

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

In re:	)	Chapter 11
	)	
Clare Oaks,	)	Case No. 19-16708
	)	
Debtor.	)	Hon. Donald R. Cassling
	)	
	)	
	)	

**NOTICE OF FILING SECOND PLAN SUPPLEMENT**  
**IN SUPPORT OF THE FIRST AMENDED PLAN**

supplemented and/or amended, the “*Disclosure Statement*”) providing information with respect to the Plan.

4. By an Order dated August 19, 2020, (the “*Disclosure Statement Order*”), the Bankruptcy Court approved the Disclosure Statement as containing adequate information within the meaning of Bankruptcy Code section 1125.

5. On September 14, 2020, the Plan Sponsors filed their *First Plan Supplement in Support of First Amended Plan* [Docket No. 595] (as amended and supplemented from time to time, including in that *Notice of Filing First Amended Plan Supplement in Support of the First Amended Plan* [Docket No. 596], the “First Plan Supplement”);

### **SECOND PLAN SUPPLEMENT**

6. By the Disclosure Statement Order, the Court established **September 25, 2020** as the date for filing the Second Plan Supplement. The following documents are in materially final form<sup>2</sup> and are submitted as a Plan supplement:

- A. Board of Directors and Executive Director: Attached hereto as **Exhibit A** is a list of two additional proposed members of the Board of Directors of the Reorganized Clare Oaks. Together with the proposed members disclosed in the First Plan Supplement, these five (5) persons shall be installed as the New Board on the Effective Date. Also on Exhibit A is the name and brief description of the proposed new Executive Director for Clare Oaks. The new Executive Director will begin meeting with the residents, staff and management at Clare Oaks in October 2020 and is anticipated to start at Clare Oaks on November 1, 2020.

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<sup>2</sup> The Plan Sponsors reserve the right to make further updates to the documents filed in this Plan supplement on or before the Confirmation Hearing, and thereafter to the extent not a material modification from the forms considered at the Confirmation Hearing. In addition, the Plan Sponsors have the right to alter the treatment of executory contracts and unexpired leases as set forth in Article VII(B)(5) of the Plan.

- B. Executory Contracts: Attached hereto as **Exhibit B** is the list of Assumed Contracts and corresponding cure amounts. The Assumed Contracts include the Modified Residency Agreements for all IL Residents. Due to privacy concerns, such contracts are not individually identified on Exhibit B. The Debtor shall provide direct notice to each IL Resident that their Modified Residency Agreement is an Assumed Contract. Further, each original Class 3 Ballot establishing the IL Resident's election to accept a Modified Residency Agreement has been delivered to Clare Oaks and shall be added to each respective IL Resident's file at Clare Oaks. Attached hereto as **Exhibit C** is the list of Rejected Contracts. The Rejected Contracts include the Residency Agreements of all Health Center Residents and to the extent they remain executory the Residency Agreements of all Former Residents. Due to privacy concerns, such contracts are not identified on Exhibit C. The Debtor shall provide direct notice to each Health Center Resident and Former Resident (or their estate) that such agreements are to be rejected as of the Effective Date of the Plan.
- C. Bond Documents: Attached hereto as **Exhibits D-1 to D-3** are the following documents, in materially final form (each subject to additional changes):
- i. Master Trust Indenture (Amended and Restated);
  - ii. Bond Trust Indenture; and
  - iii. Loan Agreement.

**COPIES OF THE SECOND PLAN SUPPLEMENT**

7. If you wish to receive copies of the Second Plan Supplement and all exhibits thereto, they will be provided **free of charge** upon request to the Voting Agent by contacting Clare Oaks Ballot Processing, c/o Stretto, 8269 E. 23<sup>rd</sup> Avenue, Suite 275, Denver, CO 80238, and electronically at

[TeamClareOaks@stretto.com](mailto:TeamClareOaks@stretto.com). Copies of the First Plan Supplement is also on file with the Clerk of the Bankruptcy Court for the Northern District of Illinois, Eastern Division, and may be reviewed online through the Bankruptcy Court's internet website at <http://www.ilnb.uscourts.gov>, which can be accessed by those holding a PACER account. You may also visit the Voting Agent's website at <https://case.stretto.com/clareoaks> in order to obtain a copy of the amended First Plan Supplement.

Dated: September 25, 2020

**Cozen O'Connor**  
Allen Guon  
123 North Wacker Drive  
Suite 1800  
Chicago, IL 60064  
Telephone:  
(312) 474-4450  
[aguon@cozen.com](mailto:aguon@cozen.com)

/s/ Adrienne K. Walker  
**Mintz Levin Cohn Ferris Glovsky  
And Popeo, PC**  
Daniel S. Bleck  
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*Attorneys for Lapis Advisers, LP and  
Amundi Pioneer Asset Management, Inc.*

**CERTIFICATE OF SERVICE**

I, Adrienne K. Walker, an attorney, certify that I caused to be served a copy of the foregoing *Notice of Filing Second Plan Supplement in Support of the First Amended Plan* on each entity shown on the attached list at the address shown and by the method indicated on the list on September 25, 2020.

