebate Fund**”).

(e) “Iowa Finance Authority Bond Purchase Fund – Lifespace Communities, Series 2023,” (the “**Bond Purchase Fund**” and within such fund the “**Remarketing Account**” and the “**Corporation Purchase Account**”).

Section 402. Deposit of Bond Proceeds. There shall be deposited with the Bond Trustee all of the purchase price of the Bonds in the amount of \$52,500,000, and the Bond Trustee shall deposit and apply such proceeds and moneys:

- (a) Deposit in the Settlement Payments Fund the sum of \$52,460,094.00;
- (b) Deposit in the Issuance Costs Fund the sum of \$39,906.00.

Section 403. Issuance Costs Fund. Moneys in the Issuance Costs Fund shall be paid out from time to time by the Bond Trustee upon Written Requests of the Corporation, in substantially the form of **Exhibit B**, in amounts equal to the amount of Issuance Costs certified in such Written Requests; provided, however, that the Bond Trustee shall make the initial disbursement from the Issuance Costs Fund on the Closing Date upon receipt of, and pursuant to, a closing settlement statement or other closing memorandum signed by a Corporation Representative identifying the amounts to be paid and the respective payees instead of in accordance with a Written Request in the form of **Exhibit B**. At such time as the Bond Trustee is furnished with a Certificate of the Corporation Representative stating that all such fees and expenses have been paid, and in any case not later than six months from the Closing Date, the Bond Trustee shall transfer any moneys remaining in the Issuance Costs Fund to the Debt Service Fund.

Section 404. Debt Service Fund.

(a) The Bond Trustee shall make deposits and credits to the Debt Service Fund, as and when received, as set forth below.

(1) All Loan Payments paid by the Corporation pursuant to **Section 4.1(a)** of the Loan Agreement.

(2) All other moneys received by the Bond Trustee under the Loan Agreement or any other Bond Document, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

(b) Except as otherwise provided herein, moneys in the Debt Service Fund shall be expended solely in accordance with this Bond Indenture to pay the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity, upon redemption, by acceleration or otherwise.

(c) The Bond Trustee is hereby authorized and directed to withdraw sufficient funds from the Debt Service Fund to pay principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption and to make said funds so withdrawn available to the Bond Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

(d) Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with **Article III**, so long as the Corporation is not in default with respect to any payments under the Loan Agreement and to the extent said moneys are in excess of the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment. Whenever there is on deposit in the Debt Service Fund moneys in excess of the amount required by the preceding sentence that are sufficient to redeem all or a portion of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Bond Trustee shall, upon written request of the Corporation, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Corporation.

(e) After payment in full of the principal of and redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in this Bond Indenture), all rebatable arbitrage to the United States and the fees, charges and expenses of the Bond Trustee, any Paying Agent and the Authority, and any other amounts required to be paid under this Bond Indenture and the Loan Agreement, all amounts remaining in the Debt Service Fund shall be paid to the Corporation upon the expiration or sooner termination of the Loan Agreement.

(f) Not later than five Business Days after (i) the failure of the Corporation to make a payment required by **Section 4.1(a)** of the Loan Agreement, (ii) the failure of the Bonds to be remarketed on the Initial Mandatory Tender Date, or (iii) the Bond Trustee's receipt of written notice of a violation of a covenant contained in Article VI of the Supplemental Master Indenture, the Bond Trustee will provide the notice set forth in **Section 4.2** of the Deposit Account Control Agreement to the Depository Bank and cause the transfer from the Corporate Headquarters Accounts of the amounts sufficient to make the required deposits under **Section 4.1(a)**. Upon the Bond Trustee's receipt of written notice from the Purchaser of the Corporation's remedy of the events described in clause (i), (ii) or (iii) above or upon payment in full of the principal of and interest on the Bonds or with the written consent of the Purchaser, the Bond Trustee will, at the request of the Corporation, provide written notice to the Depository Bank reinstating the Corporation's access to the Corporate Headquarters Accounts.

Section 405. Rebate Fund. There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Agreement. All amounts on deposit at any time in the Rebate Fund shall be held by the Bond Trustee in trust to the extent required to pay rebatable arbitrage to the United States of America, and neither the Corporation, the Authority nor the owner of any Bonds shall have any rights in or claim to such money. All amounts held in the Rebate Fund shall be governed by this Section and by the Tax Agreement.

Pursuant to the Tax Agreement, the Bond Trustee shall remit all required rebate installments and a final rebate payment to the United States. Neither the Bond Trustee nor the Authority shall have any obligation to pay any amounts required to be rebated pursuant to this Section and the Tax Agreement, other than from moneys held in the Rebate Fund created under this Bond Indenture as provided in this Bond Indenture or from other moneys provided to it by the Corporation. Any moneys remaining in the Rebate Fund after redemption and payment of all of the Bonds and payment and satisfaction of any rebatable arbitrage shall be withdrawn and paid to the Corporation.

The obligation to pay arbitrage rebate to the United States and to comply with all other requirements of this Section and the Tax Agreement shall survive the defeasance or payment in full of the Bonds until all rebatable arbitrage shall have been paid.

Section 406. Bond Purchase Fund. Moneys in the Bond Purchase Fund shall be held in trust for the Owners of Bonds whose Bonds are tendered for purchase (but not as part of the Trust Estate) and shall be applied for payment of the Purchase Price of tendered Bonds as provided in **Article III** hereof.

The Bond Purchase Fund and each account and subaccount in the Bond Purchase Fund must be held as an Eligible Account (as defined in this Section) and if any such account no longer qualifies as an Eligible Account, the Bond Trustee must transfer funds on deposit therein within **30** days to an Eligible Account.

“Eligible Account” means an account that is either (a) maintained with a federal or state-chartered depository institution or trust company that has a Standard & Poor’s short-term debt rating of at least “SP-2” (or, if no short-term debt rating, a long-term debt rating of “BBB+”), or (b) maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity.

Section 407. Settlement Payments Fund

Moneys in the Settlement Payments Fund shall be paid out from time to time by the Bond Trustee upon Written Requests of the Corporation, in substantially the form of **Exhibit C**, in amounts equal to the amount of Settlement Payments certified in such Written Requests.

If any moneys remain in the Settlement Payments Fund on June 1, 2024, the Bond Trustee shall transfer such moneys in the Settlement Payments Fund to the Debt Service Fund and the Settlement Payments Fund shall be closed.

Section 408. Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal or of redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day 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 409. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Bond Trustee, all liability to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such funds in trust in a separate trust account, without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Bond Indenture or on or with respect to said Bond. If any Bond shall not be presented for payment within one year following the date when such Bond becomes due, whether by maturity or otherwise, the Bond Trustee shall repay to the Corporation the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Corporation, and the Owner thereof shall be entitled to look only to the Corporation for payment, and then only to the extent of the amount so repaid, and the

Corporation shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 410. Reports From Bond Trustee. The Bond Trustee shall furnish monthly to the Corporation, on or before the tenth Business Day of the month following the month in which the Bonds are delivered, and on or before the tenth Business Day of each month thereafter, a report on the status of each of the funds and accounts established under this Article which are held by the Bond Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

Section 411. Certain Verifications. The Bond Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Corporation or the Bond Trustee with such information as the Corporation or the Bond Trustee may request in order to determine in a manner reasonably satisfactory to the Corporation or the Bond Trustee all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be Additional Payments and shall be paid by the Corporation.

ARTICLE V

DEPOSITARIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 501. Moneys to be Held in Trust. All moneys deposited with or paid to the Bond Trustee for the funds and accounts held under this Bond Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Bond Indenture shall be held by the Bond Trustee or Paying Agent in trust and shall be applied only in accordance with this Bond Indenture and the Loan Agreement, and, until used or applied as herein provided, shall (except for moneys and securities held in the Rebate Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Corporation except as provided under **Section 502** for investment purposes. 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 in writing.

Section 502. Investment of Moneys. Moneys held in each of the funds and accounts hereunder shall, pursuant to written direction of the Corporation Representative, be invested and reinvested by the Bond Trustee in accordance with the provisions hereof and the Tax Agreement in Permitted Investments which mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Bond Indenture, if the Bond Trustee fails to receive written directions of the Corporation regarding investment of funds pursuant to this Section, moneys held in any fund or account hereunder shall be invested or reinvested in Permitted Investments described in subparagraph (a) of the definition of Permitted Investments. The Bond Trustee may make any investments permitted by this Section through its own bond department or short-term investment department and may pool moneys for investment purposes, except moneys held in the yield

restricted portion of any fund or account, which shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest earned on and any profit realized from Permitted Investments held in any fund, account or subaccount under this Bond Indenture shall be deposited into the Debt Service Fund. Any loss resulting from such Permitted Investments shall be charged to such fund, account or subaccount in which such Permitted Investments generating the loss are held. Any fees for investment of moneys in a fund, account or subaccount may be charged to that fund, account or subaccount. The Bond Trustee shall sell and reduce to cash a sufficient amount of such Permitted Investments whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account.

Section 503. Record Keeping. The Bond Trustee shall maintain records designed to show compliance with this Article and **Article IV** for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI

PARTICULAR COVENANTS AND PROVISIONS

Section 601. Limited Obligations. It is understood and agreed by the Corporation and the Bondowners that no covenant, provisions or agreement of the Authority herein or in the Bonds or in any other document executed by the Authority in connection with the issuance, sale and delivery of the Bonds, or any obligation herein or therein imposed upon the Authority or breach thereof, shall give rise to a pecuniary liability of the Authority, its directors, officers, employees or agents or a charge against the Authority's general credit or general fund or shall obligate the Authority, its directors, officers, employees or agents financially in any way except with respect to this Bond Indenture, the funds and accounts held hereunder and the application of revenues therefrom and from the Loan Agreement, and from the proceeds of the Bonds. No failure of the Authority to comply with any term, condition, covenant or agreement herein or therein shall subject the Authority, its directors, officers, employees or agents to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Bond Indenture, the funds and accounts held hereunder and the application of revenues therefrom and from the Loan Agreement and from the proceeds of the Bonds. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit or general fund of the Authority. In making the agreements, provisions and covenants set forth herein, the Authority has not obligated itself except with respect to this Bond Indenture and the funds and accounts held hereunder and the application of revenues hereunder and under the Loan Agreement, and the proceeds of the Bonds, as hereinabove provided.

The Bonds constitute special, limited obligations of the Authority, payable solely from proceeds of the Bonds, the revenues pledged to the payment thereof pursuant to the Loan Agreement, and the funds and accounts held under and pursuant to this Bond Indenture and pledged therefor. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Authority, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Authority does not pledge its faith or credit nor the faith or credit of the State nor any political subdivision of the State to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State or any political subdivision of the State to apply money from or levy or pledge any form of taxation

whatever to the payment of the principal of, premium, if any, or interest on the Bonds or any other payments or costs incident thereto. The Authority has no taxing power.

It is further understood and agreed by the Corporation and the Bondowners that the Authority, its directors, officers, employees or agents shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto, all of which the Corporation agrees to pay. If, notwithstanding the provisions of this Section, the Authority, its directors, officers, employees or agents incur any expense, or suffer any losses, claims or damages or incurs any liabilities, the Corporation will indemnify and hold harmless the Authority, its directors, officers, employees or agents from the same and will reimburse the Authority, its directors, officers, employees or agents in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Authority, its directors, officers, employees or agents shall survive payment and discharge of the Bonds.

Section 602. Payment of Principal, Redemption Premium, if any, and Interest. The Authority will deposit in the Debt Service Fund all Loan Payments that it receives and any and all other payments and sums that it receives under the Loan Agreement and this Bond Indenture (other than with respect to the Unassigned Authority Rights) promptly to meet and pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Section 603. Authority to Issue Bonds and Execute Bond Indenture. The Authority represents that it is duly authorized under the Constitution and laws of the State to execute this Bond Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; and that all action on its part for the execution and delivery of this Bond Indenture and the issuance of the Bonds has been duly and effectively taken.

Section 604. Performance of Covenants. The Authority will (to the extent within its control) faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in the Bonds and in all proceedings pertaining thereto which are the responsibility of the Authority, provided that the Authority shall have no obligation to perform such covenants, undertakings, stipulations and provisions unless and until the Authority receives to its sole satisfaction that its fees, costs and expenses relating to such performance will be paid.

Section 605. Instruments of Further Assurance. The Authority may do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Bond Indentures and such further acts, instruments, financing statements and other documents as the Bond Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Bond Trustee, and granting a security interest unto the Bond Trustee in and to the Trust Estate and the other property and revenues herein described to the payment of the principal of, redemption premium, if any, and interest on the Bonds, all at the expense of the Corporation; provided that such Supplemental Bond Indenture, acts, instruments, financing statements and other documents to be performed or executed by the Authority are acceptable to the Authority. The Loan Agreement, all Supplemental Loan Agreements, the Note, and all other documents, or instruments required by the Bond Trustee shall be delivered to and held by the Bond Trustee.

Section 606. Inspection of Books. All books and documents in the Authority's possession relating to this Bond Indenture, the Loan Agreement, and any other Bond Documents and the transactions relating thereto shall during business hours upon reasonable notice be open to inspection by the Purchaser and such accountants or other agencies as the Bond Trustee may from time to time designate.

Section 607. Enforcement of Rights. The Bond Trustee, as assignee, transferee, pledgee, and owner of a security interest hereunder in its name or in the name of the Authority may enforce all rights of the Authority (other than the Authority's Unassigned Authority Rights, the Authority's right to reimbursement of expenses, to indemnification, to notice, the Authority's right to execute and deliver Supplemental Loan Agreements and as otherwise expressly set forth in the Loan Agreement) and/or the Bond Trustee and all obligations of the Corporation under and pursuant to the Loan Agreement, the Note and the Master Indenture for and on behalf of the Bondowners, whether or not the Authority is in default hereunder.

The Bond Trustee will promptly collect all amounts due from the Corporation pursuant to the Loan Agreement (other than with respect to the Unassigned Authority Rights) and the Tax Agreement and shall perform all duties imposed upon it pursuant to the Loan Agreement and the Tax Agreement.

Section 608. Tax Covenants. Subject to the limitations on its liability as stated herein and to the extent permitted by law, the Authority covenants and agrees that it has not knowingly engaged, to the extent within its control, and will not knowingly engage in any activities and that it has not knowingly taken and, to the extent within its control, will not knowingly take any action which might result in any interest on the Bonds becoming includable in the gross income of the owners thereof for purposes of Federal income taxation.

The Bond Trustee will comply with the written directions it receives pursuant to the Tax Agreement to the extent and as set forth therein, and upon receipt of the Tax Agreement and any Opinion of Bond Counsel which directs the Bond Trustee, and at the written direction of the Corporation, will comply with any statute, regulation or ruling that may apply to it as Bond Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Bonds. The Bond Trustee from time to time may cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Bond Trustee with such information as the Bond Trustee may request, but shall have no obligation to request, in order to determine in a manner reasonably satisfactory to the Bond Trustee all matters relating to (a) the actuarial yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Corporation.

The foregoing covenants of this Section shall remain in full force and effect notwithstanding the defeasance of the Bonds pursuant to **Article XI** or any other provision of this Bond Indenture, until the final maturity date of all Bonds Outstanding and payment thereof.

Section 609. Bond Trustee to Provide Information to Authority. The Bond Trustee shall annually on or before August 15, of each year furnish the Authority the amount of the Outstanding Bonds as of the immediately preceding June 30. In addition, the Bond Trustee and the Corporation shall provide the Authority with any other information which they may from time to time be requested concerning the Bonds according to the rules and interpretations of the Governmental Accounting Standards Board required to be disclosed concerning conduit debt obligations. The Bond Trustee shall further, upon request of the Corporation, provide to the Authority (unless otherwise provided to the Authority) all Opinions of Bond Counsel furnished to the Bond Trustee pursuant to the Loan Agreement or this Bond Indenture.

In addition, the Bond Trustee shall furnish to the Authority upon the written request of the Authority any other reports, certificates, opinions, other documents or information furnished to or on file with the Bond Trustee pursuant to the Loan Agreement, this Bond Indenture or other document related thereto.

Section 610. Recordation and Other Instruments. In order to perfect the security interest of the Bond Trustee in the Trust Estate and to perfect the security interest in the Note, the Authority, to the extent permitted by law, will execute such security agreements or financing statements, naming the Bond Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Bond Indenture for the payment of the principal of, premium, if any, and interest on the Bonds and as otherwise provided herein, and the Bond Trustee or Corporation, as the case may be, will cause the same to be duly filed and recorded, as the case may be, in the appropriate State and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended. To continue the security interest evidenced by such security agreements or financing statements, the Bond Trustee or Corporation, as the case may be, shall file and record or cause to be filed and recorded such necessary continuation statements or supplements thereto and other instruments from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Bond Trustee in the Trust Estate and to perfect the security interest in the Note. The Authority, to the extent permitted by law, at the expense of the Corporation, shall execute and cause to be executed any and all further instruments as shall be reasonably required by the Bond Trustee for such protection and perfection of the interests of the Bond Trustee and the registered Owners, and the Bond Trustee and the Corporation or its agent, as the case may be, shall file and refile or cause to be filed and refiled such instruments which shall be necessary to preserve and perfect the lien of this Bond Indenture upon the Trust Estate until the principal of, premium, if any, and interest on the Bonds issued hereunder shall have been paid or provision for their payment shall be made as herein provided.

Nothing herein shall require the Bond Trustee to initially file financing statements, or termination statements, or be responsible for maintaining the security interest purported to be created as described herein or in any of the other Bond Documents (except for the safe custody of any collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Bond Document) and such responsibility shall be solely that of the Corporation. Notwithstanding the foregoing, the Bond Trustee shall be responsible for filing any UCC continuation statements with respect to each UCC financing statement filed on the date of issuance of the Bonds relating to the Trust Estate; provided that a copy of the filed initial financing statement is timely delivered to the Bond Trustee. In addition, unless the Bond Trustee shall have been notified in writing by the Corporation that any such initial filing or description of collateral was or has become defective, the Bond Trustee shall be fully protected in (i) relying on such initial filing and descriptions and information therein in filing any financing or continuation statements or modifications thereto pursuant to this section and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Corporation shall be responsible for the customary fees charged by the Bond Trustee for the preparation and filing of continuation statements and for the reasonable costs incurred by the Bond Trustee in the preparation and filing of all continuation statements hereunder, including attorneys' fees and expenses.

ARTICLE VII

DEFAULT AND REMEDIES

Section 701. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default” under this Bond Indenture:

(a) default in the due and punctual payment of any interest on any Bond when the same becomes due and payable;

(b) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when the same becomes due and payable, whether at the stated maturity or accelerated maturity thereof, or upon proceedings for redemption thereof;

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder, or there shall be a default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Bond Indenture or any Supplemental Bond Indenture on the part of the Authority to be performed, and such incapacity or default shall continue for 60 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Corporation by the Bond Trustee (which notice may be given by the Bond Trustee in its discretion and shall be given at the written request of the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding); provided, however, if any such default shall be correctable but is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Corporation within such period and diligently pursued until the default is corrected;

(d) any Event of Default as specified in the Loan Agreement has occurred and is continuing and has not been waived;

(e) any Event of Default as specified in the Master Indenture has occurred and is continuing and has not been waived; or

(f) default in the due and punctual payment of any Term-Out Payment due pursuant to **Section 202(f)**.

With regard to any alleged default concerning which notice is given to the Corporation under this Section, the Authority hereby grants the Corporation full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default. Upon the occurrence of an Event of Default for which the Bond Trustee has received notice or for which the Bond Trustee is required to take notice, the Bond Trustee shall, within 30 days give written notice thereof by first-class mail to all Bondowners.

Section 702. Acceleration of Maturity in Event of Default. If the Note has been declared by the Master Trustee to be immediately due and payable, then all Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. In addition, if an Event of Default shall have occurred and be continuing, the Bond Trustee may, and if

requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding shall, by notice in writing delivered to the Authority and the Corporation, 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; provided that if at any time after the principal of the Bonds then Outstanding shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Bond Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Bond Trustee in connection with such default shall have been paid or provided for, and all other existing Events of Default shall have been cured or waived, and if any acceleration of the Note is annulled in accordance with the Master Indenture, then, upon the written request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, the acceleration of the Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds then Outstanding, or impair any right consequent hereon.

Section 703. Exercise of Remedies by the Bond Trustee. Upon the occurrence and continuance of any Event of Default under this Bond Indenture, unless the same is waived as provided in this Bond Indenture, the Bond Trustee shall have the following rights and remedies, in addition to any other rights and remedies provided under this Bond Indenture or by law:

- (a) *Right to Bring Suit, Etc.* The Bond Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding to enforce the payment of the principal of, premium, if any, and interest on the Bonds Outstanding, including interest on overdue principal (and premium, if any) and on overdue installments of interest, and any other sums due under this Bond Indenture, to realize on or to foreclose any of its interests or liens under this Bond Indenture or any other Bond Document, to enforce and compel the performance of the duties and obligations of the Authority as set forth in this Bond Indenture and to enforce or preserve any other rights or interests of the Bond Trustee under this Bond Indenture with respect to any of the Trust Estate or otherwise existing at law or in equity; provided that, notwithstanding any provision herein to the contrary, the only remedy available against the Authority is a remedy of specific performance of its obligations hereunder.
- (b) *Exercise of Remedies at Direction of Bondowners.* If requested in writing to do so by the Owners of not less than 25% in principal amount of Bonds Outstanding and if indemnified as provided in **Section 802(e)**, the Bond Trustee shall be obligated to exercise such one or more of the rights and remedies conferred by this Article as the Bond Trustee shall deem most expedient in the interests of the Owners.
- (c) *Appointment of Receiver.* Upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and of the Owners under this Bond Indenture, the Bond Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, pending such proceedings, with such powers as the court making such appointment shall confer.
- (d) *Suits to Protect the Trust Estate.* The Bond Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the

Trust Estate by any acts which may be unlawful or in violation of this Bond Indenture and to protect its interests and the interests of the Owners in the Trust Estate, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security under this Bond Indenture or be prejudicial to the interests of the Owners or the Bond Trustee, or to intervene (subject to the approval of a court of competent jurisdiction) on behalf of the Owners in any judicial proceeding to which the Authority or the Corporation is a party and which in the judgment of the Bond Trustee has a substantial bearing on the interests of the Owners.

- (e) *Enforcement Without Possession of Bonds.* All rights of action under this Bond Indenture or any of the Bonds may be enforced and prosecuted by the Bond Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding relating thereto, and any such suit or proceeding instituted by the Bond Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel, and subject to **Section 707**, be for the equal and ratable benefit of the Owners of the Bonds in respect of which such judgment has been recovered.
- (f) *Restoration of Positions.* If the Bond Trustee or any Owner has instituted any proceeding to enforce any right or remedy under this Bond Indenture by suit, foreclosure, the appointment of a receiver, or otherwise, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Bond Trustee or to such Owner, then and in every case the Authority, the Bond Trustee, the Corporation and the Owners shall, subject to any determination in such proceeding, be restored to their former positions and rights under this Bond Indenture, and thereafter all rights and remedies of the Bond Trustee and the Owners shall continue as though no such proceeding had been instituted.

Notwithstanding any provision herein to the contrary, the Authority may enforce and seek remedies with respect to its Unassigned Authority Rights.

Section 704. Bond 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 Authority, a Member of the Obligated Group or any other obligor upon the Bonds or of such other obligor or their creditors, 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 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 Outstanding Bonds 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 the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel) and of the Owners 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 custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Owner to make such payments to the Bond Trustee, and in the event that the Bond Trustee shall consent to the making of such payments directly to the Owners, to pay to the Bond Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Bond Trustee, its agents and counsel, and any other amounts due the Bond Trustee under **Section 804**.

Nothing herein contained shall be deemed to authorize the Bond Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Bond Trustee to vote in respect of the claim of any Owner in any such proceeding.

Section 705. Limitation on Exercise of Remedies by Bondowners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Bond Trustee has been notified as provided in **Section 803** or of which by said section the Bond Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Bond Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Bond Trustee indemnity as provided in **Section 802(e)**, and (d) the Bond Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Bond Trustee, to be conditions precedent to the execution of the powers and trusts of this 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, it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice 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 benefit of the Owners of all Bonds then Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation to pay the principal of, redemption premium, if any, and interest on each of the Bonds to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Bonds or affect or interfere with the right of any owner to institute suit for the enforcement of any such payment. If the Bond Trustee receives conflicting directions from two or more groups of Owners, each with combined holdings of not less than 25% of the principal amount of Outstanding Bonds, the directions given by the group of Owners that holds the largest percentage of Bonds shall be the controlling and the Bond Trustee shall follow such directions to the extent required herein.

Section 706. Right of Bondowners to Direct Proceedings. Except as provided in **Section 705**, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with

the enforcement of the terms and conditions of this Bond Indenture, or for the appointment of a receiver, custodian or 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 and provided, further, that the Bond Trustee shall have the right to decline to follow any such direction if the Bond Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified in accordance with **Section 802(e)**.

Section 707. Application of Moneys in Event of Default. Any moneys held or received by the Bond Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys and costs and expenses of the Authority) together with any other sums then held by the Bond Trustee as part of the Trust Estate (including amounts subject to the Deposit Account Control Agreement but excluding the Rebate Fund), shall be applied in the following order, at the date or dates fixed by the Bond Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

- (a) First: To the payment of all amounts due the Bond Trustee under **Section 804**;
- (b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Bond Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and
- (c) Third: To the payment of the remainder, if any, to the Corporation or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to 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 and which may become available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates 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 and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section, and all expenses and charges of the Bond Trustee and the Authority have been paid, and all amounts owing to the United States Government under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Corporation as provided in **Section 405(e)**.