/s/ Adrienne K. Walker

**Electronic Mail Notice List**

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

- **Stephen J Astringer** sastringer@polsinelli.com
- **Leslie Allen Bayles** leslie.bayles@bryancave.com
- **Daniel S. Bleck** dbleck@mintz.com
- **Ryan W Chapin** rchapin@polsinelli.com
- **Richard Chesley** richardchesley@paulhastings.com
- **Aaron Davis** aaron.davis@bclplaw.com,  
CHDocketing@bclplaw.com;kathryn.farris@bclplaw.com
- **Daniel P. Dawson** ddawson@nisen.com, adrag@nisen.com
- **David DeCelles** david.decelles@usdoj.gov
- **O Allan Fridman** allanfridman@gmail.com,  
Fridman@IAmTheWolf.com;R64737@notify.bestcase.com
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f3d8ba2b0968@ecf.pacerpro.com,rleibowitz@perkinscoie.com
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- **Joshua D. Greene** jgreene@springerbrown.com, aoloughlin@springerbrown.com
- **Allen J Guon** aguon@foxrothschild.com,  
plove@foxrothschild.com;chdocket@foxrothschild.com
- **Timothy M Hughes** thughes@lavellelaw.com, r41234@notify.bestcase.com
- **Jeremy R Johnson** jeremy.johnson@polsinelli.com
- **Oksana Koltko** oksana.koltko@dlapiper.com, docketingchicago@dlapiper.com;chicago-  
bankruptcy-0273@ecf.pacerpro.com
- **Patrick S Layng** USTPRegion11.ES.ECF@usdoj.gov
- **Eric J Malnar** emalnar@huckbouma.com
- **Phillip A Martin** pmartin@fmhd.com
- **Michael T Nigro** mike@nigrowestfall.com
- **Yasamin N Oloomi** ykaye@perkinscoie.com, docketchi@perkinscoie.com;yasamin-oloomi-  
perkins-coie-6149@ecf.pacerpro.com
- **Jeffrey Snell** jeffrey.snell@usdoj.gov
- **Jean Soh** jsoh@polsinelli.com, chicagodocketing@polsinelli.com
- **Thomas E Springer** tspringer@springerbrown.com, iprice@springerbrown.com
- **Miriam R Stein** mstein@gutnicki.com
- **Adrienne K Walker** awalker@mintz.com
- **Eric E. Walker** ewalker@perkinscoie.com,  
Docketchi@perkinscoie.com,rleibowitz@perkinscoie.com,eric-walker-  
5530@ecf.pacerpro.com
- **Lindsy M Weber** [lweber@polsinelli.com](mailto:lweber@polsinelli.com)

## **EXHIBIT A**

**EXHIBIT A**

**A. Executive Director:**

Timothy P. Lynch

Mr. Lynch has a long history in management positions of senior living, healthcare and continuing care retirement communities. Most recently, Mr. Lynch has served as the Executive Director of The Craig Senior Living, Amarillo, TX. Mr. Lynch's professional resume is appended hereto.

**B. Board of Directors:**

The New Board will include five (5) members. Three (3) of the individuals to be named to the New Board were disclosed in the First Plan Supplement, along with corresponding background information. Below are the two (2) additional members of the New Board, with corresponding background information.

Kathy Meisinger, MS, NCC, LPC

Kathy Meisinger is a current Director of the Clare Oaks Board of Directors.

Meisinger is director of strategic partnerships and experiential learning at Elgin Community College where she develops and maintains strategic partnerships aligned with the college's plan and local workforce needs. With experience in education, workforce and economic development, Meisinger strategically creates, implements and directs high priority work-based learning programs that empower students to build skills necessary to sustain careers with family sustaining wages while developing highly qualified workforce pipelines.

Focused on collective impact, Meisinger directly represents the college's president and board of trustees and rose through the ranks of student development, teaching and grant governance. An entrepreneurial spirit combined with expertise honed B2B sales, marketing, and staffing led to the creation of a successful consumer business sold in 1999.

Meisinger earned a Bachelor of Business Administration at Loyola University of Chicago and a Master of Science at National Louis University. She is a Nationally Certified Counselor and Licensed Professional Counselor in the State of Illinois. Past-President of the Illinois Cooperative Education and Internships, Meisinger serves on the Apprenticeship Committee of the Illinois Workforce Development Board and multiple regional economic development and workforce committees.

Aaron H. Reinke, Esq.

Aaron H. Reinke is a current Director of the Clare Oaks Board of Directors.

Mr. Reinke is a partner with the law firm Bazos, Freeman, Schuster & Pope, LLC. He graduated from Loyola University Chicago School of Law and was admitted to the Illinois Bar in 2000. Aaron concentrates his practice in local government, general business law, and real estate/land use. He serves as hearing officer for several communities and teaches at the College of DuPage. Aaron is honored to serve his community as an elected member of the Village of Bartlett Board of Trustees, Lions Club, and Rotary.

**Timothy P. Lynch, MSPT**

Amarillo, TX 79119

[tplynch2765@gmail.com](mailto:tplynch2765@gmail.com)

**PROFESSIONAL EXPERIENCE**

**THE CRAIG SENIOR LIVING**

Amarillo, TX

***Executive Director***

***May 2019- present***

Oversee operations of Amarillo's largest CCRC (108 IL rental units, 65 IL entry-fee homes, 40 AL units, 120 bed SNF; \$16.5M operating budget) for ER Senior Management. Exceeded IL rental & EF revenues and maintained above 98% occupancy for 12 consecutive months and AL 9 of 12 months. Established relationships with local hospital C-suites and outperformed competitors in key ACO metrics, strengthening admission volume in SNF. Worked with clinical team to improve SNF MCR/MCD rates through clinical capabilities, improved documentation. Led telemedicine, readmission prevention, and pulmonary programming efforts in SNF. Reduced overall campus labor costs by \$25K/month by eliminating nursing agency utilization, cutting overtime by 50%, and consolidation of job functions/roles via attrition. Achieved 19% operating margin in 2019 and on pace for 21% in 2020. Developed/reshaped leadership team and provided formal and informal training and coaching in collaborative, aligned, results-oriented management. Reduced employee turnover in key departments by 25% and improved employee engagement through rounding program and engagement teams. Created more efficient, cost-effective processes for unit turnover (UTO) projects by engaging competitive bidders, insourcing key functions, and partnering with sales team for tighter turnaround times. Spearheaded preparations and response to COVID-19 pandemic including testing, PPE procurement, employee safety training, and resident buy-in of stay at home policies, which have resulted in no infections amongst 250 IL/AL residents. Coordinated care needs for SNF residents requiring isolation due to COVID-19. Improved resident satisfaction with dining services, responsiveness of management, and overall experience of The Craig. Awarded Best of Amarillo 2019 in multiple categories.

**MERIDIAN SENIOR LIVING**

Bethesda, MD

***Operations Specialist***

***November 2017-May 2019***

Senior management position responsible for overseeing the day-to-day operations of assigned communities as directed by Regional VP. Coordinate, plan, implement, monitor, direct, and evaluate all aspects of operations, including the supervision, support, and coaching of associates. Essential functions include meeting financial expectations, maintaining high customer satisfaction, and ensuring a quality customer-oriented workforce. Successfully engineered turnaround of Kerrville, TX operation by restoring regulatory compliance, engaging residents & families in improvement processes, rebranding and repositioning facility within local community. Achieved historically high occupancy, operating margin, and overall satisfaction scores while creating a culture of "Finest" care and services in market.

**OASIS HEALTHCARE PARTNERS**

Los Angeles, California

***Regional Director of Operations / Vice President of Business Development***

***October 2016-November 2017***

Joined small, rapidly growing private company at critical juncture. Led onboarding efforts for 7 newly acquired facilities (1040 beds) in Fort Worth, Dallas, and Austin. Streamlined staffing models, standardized vendors & procurement practices, and implemented weekly operational reviews to ensure progress towards quality, operational, and profitability targets. Reorganized business development models to emphasize efficient servicing of accounts, strategic physician alignments, and rebranding of historically challenged reputation of sites. Re-established relationships with THR, Medical City, BUMC, JPS, Parkland and Seton health systems. Secured inclusion in BPCI program at Medical City-Fort Worth, preferred provider status with Methodist-Dallas and BUMC charity contract program, recruited THPG physicians to align with THR ACO efforts. Developed strategic plan and vision for continued occupancy growth at each facility based on local populations, referrer needs, and existing/future capabilities. Led customer service/employee recognition and workplace pride initiatives for all sites.



## **LIFE CARE CENTERS OF AMERICA**

Cleveland, Tennessee

### ***Regional Vice President of Operations – Gulf States***

*November 2014 – October 2016*

Requested by corporate Senior Vice President of Operations to assume leadership for the company's 8 Texas facilities due to multi-year decline in performance. Responsible for all aspects of operational performance, regulatory compliance, and clinical outcomes. Restructured regional leadership team and hired new local leadership at multiple sites. Halted trend of declining annual operating margins while repositioning region for improved future performance through census growth, cost containment, and development of clinical capabilities necessary to serve current patient population. Led consolidation of regional business development efforts to ensure that all sites are represented in ACO and insurance provider networks and that marketing resources are shared efficiently within individual cluster markets. Secured new contracts and/or rates with all leading insurers and increased new physician relationships across all sites. Reduced regional accounts receivable by 19 days by improving current collections and cleaning up historical bad debt. Oversaw exceptional state and Joint Commission surveys across all sites.