Section 708. Remedies Cumulative. No remedy by the terms of this Bond Indenture conferred upon or reserved to the Bond Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee or to the Bondowners 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 Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. 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, then and in every case the Authority, the Corporation, the Bond Trustee and the Bondowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 709. Waivers of Events of Default. The Bond Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal upon the written request of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding in the case of any default; provided that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in (a) or (b) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Bond Trustee in connection with such default shall have been paid or provided for. In 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, then and in every case the Authority, the Corporation, the Bond Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

ARTICLE VIII

THE BOND TRUSTEE

Section 801. Acceptance of Trusts; Certain Duties and Responsibilities. The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the following terms and conditions:

- (a) Except during the continuance of an Event of Default,
 - (1) the Bond Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee; and
 - (2) in the absence of bad faith on its part, the Bond Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bond Trustee and

conforming to the requirements of this Bond Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bond Trustee, the Bond Trustee shall only be under a duty to examine the same to determine whether or not they conform to the requirements, if any, of this Bond Indenture.

- (b) If an Event of Default has occurred and is continuing,
 - (1) 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; and
 - (2) in the absence of bad faith on its part, the Bond Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Bond Trustee and conforming to the requirements of this Bond Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Bond Trustee, the Bond Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements, if any, of this Bond Indenture.
- (c) No provision of this Bond Indenture shall be construed to relieve the Bond Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that
 - (1) this Subsection shall not be construed to limit the effect of **Subsection (a)**;
 - (2) the Bond Trustee shall not be liable for any error of judgment made in good faith by an authorized officer of the Bond Trustee, unless it shall be proved that the Bond Trustee was grossly negligent in ascertaining the pertinent facts;
 - (3) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture;
 - (4) no provision 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 it shall have reasonable grounds for believing that repayment of such funds or indemnity in accordance with **Section 802(e)** has not been provided to it; and
 - (5) in determining whether to give its consent or otherwise make a discretionary decision pursuant to the terms hereof or any other Bond Documents, the Bond Trustee shall have the right at any time to seek instructions from the Bondowners and to request, and receive, written direction from the Bondowners as provided herein. In the case of discretionary matters where the requisite number of Owners

is not specified, the Bond Trustee may rely upon the written direction or consent of a majority of the Bondowners. The Bond Trustee shall be entitled to rely upon any such instructions without further inquiry and shall not be liable for any action or omission undertaken by it and in accordance with such instructions.

- (d) Whether or not therein expressly so provided, every provision of this Bond Indenture relating to the conduct or affecting the liability of or affording protection to the Bond Trustee shall be subject to the provisions of this Section.

Section 802. Certain Rights of Bond Trustee. Except as otherwise provided in **Section 801**:

- (a) The Bond Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, disbursement request, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and neither the Authority nor the Bond Trustee shall be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.
- (b) The Bond Trustee shall be entitled to rely upon a Certificate of Corporation Representative as to the sufficiency of any request or direction of the Corporation mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the governing board of the Corporation has been duly adopted, and is in full force and effect.
- (c) Whenever in the administration of this Bond Indenture the Bond Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Bond Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of Corporation Representative.
- (d) The Bond Trustee may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Bond Trustee hereunder in good faith and in reliance thereon.
- (e) Notwithstanding anything elsewhere in this Bond Indenture contained, before taking any action under this Bond Indenture, the Bond Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all reasonable costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct by reason of any action so taken.
- (f) The Bond 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, bond, debenture, disbursement request, or other paper or document, but the Bond Trustee, in its discretion, may make such further inquiry or

investigation into such facts or matters as it may see fit, and, if the Bond Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Corporation, personally or by agent or attorney.

- (g) The Bond Trustee assumes no responsibility for the correctness of the recitals contained in this Bond Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Bond Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Bond Indenture or of the Bonds. The Bond Trustee shall not be accountable for the use or application by the Corporation of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Corporation under any provision of this Bond Indenture.
- (h) The Bond Trustee, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Authority or the Corporation with the same rights it would have if it were not Bond Trustee.
- (i) All money received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Bond Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Bond Indenture. The Bond Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Authority or the Corporation.
- (j) The Bond 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 Bond Trustee shall not be responsible for any misconduct or gross negligence on the part of any agent or attorney appointed with due care by it hereunder.
- (k) The Bond Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Bond Trustee such direction may result in liability to the Bond Trustee, in its capacity as bond trustee or in an individual capacity, for which the Bond Trustee has not received indemnity pursuant to **Section 802(e)** from the Owners, and the Bond Trustee may rely upon an Opinion of Counsel addressed to the Authority and the Bond Trustee in determining whether any action directed by Owners or the Authority may result in such liability.
- (l) Notwithstanding any other provision of this Bond Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection, immunity and indemnification to the Bond Trustee shall be interpreted to include any action of the Bond Trustee whether it is deemed to be in its capacity as Bond Trustee, Bond Registrar or Paying Agent.
- (m) The Bond Trustee shall not be liable to the Corporation, any holder, any Owner or any other Person for any loss suffered in connection with any investment of funds made by it in accordance with this Bond Indenture. The Bond Trustee shall not be liable to the Corporation for any loss suffered as a result of or in connection with any investment of funds made by the Bond Trustee in good faith as instructed by or approved by the

Corporation Representative. The Bond Trustee shall have no duty or responsibility to examine or review and shall have no liability for the contents of any documents submitted to or delivered to any Owner in the nature of a preliminary or final placement memorandum, official statement, offering circular or similar disclosure document.

- (n) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture or the Loan Agreement shall not be construed as duties. The Bond Trustee shall only be responsible for the performance of the duties expressly set forth herein and shall not be answerable for other than its gross negligence or bad faith in the performance of those express duties.
- (o) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the said trust and powers or otherwise in respect of this Bond Indenture.
- (p) The Bond Trustee shall have no duty to verify the truthfulness or accuracy of the certifications made by the Corporation with respect to the Bond Trustee's disbursements in accordance with the Bond Documents.
- (q) Without limiting the duties of the Bond Trustee expressly set forth herein, the Bond Trustee shall have no obligation or responsibility whatsoever in connection with (i) any federal or state tax-exempt status of any of the Bonds or the interest thereon; (ii) the consequences of the investment or non investment of any funds or accounts relating to the Bonds under Section 148 of the Code, or (iii) the calculation of any amount required to be rebated to the United States under Section 148 of the Code.
- (r) Except as provided in the Continuing Disclosure Agreement and **Section 5.6** of the Loan Agreement, the Bond Trustee shall not be obligated under any continuing disclosure agreement or other undertaking or to take any other action as may be required to cause compliance with Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.
- (s) The Bond Trustee's immunities and protections from liability and its rights to indemnification in connection with the performance of its duties under this Bond Indenture shall likewise extend to the Bond Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Bond Trustee's rights to compensation, shall survive the Bond Trustee's resignation or removal, the discharge of this Bond Indenture and the final payment of the Bonds.
- (t) Except as provided in **Section 705**, if the Bond Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, pursuant to the provisions of this Bond Indenture, then the Bond Trustee, in its sole discretion, may determine what action or actions, if any, shall be taken or not taken.
- (u) Whether or not expressly so provided, each provision of this Bond Indenture relating to the conduct or affecting the liability of or affording protection to the Bond Trustee is subject to this **Section 802**.

- (v) The Bond Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Bond Indenture or the other Bond Documents 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; acts of civil or military authority or governmental action; it being understood that the Bond 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.

- (w) The Bond Trustee shall have the right to accept and act upon directions or instructions given pursuant to the Bond Documents and delivered using Electronic Means (defined below). If any party elects to give the Bond Trustee directions or instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such directions or instructions, the Bond Trustee's understanding of such directions or instructions shall be deemed controlling. The Corporation and the Purchaser understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Bond Trustee shall conclusively presume that directions or instructions that purport to have been sent by a Corporation Representative listed on the incumbency certificate provided to the Bond Trustee or authorized representative of a Purchaser, have been sent by such Corporation Representative. The Corporation and a Purchaser shall be responsible for ensuring that only a Corporation Representative or representative of the Purchaser, as applicable, transmit such directions or instructions to the Bond Trustee and that each Corporation Representative or representative of the Purchaser treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. **“Electronic Means”** shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords or authentication keys, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

Section 803. Notice of Defaults. The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure to be made of any of the payments to the Bond Trustee required to be made by **Article IV**, unless the Bond Trustee shall be specifically notified in writing of such default (i) by the Authority or the Corporation, (ii) the annual written certificate of the Obligated Group Representative required by **Section 415(c)** of the Master Indenture, or (iii) the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any default hereunder of which the Bond Trustee is required to take notice or has received notice as provided in this Section, the Bond Trustee shall give written notice of such default by first-class mail to all Owners of Bonds as shown on the Bond Register maintained by the Bond Trustee, unless such default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Bond, the Bond Trustee shall be

protected in withholding such notice if and so long as the Bond Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners. For the purpose of this Section, the term “default” means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 804. Compensation and Reimbursement. The Bond Trustee shall be entitled to payment or reimbursement from the Corporation.

- (a) from time to time for reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (b) except as otherwise expressly provided herein, upon its request, for all reasonable expenses, disbursements and advances incurred or made by the Bond Trustee in accordance with any provision of this Bond Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Bond Trustee’s gross negligence or bad faith; and
- (c) to indemnify the Bond Trustee for, and to hold it harmless against, any loss, liability or expense incurred without gross negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

All such payments and reimbursements shall be made by the Corporation with interest at the rate of interest per annum equal to the Prime Rate.

The Bond Trustee shall promptly notify the Corporation in writing of any claim or action brought against the Bond Trustee in respect of which indemnity may be sought against the Corporation, setting forth the particulars of such claim or action, and the Corporation will assume the defense thereof, including the employment of counsel satisfactory to the Bond Trustee and the payment of all expenses. The Bond Trustee may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Corporation unless such employment has been specifically authorized by the Corporation.

Pursuant to the Loan Agreement, the Corporation has agreed to pay to the Bond Trustee all reasonable fees, charges, advances and expenses of the Bond Trustee, and the Bond Trustee agrees to look only to the Corporation for the payment of all reasonable fees, charges, advances and expenses of the Bond Trustee and any Paying Agent as provided in the Loan Agreement. The Bond Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Bond Trustee.

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section, the Bond Trustee shall be secured under this Bond Indenture by a lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under **Article IV**.

Section 805. Corporate Trustee Required; Eligibility. There shall at all times be a Bond Trustee hereunder which shall be a bank or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate

trust powers, subject to supervision or examination by federal or state authority and must have a combined capital and surplus of at least \$50,000,000 or must provide a guaranty of the full and prompt performance by the Bond Trustee of its obligations under this Bond Indenture and any other agreements made in connection with the Bonds by a guarantor with such assets. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such 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 Bond Trustee shall cease to be eligible in accordance with this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 806. Resignation and Removal of Bond Trustee.

- (a) The Bond Trustee may resign at any time by giving written notice thereof to the Authority, the Corporation and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Bond Trustee. If an instrument of acceptance by a successor Bond Trustee shall not have been delivered to the Bond Trustee within 30 days after the giving of such notice of resignation, the resigning Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee. Any resignation under this **Section 806** shall also constitute the Bond Trustee's resignation as Tender Agent hereunder.
- (b) If the Bond Trustee has or shall acquire any conflicting interest, it shall, within 90 days after ascertaining that it has a conflicting interest, or within 30 days after receiving written notice from the Corporation (so long as the Corporation is not in default under this Bond Indenture) that it has a conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in **Subsection (a)**.
- (c) The Bond Trustee may be removed at any time, upon thirty days' notice, by an instrument or concurrent instruments in writing delivered to the Authority and the Bond Trustee and signed by the Owners of a majority in principal amount of the Outstanding Bonds, or, so long as the Corporation is not in default under the Loan Agreement, by the Corporation. The Authority, the Corporation or any Bondowner may at any time petition any court of competent jurisdiction for the removal for cause of the Bond Trustee.
- (d) If at any time:
 - (1) the Bond Trustee shall fail to comply with **Subsection (b)** after written request therefor by the Corporation or by any Bondowner, or
 - (2) the Bond Trustee shall cease to be eligible under **Section 805** and shall fail to resign after written request therefor by the Corporation or by any such Bondowner, or
 - (3) the Bond Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Bond Trustee or of its property shall be appointed or any public officer shall take charge or control of the Bond Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Corporation may remove the Bond Trustee, or (ii) the Corporation or any Bondowner may petition any court of competent jurisdiction for the removal of the Bond Trustee and the appointment of a successor Bond Trustee.

- (e) The successor Bond Trustee shall give notice of such resignation or such removal of the Bond Trustee and such appointment of a successor Bond Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Bond Trustee. Each notice shall include the name of the successor Bond Trustee and the address of its principal corporate trust office.
- (f) No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Bond Trustee under **Section 807**.
- (g) Notwithstanding any provision herein to the contrary, the Authority shall have no obligation to monitor the qualifications of the Bond Trustee or request the removal of the Bond Trustee.

Section 807. Appointment of Successor Bond Trustee. If the Bond Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Bond Trustee for any cause, the Corporation (so long as no event of default hereunder or under the Loan Agreement has occurred and is continuing), or the Owners of a majority in principal amount of Bonds Outstanding (if an event of default hereunder or under the Loan Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered personally or sent by first class mail, postage prepaid, to the Authority and the retiring Bond Trustee, shall promptly appoint a successor Bond Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Bond Trustee shall be so appointed by the Corporation or the Bondowners. If a successor Bond Trustee shall be appointed in the manner herein provided, the successor Bond Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Bond Trustee and supersede the retiring Bond Trustee and any temporary successor Bond Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Bond Trustee shall have been so appointed and accepted appointment in the manner herein provided, any Bondowner or the Bond Trustee may petition any court of competent jurisdiction for the appointment of a successor Bond Trustee, until a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Bond Trustee appointed pursuant to this Section shall be a bank with trust powers or trust company in good standing under the law of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 808. Acceptance of Appointment by Successor. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority and to the retiring Bond Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Bond Trustee shall become effective and such successor Bond Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Bond Trustee; but, on request of the successor Bond Trustee, such retiring Bond Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such

successor Bond Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Bond Trustee, and shall duly assign, transfer and deliver to such successor Bond Trustee all property and money held by such retiring Bond Trustee hereunder, subject nevertheless to its lien, if any, provided for in **Section 804**. Upon request of any such successor Bond Trustee, the Authority may execute any and all instruments reasonably required for more fully and certainly vesting in and confirming to such successor Bond Trustee all such estates, properties, rights, powers and trusts.

No successor Bond Trustee shall accept its appointment unless at the time of such acceptance such successor Bond Trustee shall be qualified and eligible under this Article.

Section 809. Merger, Consolidation and Succession to Business. Any corporation or association into which the Bond Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Bond Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bond Trustee, shall be the successor of the Bond Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Bond Trustee then in office, any successor by merger or consolidation to such authenticating Bond Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Bond Trustee had itself authenticated such Bonds.

Section 810. Co-Bond Trustees and Separate Bond Trustees. At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Trust Estate may at the time be located, or in the enforcement of any default or the exercise any of the powers, rights or remedies herein granted to the Bond Trustee, or any other action which may be desirable or necessary in connection therewith, the Bond Trustee shall have power to appoint, and, upon the written request of the Owners of at least 25% in principal amount of the Bonds Outstanding, the Bond Trustee shall appoint one or more Persons acceptable to the Bond Trustee to act as co-trustee, jointly with the Bond Trustee, of all or any part of the Trust Estate, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section.

Should any written instrument from the Authority be reasonably required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments may, on request, be executed, acknowledged and delivered by the Authority.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

- (a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Bond Trustee hereunder, shall be exercised solely, by the Bond Trustee.

- (b) The rights, powers, duties and obligations hereby conferred or imposed upon the Bond Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Bond Trustee or by the Bond Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Bond Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.
- (c) The Bond Trustee at any time, by an instrument in writing executed by it, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section. Upon the written request of the Bond Trustee, the Authority shall join with the Bond Trustee in the execution, delivery and performance of all instruments and agreements reasonably necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.
- (d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Bond Trustee, or any other such trustee hereunder.
- (e) Any request, demand, authorization, direction, notice, consent, waiver or other act of Bondowners delivered to the Bond Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

Section 811. Designation of Paying Agents. The Bond Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Corporation may, in its discretion, cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, premium, if any, and interest on the Bonds, or at the designated corporate trust office of said alternate Paying Agents. In the event of a change in the office of Bond Trustee, the predecessor Bond Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Bond Trustee shall become such Bond Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed by the Corporation in connection with the appointment of any successor Bond Trustee.

Section 812. Advances by Bond Trustee. If the Corporation shall fail to make any payment or perform any of its covenants in the Loan Agreement, the Bond Trustee may, at any time and from time to time, use and apply any moneys held by it under this Bond Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Corporation. All moneys so used or advanced by the Bond Trustee, together with interest at Prime Rate, shall be repaid by the Corporation upon demand and such advances shall be secured under this Bond Indenture prior to the Bonds. For the repayment of all such advances the Bond Trustee shall have the right to use and apply any moneys at any time held by it under this Bond Indenture but no such use of moneys or advance shall relieve the Corporation from any default hereunder.

Section 813. Required Reporting to the Authority. The Bond Trustee shall keep, or cause to be kept, proper books of records and accounts in which complete and accurate entries shall be made of all funds and accounts established by or pursuant to this Bond Indenture, which shall at all reasonable times be subject to the inspection by the Authority, or Registered Owners (or a designated representative thereof).

Section 814. Bond Trustee Entitled to Indemnity. The Bond Trustee shall be under no obligation to institute any suit, or to take any remedial proceeding under this or any other Bond Document, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Bond Trustee's own gross negligence or willful misconduct), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under any other Bond Document, until it shall be indemnified to its satisfaction (including, without limitation, a satisfactory indemnity bond) against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Bond Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Bond Trustee, without indemnity, and in such case the Corporation shall reimburse the Bond Trustee for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Corporation shall fail to make reimbursement, the Bond Trustee may reimburse itself from any moneys in its possession under the provisions of this Bond Indenture and shall be entitled to a preference over any of the Bonds. The indemnifications and reimbursement obligation set forth herein shall survive the termination of this Bond Indenture and/or the resignation or removal of the Bond Trustee.

Section 815. Limitations on Liability. The Bond Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Corporation, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Bond Trustee shall not have responsibility in respect of the sufficiency of the security provided by this Bond Indenture. The Bond Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Bond Trustee shall not be under any liability for failure to see that any such duties or covenants are so done or performed. The Bond Trustee shall not be liable because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Bond Indenture. The Bond Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made by it in accordance with the provisions of this Bond Indenture. The immunities and exemptions from liability of the Bond Trustee hereunder shall extend to their respective directors, members, attorneys, officers, employees, advisors, consultants, and agents.

Section 816. Remarketing Agent. There shall at all times while the Bonds remain Outstanding be a Remarketing Agent appointed for such Bonds as provided in this Section. Each Remarketing Agent shall be a corporation or other legal entity, authorized under the laws of the United States of America or of any state thereof, to perform all duties imposed upon the Remarketing Agent by this Bond Indenture and the Remarketing Agreement, and shall be either (a) a member of the Financial Industry Regulatory Authority (FINRA) and registered as a Municipal Securities Dealer under the Securities Exchange Act of 1934, as amended, or (b) a national banking association, commercial bank or trust company. Any successor Remarketing Agent shall also have minimum capital of \$500,000,000 and

be rated at least A2/A by each Rating Agency maintaining a rating on the Bonds. So long as the Bonds are held in the Book-Entry System, the Remarketing Agent must be a Participant in the Book-Entry System with respect to such Bonds.

The Remarketing Agent shall perform all of the duties imposed upon it by this Bond Indenture and the Remarketing Agreement, but only upon the terms and conditions set forth herein and in the Remarketing Agreement, including the following:

- (a) set the Interest Rates on the Bonds, select a new Mandatory Tender Date for the Bonds, if any, and perform the other duties provided for in **Section 202** hereof, and remarket Bonds as provided in **Section 306** hereof and in the Remarketing Agreement;
- (b) hold all moneys delivered to it hereunder for the purchase of Bonds in trust solely for the benefit of the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;
- (c) keep such books and records as shall be consistent with customary industry practice that shall accurately reflect the transactions hereunder and to make such books and records available for inspection by the Authority, the Corporation, and the Bond Trustee at all reasonable times;
- (d) deliver any notices required by this Bond Indenture to be delivered by the Remarketing Agent; and
- (e) perform all other duties of the Remarketing Agent under this Bond Indenture and the Remarketing Agreement.

The Remarketing Agent at any time may resign and be discharged of the duties and obligations imposed upon the Remarketing Agent by this Bond Indenture, by giving written notice thereof to the Authority, the Corporation, and the Bond Trustee at least **60** days prior to the effective date of such resignation. The Remarketing Agent shall resign immediately at any time that it shall cease to be eligible in accordance with the provisions of this Section.

The Remarketing Agent may be removed at any time by the Corporation by an instrument in writing delivered at least **15** days prior to the effective date of such removal to the Remarketing Agent, the Authority and the Bond Trustee.

If the Remarketing Agent shall resign, be removed or become incapable of acting for any cause, the Corporation shall promptly appoint a successor Remarketing Agent for the Bonds, subject to the conditions set forth herein, by an instrument in writing delivered to the Authority, the Bond Trustee, and the retiring Remarketing Agent. Every such successor Remarketing Agent appointed pursuant to the provisions of this Section shall meet the eligibility requirements of this Section.

Every successor Remarketing Agent appointed hereunder shall execute and deliver to the Authority, the Corporation, the Bond Trustee, and the retiring Remarketing Agent an instrument accepting such appointment, designating its principal office and signifying its acceptance of the duties and obligations imposed upon it hereunder. No appointment of a successor Remarketing Agent pursuant to

this Section shall become effective until the acceptance of appointment by the successor Remarketing Agent hereunder.

The Bond Trustee shall give notice of each resignation and each removal of the Remarketing Agent and each appointment of a successor Remarketing Agent by mailing written notice of such event within **30** days of the resignation or removal of the Remarketing Agent or the appointment of a successor Remarketing Agent, to the Authority, each Rating Agency maintaining a rating on the Bonds and the Registered Owners of the Bonds as their names and addresses appear in the Bond Register maintained by the Bond Trustee. Each notice shall include the name of the successor Remarketing Agent and the address of its principal office.

In the event of the resignation or removal of the Remarketing Agent, and the appointment of a successor Remarketing Agent, the retiring Remarketing Agent shall pay over, as sign and deliver any moneys and Bonds held by it in such capacity to its successor.

Section 817. Tender Agent. The Bond Trustee shall act as Tender Agent with respect to the tender and purchase of Bonds at all times, as provided herein.

The Bond Trustee shall perform the duties imposed upon the Bond Trustee as Tender Agent under this Article, but only upon the terms and conditions set forth herein, including the following:

- (a) hold all Bonds delivered to it hereunder in trust for the benefit of the respective Owners which shall have so delivered such Bonds until moneys representing the Purchase Price of such Bonds shall have been delivered to or for the account of or to the order of such Owners;
- (b) hold all moneys delivered to it hereunder for the purchase of Bonds in the Bond Purchase Fund solely for the benefit of the person or entity which shall have so delivered such moneys until the Bonds purchased with such moneys shall have been delivered to or for the account of such person or entity;
- (c) keep such books and records as shall be consistent with customary industry practice that shall accurately reflect the transactions hereunder and to make such books and records available for inspection by the Authority, the Corporation, and the Remarketing Agent and at all reasonable times;
- (d) deliver any notices required by this Bond Indenture to be delivered by the Bond Trustee as Tender Agent; and
- (e) perform all other duties of the Bond Trustee as Tender Agent under this Bond Indenture.

If the Bond Trustee shall resign, or become incapable of acting, the Corporation shall promptly appoint a successor Tender Agent meeting the requirements of **Section 805**. Every alternative Tender Agent appointed hereunder shall execute and deliver to the Bond Trustee, the Authority, the Corporation and each Remarketing Agent an instrument accepting such appointment, designating its principal office and accepting the duties and obligations imposed upon it hereunder. If an instrument of acceptance by a successor Tender Agent shall not have been delivered to the Bond Trustee within thirty 30 days after the Bond Trustee gives notice of resignation, the Bond Trustee may petition any court of competent jurisdiction at the expense of the Corporation for the appointment of a successor Bond Trustee. The

obligation to pay any amounts due and owing hereunder shall survive and remain in full force and effect following the termination of this Bond Indenture.

The Bond Trustee shall give notice of appointment of an alternate Tender Agent by mailing written notice of such event, within **30** days of the appointment of an alternate Tender Agent, to the Authority, the Corporation, each Remarketing Agent, each Rating Agency maintaining a rating on the Bonds and the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Bond Trustee. Each notice shall include the name of the alternate Tender Agent and the address of its principal corporate trust office or designated payment office.

Any resignation of the Bond Trustee pursuant to **Section 806** of this Bond Indenture shall also concurrently constitute the Bond Trustee's resignation as Tender Agent under this Bond Indenture in accordance with the terms and conditions of **Section 806**.