### ***Divisional Director of Rehabilitation – Northeast***

*June 2012 – November 2014*

Accountable for all aspects of fiscal management and clinical outcomes for the designated rehab departments for 25 skilled nursing facilities across 5 states. Ensured attainment of business goals for the organization including, but not limited to: internal revenues to operations budget; external contract revenues; appropriate utilization of services per payer; cost efficiency and allocation of supplies, equipment and human resources. Led strategic initiatives to secure inclusion in ACO and insurance provider networks. Directed the growth, development, and maintenance of the rehab clinical programs in order to meet the needs of the client population and the business goals of the organization. Scope of accountability included, but not limited to: development of clinical programs to address standards of care; extended inpatient/outpatient rehab programs of 6-7 days or extended hours coverage as dictated by appropriate clinical care; maintenance of outcome data collection and reporting for all programs and committees in an efficient and cost-effective manner. Developed multiple educational trainings for leadership development

## **SPAULDING HOSPITAL – CAMBRIDGE**

Cambridge, Massachusetts

### ***Vice President of Hospital Operations / President, Skilled Nursing Division***

*November 2009-June 2012*

With executives from both corporations, lead the transition to the Partners Continuing Care (PCC) network after the sale of Youville Hospital. Successfully retained management and direct care providers. Continued to oversee daily operations of LTAC while assuming operational responsibility for skilled nursing division of PCC. Developed and led initial efforts with Partners Health Care ACO and acute hospitals to build a preferred provider network of SNF facilities to ensure quality standards and access to beds. Completed modernization of ancillary services including fully automated "cartless" pharmacy and medication administration processes, conversion to digital radiology technology, and insourcing of multiple new laboratory analysis services. All projects were delivered on time and within budget. Collaborated with clinical and information technology leadership to bring electronic medical record documentation initiative to fruition.

## **YOUVILLE HOSPITAL & REHABILITATION CENTER**

Cambridge, Massachusetts

### ***Vice President of Hospital Operations/Chief Operating Officer***

*January 2004-November 2009*

Promoted to senior leadership role. Establish and accomplish operational objectives for 180-bed long-term, acute-care hospital (LTAC). Direct all clinical and financial aspects of operation to achieve targeted quality, growth, and financial outcomes. Oversee development & administration of \$40M operating and \$2M capital budgets. Developed effective strategies for transitioning from rehab to complex medical patient populations. Achieved 15% overall census growth through execution of strategic plan to grow ventilator, telemetry, and oncology programs. Co-lead efforts to manage length of stay, adapt to changes in PPS system in order to achieve revenue targets. Reduced operating costs with innovative clinical, operational, and recruitment initiatives. Lead successful preparations for JCAHO, CARF, and DPH surveys. Assure compliance with all Medicare licensure requirements. Successfully managed projects to implement electronic medical records, automated pharmacy services, developed state-of-the-art ventilator program, improve emergency code response, and reduce patient falls. Increased patient satisfaction scores using rounding programs, revamping role of patient relations department. Developed program for leadership & organizational development based on the principles of Quint Studer.

***Program Director- Geriatric & Orthopedic Rehabilitation***

*May 2002-January 2004*

Responsible for daily operations & overall performance of 60 bed rehabilitation program. Prepared and managed program operating budgets to ensure cost-effectiveness while maintaining superior clinical standards. Met all financial targets for program. Recruited, hired, and supervised staff of over 100 nurses, rehabilitation professionals, and support personnel. Coordinate staffing patterns to appropriately care for patients based upon census, acuity, and productivity expectations. Direct multi-disciplinary team in development of unique service delivery models to provide optimal rehabilitative experience. Ensure patient, referral source, and payer satisfaction with nursing and rehabilitation service. Market program to acute care facility counterparts and adapt program to meet changing needs in management of patients from these sources.

**SUNBRIDGE CARE & REHABILITATION FOR EAST BOSTON**

East Boston Massachusetts

***Program Director: Neurobehavioral Rehabilitation***

*September 2000-January 2002*

Directed all aspects of neurobehavioral programming at 109-bed long-term care facility for individuals with acquired brain injuries and psychiatric disorders.

**YOUVILLE HOSPITAL & REHABILITATION CENTER**

Cambridge, Massachusetts

***Staff Physical Therapist***

*October 1997-May 2002*

Evaluate and treat acute rehabilitation patients in adult inpatient setting

**EDUCATION:**

**Center for Creative Leadership**

Fellow, Intensive 10 Month Healthcare Executive Leadership Program

**Boston University** *Boston, Massachusetts*

Master of Science in Physical Therapy

**Boston College** *Chestnut Hill, Massachusetts*

Bachelor of Arts in Psychology

**REFERENCES**

Professional and academic references furnished upon request.

**EXHIBIT B**

**CONTRACTS AND LEASES TO BE ASSUMED**

**Contracts and Leases Other than Residents**

<b>Counterparty</b>	<b>Counterparty Address (if known)</b>	<b>Type of Contract or Lease (if known)</b>	<b>Cure Amount</b>
A Place for Mom, Inc.	PO Box 913241 Denver, CO, 80291-3241	Referrals	\$0
Abbott Tree Care professionals	PO Box 249 Wayne, IL 60184	landscape/snow removal	\$0
Altorfer Industries Inc.	PO Box 809239 Chicago, IL 60680-9201		\$1,573.72
Ability Network Inc.	PO Box 856015 Minneapolis, MN 55485-6015	Claims Verifications	\$994.10
Accurate Biometrics Inc.	500 Park Boulevard Suite 1260 Itasca, IL 60143-	Fingerprinting	\$271.95
Chubb Group	1133 Avenue of the Americas New York, NY 10036  436 Walnut Street WA 07A Philadelphia, PA 19106	Above ground storage tank Ins	\$0
Adam's Specialty Products LLC	DBA Serenity Aquarium 7260 Commerce Plaza Dr. Neenah, WI 54956-	DBA Serenity Aquarium & Aviary Services	\$ 97.90
AdarIT	8001 Lincoln Ave Suite 212 Skokie, IL 60077-	IT	\$4,138.38
Advocate Sherman Hospital			\$113.21
Aflac	PO Box 84069 Columbus, GA 31908-4069	employee benefits	\$0
Alexian Brothers Medical Cente			\$773.02
Alexian Brothers Hospice	1515 East Lake St Suite 206 Hanover, Park IL 60133		\$0
Alexian Brothers Corp Health	25466 Network Pl Chicago, IL 60673-1254	Employee Screening	\$1,927.00
Allscripts Healthcare LLC	222 Merchandise Mart #2024 Chicago, IL 60654	Referrals	\$0
Ambit Energy	Attn: Treasury Department, 1801 N. Lamar, Suite 600 Dallas, TX 75202-	campus electric 3rd party provider	\$26,470.98
Ameriflex Business Solutions	PO Box 871655 Kansas City, MO 64187-1655	Employee Flex Spending	\$0

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Anderson Pest Solutions	PO Box 600670 Jacksonville, FL 32260-0670	pest control	\$1,846.00
Angel Wheels Transportation, Inc.	2206 N Main St. Ste. 162 Wheaton, IL 60187-9140	Transportation	\$3,151.00
ArjoHuntleigh, Inc.	2349 W. Lake Street #250 Addison, IL 60101	Spas and Lifts purchase and maintenance	\$3,825.00
Armor Systems	1700 Kiefer Drive Suite 1 Zion, IL 60099	Collections	\$0
Assurance Agency LTD.	111 North Canal Street Suite 550 Chicago, IL 60606	Insurance Broker	\$0
AT&T	One AT&T Way Attn: Master Agreement Support Team Bedminster, NJ 07921	phone	\$211.86
A-Tec Ambulance Inc.	340 Commerce Drive Crystal Lake, IL 60014	Transportation	\$120.00
Audiologic Services Ltd.	487 Pennsylvania Ave. Glen Ellyn, IL 60137-	replacement of hearing aids	\$0
Aurora University	347 S. Gladstone Avenue Aurora, IL 60506	CNA Training	\$0
AXIS	11680 Great Oaks Way Suite 500 Alpharetta, GA 30022	D&O excess insurance	\$0
Barrington Orthopedic Specialists			\$127.11
Blue Cross and Blue Shield of Illinois	300 East Randolph Street Chicago, IL 60601	Managed Care	\$52,561.53 <sup>1/</sup>
Beautiful Aquariums	1216 Betty Drive Plainfield, IL 60586		\$172.50
Biehl, Jerry and Bonnie	38W390 Ferson Woods Drive Saint Charles, IL 60175	Deposit	\$1,000
Bieschke, Veronica	11622 Evergreen Lane Huntley, IL 60142	Deposit	\$1,000
BrightStar Care of DuPage/Wheaton	16 E Roosevelt Rd. Suite 105 Wheaton, IL 60187-	Agency Staffing	\$5,846.00

<sup>1/</sup> The parties are in agreement that this amount relates solely to the period before the Petition Date. If there are additional amounts under the agreement that are owed after the Petition Date, such amounts shall constitute an administrative claim or will be paid as part of the cure if the agreement is assumed.