ARTICLE IX

SUPPLEMENTAL BOND INDENTURES

Section 901. Supplemental Bond Indentures Not Requiring Consent of Bondowners. The Authority, at the written request of the Corporation, and the Bond Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into such Supplemental Bond Indenture or Supplemental Bond Indentures, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Bond Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake as certified by the Corporation Representative;
- (b) To grant to or confer upon the Bond Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Bond Trustee or either of them;
- (c) To subject to this Bond Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Bond Indenture or any indenture supplemental thereto in such manner as to permit the qualification of this Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;
- (e) To provide for the refunding or advance refunding of any Bonds;
- (f) To evidence the appointment of a separate trustee or tender agent or the succession of a new trustee or tender agent hereunder;
- (g) To preserve the tax-exempt status of the Bonds or to maintain any rating on the Bonds; or

(h) To make any other change which does not materially adversely affect the interests of the Bondowners.

Section 902. Supplemental Bond Indentures Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, and with the written consent of the Corporation, the Authority, at the written request of the Corporation, and the Bond Trustee may from time to time enter into such other Supplemental Bond Indenture or Supplemental Bond Indentures as shall be deemed necessary or desirable by the Bond Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or in any Supplemental Bond Indenture; provided that nothing in this Section contained shall permit or be construed as permitting without the written consent of every Bondowner affected thereby:

(a) a change of the maturity date of the principal of any Bond, any mandatory sinking fund redemption schedule for any of the Bonds, the scheduled date of payment of interest on any Bond or the earliest optional redemption date for any Bond, or

(b) a reduction in the principal amount, redemption premium or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Bond Indenture, or

(e) the modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee.

If at any time the Corporation shall request the Bond Trustee and the Authority to enter into any such Supplemental Bond Indenture for any of the purposes of this Section, the Bond Trustee shall cause notice of the proposed execution of such Supplemental Bond Indenture to be mailed by first-class mail to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Bond Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Bond Trustee for inspection by all Bondowners. If within 60 days following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Bond 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 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 Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Bond Indenture as in this Section permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 903. Corporation's Consent to Supplemental Bond Indentures. Anything herein to the contrary notwithstanding, so long as the Corporation is not in default under the Loan Agreement, a Supplemental Bond Indenture under this Article which affects any rights of the Corporation shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such Supplemental Bond Indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Bond Indenture, together with a copy of the

proposed Supplemental Bond Indenture, to be mailed by first-class mail to the Corporation at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Bond Indenture.

Section 904. Opinion of Bond Counsel. Notwithstanding anything to the contrary in **Sections 901 or 902**, before the Authority and the Bond Trustee enter into any Supplemental Bond Indenture pursuant to **Section 901 or 902**, there shall have been delivered to the Authority and the Bond Trustee an Opinion of Bond Counsel stating that such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the validity of the Bonds or the exclusion from federal gross income of interest on the Bonds. The Authority and the Bond Trustee may conclusively rely on such opinion when executing and consenting to such supplement.

ARTICLE X

SUPPLEMENTAL LOAN AGREEMENTS

Section 1001. Supplemental Loan Agreements Not Requiring Consent of Bondowners. The Authority, at the written request of the Corporation, and the Bond Trustee may, without the consent of or notice to the Bondowners, consent to the execution of any Supplemental Loan Agreements by the Authority and the Corporation as may be required:

- (a) by the Loan Agreement and this Bond Indenture;
- (b) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement;
- (c) to grant to or confer upon the Authority or the Bond Trustee, for the benefit of the Bondowners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Authority or the Bond Trustee;
- (d) to amend or modify the Loan Agreement, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to preserve the tax-exempt status of the Bonds or to maintain any rating on the Bonds; or
- (e) in connection with any other change therein which does not materially adversely affect the interests of the Bondowners.

Section 1002. Supplemental Loan Agreements Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Bond Trustee may consent to the execution of any Supplemental Loan Agreements by the Authority, at the written request of the Corporation, and the Corporation; provided that no such Supplemental Loan Agreement shall be entered into which permits:

- (a) an extension of the maturity of the principal of or the interest on the Note, or
- (b) a reduction in the principal amount of the Note or the premium or rate of interest payable thereon.

If at any time the Corporation shall request the consent of the Bond Trustee to any such proposed Supplemental Loan Agreement, the Bond Trustee shall cause notice of such proposed Supplemental Loan Agreement to be mailed in the same manner as provided by **Section 902** with respect to Supplemental Bond Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Loan Agreement and shall state that copies of the same are on file at the principal corporate office of the Bond Trustee for inspection by all Bondowners. If within 60 days following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Loan Agreement 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 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 Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 1003. Opinion of Bond Counsel. Anything to the contrary in **Sections 1001** or **1002** notwithstanding, before the Authority executes and the Bond Trustee consents to any Supplemental Loan Agreement, there shall have been delivered to the Authority and the Bond Trustee an Opinion of Bond Counsel stating that such amendment is authorized or permitted by this Bond Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority (if the Authority is a party thereto) in accordance with its terms and will not adversely affect the validity of the Bonds or the exclusion from federal gross income of interest on the Bonds. The Authority and the Bond Trustee may conclusively rely on such opinion when executing and consenting to such supplement.

ARTICLE XI

SATISFACTION AND DISCHARGE OF BOND INDENTURE

Section 1101. Bonds Deemed To Be Paid. Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Bond Indenture and shall cease to be entitled to any lien, benefit or security under this Bond Indenture if the Bonds are paid in full or provision for the payment of such Bond or Bonds has been made in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;
- (b) by delivering and surrendering to the Bond Trustee, for cancellation by it, such Bond or Bonds; or
- (c) by depositing with the Bond Trustee, in trust, (1) moneys or Defeasance Obligations in such amounts and with maturities as the Bond Trustee shall determine will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the debt on such Bond or Bonds at or before their respective

maturity dates and to pay the interest thereon as it comes due, and (2) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in (1) above, a verification report of an independent certified public accounting firm as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with **Article III** or irrevocable written instructions shall have been given to the Bond Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Bond Indenture which may be contrary to this Section, all moneys or Defeasance Obligations set aside and held in trust pursuant to this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Defeasance Obligations have been so set aside in trust.

Section 1102. Satisfaction and Discharge of the Bond Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in **Section 1101**, and provision shall also be made for paying all other sums payable hereunder, including the payment of any fees, charges and expenses of the Authority, the Bond Trustee and any Paying Agent to the date of retirement of the Bonds, then the right, title and interest of the Bond Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Bond Trustee, upon Written Request of the Corporation, and upon receipt by the Bond Trustee and the Authority of an Opinion of Bond Counsel to the effect that all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with, shall cancel, discharge and release this Bond Indenture and shall execute, acknowledge and deliver to the Authority such instruments of satisfaction and discharge or release as shall be requisite to evidence such release and the satisfaction and discharge of this Bond Indenture, and shall assign and deliver to the Authority, the Corporation or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Bond Indenture which may then be in its possession, other than moneys or obligations held by the Bond Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds. The Bond Trustee may rely on the opinion of Bond Counsel and other certifications delivered from the Corporation and the Authority with regard to amounts required to be paid hereunder and that all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with.

The Authority is hereby authorized to accept a certificate by the Bond Trustee that the whole amount of the principal and interest and redemption premium, if any, so due and payable upon all of the Bonds then Outstanding and all other amounts required to be paid hereunder have been paid or such payment has been provided for in accordance with **Section 1101** as evidence of satisfaction of this Bond Indenture, and upon receipt thereof shall cancel and erase the inscription of this Bond Indenture from its records.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section, and compliance with the other payment requirements of **Section 1101**, and subject to this Section, this Bond Indenture may be discharged in accordance with the provisions hereof; provided that the obligation of the

Authority in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Defeasance Obligations deposited with the Bond Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Bond Indenture be discharged if under any circumstances the interest on such Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Bond Trustee and the Authority may rely upon an Opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that so providing for the payment of any Bonds will not cause the interest on the Bonds to be subject to federal income taxation under Section 103(a) of the Internal Revenue Code, notwithstanding the satisfaction and discharge of this Bond Indenture.

Section 1103. Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Bond Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Nevertheless, any moneys held by the Bond Trustee or any Paying Agent for the payment of the principal of, redemption premium, if any, or interest on any Bond remaining unclaimed for one year after the principal of all Bonds has become due and payable, whether at maturity or upon proceedings for redemption or by declaration as provided herein, shall then be paid to the Corporation and the Owners of any Bonds not theretofore presented for payment shall thereafter be entitled to look only to the Corporation for payment thereof and all liability of the Bond Trustee or any Paying Agent or the Authority with respect to such moneys shall thereupon cease.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 1201. Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Bond Indenture (other than the assignment of any Bond) to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such 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 with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Bond Indenture,

Bonds owned by the Corporation or any Affiliate shall be disregarded and deemed not to be Outstanding under this Bond Indenture, except that, in determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Bond Trustee knows to be so owned shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Bond Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Corporation or any Affiliate.

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 upon Bonds issued in exchange therefor or in place thereof.

Section 1202. Limitation of Rights Under the Bond Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Bond Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, and the Owners of the Bonds, any right, remedy or claim under or in respect to this Bond Indenture, this Bond Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 1203. Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Bond Indenture to be given to or filed with the Authority, the Bond Trustee, Master Trustee, the Corporation or the Bondowners if the same shall be duly sent by prepaid overnight delivery service or duly mailed by certified, registered or first-class mail, postage prepaid, addressed:

(a) To the Authority at:

[REDACTED]

(b) To the Bond Trustee at:

[REDACTED]

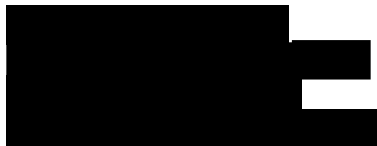
(c) To the Master Trustee at:

[REDACTED]

(d) To the Corporation at:

[REDACTED]

With a copy to its counsel:



- (e) To the Bondowners: Addressed to each of the Owners of Bonds at the time Outstanding, as shown by the Bond Register.

Section 1204. Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Bond Trustee shall constitute a sufficient notice.

Section 1205. Actions by Authority. Notwithstanding any provision herein or in any other agreement executed by the Authority to the contrary, the Authority shall not be required to take any action hereunder unless and until (a) it is requested to take such action, (b) it has received in a timely manner the instrument to be executed in form and substance satisfactory to the Authority, and (c) it shall have received assurances satisfactory to the Authority in its sole discretion that the fees and expenses of the Authority with respect to such action shall be paid; provided that, if the Authority receives correspondence from the Internal Revenue Service with respect to the Bonds, the Authority shall forward such correspondence to the Corporation within a reasonable time after such receipt.

Section 1206. No Recourse. No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Bond Indenture or Loan Agreement or Placement Agreement against any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture or the Loan Agreement and the issuance of the Bonds.

Section 1207. Fees, Charges and Expenses of the Bond Trustee, the Bond Registrar and the Authority. The Bond Trustee, the Bond Registrar and the Authority shall be entitled to payment and reimbursement for fees for their respective services rendered hereunder and all advances, counsel fees and other expenses made or incurred by the Bond Trustee, the Bond Registrar and the Authority in connection with such services and in connection with entering into this Bond Indenture, including any such fees and expenses incurred in connection with action taken hereunder.

Section 1208. Severability. If any provision of this Bond Indenture shall be held or deemed to be 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 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 circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Bond Indenture contained shall not affect the remaining portions of this Bond Indenture, or any part thereof.

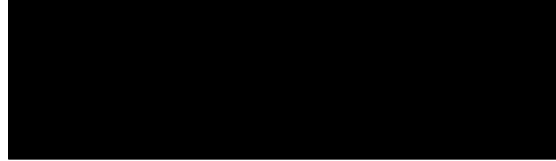
Section 1209. Execution in Counterparts; Electronic Transactions. This Bond Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The transaction described herein may be conducted and related documents may be sent, received and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1210. Governing Law. This Bond Indenture is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Bond Indenture to which the Authority is a party shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf, and to evidence its acceptance of the trusts hereby created, the Bond Trustee has caused these presents to be signed in its name and behalf, all as of the day and year first above written.

IOWA FINANCE AUTHORITY

By:

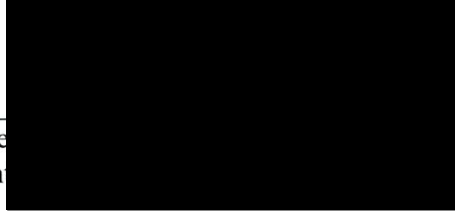


**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Bond Trustee**

By:

Title

Print



Schedule 1
Debt Service Table
(Prior to Initial Mandatory Tender and during Term-Out)

Payment Date	<u>Bonds Redeemed on 11/15/2023</u>			<u>Bonds Redeemed on 5/15/2024</u>			<u>Bonds Term Out</u>		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Closing	-	-	\$1,312,500.00	-	-	\$1,312,500.00	-	-	\$1,312,500.00
6/15/2023	-	\$233,333.33	233,333.33	-	\$233,333.33	233,333.33	-	\$233,333.33	233,333.33
7/15/2023	-	350,000.00	350,000.00	-	350,000.00	350,000.00	-	350,000.00	350,000.00
8/15/2023	-	350,000.00	350,000.00	-	350,000.00	350,000.00	-	350,000.00	350,000.00
9/15/2023	-	350,000.00	350,000.00	-	350,000.00	350,000.00	-	350,000.00	350,000.00
10/15/2023	-	350,000.00	350,000.00	-	350,000.00	350,000.00	-	350,000.00	350,000.00
11/15/2023	\$52,500,000.00	350,000.00	52,850,000.00	-	350,000.00	350,000.00	-	350,000.00	350,000.00
12/15/2023	-	-	-	-	350,000.00	350,000.00	-	350,000.00	350,000.00
1/15/2024	-	-	-	-	437,500.00	437,500.00	-	437,500.00	437,500.00
2/15/2024	-	-	-	-	437,500.00	437,500.00	-	437,500.00	437,500.00
3/15/2024	-	-	-	-	437,500.00	437,500.00	-	437,500.00	437,500.00
4/15/2024	-	-	-	-	437,500.00	437,500.00	-	437,500.00	437,500.00
5/15/2024	-	-	-	\$52,500,000.00	437,500.00	52,937,500.00	-	437,500.00	437,500.00
6/15/2024	-	-	-	-	-	-	\$8,750,000.00	525,000.00	9,275,000.00
7/15/2024	-	-	-	-	-	-	8,750,000.00	437,500.00	9,187,500.00
8/15/2024	-	-	-	-	-	-	8,750,000.00	350,000.00	9,100,000.00
9/15/2024	-	-	-	-	-	-	8,750,000.00	262,500.00	9,012,500.00
10/15/2024	-	-	-	-	-	-	8,750,000.00	175,000.00	8,925,000.00
11/15/2024	-	-	-	-	-	-	8,750,000.00	87,500.00	8,837,500.00

**EXHIBIT A
TO BOND TRUST INDENTURE**

(FORM OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

Registered
No. R-__

Registered
\$52,500,000

UNITED STATES OF AMERICA

STATE OF IOWA

IOWA FINANCE AUTHORITY

REVENUE BONDS
(LIFESPACE COMMUNITIES, INC.)
SERIES 2023A

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
Initial interest rate (as defined in the Bond Indenture) subject to change as provided in the Bond Indenture	May 15, 2043	May 25, 2023	46247 __

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIFTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS

IOWA FINANCE AUTHORITY, a public instrumentality and agency of the State of Iowa (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on said Principal Amount at

the Interest Rate (initially at the Initial Interest Rate set forth above and thereafter as determined in accordance with the terms of the Bond Indenture), computed on the basis of a 360-day year of twelve 30-day months, from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on the 15th day of each month, beginning June 15, 2023 (each an “Interest Payment Date”), until said Principal Amount is paid.

The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the designated corporate trust office of U.S. Bank Trust Company, National Association (the “Bond Trustee”). The interest payable on this Bond on any Interest Payment Date shall be paid by the Bond Trustee to the Registered Owner appearing on the registration books of the Authority (the “Bond Register”) maintained by the Bond Trustee, as Bond Registrar, at the close of business on the Record Date for such interest, which shall be the last day (whether or not a business day) of the calendar month next preceding such Interest Payment Date, and shall be paid by check or draft of the Bond Trustee mailed to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Bond Trustee. Upon the request and at the expense of any Bondowner of at least \$1,000,000 in principal amount of the Bonds, payments of principal of and premium, if any, and interest on the Bonds shall be made by wire transfer to an account designated by that Bondowner.

This Bond is one of a duly authorized series of bonds of the Authority designated “Revenue Bonds (Lifespace Communities, Inc.), Series 2023A” in the aggregate principal amount of \$52,500,000 (the “Bonds”), issued under the Bond Trust Indenture dated as of May 1, 2023 (said Bond Trust Indenture, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Bond Indenture”), between the Authority and the Bond Trustee.

Capitalized terms used herein and not defined herein are used with the meanings given to them in the Bond Indenture.

The Bonds are being issued for the purpose of making a loan to Lifespace Communities, Inc., an Iowa nonprofit corporation (the “Corporation”), to provide funds, together with other funds, (a) to fund (i) the initial payments to the Residents Trust (as defined in the Bond Indenture) and (ii) the Edgemere Bond Contribution (as defined in the Bond Indenture) and (b) to pay certain costs associated with the issuance of the Bonds, all as more fully described in the Bond Indenture and the Loan Agreement, dated as of May 1, 2023 (said Loan Agreement, as amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Loan Agreement”), between the Authority and the Corporation, and will be secured by a Lifespace Communities, Inc. Master Indenture Note, Series 2023A, of the Corporation issued in the principal amount of \$52,500,000 (the “Note”) to be issued as provided in the Loan Agreement, delivered to the Authority and pledged and assigned to the Bond Trustee pursuant to the terms of a Master Trust Indenture dated as of November 1, 2010, and a Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, each among the Corporation, as Obligated Group Representative, on behalf of itself and other Members of the Obligated Group, Barton Creek Senior Living, Inc., and U.S. Bank Trust Company, National Association, as master trustee.

This Bond and all other Bonds of the issue of which it forms a part are issued under and pursuant to Chapter 16 of the Code of Iowa, as amended (the “Act”), and pursuant to a resolution adopted by the Authority. This Bond and the issue of which it forms a part constitute special, limited obligations of the

Authority, payable solely from proceeds of the Bonds, the revenues pledged to the payment thereof pursuant to the Loan Agreement, and the funds and accounts held under and pursuant to the Indenture and pledged therefor. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Authority, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Authority does not pledge its faith or credit nor the faith or credit of the State nor any political subdivision of the State to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State or any political subdivision of the State to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Authority has no taxing power.

The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Bond Indenture, pursuant to which Bond Indenture the rights of the Authority (except certain rights of the Authority) under the Loan Agreement and the Note are pledged and assigned by the Authority to the Bond Trustee as security for the Bonds.

Reference is hereby made to the Bond Indenture for the definitions of those terms, a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Bond Trustee and the Owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Bond Indenture with respect thereto may be made and upon which the Bond Indenture may be deemed satisfied and discharged prior to payment of the Bonds.

Pursuant to the Loan Agreement, Loan Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Corporation directly to the Bond Trustee for the account of the Authority and deposited in a special account created by the Bond Indenture and designated "Iowa Finance Authority Debt Service Fund – Lifespace Communities, Series 2023A" and all Loan Payments under the Loan Agreement have been duly pledged and assigned to the Bond Trustee for that purpose.

The Bonds are subject to redemption and payment prior to maturity, mandatory tender for purchase in lieu of optional redemption, and mandatory tender on any Mandatory Tender Date as provided in the Bond Indenture.

Notice of redemption, unless waived, is to be given by the Bond Registrar by mailing an official redemption notice by first-class, registered or certified mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless there shall be a default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

The Bonds are being issued by means of a Book-Entry System with no physical distribution of bond certificates to be made except as provided in the Bond Indenture. One Bond certificate with respect to each date on which the Bonds are stated to mature or with respect to each form of Bonds, registered in the nominee name of the Securities Depository, is being issued and required to be deposited with the Securities

Depository and immobilized in its custody. The Book-Entry System will evidence positions held in the Bonds by the Securities Depository's Participants, beneficial ownership of the Bonds in authorized denominations being evidenced in the records of such Participants. Transfers of ownership shall be effected on the records of the Securities Depository and its Participants pursuant to rules and procedures established by the Securities Depository and its Participants. The Authority and the Bond Trustee will recognize the Securities Depository nominee, while the Registered Owner of this Bond, as the owner of this Bond for all purposes, including (i) payments of principal of, and redemption premium, if any, and interest on, this Bond, (ii) notices and (iii) voting. Transfer of principal, interest and any redemption premium payments to Participants of the Securities Depository, and transfer of principal, interest and any redemption premium payments to beneficial owners of the Bonds by Participants of the Securities Depository will be the responsibility of such Participants and other nominees of such beneficial owners. The Authority and the Bond Trustee will not be responsible or liable for such transfers of payments or for maintaining, supervising or reviewing the records maintained by the Securities Depository, the Securities Depository nominee, its Participants or persons acting through such Participants. While the Securities Depository nominee is the owner of this Bond, notwithstanding the provision hereinabove contained, payments of principal of, redemption premium, if any, and interest on this Bond shall be made in accordance with existing arrangements among the Authority, the Bond Trustee and the Securities Depository.

This Bond is transferable, as provided in the Bond Indenture, only upon the Bond Register at the above-mentioned office of the Bond Trustee, as Bond Registrar, by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney, and thereupon a new Bond or Bonds in the same aggregate principal amount, shall be issued to the transferee in exchange therefor as provided in the Bond Indenture, and upon payment of the charges therein prescribed. The Authority, the Bond Trustee and any paying agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Bonds are issuable in the form of fully registered Bonds without coupons in Authorized Denominations. Subject to the conditions and upon the payment of the charges provided in the Bond Indenture, the owner of this Bond may surrender the same (together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of Bonds, in any denomination authorized by the Bond Indenture.

The Owner of this Bond shall have no right to enforce 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 proceeding 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 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 Bonds or the Bond Indenture may be made only to the extent and in the circumstances permitted by the Bond Indenture.

The Bonds, together with all principal and interest thereon and premium, if any, with respect thereto, are special, limited obligations of the Authority secured by the Loan Agreement and the Note and shall always be payable solely from the revenues and income derived from the Loan Agreement and the Note (except to the extent paid out of moneys attributable to proceeds of the Bonds or the income from

the temporary investment thereof), are and shall always be a valid claim of the Owner thereof only against the revenues and income derived from the Loan Agreement and the Note, which revenues and income shall be used for no other purpose than to pay the principal installments of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Bond Indenture and in the Loan Agreement.

The Bonds and the obligation to pay principal and interest thereon and any premium with respect thereto do not now and shall never constitute an indebtedness or an obligation of the State of Iowa or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision, or a charge against the general credit or taxing powers, if any, of any of them, but shall be secured as aforesaid, and shall be payable solely from the revenues and income derived from the Loan Agreement and the Note (except as stated aforesaid). No Owner of the Bonds shall have the right to compel the exercise of the taxing power, if any, of the State of Iowa or any political subdivision thereof to pay any principal installment of, redemption premium, if any, or interest on the Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

No recourse shall be had for the payment of the principal of, premium, if any, and interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in the Bond Indenture or Loan Agreement or Placement Agreement against any past, present or future member, officer, agent or employee of the Authority, or any incorporator, member, officer, employee, director or trustee of any successor corporation, as such, either directly or through the Authority or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporator, member, officer, employee, director, agent or trustee as such is hereby expressly waived and released as a condition of and consideration for the execution of the Bond Indenture or the Loan Agreement and the issuance of the Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Indenture until the Certificate of Authentication hereon shall have been executed by the Bond Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, IOWA FINANCE AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chairperson and the manual or facsimile signature of its Secretary and its corporate seal to be affixed or imprinted hereon, all as of the Dated Date specified above.

IOWA FINANCE AUTHORITY

By: _____
Chairperson

[SEAL]

Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Indenture.

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Bond Trustee**

By: _____
Title: _____

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)

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: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

(Name of Eligible Guarantor Company as defined by SEC Rule 17Ad-15 (12 CFR 240.17Ad-15) or any similar rule which the Bond Trustee deems applicable)

By: _____
Title: _____

**EXHIBIT B
TO BOND TRUST INDENTURE**

(FORM OF WRITTEN REQUEST – ISSUANCE COSTS FUND)

WRITTEN REQUEST

(§ 403 – ISSUANCE COSTS FUND)

Request No: _____

Date: _____

To: U.S. Bank Trust Company, National Association, as Bond Trustee



Re: Iowa Finance Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2023A

Ladies and Gentlemen:

You are hereby authorized and directed as Bond Trustee under the Bond Trust Indenture dated as of May 1, 2023 (the “Bond Indenture”) between the Iowa Finance Authority and you, as Bond Trustee, to pay the following items from moneys in the Issuance Costs Fund pursuant to **Section 403** of the Bond Indenture:

<u>Payee</u>	<u>Amount</u>	<u>Description</u>
--------------	---------------	--------------------

The amount of this requisition is justly due and owing and has not been the subject of another requisition which was paid and is a proper Issuance Costs incurred in connection with the issuance of the Bonds.

LIFESPACE COMMUNITIES, INC.

By: _____
Corporation Representative

**EXHIBIT C
TO BOND TRUST INDENTURE**

(FORM OF WRITTEN REQUEST – SETTLEMENT PAYMENTS FUND)

WRITTEN REQUEST

(§ 407 – SETTLEMENT PAYMENTS FUND)

Request No: _____

Date: _____

To: U.S. Bank Trust Company, National Association, as Bond Trustee



Re: Iowa Finance Authority Revenue Bonds (Lifespace Communities, Inc.), Series 2023A

Ladies and Gentlemen:

You are hereby authorized and directed as Bond Trustee under the Bond Trust Indenture dated as of May 1, 2023 (the “Bond Indenture”) between the Iowa Finance Authority and you, as Bond Trustee, to pay the following items from moneys in the Settlement Payments Fund pursuant to **Section 407** of the Bond Indenture:

<u>Payee</u>	<u>Amount</u>	<u>Description</u>
--------------	---------------	--------------------

The payments set forth above reflect payments required by the Plan (as defined in the Bond Indenture).

LIFESPACE COMMUNITIES, INC.

By: _____
Corporation Representative

**EXHIBIT D
TO BOND TRUST INDENTURE**

(FORM OF INVESTOR LETTER)

[____], 20__

Iowa Finance Authority
[REDACTED]

Lifespace Communities, Inc.
[REDACTED]

Herbert J. Sims & Co. Inc., as Placement Agent
[REDACTED]

**\$52,500,000
Iowa Finance Authority
Revenue Bonds
(Lifespace Communities, Inc.)
Series 2023A**

Ladies and Gentlemen:

This letter is written in connection with the purchase of the above-captioned bonds (the “**Bonds**”) to the undersigned purchaser (the “**Purchaser**”). Herbert J. Sims & Co. Inc., as placement agent (the “**Placement Agent**”), but not as underwriter, has been engaged by Lifespace Communities, Inc. (the “**Borrower**”) to facilitate the direct purchase of the Bonds issued by the Iowa Finance Authority (the “**Issuer**”), all in accordance with the terms and conditions of a Bond Purchase and Placement Agreement, dated May 23, 2023 (the “**Placement Agreement**”), by and among the Placement Agent, the Issuer, the Borrower, and the Purchaser, executed in connection with the pricing of the Bonds.

The Bonds are being issued pursuant to a Bond Trust Indenture, dated as of May 1, 2023 (the “**Bond Indenture**”), between the Issuer and U.S. Bank Trust Company, National Association, as bond trustee (the “**Bond Trustee**”). Capitalized terms used but not defined in this letter shall have the meanings set forth in the Bond Indenture. The proceeds of the Bonds will be loaned to the Borrower pursuant to a Loan Agreement, dated as of May 1, 2023 (the “**Loan Agreement**” and, together with the Bond Indenture, the Placement Agreement, the Note, the Tax Agreement and all such other agreements and documents as may be required to be executed, delivered and received in order to carry out, give effect to and consummate the transactions described in the Placement Agreement, the “**Financing Documents**”), between the Issuer and the Borrower, to provide a portion of the funds necessary (a) to fund, pursuant to the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the “**Plan**”) filed in the United

States Bankruptcy Court for the Northern District of Texas, Dallas Division case *In re: Northwest Senior Housing Corporation, et al.*, in settlement of any potential claims against the Corporation relating to its affiliation with Northwest Senior Housing Corporation d/b/a Edgemere, a Texas nonprofit corporation, and Senior Quality Lifestyle Corporation, a Texas nonprofit corporation, and in exchange for full releases and exculpation provided under the Plan: (i) initial payments to a residents trust (the “**Residents Trust**”) and (ii) a bond settlement contribution payment (the “**Edgemere Bond Contribution**,” and together with the payments to the Residents Trust, the “**Settlement Payments**”) to UMB Bank, N.A., as successor bond trustee under certain bond trust indentures (the “**Edgemere Bond Trustee**”) and (b) to pay certain costs associated with the issuance of the Bonds. Capitalized terms not otherwise defined herein shall have the same meanings ascribed thereto in the Placement Agreement and the Bond Indenture, as applicable.

The Purchaser acknowledges that transfer of the Bonds is limited by **Section 211** of the Bond Indenture and that it will not transfer the Bonds other than in accordance **Section 211** of the Bond Indenture.

The Purchaser understands that the Bonds are being offered in transactions not involving any public offering within the meaning of the Securities Act, and that the Bonds have not been registered under the Securities Act or any other applicable securities laws, are being offered in transactions not requiring registration under the Securities Act, and may not be offered, sold or otherwise transferred except in compliance with an exemption to the registration requirements of the Securities Act and any other applicable securities laws. The Purchaser agrees that it will comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Bonds by it.

In connection with its purchase of the Bonds, the Purchaser hereby acknowledges, represents, warrants, and agrees (for itself and for any account for which such Purchaser is acquiring Bonds) with and to the above addressees as follows:

(a) The Purchaser is a limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and at the Closing Date will have full power and authority to enter into this Investor Letter and to carry out and to consummate the transactions contemplated by the Placement Agreement, this Investor Letter, the Bond Indenture and as otherwise described herein.

(b) The undersigned is duly authorized to execute this letter on behalf of the Purchaser and, if it is acquiring any Bonds as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to, and does, make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(c) The Purchaser has duly authorized and approved by all necessary action the execution and delivery of, and the performance by the Purchaser of the obligations on its part contained in, this Investor Letter and any and all such other agreements and documents to which it is a party or as may be required to purchase in order to carry out, give effect to and consummate the transactions to be consummated by the Purchaser and described herein.

(d) This Investor Letter has been duly authorized, executed and delivered by the Purchaser and is the legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms, as limited by bankruptcy, insolvency, liquidation, moratorium, readjustment of debt, reorganization or similar laws relating to the enforcement of creditors’ rights generally.

(e) The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of prospective investments similar to the Bonds. In reaching the conclusion that it desires to acquire the Bonds, the Purchaser has carefully evaluated all risks associated with such purchase and acknowledges that it is able to bear the economic risk of this purchase.

(f) Subject to the closing conditions set forth in the Placement Agreement, the Purchaser has agreed to purchase the Bonds at a purchase price equal to \$52,500,000, the principal amount of the Bonds.

(g) The purchase price, the interest rate, and all terms and conditions of the Bonds were determined based on arms' length negotiations by the Purchaser with the Borrower, and the purchase price is a mutually agreeable price.

(h) The Purchaser is a person meeting the requirements of the Exchange Act Rule 15c2-12(d)(1)(i)(A) and (B) and either (i) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act or (ii) an "accredited investor," as defined in Rule 501(a)(1), (2), (3), or (7) under the Securities Act. The Purchaser is an "institutional account" as defined in FINRA Rule 4512(c). The Purchaser agrees that if it should sell the Bonds or any interest therein, it will do so only in compliance with **Section 211** of the Bond Indenture and require any subsequent purchaser or transferee to execute, and deliver to the Bond Trustee, an Investor Letter in the same form as this Investor Letter, confirming acceptance of the terms and conditions set forth in the Bonds and the terms of the Investor Letter, if required by the Bond Indenture.

(i) No offering document of the character typically furnished in connection with the initial offering of municipal securities was prepared in connection with the initial offering of the Bonds, and the Purchaser's decision to purchase the Bonds was made in the absence of such offering materials.

(j) The Purchaser acknowledges that it has received and read copies of the Bond Indenture, the Loan Agreement and the other Financing Documents, and such other documents relating to material matters in connection with the Bonds as the Purchaser deemed relevant or material, and that the Bonds will be issued pursuant to the terms of the Financing Documents.

(k) The Purchaser understands that (i) the Bonds and the issue of which they form a part constitute special, limited obligations of the Issuer, payable solely from the revenues pledged to the payment thereof pursuant to the Loan Agreement, and the funds and accounts held under and pursuant to the Bond Indenture and pledged therefor; (ii) under no circumstances shall the Issuer be obligated for payment of the Bonds; (iii) the Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Issuer, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions; (iv) the Issuer does not pledge its faith or credit nor the faith or credit of the State of Iowa nor any political subdivision of the State of Iowa to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds; (v) the issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Iowa or any political subdivision of the State of Iowa to apply money from or levy or pledge any form of taxation whatsoever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto; and (vi) the Issuer has no taxing power.

(l) The Purchaser acknowledges that it had access to and received information from the Borrower and has had the opportunity to ask questions of, and request additional information from, the

Borrower regarding the information provided to it and any other matters that the Purchaser considered to be relevant or material to the Purchaser's decision to purchase the Bonds.

(m) The Purchaser acknowledges that the Bonds are a speculative investment; that there is a high degree of risk in investing in the Bonds; and that the Purchaser is capable of suffering a loss of the entirety of its investment, which is represented by the Bonds. The Purchaser acknowledges that it can bear the economic risk associated with a purchase of high-risk securities such as the Bonds and that it has such knowledge and experience in business and financial matters so as to be capable of evaluating the merits and risks of an investment in the Bonds on the basis of its information and review described herein.

(n) The Purchaser understands that the Bonds (i) are not being registered under the Securities Act and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state due to exemptions from registration provided for therein, (ii) will not be listed on any stock or other securities exchange, and (iii) will carry no rating from any rating service.

(o) The Purchaser is purchasing the Bonds solely for its own account for investment purposes only, and not with a view to, or in connection with, any planned distribution, resale, fractionalization, subdivision or other transfer or disposition thereof, but reserves the right to sell Bonds subject to the restrictions in this Investment Letter and the Bond Indenture. The Purchaser acknowledges that the transfer of the Bonds is restricted to denominations of Bonds in "Authorized Denominations" only, being minimum denominations of not less than \$100,000, or any integral multiples of \$5,000 in excess thereof.

This letter may be executed in several counterparts, if applicable, each of which shall be regarded as an original document and all of which shall constitute one and the same document. Executed counterparts transmitted electronically shall be binding on the undersigned. The exchange of copies of this letter and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this letter as to the undersigned and may be used in lieu of the original manual signature pages for all purposes, having the same validity, legal effect, and admissibility in evidence as an original manual signature.

Very truly yours,

[_____], as Purchaser

By: _____
[_____]
[_____]

Exhibit E
Loan Agreement

LOAN AGREEMENT

Dated as of May 1, 2023

Between

IOWA FINANCE AUTHORITY

And

LIFESPACE COMMUNITIES, INC.

Relating to:

\$52,500,000

Iowa Finance Authority

Revenue Bonds

(Lifespace Communities, Inc.)

Series 2023A

Certain of the rights, title and interest of the Iowa Finance Authority in this Loan Agreement have been pledged and assigned to U.S. Bank Trust Company, National Association, as Bond Trustee under a Bond Trust Indenture dated as of May 1, 2023, between the Authority and the Bond Trustee.

LOAN AGREEMENT

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LOAN AGREEMENT

THIS LOAN AGREEMENT (this “**Loan Agreement**”), dated as of May 1, 2023, by and between the **IOWA FINANCE AUTHORITY**, a public instrumentality and agency of the State of Iowa (the “**Authority**”), and **LIFESPACE COMMUNITIES, INC.**, a nonprofit corporation organized and existing under the laws of the State of Iowa (the “**Corporation**”);

RECITALS

1. The Authority is authorized under Chapter 16 of the Code of Iowa, as amended (the “**Act**”), to issue revenue bonds for the purpose of defraying the costs of organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which is exempt from federal income taxes under Section 501(a) of the Code, and to refund revenue bonds and refinance existing indebtedness of such organizations.

2. The Corporation has requested that the Authority make a loan to the Corporation for the purpose of providing funds (a) to fund, pursuant to the Fourth Amended Chapter 11 Plan of the Plan Sponsors Dated February 17, 2023 (as further amended, supplemented, or otherwise modified from time to time, the “**Plan**”) filed in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division case In re: Northwest Senior Housing Corporation, et al., in settlement of any potential claims against the Corporation relating to its affiliation with Northwest Senior Housing Corporation d/b/a Edgemere, a Texas nonprofit corporation, and Senior Quality Lifestyle Corporation, a Texas nonprofit corporation, and in exchange for full releases and exculpation provided under the Plan: (i) initial payments to a residents trust (the “**Residents Trust**”) and (ii) a bond settlement contribution payment (the “**Edgemere Bond Contribution**”) to UMB Bank, N.A., as successor bond trustee under certain bond trust indentures (the “**Edgemere Bond Trustee**”) and (b) to pay certain costs associated with the issuance of the Bonds.

3. In order to provide funds to make the loan to the Corporation, the Corporation has requested the Authority to issue its \$52,500,000 principal amount of Revenue Bonds, (Lifespace Communities, Inc.), Series 2023A (the “**Bonds**”), pursuant to the Act and a Bond Trust Indenture dated as of May 1, 2023 (the “**Bond Indenture**”), between the Authority and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as bond trustee (the “**Bond Trustee**”).

4. As evidence of and further security for the repayment of the loan, the Corporation will issue its Lifespace Communities, Inc. Master Indenture Note, Series 2023A (the “**Note**”), in the principal amount of \$52,500,000 under the Master Trust Indenture dated as of November 1, 2010, as supplemented and amended, among the Corporation, other Members of the Obligated Group (as defined therein), and U.S. Bank Trust Company, National Association, Jacksonville, Florida, as master trustee (the “**Master Trustee**”), and Supplemental Master Trust Indenture No. 13 dated as of May 1, 2023, among the Corporation, Barton Creek Senior Living Center, Inc. and the Master Trustee (said Master Trust Indenture, together with said Supplemental Master Trust Indenture No. 13 and all other amendments and supplements thereto, being referred to herein collectively as the “**Master Indenture**”).

5. The Authority and the Corporation are entering into this Loan Agreement to provide for the loan of the proceeds of the Bonds to the Corporation and the repayment of the Note.

NOW, THEREFORE, in consideration of the premises and the mutual representations, covenants and agreements herein set forth, the Authority and the Corporation do hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.1. Definitions of Words and Terms. Capitalized words and terms used in this Loan Agreement, unless the context requires otherwise, shall have the same meanings as set forth in **Section 101** of the Bond Indenture or **Section 101** of the Master Indenture.

Section 1.2. Rules of Construction.

- (a) The defined terms referred to in this Article include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein or in the Bond Indenture shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles to the extent applicable.
- (c) All references herein to “generally accepted accounting principles” refer to such principles in effect on the date of the determination, certification, computation or other action to be taken hereunder using or involving such terms; provided, as applied to any entity that operates a hospital, extended care facility or other discrete enterprise of a type with respect to which particular accounting principles from time to time shall have been generally adapted or modified, the term “generally accepted accounting principles” shall include the adaptations or modifications.
- (d) All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to be the designated Articles, Sections and other subdivisions of this Loan Agreement.
- (e) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.
- (f) The Article and section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (g) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by the Authority. The Authority represents to the Corporation and the Bond Trustee that:

- (a) *Organization and Authority.* The Authority (1) is public instrumentality and agency of the State, (2) has lawful power and authority to issue the Bonds for the purposes set forth in the Bond Indenture, to enter into, execute and deliver the Bond Indenture and this Loan Agreement and to carry out its obligations thereunder and hereunder, and to pledge and assign the Note, and (3) by all necessary

corporate action has been duly authorized to execute and deliver the Bond Indenture and this Loan Agreement and any other Bond Documents required to be executed and delivered by it in connection with the issuance of the Bonds, acting by and through its duly authorized officers.

(b) *No Defaults or Violations of Law.* The execution and delivery by the Authority of the Bond Documents in which it is named as a party will not result in a breach of any of the terms of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Authority is a party or by which it or any of its property is bound or its bylaws or any of the constitutional or statutory rules or regulations applicable to the Authority or its property.

Section 2.2. Representations by the Corporation. The Corporation represents to the Authority and the Bond Trustee that:

(a) *Organization, Tax-Exempt Status and Authority.* The Corporation (1) is an Iowa nonprofit corporation, duly incorporated and in good standing under the laws of the State of Iowa and in good standing and duly authorized to do business under the laws of the State and in the states in which its facilities are located, (2) is authorized by law to provide or operate independent living, assisted living and nursing facilities in the State and in the states in which its facilities are located, (3) is a Member of the Obligated Group under the Master Indenture, (4) is a Tax-Exempt Organization, has received a letter from the Internal Revenue Service determining that it is a Tax-Exempt Organization, which letter is still in full force and effect, and has not declared and has not been determined to have any “unrelated business taxable income” as defined in Section 512 of the Internal Revenue Code which could have a material adverse effect on its status as a Tax-Exempt Organization or which, if such income were subject to federal income taxation, could have a material adverse effect on its condition, financial or otherwise, (5) has lawful power and authority to enter into, execute and deliver the Bond Documents in which it is named as a party, and to carry out its obligations hereunder and thereunder, and by all necessary corporate action has been duly authorized to execute and deliver the Bond Documents in which it is named as a party, acting by and through its duly authorized officers and (6) the other Members of the Obligated Group, where applicable, have the lawful power and authority to enter into, execute and deliver the Bond Documents to which they are a party, and to carry out their respective obligations thereunder and to deliver the Bond Documents to which they are named as a party.

(b) *No Defaults or Violations of Law; Bond Documents.* The Bond Documents to which the Corporation is a party are the legal, valid and binding obligations of the Corporation. The execution and delivery of the Bond Documents by the Corporation and any other Member in which it is named as a party will not conflict with or result in a breach of any of the terms of, or constitute a default (or would constitute a default with due notice or the passage of time or both) under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation and any other Member is a party or by which it or any of its property is bound or its articles of organization, operating agreement, or any of the rules or regulations applicable to the Corporation or such other Member or their respective property of any court or other governmental body.

There does not exist any corporate restriction or any agreement or instrument to which the Corporation or any other Member is now a party or by which the Corporation, any other Member or any of their respective property is bound, which would prevent the execution and delivery of the Bond Documents, the consummation of the transactions contemplated hereby and thereby, or the ability of the Corporation or such other Member to fulfill the terms and conditions

hereof and thereof, and such execution, delivery, consummation and fulfillment will not result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the facilities of the Corporation or other Member, except for Permitted Encumbrances, or permit any party to seek injunctive relief as to the execution, delivery, consummation or fulfillment of the terms of any of the foregoing.

(c) *Use of Proceeds.* The proceeds of the Bonds will be used by the Corporation or its affiliates solely (1) to fund (i) initial payments to the Residents Trust and (ii) the Edgemere Bond Contribution and (2) to pay the costs of issuing the Bonds.

(d) *Pending Litigation.* Except as disclosed in writing to the Purchaser, no litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation, except: (1) litigation involving claims for professional liability, the probable recoveries in which and the estimated costs and expenses of defense of which, in the opinion of counsel to the Corporation, will be entirely within the Corporation's applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available reserves held under the Corporation's applicable self-insurance program, and (2) litigation involving other types of claims which if adversely determined will not, in the opinion of counsel to the Corporation, materially and adversely affect the financial condition or operations of the Corporation.

In addition, no litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened against the Corporation seeking to restrain, enjoin or in any way limit the approval or issuance and delivery of any Bond Document by the Authority or the Corporation, or which would in any manner challenge or adversely affect the corporate existence or powers of the Corporation to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the Corporation of the terms and provisions of the Bond Documents in which it is named as a party. No litigation, proceedings or investigations are pending or, to the knowledge of the Corporation, threatened in writing against the Corporation, except litigation, proceedings or investigations involving claims for which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of management of the Corporation (i) will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total of the available assets held under applicable self-insurance programs or (ii) will not have a material adverse effect on the operations or condition, financial or otherwise, of the Corporation.

(e) *Financial Statements.* The audited financial statements of the Obligated Group and the unaudited financial statements of the Corporation, all as provided to the Purchaser, correctly and fairly present the financial condition of the Corporation as of the dates and for the periods stated therein, and the results of the operations of the Corporation for each of such periods, respectively, all in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto, and there has been no material adverse change in the condition, financial or otherwise, of the Corporation from that set forth in said financial statements, except as disclosed to the Purchaser.

(f) *Full Disclosure.* The financial statements referred to in paragraph (e) of this Section do not, nor do the Bond Documents or any written statement furnished by the Corporation to the Authority or the Purchaser, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein or herein not misleading. There is

no fact which the Corporation has not disclosed to the Authority in writing which materially affects adversely or, so far as the Corporation can now foresee, will materially affect adversely the financial condition of the Corporation, the Corporation's status as a Tax-Exempt Organization, its ability to own and operate or control its properties or its ability to make the payments hereunder or the ability of the Obligated Group to make payments under this Loan Agreement and the Note when and as the same become due and payable. The statements, information and descriptions contained in the Corporation's closing certificates, as of the date of issuance of the Bonds, are true, correct and complete, do not contain any untrue statement or misleading statement of a material fact, and do not omit to state a material fact required to be stated in such certificates or necessary to make the certifications, representations, warranties, statements, information and descriptions contained in such offering materials, in light of the circumstances under which they were made, not misleading.

(g) *Environmental Matters.* To the best knowledge of the Corporation, in all material respects, (1) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances (collectively, "Hazardous Substances"), as defined in or governed by, or which subject the Corporation or any of its Affiliates, to any damages, penalties or liabilities under, the provisions of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, *et seq.*, or the Superfund Amendments and Reauthorization Act of 1986, as now in effect and as hereafter amended, or any other federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto (collectively, the "Environmental Regulations"), are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the facilities of the Corporation or any of its Affiliates in violation of any Environmental Regulations; (2) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the facilities of the Corporation or any of its Affiliates into the environment in violation of any Environmental Regulations; (3) none of the facilities of the Corporation or any of its Affiliates have been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (4) no underground storage tank is now located at the facilities of the Corporation or any of its Affiliates, or has previously been located therein and removed therefrom, in violation of any Environmental Regulations (except for underground storage tanks for which all required permits have been obtained and that are in full compliance with all Environmental Regulations); (5) no violation of any Environmental Regulations now exists relating to the facilities of the Corporation or any of its Affiliates, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the facilities of the Corporation or any of its Affiliates by any governmental entity or agency which in any way relates to Hazardous Substances; (6) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (1) above; (7) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under, over or from the facilities of the Corporation or any of its Affiliates; (8) none of the facilities of the Corporation or any of its Affiliates is listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (9) none of the facilities of the Corporation or any of its Affiliates is subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

(h) *The Master Indenture.* The Note, upon its issuance, will constitute a Master Note (as defined in the Master Indenture) secured by and entitled to the benefits of the Master Indenture. The Bonds, upon their issuance, will constitute Related Bonds (as defined in the Master Indenture). All representations, warranties, covenants or other obligations made herein in the name of the Obligated Group shall be interpreted as representations, warranties, covenants or other obligations by the Corporation and by each other Member of the Obligated Group.

All representations of the Corporation contained herein or in any certificate or other instrument delivered by the Corporation pursuant hereto, to the Master Indenture or the Bond Indenture, or in connection with the transactions contemplated hereby and thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

ARTICLE III

LOAN TO THE COMPANY

Section 3.1. Loan of Funds to the Corporation.

(a) The Authority hereby agrees that, simultaneously with the execution and delivery of this Loan Agreement, it will make a loan to the Corporation, using the proceeds of the sale of the Bonds, and the Corporation agrees to receive the loan from the Authority, for the purposes set forth herein and in the Bond Indenture. Upon the terms and conditions of this Loan Agreement and the Bond Indenture, the Authority shall make a loan to the Corporation by loaning to the Corporation the proceeds of the sale of the Bonds. The loan shall be made by depositing or transferring the Bond proceeds as provided in **Section 402** of the Bond Indenture. The Corporation approves the Bond Indenture and the issuance of the Bonds by the Authority. The obligation of the Authority to make the loan as herein provided shall be subject to the receipt by it of the proceeds of the sale of the Bonds.

(b) As an inducement for the Authority to issue the Bonds and make the loan to the Corporation, and as evidence of and security for the Corporation's obligations to make Loan Payments, and to further provide for the Loan Payments hereunder and the payment of the principal of and premium, if any, and interest on the Bonds, the Corporation shall cause the Note to be issued under the Master Indenture to the Authority and pledged and assigned to the Bond Trustee in substantially the form specified by the Supplemental Master Indenture.

(c) The Corporation shall pledge to the Authority all its right, title and interest in and to the proceeds of the loan, including any securities purchased with those proceeds and any earnings thereon, to secure the payment of the Bonds, such pledge to be effected by the deposit of such proceeds in accordance with **Section 402** of the Bond Indenture. Such pledge shall continue so long as such proceeds are held by the Bond Trustee, it being understood that the Bond Trustee shall be authorized to apply and disburse such proceeds as provided in the Bond Indenture and **Article IV**. The Corporation consents to the Authority assigning and pledging its interest in such proceeds to the Bond Trustee (other than the Unassigned Authority Rights) to secure the payment of the Bonds as set forth in the Bond Indenture.

(d) The proceeds of the Bonds shall be deposited with the Bond Trustee and disbursed and applied as provided in **Article IV** of the Bond Indenture.

ARTICLE IV

LOAN PAYMENTS AND OTHER PAYMENTS

Section 4.1. Loan Payments.

(a) *Loan Payments.* The Corporation will duly and punctually pay amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds on the dates and at the places and in the manner specified in the Bond Indenture and in this Loan Agreement, according to the true intent and meaning thereof and hereof. The Corporation agrees to make payments at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, premium, if any, and principal whether at maturity or by mandatory redemption upon the Bonds from time to time Outstanding under the Bond Indenture. To provide for the payment of the principal of and premium, if any, and interest on the Bonds, the Corporation shall make the following payments directly to the Bond Trustee, for the account of the Authority, for deposit in the Debt Service Fund, on the following dates, and otherwise as set out below:

(1) *Debt Service Fund -- Interest:* On or before the 10th day of each month, commencing June 10, 2023, an amount which is equal to the interest to become due on the next Interest Payment Date; provided that the Corporation may be entitled to certain credits on such payments as permitted under **subsection (b)**.