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
BTS Solutions	Business Telephone Systems Inc. 3924 W. Devon, Suite 100 Lincolnwood, IL 60712-	Avaya phone vendor	\$0
Central Dupage Hospital			\$543.61
Cerner (Care Tracker)	2800 Rockcreek Parkway Kansas City, MO 64117	ADL's	\$0
Christine Toolan, RHIA, RAC-CT	Health Info/Medical Records 6101 Blodgett Avenue Downers Grove, IL 60516-	Consultant	\$0
Church Mutual Insurance Co		Auto Insurance	\$0
CliftonLarsonAllen, LLP	1301 West 22nd St. Suite 1100 Oak Brook, IL 60523	Audit, Cost reports, tax returns, resident tax deduction letters	\$0
Collaborative Healthcare Urgency Group	2250 E. Devon Unit 320 Des Plaines, IL 60018-	Emergency response assistance	\$0
Comcast Cable Communications, LLC	One Comcast Center Attn: General Counsel Philadelphia, PA 19103	Campus business internet	\$198.91
Comcast of Illinois XI, LLC	1500 McConnor Parkway Attn: MDU Manager Schaumburg, IL 60173	Campus cable	\$4,698.84
Commonwealth Edison	PO Box 6111 Carol Stream, IL 60605  440 South LaSalle Street Chicago, IL 60605	Utilities	\$19,733.69
Compliance Line, Inc.	301 McCullough Dr. Suite 520 Charlotte, NC 28262-	Compliance	\$0
Core Orthopedics & Sports Medicine			\$283.43
COTG - Chicago Office Technology Group	3 Territorial Court Bolingbrook, IL 60440	Printers	\$855.01
Cozzini Bros., Inc.	350 Howard Avenue Des Plaines, IL 60018-	Knifing Sharpening	\$550.00
Culligan DuPage Soft Water Service, Inc.	120 Bridge St. Wheaton, IL 60187-	Bottled Water & emergency Water	\$267.15
Curaspan	PO Box 744204 Atlanta, GA 30374	Referral Hosp Systems	\$2,670.00

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Daniels Sharpsmart	111 West Jackson Boulevard Suite 1900 Chicago, IL 60604  PO ox 7697 Carol Stream, IL 60197-7697	Utilities	\$347.43
Dave Anderson Consulting	15 Washington Algonquin, IL 60103	HR	\$0
DeFranco Plumbing Inc.	20330 N. Rand Road Palatine, IL 60074-	Large scale plumber	\$0
Dr. John R. Born	7 Blanchard Circle Suite 106 Wheaton, IL 60189	Medical Director	\$733.33
DSY Dental Consultants PC	P.O. Box 5161 Skokie, IL 60076	Dentist	
DuPage Medical Group, LTD			\$20.30
Ecolab Equipment Care	655 Lone Oak Drive Eagan, MN 55121	Kitchen equipment	\$1,759.91
Economy Heating and Air Conditioning	549 W. Carboy Rd Mt. Prospect, IL 60056		\$3,370.62
Elemental Solutions LLC	P.O. Box 59203 Schaumburg, IL 60173-	Campus water management and treatment services	\$0
Elgin Community College	Early, Tonsey, Regan & Wlodek 2400 Big Timber Rd Suite 201A Elgin, IL 60124	Apprentice Program	\$0
Elgin Community College	1700 Spartan Drive Attn: Dr. Wendy Miller Elgin, IL 60123	Apprentice Program	\$0
Elmhurst Memorial Hospital			\$55.01
Emerald Restaurant Service	914 Geneva St. Shorewood, IL 60404-	Dining service contract	\$3,298.11
Excell Portable X-Ray Svc., Inc.	2362 Lehman Dr. West Chicago, IL 60185-6169	X Ray services in house	\$0
Filter Services Inc.	1065 Chase Ave. Elk Grove Village, IL 60007-	HVAC filters	\$0
First Midwest Bank- Wealth Management	2801 West Jefferson Street Joliet, IL 60435-	401k	\$0
Fox Valley Fire & Safety Inc.	2730 Pinnacle Drive Elgin, IL 60124-	Fire Suppression testing / inspections	\$0
Fox Valley Orthopaedic Associates			\$96.38