(2) *Debt Service Fund -- Principal:* On or before the 10th day of each month, commencing June 10, 2024, an amount which is equal to one-twelfth of the installment of principal due on the Bonds on the next May 15 by maturity or mandatory sinking fund redemption; provided that the Corporation may be entitled to certain credits on such payments as permitted under **subsection (b)**.

(3) *Debt Service Fund – Redemption or Term-Out:* On or before the date required by this Loan Agreement or the Bond Indenture, the amount required to redeem Bonds then Outstanding (i) if the Corporation exercises its right to redeem Bonds under any provision of the Bond Indenture or if any Bonds are required to be redeemed (other than pursuant to mandatory sinking fund redemption) under any provision of the Bond Indenture or (ii) to make the Term-Out Payments required pursuant to **Section 202(f)** of the Bond Indenture.

The payments required to be made by this **subsection (a)** are sometimes hereinafter referred to herein as “Loan Payments.”

Unpaid Loan Payments shall bear interest at the rate or rates of interest applicable to the corresponding payments on the Bonds. Any interest charged and collected on an unpaid Loan Payment shall be deposited to the credit of the Debt Service Fund and applied to pay interest on overdue amounts in accordance with **Section 707** of the Bond Indenture.

(b) *Credits on Loan Payments.* Notwithstanding any provision contained in this Loan Agreement or in the Bond Indenture to the contrary, in addition to any credits on the Loan Payments resulting from the payment or prepayment of Loan Payments from other sources:

(1) any moneys deposited by the Bond Trustee or the Corporation in the Debt Service Fund for the payment of interest (including moneys received as accrued interest from the sale of Bonds and any initial deposit made from the proceeds of the sale of the Bonds) shall be credited against the obligation of the Corporation to pay interest on the Bonds as the same become due;

(2) any moneys deposited by the Bond Trustee or the Corporation in the Debt Service Fund for the payment of principal shall be credited against the obligation of the Corporation to pay principal of the Bonds as the same become due or are subject to mandatory sinking fund redemption in the order of maturity thereof, except that prepayments for purposes of making an optional deposit into the Debt Service Fund for the redemption of Bonds shall be applied to the maturities of principal of the Bonds to be redeemed or purchased, delivered and cancelled from the proceeds of such optional deposit;

(3) the principal amount of Bonds of any maturity purchased by the Corporation and delivered to the Bond Trustee, or purchased by the Bond Trustee and cancelled, shall be credited against the obligation of the Corporation to pay principal of the Bonds so purchased (including installment payments corresponding to mandatory sinking fund payments, if any, on the Bonds); provided that deposit of a Bond of one maturity may not be credited against a payment which would be used, in the normal course, to retire a Bond of another maturity; and

(4) the amount of any moneys transferred by the Bond Trustee from any other fund held under the Bond Indenture and deposited in the Debt Service Fund for the payment of interest or principal shall be credited against the obligation of the Corporation to pay interest or principal, as the case may be, as the same become due.

Section 4.2. Purchase Price of Tendered Bonds. The Corporation may pay to the Bond Trustee, at the times and in the amounts and manner therein specified, the amounts sufficient in order to purchase any Bonds tendered for purchase pursuant to the Bond Indenture; provided, however, that the amounts paid by the Corporation under this paragraph shall be reduced by the amounts made available for such purpose from the proceeds of the remarketing of such Bonds by the Remarketing Agent deposited in the Bond Purchase Fund under the Bond Indenture. The Corporation authorizes and directs the Bond Trustee to apply the payments made by the Corporation under this paragraph to the payment of the purchase price of Bonds.

Section 4.3. Additional Payments. The Corporation will make the following Additional Payments to the following persons:

(a) *Authority Fees and Expenses.* To the Authority, (i) on or before the initial issuance of the Bonds, its application and issuance fees, plus expenses of the Authority in connection with the issuance of the Bonds, including reasonable fees and disbursements of its counsel, and (ii) upon demand, all expenses, including attorneys' fees and any expenses, incurred

by the Authority in relation to the Bonds and the transactions contemplated by the Bond Documents.

(b) *Bond Trustee Fees and Professional Fees.* To the Bond Trustee and any Paying Agent, registrars, counsel, accountants, engineers and other Persons when due, all reasonable fees, charges and expenses of such Persons for services rendered under the Bond Indenture and under any of the Bond Documents and expenses incurred in the performance of such services under the Bond Indenture and any of the Bond Documents for which such Persons are entitled to payment or reimbursement.

(c) *Advances.* To the Bond Trustee, the amount of all advances of funds made by it under **Section 8.6**, with interest thereon at the rate of interest per annum equal to the Prime Rate plus 1%.

(d) *Rebate Payments.* To the Bond Trustee, all rebate payments required under Section 148(f) of the Internal Revenue Code.

(e) *Indemnification of Authority and Bond Trustee.* The Corporation will, at its expense, pay and indemnify the Authority and the Bond Trustee and their respective current, former and future members, directors, officers and employees and agents from and against, all costs, expenses and charges, including reasonable counsel fees, incurred in enforcing any covenant or agreement of the Corporation or any other Member of the Obligated Group contained in any Bond Document. Such indemnification of the Authority shall be in addition to and not in lieu of the indemnification provisions contained in **Section 5.3** or in any other provision of this Loan Agreement.

(f) *Trustee Replacement Fees.* To the Bond Trustee, any successor trustee and the Authority, an amount equal to all fees and expenses, including fees and expenses of Bond Trustee's and Authority's counsel, in connection with the removal and replacement of the Bond Trustee.

(g) *Taxes and Assessments.* All taxes and assessments of any type or character charged to the Authority or to the Bond Trustee affecting the amount available to the Authority or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee; provided that the Corporation shall have the right to protest any such taxes or assessments and to require the Authority or the Bond Trustee, at the Corporation's expense, including reasonable attorneys' fees, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Bond Trustee.

(h) *Accountants and Expert Fees.* The other reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement or the Bond Indenture.

(i) *Other Payments.* All other payments of whatever nature which the Corporation has agreed to pay or assume under this Loan Agreement.

Additional Payments shall be billed to the Corporation by the Authority or the Bond Trustee, or by the accountants, consultants, attorneys and other experts engaged by the Authority or the Bond Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Authority or the Bond Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within 30 days after receipt of the bill by the Corporation unless required by this section to be paid at a different time.

Section 4.4. Assignment and Pledge of Authority's Rights; Obligations of the Corporation Unconditional. As security for the payment of the Bonds, the Authority will assign and pledge to the Bond Trustee all right, title and interest of the Authority in and to this Loan Agreement and the Note, including the right to receive payments hereunder and thereunder (except the Unassigned Authority Rights), and hereby directs the Corporation to make said payments directly to the Bond Trustee. The Corporation herewith assents to such assignment and pledge and will make payments directly to the Bond Trustee without defense or set-off by reason of any dispute between the Corporation and the Authority or the Bond Trustee, and hereby agrees that its obligation to make payments hereunder and to perform its other agreements contained herein are absolute and unconditional. Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment of the Bonds made in accordance with the Bond Indenture, the Corporation shall pay all Loan Payments and Additional Payments due under this Loan Agreement and perform its obligations, covenants and agreements under this Loan Agreement, without notice or demand, and without abatement, deduction, set-off, counterclaim, recoupment or defense or any right of termination or cancellation arising from any circumstances whatsoever, whether now existing or hereafter arising, and any change in the tax or other law of the United States of America, the State or any political subdivision of either thereof, any change in the Authority's legal organization or status, or any default of the Authority hereunder, and regardless of the invalidity of any action of the Authority, and regardless of the invalidity of any portion of this Loan Agreement, and, to the extent permitted by law, the Corporation hereby waives the provisions of any statute or other law now or hereafter in effect contrary to any of its obligations, covenants or agreements under this Loan Agreement or which releases or purports to release the Corporation therefrom. It is the intent of this Loan Agreement that the Corporation shall be unconditionally and absolutely obligated to perform fully all of its obligations, agreements and covenants under this Loan Agreement and the Note for the benefit of the Owners of the Bonds. In furtherance of the foregoing, the Corporation shall bear all risk of damage or destruction in whole or in part to the facilities of the Corporation or any part of any thereof, including any loss, complete or partial, or interruption in the use, occupancy, or operation of the facilities of the Corporation or related property, or any manner or thing that for any reason interferes with, prevents or renders burdensome the use or occupancy of the facilities of the Corporation or related property or the compliance by the Corporation with this Loan Agreement.

Section 4.5. Prepayment of the Loan Payments. The Corporation shall have and is granted the option to prepay from time to time the amounts payable under this Loan Agreement in sums sufficient to redeem or to pay or cause to be paid all or part of the Bonds in accordance with the Bond Indenture. The Authority consents to the Corporation having the power to redeem Bonds subject to optional redemption under the Bond Indenture. Whenever any Bonds shall have been called for redemption under any provision of the Bond Indenture, the Corporation shall prepay the Loan Payments in such amounts required to redeem such Bonds, including the principal, premium, if any, and accrued interest thereon to the redemption date. The Corporation may also prepay all or any portion of the Loan Payments by

providing for the payment of all or any portion of the Bonds in accordance with **Article XI** of the Bond Indenture.

ARTICLE V

COVENANTS OF THE CORPORATION

Section 5.1. Covenants under the Master Indenture or the Bond Indenture. The Corporation will faithfully perform and comply with all obligations and covenants contained in the Master Indenture, except to the extent they are waived thereunder. The Corporation will deliver to the Bond Trustee all reports, certificates, opinions and other documents required by the Master Indenture to be submitted to the Master Trustee at the times they are required to be submitted to the Master Trustee.

Any Opinions of Bond Counsel required by the Master Indenture that relate to the Bonds shall be addressed and delivered to the Bond Trustee and the Authority in addition to the Master Trustee.

The Corporation shall faithfully perform and comply with all covenants, obligations, representations, undertakings and duties of the Corporation stated in the Bond Indenture. Each such provision with respect to the Corporation in the Bond Indenture shall be an obligation of the Corporation as if fully set forth in this Loan Agreement.

Section 5.2. Indemnification.

The Corporation will, to the fullest extent permitted by law, protect, indemnify and save the Authority and the Bond Trustee and its respective past, present and future members, directors, officers, agents, and employees and any person who controls the Authority or the Bond Trustee within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Authority and the Bond Trustee), taxes, causes of action, suits, claims, demands and judgments in connection with the transaction contemplated by this Loan Agreement or arising from or related to the issuance or sale of the Bonds, including but not limited to:

- (i) any injury to or death of any person or damage to property in or upon the facilities of the Corporation or growing out of or connected with the use, non-use, condition or occupancy of the facilities of the Corporation or any part thereof, including any and all acts or operations relating to the acquisition or installation of property or improvements. The foregoing indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Corporation, customers, suppliers or affiliated organizations under any Workers' Compensation Acts, Disability Benefit Acts or other employee benefit acts;
- (ii) violation of any agreement, provision or condition of this Loan Agreement, the Bonds or the Bond Indenture, except a violation by the party seeking indemnification;
- (iii) violation by the Corporation of any contract, agreement or restriction which shall have existed at the commencement of the term of this Loan Agreement or shall have been approved by the Corporation;

(iv) violation by the Corporation of any law, ordinance, court order or regulation affecting the facilities of the Corporation or a part thereof or the ownership, occupancy or use thereof;

(v) any statement or information relating to the expenditure of the proceeds of the Bonds contained in the Tax Agreement or similar document furnished by the Corporation to the Authority or Bond Trustee which, at the time made, is misleading, untrue or incorrect in any material respect; and

(vi) any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale of the Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Bonds could be sold.

Promptly after receipt by the Authority or any such other indemnified person, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the Corporation under this Section, such person will notify the Corporation in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Corporation shall assume the defense of such action (including the employment of counsel, who shall be counsel subject to the approval of the Authority, which approval shall not be unreasonably withheld, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the Corporation, the Authority or any such other indemnified person shall have the right to employ separate counsel of their own choice in any such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of the Corporation. The Corporation shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The provisions of this Section shall survive payment and discharge of the Bonds and the resignation or removal of the Bond Trustee.

Section 5.3. Tax Covenants. Concurrently with the execution of this Loan Agreement the Corporation and the Authority shall execute and deliver the Tax Agreement. The Corporation will not take any action or permit any action to be taken that would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds and will take whatever action, or refrain from whatever action, necessary to comply with the requirements of the Internal Revenue Code to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Corporation will comply with the Tax Agreement and will pay or provide for payment to the United States Government or the Bond Trustee, all rebate payments required under Section 148(f) of the Internal Revenue Code and the Tax Agreement, to the extent such amounts are not available to the Bond Trustee in the Rebate Fund held under the Bond Indenture. This covenant shall survive payment in full or defeasance of the Bonds. The Corporation shall direct the Bond Trustee to make all payments required under Section 148(f) of the Internal Revenue Code and the Tax Agreement to the extent such funds are held with the Bond Trustee.

Section 5.4. Environmental Matters and Indemnification. The Corporation shall not store, locate, generate, product, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Materials in, upon, under, over or from the facilities of the Corporation in material violation of any Environmental Regulations (as defined in **Section 2.2(g)**), shall not permit any

Hazardous Materials to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in material violation of any Environmental Regulations, shall cause all Hazardous Materials to be properly removed therefrom and properly disposed of as required by and in accordance with all applicable material Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in material violation of any Environmental Regulations, and shall comply with all other material Environmental Regulations which are applicable to the facilities of the Corporation.

The Corporation, to the extent allowed by law, shall indemnify and hold harmless from and against and reimburse the Authority and the Bond Trustee and their respective current, former and future members, directors, officers, servants, employees and agents for any and all claims, demands, orders, charges, lawsuits, actions, judgments, penalties, fines, liabilities, costs, damages and expenses, including court costs and attorneys' fees directly or indirectly incurred by the Authority or the Bond Trustee and their respective current, former and future members, directors, officers, servants, employees and agents (prior to trial, at trial and on appeal) in any action against or involving the Authority and the Bond Trustee and their respective current, former and future members, directors, officers, servants, employees and agents resulting from any breach of the foregoing covenants, or from the discovery of any Hazardous Materials in, upon, under or over, or emanating from, the facilities of the Corporation, whether or not the Corporation is responsible therefor, it being the intent of the Corporation, the Authority and the Bond Trustee that the Authority and the Bond Trustee and their respective current, former and future members, directors, officers, servants, employees and agents shall have no liability or responsibility for damage or injury to human health, the environmental or natural resources caused by, for abatement and/or clean-up of, or otherwise with respect to, Hazardous Materials by virtue of the interest of the Authority and the Bond Trustee in the facilities of the Corporation pursuant to this Loan Agreement, or hereafter created, or as a result of the Authority or the Bond Trustee exercising any of its rights or remedies with respect thereto hereunder or under any other instruments, including but not limited to becoming the owner thereof by foreclosure or conveyance in lieu of foreclosure. The foregoing covenants contained in this Section and the responsibilities and warranties of the Corporation contained in **Section 2.2(h)** shall be deemed continuing covenants, representations and warranties for the benefit of the Authority and the Bond Trustee and their respective current, former and future members, directors, officers, servants, employees and agents, and any successors and assigns of the Authority and the Bond Trustee, including but not limited to any purchaser at a foreclosure sale, any transferee of the title of the Bond Trustee for any other purchaser at a foreclosure sale, and any subsequent owner of the facilities of the Corporation, and shall survive the satisfaction or release of this Loan Agreement, the Bond Indenture or any other instrument, and/or any acquisition of title to the facilities of the Corporation or any part thereof by the Authority or the Bond Trustee, by deed in lieu of foreclosure or otherwise. Any amounts covered by the foregoing indemnification shall bear interest from the date incurred at the Prime Rate and shall be payable on demand.

"Hazardous Materials" means any substance, material or waste which is (a) petroleum; (b) asbestos; (c) polychlorinated biphenyls; (d) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, as amended or listed pursuant to Section 307 of the Clean Water Act, as amended; (e) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, as amended; (f) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, as amended; or (g) subject to regulation as a hazardous chemical substance pursuant to Section 6 of the Toxic Substance Control Act, as amended.

The Corporation will permit the Purchaser, the Authority or the Bond Trustee (or such Persons as the Purchaser, the Authority or the Bond Trustee may designate) to visit and inspect any of the properties of the Corporation in order to determine compliance with environmental regulations and any state or local environmental matters, all at such reasonable times and as often as may be reasonably requested, but the Authority and the Bond Trustee shall have no duty to undertake any such visit or inspection.

Section 5.5. Continuing Disclosure.

The Corporation, as the Obligated Group Representative, will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Loan Agreement, failure of the Corporation to comply with the Continuing Disclosure Agreement shall not be considered an event of default under this Loan Agreement; however, any Bondowner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Corporation to comply with its obligations under this Section. For purposes of this Section, “Beneficial Owner” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

Section 5.6. Certificate of Compliance. The Corporation will deliver to the Bond Trustee and the Authority within six months after the end of each Fiscal Year of the Corporation an Officer’s Certificate executed on its behalf by the Corporation Representative stating that:

- (a) A review of the activities of the Corporation during such Fiscal Year and of performance hereunder has been made under supervision of the Corporation Representative; and
- (b) The Corporation Representative is familiar with the provisions of the Bond Documents and to the best of the Corporation Representative’s knowledge, based on such review and familiarity, the Corporation has fulfilled all of its obligations hereunder throughout such Fiscal Year and no Event of Default hereunder or under any of the Bond Documents has occurred and is continuing and no event has occurred which with the passage of time or the giving of notice or both would constitute such an Event of Default.

Section 5.7. Information Provided to the Authority and Bondowners. The Corporation agrees that it will annually on or before August 15 of each year furnish the Authority with a statement of the amount of the Outstanding Bonds as of the immediately preceding June 30. In addition, the Corporation shall provide the Authority with any other information which may from time to time be requested concerning the Bonds according to the rules and interpretations of the Governmental Accounting Standards Board required to be disclosed concerning conduit debt obligations.

In addition, the Corporation will furnish any item specified in **Sections 415** of the Master Indenture at the times specified therein to any Owner of Bonds at the time Outstanding that requests the same in writing to the Corporation.

Section 5.8. No Constitutional Debt; Limited Obligations. It is understood and agreed by the Corporation and the Bondowners that no covenant, provisions or agreement of the Authority herein or in the Bonds or in any other document executed by the Authority in connection with the issuance, sale and delivery of the Bonds, or any obligation herein or therein imposed upon the Authority or breach thereof, shall give rise to a pecuniary liability of the Authority, its directors, officers, employees or agents or a charge against the Authority’s general credit or general fund or shall obligate the Authority, its directors, officers, employees or agents financially in any way except with respect to the Bond Indenture,

the funds and accounts held thereunder and the application of revenues therefrom and from this Loan Agreement, and from the proceeds of the Bonds. No failure of the Authority to comply with any term, condition, covenant or agreement herein or in the Bond Indenture shall subject the Authority, its directors, officers, employees or agents to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from the Bond Indenture, the funds and accounts held thereunder and the application of revenues therefrom and from this Loan Agreement and from the proceeds of the Bonds. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit or general fund of the Authority. In making the agreements, provisions and covenants set forth herein, the Authority has not obligated itself except with respect to the Bond Indenture and the funds and accounts held thereunder and the application of revenues therefrom and from this Loan Agreement, and from the proceeds of the Bonds, as hereinabove provided.

The Bonds constitute special, limited obligations of the Authority, payable solely from proceeds of the Bonds, the revenues pledged to the payment thereof pursuant to this Loan Agreement, and the funds and accounts held under and pursuant to the Bond Indenture and pledged therefor. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Authority, the State of Iowa or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Authority does not pledge its faith or credit nor the faith or credit of the State nor any political subdivision of the State to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State or any political subdivision of the State to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Authority has no taxing power.

It is further understood and agreed by the Corporation and the Bondowners that the Authority, its directors, officers, employees or agents shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto, all of which the Corporation agrees to pay. If, notwithstanding the provisions of this Section, the Authority, its directors, officers, employees or agents incur any expense, or suffer any losses, claims or damages or incurs any liabilities, the Corporation will indemnify and hold harmless the Authority, its directors, officers, employees or agents from the same and will reimburse the Authority, its directors, officers, employees or agents in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Authority, its directors, officers, employees or agents shall survive payment and discharge of the Bonds.

ARTICLE VI

TERM AND TERMINATION OF LOAN AGREEMENT

Section 6.1. Term of Loan Agreement. This Loan Agreement shall be effective concurrently with the initial delivery of the Bonds and shall continue in force and effect until the principal of and premium, if any, and interest on the Bonds have been fully paid (or provision for their payment shall have been made in accordance with **Article XI** of the Bond Indenture) together with all fees, charges, indemnities and expenses to which the Authority and the Bond Trustee are entitled from the Corporation under this Loan Agreement and the Note (the payment of which fees, charges, indemnities and expenses shall be evidenced by a written certification of the Corporation that it has fully paid or provided for all such fees, charges, indemnities and expenses).

Section 6.2. Defeasance. If the Corporation shall pay and discharge or provide for the payment or redemption and discharge of the whole amount of the principal of and premium, if any, and interest on the Note and Bonds at the time Outstanding as provided in the Bond Indenture, and shall pay or cause to be paid all rebate amounts required under Section 148(f) of the Internal Revenue Code and all other sums payable hereunder, including amounts payable to the Authority and the Bond Trustee, or shall make arrangements satisfactory to the Authority and the Bond Trustee for such payment or redemption and discharge, then and in that case such Note and Bonds shall cease to be entitled to any lien, benefit or security under this Loan Agreement or any other Bond Document, and all covenants, agreements and obligations of the Corporation contained herein (except as otherwise specifically provided herein) shall thereupon cease, terminate and become void; provided that the Owners of the Bonds shall be entitled to payment thereof at the times and in the manner stipulated therein and in the Bond Indenture from the sources provided for such payment, and all property, rights and interest hereby assigned or pledged shall revert to the Corporation, and the right, title and interest of the Authority therein shall thereupon cease, terminate and become void, and this Loan Agreement, and the covenants of the Corporation contained herein, shall be discharged and the Authority, in such case on demand of the Corporation and at the Corporation's cost and expense, and upon compliance with the Bond Indenture, shall execute and deliver to the Corporation a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement, and shall assign and transfer or cause to be assigned or transferred, and shall deliver or cause to be delivered to the Corporation, all property, including money, then held by the Authority or the Bond Trustee with respect to the Bonds, other than moneys and Defeasance Obligations deposited with the Bond Trustee for the payment of the principal of and premium, if any, or interest on the Bonds, together with the Note marked paid or cancelled.

ARTICLE VII

DEFAULT AND REMEDIES

Section 7.1. Events of Default. The occurrence and continuance of any of the following events shall constitute an "Event of Default" hereunder:

(a) failure of the Corporation to pay the Loan Payments or any installment of interest or principal, or any premium, on the Note when the same shall become due and payable, whether at maturity or upon any date fixed for prepayment or redemption or by acceleration or otherwise; or

(b) default in the performance, or breach, of any covenant or agreement of the Corporation in this Loan Agreement or the Tax Agreement (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this Section), and continuance of such default or breach for a period of 60 days after there has been given to the Corporation by the Bond Trustee or to the Corporation and the Bond Trustee by the owners of at least 10% in principal amount of the Bonds Outstanding, a written notice specifying such default or breach and requiring it to be remedied or such longer period as shall be required to remedy such default if such default cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied, and the Corporation has immediately upon receipt of such notice commenced the curing of such default and is pursuing such cure with due diligence and dispatch; or

(c) any representation or warranty made by the Corporation in this Loan Agreement or any other Bond Document or in any written statement or certificate furnished by the Corporation to the Authority or the Bond Trustee, the Placement Agent, or the Purchaser in connection with the sale of any Bonds, or furnished by the Corporation pursuant hereto proves untrue in any material respect as of the date of the issuance or making thereof and, if the same may be corrected or brought into compliance so that the interests of the Bond Trustee, the Authority and the Bondowners are not materially adversely affected by such untruth, shall not be corrected or brought into compliance within 60 days after there has been given to the Corporation by the Bond Trustee or to the Corporation and the Bond Trustee by the Owners of at least 10% in principal amount of the Bonds Outstanding, a written notice specifying such untruth and requiring it to be remedied or such longer period as is required to remedy such untruth if such untruth cannot be fully remedied within such 60-day period, but can reasonably be expected to be fully remedied and the Corporation has immediately upon receipt of such notice commenced the curing of such untruth and is pursuing such cure with due diligence and dispatch; or

(d) any “Event of Default” specified in the Bond Indenture or the Master Indenture that has not been waived.

Promptly after any officer of the Corporation may reasonably be deemed to have knowledge of a default hereunder, the Corporation will deliver to the Bond Trustee a written notice specifying the nature and period of existence thereof and the action the Corporation is taking and proposes to take with respect thereto.

Section 7.2. Remedies. During the occurrence and continuance of any Event of Default hereunder, the Bond Trustee, as assignee of the Authority, shall have the following rights and remedies, in addition to any other remedies herein or by law provided:

(a) *Acceleration of Maturity; Waiver of Event of Default and Rescission of Acceleration.* The Bond Trustee as assignee of the Authority, if the Bond Trustee has declared the principal of all Bonds then Outstanding to be due and payable pursuant to **Section 702** of the Bond Indenture shall, by written notice to the Master Trustee, the Obligated Group Representative and the Corporation request the Master Trustee to declare the principal of the Note and the Loan Payments to be due and payable immediately pursuant to **Section 802** of the Master Indenture (but the Note and the Loan Payments shall become and be immediately due and payable as a result of such request only if the Master Trustee shall declare it to be due and payable in accordance with said Section). This provision, however, is subject to the condition that if, at any time after the principal of the Note shall have been so declared and become due and payable, all arrears of interest and principal then due, if any, upon the Note and the fees, costs, advances and expenses of the Authority and the Bond Trustee shall be paid by the Corporation, and every other default in the observance or performance of any covenant, condition or agreement contained in this Loan Agreement and the Note shall be made good, or be secured, to the satisfaction of the Bond Trustee, or provision deemed by the Bond Trustee to be adequate shall be made therefor, and the acceleration of the Bonds and its consequences has been annulled or rescinded pursuant to **Section 702** of the Bond Indenture then and in every such case the Bond Trustee, by written notice to the Master Trustee, the Corporation and the Obligated Group Representative, may request the Master Trustee to waive the Event of Default by reason of which the principal of the Note shall have been so declared and become due and payable and to rescind and annul such declaration and its consequences; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(b) *Right to Bring Suit, Etc.* The Bond Trustee may in its discretion without notice or demand (1) proceed to protect and enforce its rights by a suit or suits in equity or at law, whether for damages or for the specific performance of any covenant or agreement contained in the Note or this Loan Agreement, or in aid of the execution of any power herein or therein granted or for the enforcement of any other appropriate legal or equitable remedy, as the Bond Trustee shall deem effectual to protect and enforce any of its rights or duties hereunder or thereunder or (2) avail itself of all other rights or remedies available to it.

If the Bond Trustee exercises any of its rights under this Article, it shall give notice of such exercise to the Corporation (i) in writing in the manner provided in **Section 9.4** and (ii) by telephone or Electronic Means, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this Article.

Notwithstanding any provision herein to the contrary, the Authority shall have the exclusive right to enforce the Unassigned Authority Rights.

Section 7.3. Application of Moneys Collected. Any moneys collected by the Bond Trustee pursuant to this Article (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Bond Trustee as part of the Trust Estate, shall be applied as provided in **Article VII** of the Bond Indenture and, in case of the distribution of such money on account of principal or premium, if any, or interest on the Bonds, shall be credited against Loan Payments due hereunder.

Section 7.4. Remedies Cumulative. No remedy conferred upon or reserved to the Authority or the Bond Trustee in this Loan Agreement, the Note or any other document or instrument is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder and under the Bond Indenture, now or hereafter existing at law or in equity or by statute.

Section 7.5. Delay or Omission Not Waiver. No delay or omission of the Bond Trustee to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or an acquiescence therein; and every power and remedy given by this Loan Agreement to the Bond Trustee may be exercised from time to time and as often as may be deemed expedient by the Bond Trustee.

Section 7.6. Bond Trustee's Right to Perform the Corporation's Covenants. In the event the Corporation shall fail to (a) pay any tax, charge, assessment or imposition pursuant hereto, (b) remove any lien, encumbrance or charge pursuant hereto, (c) maintain the facilities of the Corporation in repair pursuant hereto, (d) procure the insurance required by the Master Indenture or pay any insurance premium with respect thereto, (e) pay any amount required to be rebated to the United States Government pursuant to the requirements of Section 148(f) of the Internal Revenue Code when due, or (f) make any other payment or perform any other act required to be performed hereunder, then and in each such case the Bond Trustee, as assignee of the Authority, may (but shall not be obligated to) remedy such default for the account of the Corporation and make advances for that purpose. No such performance or advance shall operate to release the Corporation from any such default or prejudice any rights of the Bond Trustee or the Bondowners arising under any of the Bond Documents in consequence of such failure. Any sums so advanced by the Bond Trustee shall bear interest at the Prime Rate plus 1%, whichever is greater, from

the date of the advance until repaid. The Bond Trustee shall have the right to enter the facilities of the Corporation or any portion thereof in order to effectuate the purposes of this Section.

Section 7.7. Right of Bond Trustee to Enforce the Note and this Loan Agreement. The Note, this Loan Agreement, and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority hereunder and thereunder may be protected and enforced in conformity with the Bond Indenture and (except for the Unassigned Authority Rights) may be thereby assigned by the Authority to the Bond Trustee as additional security for the Bonds and may be exercised, protected and enforced for or on behalf of the Bondowners in conformity with the provisions of this Loan Agreement and the Bond Indenture.

Section 7.8. Right of Entry. The duly authorized agents of the Bond Trustee, as assignee of the Authority, shall have the right at all reasonable times to enter the facilities of the Corporation, or any parts thereof, for the purpose of inspecting the facilities of the Corporation to insure compliance with the provisions of this Loan Agreement, the Master Indenture and the Act.

ARTICLE VIII

ASSIGNMENTS

Section 8.1. Consent to Assignment of the Loan Agreement and the Note. The Corporation acknowledges and consents to the pledge and assignment of the Loan Payments and the Authority's rights under this Loan Agreement and the Note (excluding the Unassigned Authority Rights) to the Bond Trustee, pursuant to the Bond Indenture, to secure payment of the Bonds, and agrees that the Bond Trustee may enforce the rights, remedies and privileges granted to the Authority hereunder, other than the rights of the Authority to decline to execute and deliver supplements and amendments to this Loan Agreement pursuant to **Section 9.1**. The Bond Trustee is a third party creditor-beneficiary of this Loan Agreement.

Section 8.2. Assignment by the Corporation. This Loan Agreement may be assigned, as a whole or in part, by the Corporation without the necessity of obtaining the consent of the Bond Trustee, subject to each of the following conditions:

(a) No assignment shall relieve the Corporation from primary liability for any obligations hereunder, and in the event of any such assignment the Corporation shall continue to remain primarily liable for payment of the amounts specified in **Article IV** and for performance and observance of the other agreements on its part herein provided to be performed and observed by the Corporation to the same extent as though no assignment had been made, unless such assignment is pursuant to a merger permitted under the Master Indenture in which the Corporation is not the surviving entity and the surviving entity has assumed such liability;

(b) The assignee shall assume the obligations of the Corporation hereunder to the extent of the interest assigned;

(c) The Bond Trustee and the Authority shall have received an Opinion of Bond Counsel, in form and substance satisfactory to the Bond Trustee, to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance, whether or not

contemplated on any date of the delivery of the Bonds, would not cause the interest payable on the Bonds to become includable in gross income under the Internal Revenue Code; and

(d) The Corporation shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Bond Trustee a true and complete copy of each assignment and assumption of obligation.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Amendments, Changes and Modifications. Subject to the terms, conditions and provisions of the Bond Indenture, the Corporation and the Authority may from time to time enter into such Supplemental Loan Agreements as to them may seem necessary or desirable to effectuate the purposes or intent hereof; provided that after the issuance of any Bonds and before their payment in full (or provision thereof having been made in accordance with the provisions of the Bond Indenture), this Loan Agreement may not be amended, changed, modified, altered or terminated without the written consent of the Bond Trustee required by the Bond Indenture.

Section 9.2. Instruments of Further Assurance. The Authority and the Corporation covenant and agree that the Corporation will and the Authority may do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Loan Agreements, and such further acts, instruments, financing statements and other documents as the Bond Trustee may reasonably require for the better assuring, pledging and assigning unto the Bond Trustee the property and revenues herein described, to the payment of the principal of and interest on the Bonds and as may reasonably be required for carrying out the provisions of this Loan Agreement at the expense of the Corporation; provided that such acts, instruments, financing statements and other documents to be performed or executed by the Authority are acceptable to the Authority. The Corporation will, at its expense, take all necessary action to keep this Loan Agreement in full force and effect so long as payments are due hereunder. This Loan Agreement, all supplements to this Loan Agreement, the Note, and all other Bond Documents and other documents, instruments or policies of insurance required by the Bond Trustee shall be delivered to and held by the Bond Trustee.

Section 9.3. Payments Due on Saturdays, Sundays and Holidays. In any case where the day for any payment due under this Loan Agreement shall be a Saturday, a Sunday or a legal holiday or a day on which banking institutions in the city of payment are authorized by law to close, then payment need not be made on such date but may be made on the next succeeding business day not a Saturday, a Sunday or a legal holiday or a day upon which banking institutions are authorized by law to close with the same force and effect as if made on the date fixed for payment, and no interest shall accrue for the period after such date.

Section 9.4. Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper required by this Loan Agreement to be given to or filed with the Authority, the Bond Trustee or the Corporation if the same is given or filed in the manner and at the addresses specified in the Bond Indenture.

Section 9.5. The Authority and the Corporation. Whenever under the provisions of this Loan Agreement the approval of the Authority or the Corporation is required or the Authority or the Corporation are required to take some action at the request of the other, such approval or such request shall be given for the Authority by the Authority Representative and for the Corporation by a Corporation Representative, the Bond Trustee and any party hereto shall be authorized to act on any such approval or request.

Section 9.6. Immunity of Officers, Employees, Directors, Members and Agents of the Authority and the Corporation. No recourse shall be had for the payment of the principal of or premium or interest on the Note or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Loan Agreement contained against any past, present or future officer, member, employee, director or agent of the Authority or the Corporation, or, respectively, of any successor public or private entity thereto, as such, either directly or through the Authority, the Corporation, or respectively, any successor public or private entity thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Loan Agreement and the issuance of the Note.

Section 9.7. No Violations of Law. Any other term or provision in this Loan Agreement to the contrary notwithstanding:

- (a) In no event shall this Loan Agreement be construed as:
 - (1) depriving the Authority of any right or privilege; or
 - (2) requiring the Authority or any member, officer, director, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else,

which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and

- (b) At no time and in no event will the Corporation permit, suffer or allow any of the proceeds of the Bonds or the Note to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

Section 9.8. Authority Not Liable. Notwithstanding any other provision of this Loan Agreement or any other Bond Document, (a) the Authority shall not be required to take action under this Loan Agreement unless the Authority (i) is requested in writing by an appropriate Person to take such action and (ii) is assured of payment of or reimbursement for any expense incurred in taking such action, and (b) except with respect to any action for specific performance or any action in the nature of a prohibitory or mandatory injunction, neither the Authority nor any official, officer, member, director, agent, employee, officer or servant of the Authority shall be liable to the Corporation, any other Member of the Obligated Group, the Bond Trustee or any other Person for any action taken by the Authority or by its officials, officers, members, directors, agents, employees or servants, or for any failure to take action under this Loan Agreement or any other Bond Document. In acting under this Loan Agreement, or in refraining from acting under any other Bond Document, the Authority may conclusively rely on the advice of its counsel.

Notwithstanding any provision or obligation to the contrary set forth herein, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Authority or to give rise to a charge upon the general credit of the Authority, the liability of the Authority hereunder shall be limited to its interest in the facilities of the Corporation, this Loan Agreement, the Note, and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Authority herein contained, any obligation it may incur for the payment of money shall not be a debt of the Authority, nor shall the Authority be liable on any obligation so incurred. The Authority does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, commissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Corporation hereunder and under the Note, as further provided herein. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Corporation if a default shall occur hereunder.

Under this Loan Agreement and the Bond Indenture the Authority has delegated certain of its duties hereunder to the Corporation and to the Bond Trustee. The fact of such delegation shall be deemed a sufficient compliance by the Authority to satisfy its obligation to perform the duties so delegated, and the Authority shall not be liable in any way by reason of acts done or omitted by the Corporation or the Bond Trustee. The Authority shall have the right at all times to act in reliance upon any authorization, representation or certification of the Corporation or the Bond Trustee.

Section 9.9. Severability. In the event that any provision of this Loan Agreement shall be held invalid or unenforceable by any court or competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.10. Execution Counterparts; Electronic Transactions. This Loan Agreement is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Loan Agreement is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument. In addition, the transaction described herein may be conducted and related documents may be sent, received and stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 9.11. Governing Law. This Loan Agreement is governed by the laws of the State of Iowa, without regard to the choice of law rules of the State of Iowa. Venue for any action under this Loan Agreement to which the Authority is a party shall lie within the district courts of the State of Iowa, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 9.12. Binding Effect. The covenants, agreements and conditions herein contained shall be binding upon and inure to the benefit of the parties hereto, the Bond Trustee and the Owners of the Bonds and their respective successors and assigns. The Bond Trustee and the Owners of the Bonds are third-party beneficiaries of this Loan Agreement to the extent of their rights hereunder.

Section 9.13. Bond Indenture Provisions. The Bond Indenture provisions concerning the Bonds and other matters therein are an integral part of the terms and conditions of the loan made by the Authority to the Corporation pursuant to this Loan Agreement, and the execution of this Loan Agreement

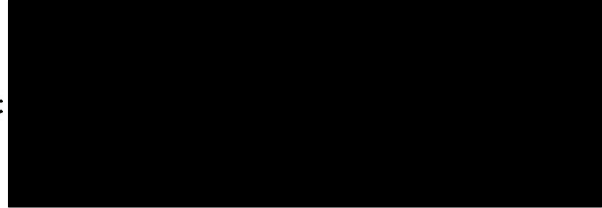
shall constitute conclusive evidence of approval of the Bond Indenture by the Corporation to the extent it relates to the Corporation. Additionally, the Corporation agrees that whenever the Bond Indenture, by its terms, imposes a duty or obligation upon the Corporation, such duty or obligation shall be binding upon the Corporation to the same extent as if the Corporation were an express party to the Bond Indenture, and the Corporation hereby agrees to carry out and perform all of its obligations under the Bond Indenture as fully as if the Corporation were a party to the Bond Indenture.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Authority and the Corporation have caused this Loan Agreement to be executed as of the day and year first above written.

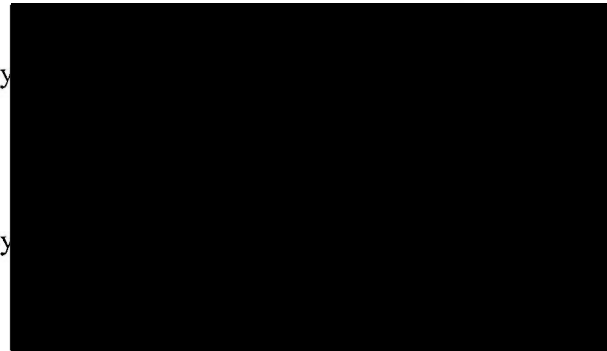
IOWA FINANCE AUTHORITY

By:



LIFESPACE COMMUNITIES, INC.

By



By

Exhibit F
Consultant's Report

COMPILATION OF A FINANCIAL PROJECTION

LIFESPACE OBLIGATED GROUP

**FOR THE YEAR ENDING
DECEMBER 31, 2023**

**LIFESPACE OBLIGATED GROUP
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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Obligated Group
Des Moines, Iowa

Management is responsible for the accompanying projected consolidated financial statements of the Obligated Group (as defined herein), which comprises the projected consolidated statement of financial position as of December 31, 2023, the related projected consolidated statement of operations and changes in net deficits, and projected consolidated cash flows for the year then ending, the projected consolidated schedule of financial ratios for the year ending December 31, 2023, and the related summaries of significant projection assumptions and accounting policies in accordance with the guidelines for presentation of a financial projection established by the American Institute of Certified Public Accountants ("AICPA"). We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the projected consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these projected consolidated financial statements or the assumptions.

Even if the hypothetical assumptions described on page 7 (the "Hypothetical Assumptions") occurs, the projected results may not be achieved, as there will usually be differences between the projected and actual results because events and circumstances frequently do not occur as expected and those differences may be material.

Management's projection has been prepared for the specific purpose of presenting the projected consolidated statement of financial position, projected consolidated statement of operations and changes in net deficits, and projected consolidated statement of cash flows for the Obligated Group. The projection is prepared on the basis of the financial reporting provisions specified in the original master trust indenture dated as of November 1, 2010 and most recently amended November 1, 2022, to comply with the requirements of the agreement. This presentation of the projected consolidated financial statements differs from accounting principles generally accepted in the United States of America ("GAAP") in that the Obligated Group excludes the accounts of certain entities that would otherwise be required to be consolidated under GAAP. **Accordingly, the projection is not intended to be a presentation in conformity with U.S. generally accepted accounting principles.**

The accompanying projection and this report are intended solely for the information and use of the board of directors and management of the Obligated Group, HJ Sims, and the Master Trustee for purposes of satisfying Section 413, *Permitted Debt*, of the Master Trust Indenture, Section 5.06, *Debt*, of the Continuing Covenant Agreement dated August 1, 2021 with BMO Harris Bank, N.A. and the Continuing Covenant Agreement dated November 1, 2022 with BMO Harris Investment Company, LCC is not intended to be and should not be used, by anyone other than these specified parties.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Orlando, Florida
May 24, 2023

LIFESPACE OBLIGATED GROUP
PROJECTED STATEMENT OF OPERATIONS AND CHANGES IN NET DEFICIT
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEAR ENDING DECEMBER 31, 2023
(IN THOUSANDS)

	2023
REVENUES	
Resident Service Revenue	\$ 307,938
Entrance Fees Earned and Nonrefundable Fees	35,103
Investment Income, Net	11,292
Other	339
Total Revenues	354,672
OPERATING EXPENSE	
Salaries and Benefits	163,885
General and Administrative	77,072
Plant Operations	21,637
Housekeeping	1,382
Dietary	27,298
Medical and Other Resident Care	14,259
Depreciation	48,364
Amortization	7,777
Interest	33,502
Total Expenses	395,175
Deficit of Revenues Over Expenses	(40,503)
Other Changes in Net Assets	
Contributions to Edgemere	(68,960)
Change in Net Deficits	(109,463)
Net Deficits Beginning of Year	(261,997)
NET DEFICITS END OF YEAR	\$ (371,460)

See Summary of Significant Projection Assumptions and Accounting Policies
and Independent Accountants' Compilation Report

LIFESPACE OBLIGATED GROUP
PROJECTED STATEMENT OF CASH FLOWS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEAR ENDING DECEMBER 31, 2023
(IN THOUSANDS)

	2023
Cash Flows from Operating Activities	
Change in Net Assets	\$ (109,463)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Entrance Fees Earned	(35,103)
Proceeds from Nonrefundable Entrance Fees and Deposits	23,060
Depreciation and Amortization	56,141
Amortization of Financing Costs	707
Net Accretion of Original Issue Premium and Discount on Bonds	(1,953)
Net Purchases of Trading Investments	(17,769)
Contributions to Edgemere	68,960
Changes in Assets and Liabilities That Used Cash:	
Accounts and Other Receivables, Inventories, and Prepaid Insurance and Other	(1,972)
Accounts Payable and Accrued Liabilities	(2,974)
Net Cash Used in Operating Activities	(20,365)
Cash Flows from Investing Activities	
Purchases of Property and Equipment - Routine	(29,896)
Purchases of Property and Equipment - Project	(34,584)
Increase in Principal and Interest Funds	(5,930)
Decrease in Project Funds	83,737
Decrease in Wait List Deposits	623
Lifespace Corporate Bond Purchase	(10,000)
Net Cash Provided by Investing Activities	3,951
Cash Flows from Financing Activities	
Financing Costs Incurred	(3,540)
Proceeds from New Financings	52,500
Repayment of Long-Term Debt	(11,108)
Payments on Leases	(310)
Proceeds from Refundable Entrance Fees and Deposits	130,675
Refunds of Refundable Entrance Fees	(76,977)
Contributions to Edgemere	(68,960)
Net Cash Provided by Financing Activities	22,281
Net Increase in Cash, Cash Equivalents, and Restricted Cash	5,867
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	136,887
Cash, Cash Equivalents, and Restricted Cash - End of Year	\$ 142,754
Supplemental Cash Flow Information	
Cash Paid for Interest	\$ 31,374
Cash and Cash Equivalents	\$ 44,005
Restricted Cash included in Assets Whose Use is Limited	98,749
Total Cash, Cash Equivalents, and Restricted Cash	\$ 142,754

See Summary of Significant Projection Assumptions and Accounting Policies
and Independent Accountants' Compilation Report

LIFESPACE OBLIGATED GROUP
PROJECTED STATEMENT OF FINANCIAL POSITION
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
DECEMBER 31, 2023
(IN THOUSANDS)

	2023
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 44,005
Investments in Trading Portfolio, Excluding Those Whose Use is Limited	136,461
Accounts and Other Receivables	16,286
Accounts Receivable: Accrued Interest on Lifespace Corporate Bond	550
Receivable from Lifespace Communities, Inc.	896
Prepaid Insurance, Inventory, and Other	6,697
Assets Limited as to Use - Current	16,012
Total Current Assets	220,907
Investments: Lifespace Corporate Bond Purchase	10,000
Assets Limited as to Use	
Operating Reserve Funds	21,632
Renewal and Replacement Reserve Funds	11,240
Debt Service Reserve Funds	32,359
Principal and Interest Funds	11,250
Funded Interest Funds	4,663
Pennsylvania Liquid Reserve	53
Project Funds	27,014
Cost of Issuance Funds	10
Entrance Fee Deposits	12,780
Wait List Deposits	1,215
Team Member Appreciation Funds	89
Total Assets Limited as to Use	122,305
Less Current Portion of Assets Limited as to Use	(16,012)
Net Assets Limited as to Use	106,293
Property and Equipment, Net	
At Cost	1,450,918
Less: Accumulated Depreciation	(635,589)
Total Property and Equipment, Net	815,329
Goodwill, Net of Accumulated Amortization	29,636
Deferred Expenses, Net of Accumulated Amortization	2,620
Intangible Asset, Net of Accumulated Amortization	7,899
TOTAL ASSETS	\$ 1,192,684

See Summary of Significant Projection Assumptions and Accounting Policies
and Independent Accountants' Compilation Report

LIFESPACE OBLIGATED GROUP
PROJECTED STATEMENT OF FINANCIAL POSITION
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
DECEMBER 31, 2023
(IN THOUSANDS)

	2023
LIABILITIES AND NET DEFICITS	
Current Liabilities	
Accounts Payable	\$ 33,029
Accrued Expenses	18,570
Accrued Interest	3,374
Entrance Fee Refunds	8,975
Reserve for Health Center Refunds	32,635
Long-Term Debt Due within One Year	7,918
Obligation under Operating Leases Due within One Year	127
Obligation under Financing Leases Due within One Year	234
Total Current Liabilities	104,862
Other Liabilities	
Entrance Fee Deposits	7,124
Wait List Deposits	1,215
Long-Term Debt Due after One Year	682,168
Obligation Under Operating Leases Due After One Year	236
Obligation Under Financing Leases Due After One Year	316
Deferred Entrance Fees	171,407
Refundable Entrance and Membership Fees	596,816
Total Other Liabilities	1,459,281
TOTAL LIABILITIES	1,564,144
Net Deficits	
Without Donor Restrictions	(371,460)
Total Net Deficits	(371,460)
TOTAL LIABILITIES AND NET DEFICITS	\$ 1,192,684

See Summary of Significant Projection Assumptions and Accounting Policies
and Independent Accountants' Compilation Report

**LIFESPACE OBLIGATED GROUP
PROJECTED SCHEDULE OF FINANCIAL RATIOS
ASSUMING THE HYPOTHETICAL ASSUMPTIONS ON PAGE 7
FOR THE YEAR ENDING DECEMBER 31, 2023
(IN THOUSANDS)**

DEBT SERVICE COVERAGE RATIO ⁽¹⁾	2023
CHANGE IN NET DEFICITS	\$ (109,463)
NON-CASH ITEMS AND ADD-BACKS:	
Amortization of Deferred Tenant Revenue	(35,103)
Depreciation	48,364
Interest Expense	33,502
Net Cash Received from Turnover Entrance Fees	76,758
Contributions to Edgemere	68,960
INCOME AVAILABLE FOR DEBT SERVICE	\$ 83,018
MAXIMUM ANNUAL DEBT SERVICE	\$ 46,818
PROJECTED DEBT SERVICE COVERAGE RATIO	1.77
DAYS CASH ON HAND ⁽¹⁾	2023
Cash and Cash Equivalents	\$ 44,005
Investments	136,461
TOTAL	\$ 180,466
OPERATING EXPENSES:	\$ 395,175
Less: Depreciation	(48,364)
Amortization of Deferred Finance Costs Included With Interest Expense	(707)
Amortization of Original Issue Premium Included With Interest Expense	1,953
ADJUSTED OPERATING EXPENSES	\$ 348,057
DAILY CASH OPERATING EXPENSES ⁽²⁾	\$ 954
NUMBER OF DAYS OF CASH ON HAND	189

Notes:

(1) Calculations are based on the assumed terms of the Series 2023 Bonds.

(2) Daily cash operating expenses are equal to the adjusted operating expense reflected divided by 365 days.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BACKGROUND AND INFORMATION

Basis of Accounting

The Obligated Group projected consolidated financial statements are not intended to represent the projected consolidated financial position and activities of Lifespace (as defined hereinafter) and all of its subsidiaries. The Master Trust Indenture requires the preparation of the Obligated Group projected consolidated financial statements. Therefore, the Obligated Group projected consolidated financial statements present the financial position and activities of the Obligated Group only and omit any other affiliated entities, which would otherwise be required to be consolidated with the Obligated Group under accounting principles generally accepted in the United States of America.

Basis of Presentation

Lifespace Communities, Inc. ("Lifespace") is an Iowa nonprofit corporation incorporated in 1976. Lifespace established an Obligated Group with 11 communities (the "Obligated Group") under the Master Trust Indenture dated November 1, 2010 and most recently amended November 1, 2022. The Obligated Group is a financial reporting entity only and was created to facilitate financings of the respective Lifespace communities. The accompanying financial projection presents, to the best knowledge and belief of Management (as defined herein) the expected results of operations and changes in net deficits, cash flows, and financial position of the Obligated Group as of and for the year ending December 31, 2023 (the "Projection Period" or the "Projection") assuming that the hypothetical assumptions stated below occur.

Management of the Obligated Group is referred to herein as "Management".

A projection, although similar to a forecast, is a presentation of prospective financial information that is subject to one or more hypothetical assumptions. Management has included assumptions that are considered to be "hypothetical assumptions" as defined by the American Institute of Certified Public Accountants' "Guide for Prospective Financial Information." A hypothetical assumption is defined as follows: "An assumption used in a financial projection or in a partial presentation of projected information to present a condition or course of action that is not necessarily expected to occur, but is consistent with the purpose of the presentation." Management does not need to have a reasonably objective basis for the hypothetical assumption, although the hypothetical assumption should be consistent with the purpose of the projection.

The accompanying financial projection contained herein is estimated by Management. Accordingly, the financial projection reflects Management's judgment as of May 24, 2023, the date of this financial projection, of its expected conditions and its expected course of action during the Projection Period assuming the Hypothetical Assumptions (defined subsequently herein) occur as projected. The assumptions disclosed herein, while not all-inclusive, are those that Management believes are significant to its financial projection. However, even if the Hypothetical Assumptions stated below occur as projected, the projected results may not be achieved, as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying projection and this report are intended solely for the information and use of the board of directors and management of the Obligated Group, HJ Sims, and the Master Trustee for purposes of satisfying Section 413, *Permitted Debt*, of the Master Trust Indenture, and is not intended to be and should not be used, by anyone other than these specified parties.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Hypothetical Assumptions

Management has prepared its financial projection assuming the following "Hypothetical Assumptions":

- Financing of the Series 2023 Bonds (as defined herein) are funded through the issuance of \$52,500,000 direct placed bonds at the terms and rates reflected herein;
- The Obligated Group purchases a \$10,000,000 Lifespace Corporate Bond at the terms and rates reflected herein;
- The Obligated Group contributes \$10,000,000 of equity at the time of the financing;
- The Obligated Group services its existing debt as disclosed herein;
- The Obligated Group does not make any additional draws or repayments on its lines of credit other than as projected;
- Assumptions regarding the operations of the Obligated Group Communities (as defined herein) occur as projected; and
- Assumptions regarding entrance fee receipts and refunds occur as projected.

Hypothetical assumptions are not derived from sources which are based upon supporting documentation such as contracts, agreements or other empirical data.

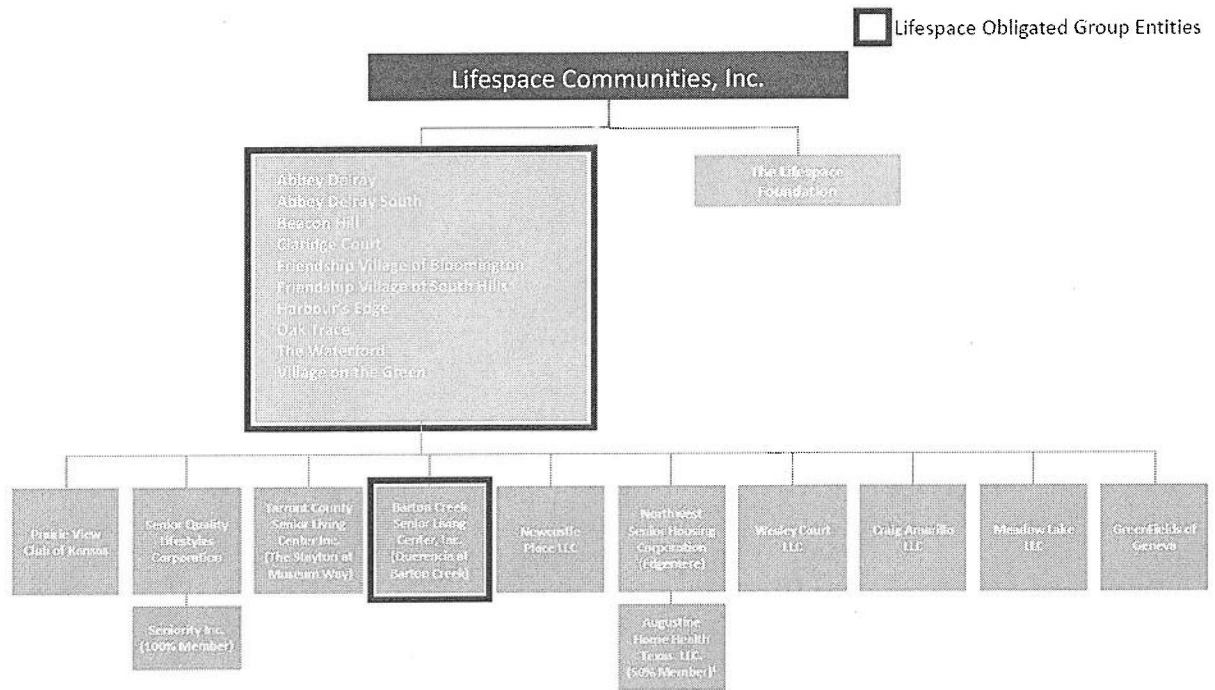
Obligated Group

Lifespace is an Iowa nonprofit corporation operated exclusively for charitable purposes as set forth in Section 501(c)(3) of the Internal Revenue Code of 1986 (the "Code"), as amended, under which the Obligated Group has been granted exemptions from federal income tax.

Affiliated Entities

The Obligated Group entities are affiliates of the following charitable organizations, all of which are exempt from federal income taxation under Section 501(a) of the Code by virtue of being charitable organizations described in Section 501(c)(3) of the Code (collectively, the "Affiliated Entities").

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES



SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

The Affiliated Entities are not responsible for the debts or other obligations of the Obligated Group. The Obligated Group is solely obligated to pay debt service on its outstanding debt and to pay its other financial obligations. Accordingly, the projected consolidated financial statements only include the projected financial results of the Obligated Group, and do not include the financial results of any of its Affiliated Entities.

Lifespace provides multiple services to the Obligated Group, including accounting, compliance, construction management, corporate governance, financing, human resources, information technology, insurance, legal, management, marketing, risk management, and treasury. Lifespace allocates home office expenses to all the communities it operates.

The Obligated Group Communities

The 11 communities creating the Obligated Group (the "Communities") are as follows:

- Abbey Delray in Delray Beach, Florida;
- Abbey Delray South in Delray Beach, Florida;
- Beacon Hill in Lombard Illinois;
- Claridge Court in Prairie Village, Kansas;
- Friendship Village of Bloomington in Bloomington, Minnesota;
- Friendship Village of South Hills in Upper St. Clair, Pennsylvania;
- Harbour's Edge in Delray Beach, Florida;
- Oak Trace in Downers Grove, Illinois;
- Querencia in Austin, Texas;
- The Waterford in Juno Beach, Florida; and
- Village on the Green in Longwood Florida.

The Communities are comprised of a variety of unit types and levels of care, including independent Living apartments, carriage homes, villages, and town houses (the "Independent Living Units"), assisted living apartments (the "Assisted Living Units"), memory support apartments (the "Memory Support Units") and skilled nursing beds (the "Skilled Nursing Beds"). The following is a brief description of each Community:

Abbey Delray: Positioned on 27 acres in Delray Beach, Florida, The Abbey Delray Community opened in 1979. It is comprised of 327 Independent Living Units, 48 Assisted Living Units, 30 Memory Care Units, and 100 Skilled Nursing Beds. Of these units, the Assisted Living and Memory Care Units were recently added in 2020. The common areas include an outdoor heated pool and spa, exercise room, game room, card rooms, computer room, library, gathering place, auditorium, and dining room. Additional amenity areas include a salon and art studio. The Assisted Living Units and Memory care Units have their own common areas. The Health Center provides private rooms, a physical therapy room, arts and crafts therapy area, dining rooms and lounges.

Abbey Delray South: Positioned on 32 acres in Delray Beach, Florida, The Abbey Delray South Community opened in 1981. It is comprised of 284 Independent Living Units and 74 Skilled Nursing Beds. The common areas include dining rooms, lounges, a library, game rooms, a fitness center, activities center, indoor pickle ball court, heated outdoor swimming pool, a nine-hole putting green, personal laundry facilities, a convenience store with pharmacy coordination, and a beauty and barber shop.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Beacon Hill: Positioned on 19.5 acres in Lombard, Illinois, The Beacon Hill Community opened in 1984. It is comprised of 372 Independent Living Units and 110 Skilled Nursing Beds. The common areas include options for dining, lounges, two libraries, game rooms, a swimming pool, heated garage, personal laundry facilities, guest apartments, beauty/barber shop, an art studio, crafts and woodworking areas, an auditorium, fitness center, pantry, and banking facilities. Outdoor areas include gardens, walking paths, and two putting greens.

Claridge Court: Positioned on 19.5 acres in Prairie Village, Kansas, The Claridge Court Community opened in 1995. It is comprised of 125 Independent Living Units and 45 Skilled Nursing Beds. Common areas include an auditorium, formal dining room, private dining room, bistro, pub, guest suites, library, lounge/card room, a computer room, exercise room, and beauty shop. The health center includes a physical therapy room, arts and craft therapy area, and separate dining rooms and lounges. All building are connected by common corridors and elevators, and there is an underground parking garage.

Friendship Village of Bloomington: Positioned on 25 acres in Bloomington, Minnesota, the Friendship Village at Bloomington Community opened in 1979. It is comprised of 380 Independent Living Units, 42 Assisted Living Units, 32 Memory Support Units, and 66 Skilled Nursing Beds. Of these units, the Assisted Living Units, Memory Support Units and Skilled Nursing Beds were recently relocated to newly constructed facilities on campus, and 90 of the Independent Living Units are newly constructed. Common areas include rooms for large and small meetings, multiple dining options, lounges, a library, café, billiards room, auditorium, personal laundry facilities, beauty/barber shop, bank, fitness center with an indoor swimming pool, computer room and crafts and woodworking areas. Outdoor areas include gardens, putting green, decks, and patios.

Friendship Village of South Hills: Positioned on 73 acres in St. Clair, Pennsylvania, the Friendship Village of South Hills Community opened in 1984. It is comprised of 287 Independent Living Units, 50 Assisted Living Units, 32 Memory Care Units, and 89 Skilled Nursing Beds. Of these units, the Assisted Living and Memory Care Units were recently added in 2019. Common areas include rooms for large and small meetings, multiple dining options, lounges, a library, billiards room, assembly room, performing arts center, cinema, personal laundry facilities, sports bar, bank, a convenience store, storage lockers, beauty/barbers hop, fitness center, art studio, computer lab and crafts and woodworking area. Outdoor areas include gardens, a bocce court, and a horseshoe court.

Harbour's Edge: Positioned on 20 acres in Delray Beach, Florida, the Harbour's Edge Community opened in 1987. It is comprised of 266 Independent Living Units and 54 Skilled Nursing Beds. The Community features a fine dining restaurant, a bistro-style restaurant and private dining options. Common areas include a wellness center, outdoor heated/cooled swimming pool, whirlpool, sauna, and putting green, bocce court, polo field, a skeet shooting range, meeting rooms, bar, piano lounge, card rooms, theater, salon, art studio and a library. Guest accommodations are available as well.

Oak Trace: Positioned on 40 acres in Downers Grove, Illinois, the Oak Trace Community was acquired by Lifespace in 2011. It is comprised of 231 Independent Living Units, 66 Assisted Living Units, 28 Memory Care Units, and 104 Skilled Nursing Beds. Of these units, the Assisted Living Units and Memory Support Units were newly added in 2019, and the Skilled Nursing Beds were relocated to a newly constructed expanded facility on campus. The Community features a fine dining restaurant, a casual dining restaurant and private dining options. Common areas include a wellness center, meeting rooms, bar, piano lounge, card rooms, theater, salon, art room, and a library.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Querencia: Positioned on 38 acres in Austin, Texas, the Querencia Community was acquired by Lifespace in 2019. It is comprised of 167 Independent Living Units, 40 Assisted Living Units, 23 Memory Care Units, and 42 Skilled Nursing Beds. Common areas include dining areas, recreation and social areas, an activities and creative arts studio, a fitness and wellness center, media room, living room and lounge areas, library, game/card room, beauty salon, and a covered swimming pool and spa.

The Waterford: Positioned on 15 acres in Juno Beach, Florida, The Waterford Community opened in 1981. It is comprised of 265 Independent Living Units and 60 Skilled Nursing Beds. Common areas include a dining and meeting spaces, lounges, library, billiards room, auditorium, computer lab, fitness center, art studio, woodworking shop, spa, personal laundry facilities, beauty salon, and a crafts area. Outdoor areas include a heated swimming pool, a resistance pool, and spaces for activities.

Village on the Green: Positioned on 76 acres in Longwood, Florida, The Village on the Green Community opened in 1986. It is comprised of 262 Independent Living Units, 36 Assisted Living Units, 18 Memory Care Units, and 48 Skilled Nursing Beds. Of these units, in 2021 20 Independent Living Units were added to the campus, the Assisted Living Units and Memory Support Units were added to the campus, and the Skilled Nursing Beds were relocated to a newly constructed facility on campus. Common areas include areas for dining and meetings, lounges, a library, a game room, and all-purpose room, an exercise room, an outdoor swimming pool, a whirlpool, beauty salons, and crafts and woodworking areas.

The following is a summary of total units operated by level of care at each campus, and their location:

Table 1
The Communities

Community	Location	IL Units	AL Units	MC Units	SNF Beds	Total
Abbey Delray	Delray Beach, Florida	327	48	30	100	505
Abbey Delray South	Delray Beach, Florida	284	-	-	74	358
Beacon Hill	Lombard, Illinois	372	-	-	110	482
Claridge Court	Prairie Village, Kansas	125	-	-	45	170
Friendship Village of Bloomington	Bloomington, Minnesota	380	42	32	66	520
Friendship Village of South Hills	St. Clair, Pennsylvania	287	50	32	89	458
Harbour's Edge	Delray Beach, Florida	266	-	-	54	320
Oak Trace	Downers Grove, Illinois	231	66	28	104	429
Querencia	Austin, Texas	167	40	23	42	272
The Waterford	Juno Beach, Florida	265	-	-	60	325
Village on the Green	Longwood, Florida	262	36	18	48	364
Total		2,966	282	163	792	4,203

Source: Management

Independent Living Units

Residents of the Independent Living Units generally receive one meal a day, lawn and landscape care (if applicable), snow removal (as applicable), trash removal, basic cable television, 24-hour emergency response system access, pest control, regularly scheduled transportation and recreational activities as part of their monthly fee. Most of the Communities offer other services including personal laundry, beauty and barber services, licensed nursing visits, extra meals and meal delivery, and housekeeping services, for an extra charge.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Assisted Living Units

Abbey Delray, Friendship Village of Bloomington, Friendship Village of South Hill, Oak Trace, Querencia and Village on the Green offer assisted living services. The type of care offered by each location is categorized by the license held in the specific state. In most of the other Communities, residents needing limited assistance are provided those services in their Independent Living Unit. Limited assistance can be provided for an additional fee.

Residents of any of the Assisted Living Units generally receive room accommodations, weekly housekeeping and linen services, three meals a day plus snacks, special dietary food items, assistance with medications, assistance with bathing and dressing, scheduled transportation to shopping, physician appointments and activities, and chaplaincy services, as part of their daily rate. Most of the Communities also offer other services, such as personal laundry, beauty and barber services, unscheduled transportation, cable television, personal telephone, outside activities admissions, and guest meals, for an extra charge.

Memory Support Units

Abbey Delray, Friendship Village of Bloomington, Friendship Village of South Hill, Oak Trace, Querencia and Village on the Green offer memory support services.

Memory support is a specialty assisted living program for individuals impacted by the early to mid-stages of Alzheimer's disease or other forms of dementia. Care and services are provided in a secure environment with entry and exit controlled by an electronic keypad system to provide a secure environment that reduces the likelihood of resident elopements. Lifestyle activities are designed to meet the needs of individuals who have memory loss and a focus is placed on retaining the individual's physical and cognitive abilities. Residents of any of the memory care programs at the Communities generally receive room accommodations, weekly housekeeping and linen services, three meals a day plus snacks, special dietary food items, assistance with medications, assistance with bathing and dressing, scheduled transportation to shopping, physician appointments, activity programming, and chaplaincy services, as part of their daily rate. Most of the Communities also offer other services such as personal laundry, beauty and barber services, unscheduled transportation, cable television, personal telephone, outside activities admissions, and guest meals, for an extra charge. Team members working on the memory support program also receive additional education and training on caring for individuals impacted by Alzheimer's disease and dementia.

Skilled Nursing

Residents in any of the Skilled Nursing Beds generally receive room accommodations, activities and social events, housekeeping, linens, personal hygiene supplies, routine nursing supplies and dressings, and three meals a day as part of their daily rate. Most Communities also offer other services, such as personal laundry, beauty and barber services, personal safety devices and guest meals, for an extra charge. All Obligated Group Communities offer skilled nursing services.

Residency Agreements

Admissions

To apply for residency at an Obligated Group Community, a prospective independent living resident must be at least 62 years of age, or be applying for the same residence as a prospective resident who is at least 62 years of age. They are required to complete an application for residency, in which the prospective independent living resident must demonstrate they have sufficient assets and income to meet

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

required financial obligations set by the Community. In addition, the prospective independent living resident is required to complete a physical examination and provide a confidential medical history and medical records to ensure satisfaction of the health and safety requirements of the Community. The Community will consider applications for residence based upon the guidelines for the acceptance of independent living residents. An application for residence at the Community will be accepted only if the applicant demonstrates the ability to live independently and to meet the financial obligations as an independent living resident of the selected Independent Living Unit.

Residency Agreements

The "Residency Agreement" is a contract under which the Organization is obligated, if a prospective resident of the Independent Living Units establishes occupancy, to provide certain services to that prospective resident. All residents executing Residency Agreements are required to pay monthly service fees and an entrance fee. The monthly service fees are based on the type of Independent Living Unit selected by the resident. In addition to the first resident monthly service fee, an additional monthly service fee is payable for a second resident living in an Independent Living Unit. The entrance fee is a lump-sum, one-time payment based on the Independent Living Unit to be occupied by the resident and the type of Residency Agreement selected. Generally, the resident must pay the balance of the entrance fee and the first month's monthly service fee in full before the resident assumes occupancy.

Resident Fee Structure

The Communities offer multiple entrance fee plan options to residents, as follows:

- Type A – The type A extensive contract (the "Type A Contract") is a full-service contract in which the residents (each a "Life Care Resident") agrees to pay an entrance fee and an ongoing monthly fee in exchange for living accommodations and a range of services and amenities. The Type A Contract provides for unlimited nursing care in that Community's Skilled Nursing Beds, Assisted Living Units, and Memory Support Units (if provided at that Community) while the Life Care Resident continues to pay the ongoing monthly fee for their Independent Living Unit, plus charges for additional meals and services.
- Type B – Under the Type B modified contract (the "Type B Contract"), the residents (each a "Limited Life Care Resident") pay an entrance fee and an ongoing monthly fee in exchange for living accommodations and receive certain services and amenities, including limited health care services. Under this type of contract, the Community provides nursing care in Skilled Nursing Beds, Assisted Living Units, and Memory Care Units, if needed, at a discounted market rate.

Entrance fees and monthly fees are reviewed each fiscal year. These fees are adjusted on an individual community basis.

Entrance Fee Refundability. Refund obligations for the Type A and Type B Contracts follow two forms – a return of capital contract or a traditional contract. Under the return of capital contract, a refund of either 90%, 75% or 50% is paid to the Life Care Resident or the Limited Life Care Resident when the contract is terminated or to their estate upon death. The refunds are paid upon the occurrence of two conditions which are: (i) the Independent Living Unit is reoccupied and (ii) the existing residency agreement has been terminated. Under the traditional contract, the entrance fee amortizes over a period of 50 months, over which time the refund amount declines to zero. The Florida communities specifically are required to refund the unamortized portion of the contract within 120 days from the date of notice or 90 days from the time the resident exits the Community.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

The entrance fees and monthly fees vary based on the location of the Community, the size and features of the Independent Living Unit and whether one or two individuals are receiving services. The Communities have varying provisions in their residency agreements; however, all the Communities provide for certain uniform provisions including the following: (i) required payment of an entrance fee, (ii) required monthly fee which increases for dual occupancy, (iii) certain items and services are available for an extra charge such as additional meals, use of the beauty/barber shops, etc., (iv) each residency agreement governs the terms of the applicable health center if a resident chooses to participate in a managed care program as an alternative to Medicare Part A, Medicare Part B, and supplemental insurance coverage, (v) the resident may purchase additional services through personal service providers with whom the resident contract to provide the services, and (vi) all residents of each Community are members of that Community's resident's association which is a self-governing board that meets monthly and is kept informed of the operation of the Community.

The following is a summary of the contract types, entrance fees, and monthly service fees for each Community:

Community	Plan Type	Refundability	Weighted Average Entrance Fee	Weighted Average Monthly Service Fee
Abbey Delray (FL)	Type A	0%	\$228,423	\$3,939
Abbey Delray South (FL)	Type A	0%	\$269,645	\$4,320
Beacon Hill (IL)	Type A	0%, 50%, 90%	\$276,717	\$4,642
Claridge Court (KS)	Type A	90%	\$437,233	\$5,341
Friendship Village of Bloomington (MN)	Type A	0%, 90%	\$469,056	\$4,675
Friendship Village of South Hills (PA)	Type A	0%, 50%, 90%	\$359,586	\$4,847
Harbour's Edge (FL)	Type A	0%, 75%	\$644,866	\$6,880
Oak Trace (IL) ⁽¹⁾	Type A	0%, 50%, 90%	\$316,944	\$4,343
Querencia (TX)	Type A	90%	\$870,692	\$6,934
The Waterford (FL)	Type A	0%	\$281,742	\$4,031
Village on the Green (FL)	Type A	0%, 75%	\$382,103	\$4,958

Source: Management

Notes:

1) Oak Trace also offers a Type B Plan option, with 90% refundability.

Terminations

Termination Prior to Occupancy:

The resident will be entitled to full reimbursement of any monies paid or other property transferred to the Obligated Group within sixty days upon the Obligated Group receiving the resident's written termination of the Residency Agreement and will be released from liability to pay to the Obligated Group any other amount under the Residency Agreement under any one of the following conditions: (i) If the resident terminates the Residency Agreement within ten days of signing the Residency Agreement, (ii) the resident becomes unable to occupy the unit due to illness, injury, or death, or (iii) the Obligated Group does not accept the resident for residency with thirty days of execution of the Residency Agreement.

If the Residency Agreement is terminated for any other reason prior to occupancy, the resident will be entitled to reimbursement of a portion of the monies paid, without interest, less five percent of the entrance fee, which will be retained by the Obligated Group as a processing fee.

See Independent Accountants' Compilation Report

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Termination After Occupancy:

After the resident has assumed occupancy of their residence, the Residency Agreement is subject to termination as follows:

- (i) By the resident at any time upon 120 days' prior written notice to the Obligated Group.
- (ii) By the Obligated Group after the occupancy for certain reasons, upon notice and opportunity to cure as specified in the Residency Agreement, including failure to pay amounts owed, change in resident's conditions, disturbing or violent behavior that is detrimental to the health, safety and well-being of themselves or others, or material breach in contract. The resident may avoid termination by demonstrating to the Obligated Group's reasonable satisfaction that the conduct has been cured.

The Edgemere Bankruptcy Plan

Northwest Senior Housing Corporation, d/b/a Edgemere, is a Lifespace community that is not a part of the Obligated Group. Edgemere is currently under a bankruptcy plan, (the "Plan") which provides for the sale of substantially all of the assets of Edgemere to a third-party buyer as a going concern subject to bidding procedures approved by the court, with the expectation that all current and future resident contracts will be converted from entrance fee contracts to rental contracts, including extinguishment of the associated entrance fee refunds. As part of the Plan, Lifespace has agreed to make contributions to a residents trust (the "Residents Trust") to pay the actuarial assumed value of such refunds, over a 19 year period. Additionally, under the Plan, Lifespace is obligated to make a payment of approximately \$16,500,000 to be distributed to Edgemere creditors. The Obligated Group expects to fund the initial deposit of approximately \$52,460,000 into the Residents Trust and the creditor payment primarily through the issuance of the Series 2023A Bonds, an equity contribution, and a Lifespace Corporate Bond purchase. A summary of the projected sources and uses of funds for the Series 2023A Bonds is provided in the following table based upon data provided by Management and the H.J.Sims and Co (the "Placement Agent").

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

PLAN OF FINANCE

The Obligated Group expects to fund a portion of the aforementioned Plan financial requirements primarily through the issuance of the Series 2023A Bonds, an equity contribution, and a corporate bond purchase by Lifespace (the "Lifespace Corporate Bond"). A summary of the projected sources and uses of funds for the Series 2023A Bonds is provided in the following table based upon data provided by Management and the Placement Agent.

Table 3
Sources and Uses of Funds
(Dollars in Thousands)

Sources of Funds:			
Series 2023A Bonds	\$	52,500	(1)
Equity Contribution		10,000	(2)
Lifespace Corporate Bond Purchase		10,000	(3)
Total Other Sources of Funds		20,000	
Total Sources of Funds	\$	72,500	
Uses of Funds:			
Project Costs:			
Edgemere Trust Deposit	\$	52,460	(4)
Edgemere Creditor Distribution		16,500	(5)
Total Project Costs		68,960	
Cost of Issuance		3,540	(6)
Total Uses of Funds	\$	72,500	

Source: Management and the Placement Agent

Notes to Table 8:

- 1) The Placement Agent has indicated that proceeds from the Series 2023A Bonds will be \$52,500,000 of tax-exempt fixed rate bonds assumed to be issued with an average coupon of 8.00% and a maturity date of May 15, 2043 (the "Series 2023A Bonds"). Interest on the Series 2023A Bonds are projected to be payable monthly beginning in June 2023, and principal payments are projected to be paid annually starting on May 15, 2025. The responsibility for payment of the debt service on the Series 2023A Bonds is expected to be solely that of the Obligated Group.
- 2) Management has projected an equity contribution of approximately \$10,000,000 to be paid by the Obligated Group to help fund the Plan.
- 3) Management has projected that it will purchase a \$10,000,000 Lifespace Corporate Bond to help fund the Plan. The Lifespace Corporate Bond is projected to earn interest of 11% per year with the first interest payment projected to occur on January 1, 2024. The Lifespace Corporate Bond is projected to have a bullet maturity in the year ending December 31, 2033, and will be carried as debt on the books of Lifespace, Inc. and an asset on the Obligated Group.
- 4) Management has projected that proceeds of the Series 2023A Bonds will be deposited into the resident refund trust that will be administered in accordance as required by the Plan.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

- 5) Management has projected that on or about the date of issuance, approximately \$16,500,000 will be distributed to Edgemere creditors.
- 6) Represents the amount Management and the Placement Agent estimate related to legal fees, accounting fees and other costs associated with the proposed issuance of the Series 2023A Bonds.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Obligated Group's projected consolidated financial statements are presented using the accrual basis of accounting.

Basis for Consolidation

The projected consolidated financial statements include the accounts of the consolidated Obligated Group. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of 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, 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

The Obligated Group considers all unrestricted highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Accounts Receivable, Net

The Obligated Group provides an allowance for uncollectible accounts based on the allowance method using Management's judgment. Accounts past due more than 90 days are individually analyzed for collectability. In addition, an allowance is estimated for other accounts based on historical experience of Management. When all collection efforts have been exhausted, the account will be written off against the related allowance.

Other Current Assets

Other Current Assets are assumed to include prepaid expenses and inventory. Inventory consists primarily of food, maintenance supplies, and medical supplies. Inventories are valued at cost determined by the first-in, first-out (FIFO) method. Management has projected these amounts based upon its historical experience operating the Communities.

Investments and Investment Income

Investments are assumed to be primarily invested in pooled common trust funds, consisting of money market investments, fixed income securities, and equity securities. Investments are classified as trading securities and are carried at fair value with realized and unrealized gains and losses included above the performance indicator. Unrealized gains and losses on investments held under donor restrictions, other than perpetual trusts, are reported as net assets under donor restriction. Management has not projected any unrealized gains or losses on investments during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Assets Limited as to Use

Assets limited as to use include employee, resident and future resident funds held in trust by the Obligated Group as a fiduciary, funds held by trustees under debt indenture agreements, an operating reserve fund, bond funds, and funds held as reserves for state requirements. Assets limited as to use which are required for obligations classified as current liabilities are classified as current assets. Assets limited as to use are assumed to be carried at fair value. Management does not assume any changes in the underlying values of the assets limited as to use during the Projection Period that would result in realized or unrealized gains or losses.

Property and Equipment

Property and equipment additions are stated at cost. Depreciation is projected on a straight-line basis for all depreciable assets over estimated useful lives. Management has estimated useful lives of 35 years for buildings and improvements and useful lives ranging from 5-15 years for furniture and fixtures and equipment. For construction in progress costs, depreciation expense is deferred until the projects are completed and placed into service at which time these costs are depreciated over the useful life of the asset. If any of the projects are cancelled, the costs incurred will be expensed in the year determined.

Interest Capitalization

Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets and depreciated over the estimated useful lives by the straight-line method of depreciation.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of assets required. The Obligated Group has elected to amortize goodwill related to the Oak Trace acquisition and the Querencia acquisition on a straight-line basis throughout the Projection Period.

Deferred Expenses

Net deferred expenses are sales costs that are capitalized. Management has projected straight-line amortization based on the life expectancy of the residents during the Projection Period.

Intangible Assets

Intangible assets represent the healthcare bed licenses the Obligated Group obtained as part of the Oak Trace acquisition, as well as the values assigned to residency agreements assumed in the Querencia acquisition. The value of the healthcare bed licenses is not amortized. The value associated with the residency agreements is amortized on a straight-line basis throughout the Projection Period.

Deferred Financing Costs

Financing costs incurred in connection with the issuance of long-term debt are assumed to be recorded as a direct deduction from the carrying amount of that debt, deferred and amortized as interest expense using the straight line method over the term of the related financing, which approximates the effective interest method.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Deferred Tenant Revenue / Refundable Tenant Deposits

Under the terms of the various Residency Agreements for the Independent Living Units at the Community, residents agree to pay an entrance fee and monthly service fees which entitles the residents the use of a residential unit, limited memory care services, as well as certain other services described in the Residency Agreement. In accordance with certain Residency Agreements, a portion of the entrance fee amount is not refundable to the residents. The non-refundable portion is projected to be deferred and amortized into operating revenue over the estimated remaining life expectancy of the resident. Upon termination of those Residency Agreements, any remaining unamortized portion of the deferred revenue is recognized as income. The portion of the entrance fee deposit that is refundable to the resident is reflected as a liability on the projected Statements of Financial Position. The refundable portion of the entrance fee deposit is not amortized to income during the Projection Period.

Obligated to Provide Future Services and Use of Facilities

The Obligated Group will annually review the present value of the net costs of future services and the use of facilities to be provided to current residents and compare that amount with the balance of deferred revenue from entrance fees. If the present value of the estimated net costs of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability will be recorded with the corresponding charge to income. Management has not projected that the present value of the estimated costs of future services and use of facilities will be less than the deferred revenue from entrance fees and as such, Management has projected no liability during the Projection Period.

Revenue Recognition

Resident service revenue is reported at the amount that reflects the consideration to which the Obligated Group expects to be entitled in exchange for providing resident care. These amounts are due from residents, third-party payors (including health insurers and government programs), and others and includes variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. The Obligated Group bills the residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations will be determined based on the nature of the services provided by the Obligated Group. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Obligated Group believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to residents in the facility receiving healthcare services or housing residents receiving services in the facility.

The Obligated Group considers monthly rental for housing services as a separate performance obligation and measures this on a monthly basis, or upon move-out within the month, whichever is shorter. Nonrefundable entrance fees are considered to contain a material right associated with access to future services, which is the related performance obligation. Revenue from nonrefundable entrance fees is recognized ratably in future periods covering a resident's life expectancy using a time-based measurement similar to the output method. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to the residents and customers in a retail setting (for example, gift shop and cafeteria meals) and the Obligated Group does not believe it is required to provide additional goods or services related to that sale.

The Obligated Group will determine the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided

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SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

to uninsured patients in accordance with the Obligated Group's policy and/or implicit price concessions provided to residents. The Obligated Group will determine its estimates of contractual adjustments based on contractual agreements, its policies, and its historical experience after the opening of the Project. The Obligated Group will determine its estimate of implicit price concessions based on its historical collection experience after the opening of the Project.

The Obligated Group has projected it will apply the practical expedient provided by FASB ASC340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that the Obligated Group otherwise would have recognized is one year or less in duration.

Agreements with third-party payors typically provide for payments at amounts less than established charges.

Net Assets

Contributions received will be recorded as an increase in net assets without donor restrictions or with donor restrictions, depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Obligated Group and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Those resources over which the board of directors have discretionary control. Designated amounts represent those revenues that the board has set aside for a particular purpose.

Net Assets With Donor Restrictions – Those resources subject to donor-imposed restrictions that will be satisfied by actions of the Obligated Group or through the passage of time, or those resources subject to a donor-imposed restriction that they be maintained permanently by the Obligated Group. Generally, the donors of these assets permit the Obligated Group to use all or part of the income earned on related investments for program purposes. Management has not projected any net assets with donor restrictions during the Projection.

Unconditional promises to give cash and other assets are accrued at estimated fair market value at the date each promise is received. The gifts are reported as net assets with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, net assets are released and reported as an increase in net assets without donor restrictions. Donor-restricted contributions whose restrictions are met within the same reporting period as received are recorded as contributions without donor restriction.

Income Taxes

The Obligated Group received a determination letter from the IRS that it is an organization exempt from federal income tax under Section 501(a) of the Code as a corporation described in Section 501(c)(3) of the Code; accordingly, no provision for income taxes has been made in the projected consolidated financial statements. The Obligated Group's income tax returns are subject to review and examination by federal, state, and local authorities. The Obligated Group is not aware of any activities that would jeopardize its tax-exempt status. The Obligated Group reports any activities that are subject to tax on unrelated business income or excise or other taxes and files all proper returns related to these activities.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Performance Indicator

The projected statement of operations and changes in net deficits include a measurement of excess of net revenues over expenses as a performance indicator. Changes in net deficits without donor restrictions which are excluded from the performance indicator, consistent with the industry practice, include transfer to affiliate.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BASIS FOR PROJECTION OF REVENUES AND ENTRANCE FEES

Resident Service Revenue

Resident service revenue for the Obligated Group is primarily based on the monthly service fees projected to be charged to residents and the projection utilization of the Independent Living Units and Memory Support Units.

Independent Living Units

Management has projected resident services revenue based upon historical experience and its plans for operating the Independent Living Units during the Projection Period.

The following table presents the projected occupancy and projected monthly service fees for the Independent Living Units during the Projection Period.

**Table 4
Independent Living Units
Average Occupancy and Monthly Service Fee
For the Year Ending December 31,**

	2023
Total Available Independent Living Units	2,966
Total Average Independent Living Units Occupied	2,353
Average Occupancy Percentage	79%
Average Monthly Service Fee	\$4,954

Source: Management

Assisted Living

Projected revenue from the Assisted Living Units consists of revenue from operating the Assisted Living Units during the Projection Period. Management has projected resident services revenue based upon historical experience and its plans for operating the Assisted Living Units during the Projection Period.

The following table presents the projected occupancy and projected monthly service fees for the Assisted Living Units during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Table 5
Assisted Living Units
Average Occupancy and Average Monthly Service Fee
For the Year Ending December 31,

	2023
Lifecare Residents	116.4
Direct Admit Residents	142.8
Average Occupied Assisted Living Units	259.2
Average Available Assisted Living Units	282.0
Occupancy Percentage	91.9%
Average Monthly Service Fee	\$6,565

Source: Management

The weighted average monthly service fees for the Assisted Living Units include the utilization of additional services as applicable based upon Management's plans for operating the Assisted Living Units and its historical experience operating the Communities, including lifecare discounts, when applicable.

Memory Support

Projected revenue from the Memory Support Units consists of revenue from operating the Memory Support Units during the Projection Period. Management has projected resident services revenue based upon historical experience and its plans for operating the Memory Support Units during the Projection Period.

The following table presents the projected occupancy and projected monthly service fees for the Memory Support Units during the Projection Period.

Table 6
Memory Support Units
Average Occupancy and Average Monthly Service Fee
For the Year Ending December 31,

	2023
Lifecare Residents	82.8
Direct Admit Residents	65.3
Average Occupied Memory Support Units	148.1
Average Available Memory Support Units	163.0
Occupancy Percentage	90.8%
Average Monthly Service Fee	\$7,092

Source: Management

The weighted average monthly service fees for the Memory Support Units include the utilization of additional services as applicable based upon Management's plans for operating the Memory Support Units and its historical experience operating the Communities, including lifecare discounts, when applicable.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Amortization of Deferred Tenant Revenue

As noted previously herein, the non-refundable portion of entrance fees is deferred and amortized into operating revenue over the estimated remaining life expectancy of the resident.

Assumed Independent Living Unit Turnover

Turnover of the Independent Living Units has been projected by Management based upon its historical experience. Refunds of the entrance fees are generated upon death or termination of the Residency Agreement and withdrawal from Independent Living Unit, subject to the refund terms and timing previously disclosed. The following table presents a summary of projected entrance fee receipts received and refunds paid during the Projection Period for the Obligated Group's Independent Living Units.

Table 7
Entrance Fee Receipts and Refunds
For the Year Ending December 31,
(In Thousands)

	2023
Entrance Fees Received from Unit Turnover	\$ 153,735
Entrance Fees Refunded from Unit Turnover	(76,977)
Net Turnover Entrance Fees	\$ 76,758

Source: Management

Notes:

(1) Management has assumed turnover entrance fee receipts based upon the entrance fee pricing as summarized in Table 2.

Investment Income

Investment income consists of interest earned on available cash and cash equivalents, investments, and assets limited as to use. The following table reflects Management's assumed realized interest earnings rates during the Projection Period based upon historical earnings rates and current economic conditions:

Table 8
Projected Investment Earnings Rates
For the Year Ending December 31,

	2023
Cash and Cash Equivalents	4.0%
Investments	4.0%
Debt Service Reserve Funds	3.0%
Project Fund	3.0%
Entrance Fee Deposits	3.0%
Wait List Deposits	3.0%
Operating Reserve Fund	3.0%
Renewal and Replacement Reserve Funds	3.0%
Principal and Interest Funds	3.0%

Source: Management

See Independent Accountants' Compilation Report

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Management has not projected any unrealized gains or losses on investments during the Projection Period.

Other Operating Revenue

Management has projected other operating revenue to include stimulus funding during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BASIS FOR PROJECTION OF EXPENSES

Operating Expenses

Operating expenses have been projected to be recognized during the month incurred. Management has projected operating expenses based upon its historical operations plus an inflation factor of 10.0% for the year ending December 31, 2023. The specific basis for major expense items were formulated by Management and are discussed below.

Salaries, Employee Benefits and Payroll Taxes

Average hourly wage rates for all employees within the Obligated Group communities are projected to increase at a rate of 10.0% over the wage rates for employees incurred during the year ended December 31, 2022.

Employee benefits and payroll taxes are assumed to include FICA, unemployment taxes, workers' compensation, health insurance, and other miscellaneous benefits. These employee benefits and payroll taxes are projected by Management to approximate 23% of salaries and wages during the Projection Period.

Other Operating Expenses

Non-salary related other operating expenses are projected based upon Management's estimate of the costs of food, utilities, insurance, and other departmental costs and supplies plus an inflation factor of 10.0% for the year ending December 31, 2023.

Depreciation

Property and equipment are projected to be depreciated over the estimated useful lives by the straight-line method.

Interest Expense

Interest expense is projected related to the anticipated debt service requirements and the amortization of the deferred financing costs associated with the Series 2023 Bonds as provided by the Placement Agent, as well as the Obligated Group's existing debt. Management has capitalized interest expense related to development and construction period for various projects across the Obligated Group communities, net of interest income on the related trustee held-funds during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

BASIS FOR PROJECTION OF OTHER ITEMS

Current Assets and Current Liabilities

Cash and Cash Equivalents

Cash and cash equivalent balances are assumed to reflect net cash flows during the Projection Period.

Accounts and Other Receivables

Accounts and Other Receivables, net of an allowance for non-collectible accounts, is projected based upon Management's estimate, which is approximately 19 days of resident service revenue in accounts receivable, net throughout the Projection Period.

Receivable from Lifespace Communities, Inc.

Receivable from Lifespace Communities, Inc. represents amounts owed to the Obligated Group from Lifespace. Management has not projected any changes to this balance throughout the Projection Period.

Prepaid Insurance, Inventory and Other Current Assets

Prepaid insurance, inventory, and other current assets are projected based upon Management's estimate, which is approximately 17 days of operating expenses excluding salaries, employee benefits and payroll taxes, depreciation, and interest expense throughout the Projection Period.

Accounts Payable

Accounts payable is projected based upon Management's estimate, which is approximately 85 days of operating expenses excluding salaries, employee benefits and payroll taxes, depreciation, and interest expense throughout the Projection Period.

Accrued Expenses

Accrued expenses, except for accrued interest, are projected based upon Management's estimate, which is approximately 41 days of salaries, employee benefits and payroll taxes expense throughout the Projection Period.

Accrued Interest

Accrued interest has been calculated based on projected interest rates and repayment terms of the long-term debt during the Projection Period.

Assets Limited as to Use

Operating Reserve Fund and Renewal and Replacement Reserve Funds – Abbey Delray, Abbey Delray South, Harbour's Edge, The Waterford, and Village on the Green are required by the State of Florida to maintain operating reserve funds and renewal and replacement reserve funds in amounts sufficient to satisfy minimum reserve requirements. Management has not projected any changes to this balance throughout the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Debt Service Reserve Fund - The debt service reserve fund is intended to be utilized should the Obligated Group not be able to meet its scheduled interest and principal payments. Management assumes no draw against the debt service reserve funds will be made during the Projection Period.

Principal and Interest Funds – Each series of bonds held by the Obligated Group require monthly principal and interest payments or monthly deposits to their debt service reserve funds in an amount sufficient to make period principal and interest payments on the respective underlying debt.

Funded Interest Fund – The funded interest fund was funded from proceeds of the Series 2019, 2021 and Series 2022 Bonds (as defined hereinafter) to pay interest expense on the respective bonds for the first 24 months after issuance.

Pennsylvania Liquid Reserve – South Hills is required by the state of Pennsylvania to maintain reserves calculated from debt service and operating costs. Management believes projected amounts are sufficient throughout the Projection Period.

Project Funds – A portion of the proceeds from the Series 2022 Bonds and Series 2021 Bonds (as defined hereinafter) were deposited into a project fund to be drawn on to meet the obligations of various construction projects as they are due.

Entrance Fee Deposits – Entrance fee deposits represent deposits collected to secure a specific Independent Living Unit for residence within the Obligated Group communities, which are deposited into an escrow account and maintained until the resident closes on the Independent Living Unit and the Obligated Group community requests disbursement. Management has not projected any changes to this balance during the Projection Period.

Wait List Deposits – Wait list deposits represent deposits collected to secure a position on the waiting list for residency in the respective communities. Management has not projected any changes to this balance during the Projection Period.

Team Member Appreciation Funds – Residents at each community may voluntarily establish a fund to provide team member appreciation disbursements. Management has not projected any changes to this balance during the Projection Period.

Property and Equipment

Property and equipment balances, net of accumulated depreciation, are based on assumed costs of constructing the Project, and other routine property and equipment additions during the Projection Period, reduced by estimated annual depreciation. The following table reflects the project related costs, capitalized interest, net of interest earnings, and other routine capital additions during the Projection Period.

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Table 9
Property and Equipment Additions
For the Year Ending December 31,
(In Thousands)

	2023
Property and Equipment - Beginning	\$ 1,386,438
Project Costs ⁽¹⁾	34,584
Routine Capital Additions	29,896
Property and Equipment - Ending	1,450,918
Accumulated Depreciation	(635,589)
Property and Equipment, Net	\$ 815,329

Source: Management

(1) Construction costs, development costs, capitalized deferred financing costs, and capitalized interest, net of investment earnings are expected to be deferred until the various community projects has been completed. When the projects are completed, these costs will be capitalized and depreciated over the estimated useful life of the Project.

Other Liabilities

Long-Term Debt and Interest Expense

During the Projection Period, the Obligated Group's long-term debt is planned to be comprised of the Series 2004 Bonds, Series 2015 Bonds, Series 2016 Bonds, Series 2018 Bonds, Series 2019 Bonds, Series 2021 Bonds, Series 2022 Bonds, Series 2023 Bonds, a line of credit, and unsecured debt with Lifespace.

Series 2004 Bonds: In 2004, the Series 2004A Bonds and 2004B Bonds were issued through the Palm Beach County Health Facilities Authority for \$2,195,000 and \$2,655,000, respectively (collectively, the "Series 2004 Bonds"). The Series 2004A bonds bear an interest rate of 4.00, maturing in 2024. The Series 2004B bonds bear an interest rate of 6.00%, maturing in 2034.

Series 2015 Bonds: In 2015, the Series 2015A Bonds and the Series 2015B Bonds were issued through the Illinois Finance Authority for \$34,875,000 and \$4,855,000, respectively, and the 2015C Bonds were issued by the Palm Beach County Health Facilities Authority for \$43,730,000 (collectively, the "Series 2015 Bonds"). The Series 2015A bonds bear an interest rate ranging from 1.00% - 5.00%, maturing in 2045. The Series 2015B Bonds bear an interest rate of 4.25%, maturing in 2024. The Series 2015C Bonds bear an interest rate ranging from 2.00% - 5.00%, maturity in 2038.

Series 2016 Bonds: In 2016, the Series 2016A Bonds were issued through the Iowa Finance Authority for \$47,395,000 and the 2016B Bonds were issued by the Palm Beach County Health Facilities Authority for \$22,150,000 (collectively, the "Series 2016 Bonds"). The Series 2016A bonds bear an interest rate of 5.00%, maturing in 2047. The Series 2016B Bonds bear an interest rate of 5.00%, maturing in 2047.

Series 2018 Bonds: In 2018, the Series 2018A Bonds were issued through the Iowa Finance Authority for \$134,695,000 and the 2016B Bonds were issued by the Palm Beach County Health Facilities Authority for \$30,230,000 (collectively, the "Series 2018 Bonds"). The Series 2018A bonds bear an interest rate

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

ranging from 4.125% - 5.00%, maturing in 2048. The Series 2018B Bonds bear an interest rate ranging from 4.125% - 5.00%, maturing in 2038.

Series 2019 Bonds: In 2019, the Series 2019A-1 Bonds were issued through the Iowa Finance Authority for \$26,530,000 and the 2019B Bonds were issued by the Palm Beach County Health Facilities Authority for \$52,685,000 (collectively, the "Series 2019 Bonds"). The Series 2019A-1 bonds bear an interest rate ranging from 4.00% - 5.00%, maturing in 2055. The Series 2019B Bonds bear an interest rate ranging from 4.00% - 5.00%, maturing in 2053.

Series 2021 Bonds: In 2021, the Series 2021A Bonds and the Series 2021B Bonds were issued through the Iowa Finance Authority for \$73,650,000 and \$30,000,000, respectively, and the 2021C Bonds were issued by the Palm Beach County Health Facilities Authority for \$16,715,000 (collectively, the "Series 2021 Bonds"). The Series 2021A bonds bear an interest rate of 4.00%, maturing in 2053. The Series 2021B Bonds bear a variable interest rate, maturing in 2056. The Series 2021C Bonds bear an interest rate of 4.00%, maturity in 2036.

Series 2022 Bonds: In 2022, the Series 2022 Bonds were issued through the Palm Beach County Health Facilities Authority for \$85,000,000. The Series 2022 Bonds bear an interest rate of 5.09%, maturing in 2052.

Line of Credit: Issued through Bankers Trust Company, the \$10,000,000 line of credit carries a variable interest rate and a maturity date of August 2024.

Unsecured debt with Lifespace: Lifespace has extended an unsecured line of credit to the Obligated Group for operational needs as they occur.

The terms of the Series 2023 Bonds are more fully described in the notes to Table 3.

Management has projected maturity of the outstanding debt as follows:

Table 10
Projected Principal Payments
For the Years Ending December 31,
(Dollars in Thousands)

Year	Series 2023	Series 2022	Series 2021	Series 2019	Series 2018	Series 2016	Series 2015	Series 2004	Line of Credit	Unsecured Debt with Lifespace	Total
2023	\$ -	\$ -	707	\$ -	\$ -	\$ -	6,575	\$ 195	\$ 3,361	\$ 271	\$ 11,108
2024	-	-	736	-	-	-	6,895	210	-	-	7,841
2025	1,215	123	2,488	-	-	-	4,635	220	-	-	8,681
2026	1,317	1,513	2,646	-	-	-	4,865	240	-	-	10,581
2027	1,428	1,593	2,811	-	-	-	5,105	245	-	-	11,182
2028	1,547	1,675	2,957	-	-	-	5,370	260	-	-	11,810
2029	1,677	1,763	3,126	-	-	-	5,630	275	-	-	12,471
2030	1,818	1,854	1,931	-	-	-	5,920	290	-	-	11,813
2031	1,971	1,951	707	-	1,630	2,695	6,210	310	-	-	15,474
Thereafter	41,527	74,528	87,048	79,215	163,295	66,850	52,115	815	-	2,404	567,798
	\$ 52,500	\$ 85,000	\$ 105,158	\$ 79,215	\$ 164,925	\$ 69,545	\$ 103,320	\$ 3,060	\$ 3,365	\$ 2,675	\$ 666,088

Source: Management and the Placement Agent

SUMMARY OF SIGNIFICANT PROJECTION ASSUMPTIONS AND ACCOUNTING POLICIES

Leases

The Obligated Group has operating lease agreements for office equipment, with a weighted-average discount rate of 4.3%. The Obligated Group also has financing leases for purchase of community vehicles, with a weighted-average discount rate of 6.8%.

Management has projected maturity of the operating leases and financing leases as follows:

Year	Operating Lease	Financing Lease	Total
2023	\$ 421	\$ 310	\$ 731
2024	127	234	361
2025	98	213	311
2026	90	154	244
2027	77	79	156
PV Discount	(76)	(83)	(159)
	\$ 737	\$ 907	\$ 1,644

Source: Management and the Underwriter

Net Deficits

Net Deficits Without Donor Restrictions

Management has projected net deficits without donor restrictions based upon the results of the Projected Statements of Operations and Changes in Net Deficits.