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Freedom 1st Transportation	200 Popular Place North Aurora IL 60542		\$130.00
Friendship Village	350 W Schaumburg Rd Schaumburg, IL 60194	Transfer Agreement	\$0
Glory Salon & Spa Services, Inc.	1207 Summerwood West Dundee, IL 60118-	Beauty Salon	\$6,320.30
Greenfields of Geneva	ON801 Friendship Way Geneva, IL 60134	Transfer Agreement	\$0
Hallmark Specialty		D&O primary insurance	\$0
Harbor Lights Hospice	1N131 County Farm Road Winfield, IL 60190		\$0
Hartford Insurance		ERISA	\$0
Health Care Service Corporation	BC/BS of Illinois 25550 Network Place Chicago, IL 60673-1255	BCBS - employee Benefits	\$0
Health Technology Resources	1400 E. Lake Cook Rd Buffalo Grove, IL 60089		\$2,577.60
HealthPro Management Services	634 Academy Drive Suite 100 Northbrook, IL 60062	SS & Act. Consultant	\$0
HealthPRO Rehabilitation	3703 W. Lake Ave #200 Glenview, IL 60026	Rehab	\$0
Healy, Lawrence and Betty	220 Garden Way Bloomington, IL 60108	Deposit	\$1,000
High-Tech Imaging, Inc.	353 E. Burlington Suite 204 Riverside, IL 60546-2082	mobile imaging	\$1,960.00
Illinois Aging Services Network (ILASN)	1001 Warrenville Road Suite 150 Lisle, IL 60532	Participation Agreement	\$0
Industrial Door Company	1555 Landmeier Rd. Elk Grove Village, IL 60007-	IL parking garage door inspections	\$34,886.00
InfoArmor	1555 Landmeier Rd. Elk Grove Village, IL 60007-		\$0
Intelli-Building Control & Solutions LLC	817 S. Kildare Ave. Chicago, IL 60624	Automated Bldg Sys	\$0
Intelligent Systems Services	371 Balm Ct. Wood Dale, IL 60191-	generator testing and service	\$320.00
Interior Tropical Gardens, Inc.	9617 Seeman Road Union, IL 60180-	Interior Plant Care	\$1,041.33

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Interstate Power Systems Inc.	NW 7244 P.O. Box 1450 Minneapolis, MN 55485-7244	generator testing and service, water pump insp, power systems	\$1,590.00
It's Never 2 Late LLC	PO Box 49007 San Jose, CA 95161-9007		\$48.87
Joerns Healthcare			\$505.05
Johnson Controls Security Solutions	PO Box 371967 Pittsburgh, PA 15250-7967		\$592.40
Journey Care Inc	405 Lake Zurich Rd. Barrington, IL 60010		\$0
KCI USA, Inc	PO Box 301557 Dallas, TX 75303-1557		\$1,677.32
Kevin M Massard LTD PC DBA			\$25.37
Lincoln Financial Group	PO Box 0821 Carol Stream, IL 60132-0821	employee benefits	\$0
Linda Roberts & Associates, Inc.	104 E Roosevelt Rd, Ste. 201 Wheaton, IL 60187-	Dietary	\$0
Lloyds of London	PL Underwriting Group/ANV Global Svcs Inc 200 Hudson St, Suite 800 Jersey City, NJ 07311	D&O excess insurance	\$0
Marberry Cleaners & Launderers LLC	315 E. Main St St. Charles, IL 60174-	HC Laundry	\$8,460.17
MatrixCare	10900 Hampshire Ave South Suite #100 Minneapolis, MN 55480-1414	Software Company	\$2,506.17
MBS Envision Inc.	2707 CR 350 East Mahomet, IL 61853-9734	Diagnostic Testing - MCA	\$0
MedPro/National Fire & Marine	5814 Reed Road Fort Wayne, IN 46835	G/L P/L and excess liab	\$0
Mercy Health System			\$56.86
Michalsen, James and Carole	12130 Summer Ridge Lane Huntley, IL 60142	Deposit	\$1,000
Mickey's Linen & Towel Supply	4601 W Addison Suite 700 Chicago, IL 60641-3702	Linen rental	\$6,001.94
Midwest Orthopaedics at Rush			\$28.24
Midwest Sports Medicine			\$26.37
Midwest X-Ray, Inc.	1031 Mt. Auburn Rd. Evansville, IN 47720-	Consolidated billing	\$5,460.00
Moving Station	135 S. LaSalle St. Suite 2000 Chicago, IL 60603-	Resident move in assist	\$539.83



Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
My LifeSite	601 St. Mary's Street Raleigh, NC 27605-	financial calculator IL Admits	\$0
Neopost	478 Wheelers Farms Road Milford, CT 06461	Postage Machine/postage	\$1,326.00
NICL Laboratories	306 Era Drive Northbrook, IL 60062-1834	Lab Services	\$1,642.49
Nicor Gas	1844 Ferry Road Naperville, IL 60197-7697  PO Box 5407 Carol Stream, IL 60197=5407	Utilities	\$1,068.06
NM Regional Medical Group			\$344.51
Nurses and Caregivers Inc.	801 E. Main Street, Rear St. Charles, IL 60174-	Agency Staffing	\$0
One Day	4514 Cole Avenue Suite 740 Dallas, TX 75205	Software Company	\$400.00
OnShift, Inc.	75 Remittance Drive Dept. 6500 Chicago, IL 60675-6500	Scheduling	\$2,670.00
Orlando, Angela	126 Day Street #304 Bloomington, IL 60108	Deposit	\$1,000
Patient Ping	10 Post Office Square, 1010S Boston, MA 02109	referrals	\$0
Paycor	644 Linn St. Suite 200 Cincinnati, OH 45203-	Payroll processor	\$0
Perry, Peter and Roberta	4459 Hoover Street Rolling Meadows, IL 60008	Deposit	\$1,000
Pet Assure Corp dba Pet Benefit Solution	dba Pet Benefit Solutions 415 Cedar Bridge Avenue Lakewood, NJ 08701-	employee benefits	\$0
Pizzo & Associates, Ltd.	136 Railroad Street Leland, IL 60531-	wetland stewardship	\$2,192.71
Polaris Group	P.O. Box 95265 Grapevine, TX 76099-9752	Healthcare Training	\$214.57
Polsinelli PC	150 N. Riverside Plaza Suite 3000 Chicago, IL 60606-	legal	\$0
Poolside, Inc.	1225 Carnegie St #109 Rolling Meadows, IL 60008-	pool contractor	\$2,728.40
Presence Health Partners	2380 E. Dempster St Des Plaines, IL 60016		\$0
Presence Life Connections	18927 Hickory Creek Dr. Suite 300 Mokena, IL 60448		\$0

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
ProviNET Solutions	18645 W. Creek Drive Tinley Park, IL 60477-	SARA system authorized vendor	\$1,036.01
Quadient Leasing USA Inc	PO Box 123689 Dept 3689 Dallas, TX 75312-3689		\$574.85
Rainbow Hospice & Palliative Care	444 N. Northwest Hwy Suite 145 Park Ridge, IL 60068		\$0
Redmonds Towing	1275 Spaulding Rd Elgin, IL 60120	Towing co	
St. Alexius Medical Center			\$175.88
Schindler Elevator Corporation	PO Box 93050 Chicago, IL 60673-3050	elevator service / inspections	\$5,918.60
Seasons Hospice	606 Potter Road Des Plaines, IL 60016		\$0
Serenity Aquarium & Aviary	7260 Commerce Plaza Dr. Neenah, WI 54956	Aquarium & Aviary maintenance	\$0
Sheila King Marketing + Public Relations	P.O. Box 10425 Chicago, IL 60610-	Public Relations & Marketing	\$0
Shred IT	28883 Network Place Chicago, IL 60673-1288		\$285.00
SOLUS	8001 Lincoln Ave Suite 202 Skokie, IL 60077-	IT Support	\$2,755.00
Sound Incorporated	15550 Shore Rd Naperville, IL 60653	IT/Camera Phone support	\$0
Stanley Access Tech LLC	PO BOX 0371595 Pittsburgh, PA 15251-7595	Main entry door service	\$0
StarStone Specialty		Excess Liability Insurance	\$0
Status Solutions LLC	1180 Seminole Trail Suite 440 Charlottesville, VA 22901-	SARA System	\$0
SureQuest Systems, Inc.	3330 Keller Springs Rd Suite 205 Carrollton, TX 75006-	Outside services	\$0
Szlay, Kathy	126 Richmond Land Bartlett, IL 60103	Deposit	\$1,000

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Telligen	1776 West Lakes Pkwy West Des Moines, IA 50266	Quality Improvement	\$0
Thompson Elevator	830 East Rand Road Unit 10 Mt. Prospect, IL 60056	Elevator Inspection	\$82.00
TNN - Lombard LLC	2 E. 22nd St. Suite 300a Lombard, IL 60018	staffing agency	\$2,187.57
Touchtown	931 Third Street Suite 100 Oakmont, PA 15139		\$289.08
Travelers	One Tower Square Hartford, CT 06183	Property Insurance	\$0
Triage Now	PO Box 855839 Minneapolis, MN 55485-5839	WC - Nurse Triage	\$75.00
United Analytical Services, Inc.	1429 Centre Circle Drive Downers Grove, IL 60515	Asbestos Professional Services	\$0
United Heartland	United Wisconsin Insurance Co P.O. Box 40790 Lansing, MI 48901	Workers comp. insurance	\$0
United States Fire Protection, Inc.	PO BOX 74008409 Chicago, IL 60674-8409	Fire sprinkler system inspections / materials vendor	\$0
Unlimited Advacare Inc.	23838 Network Place Chicago, IL 60673-1238		\$1,256.80
Uropartners, LLC			\$122.80
USA Fire Protection, Inc.	28427 North Ballard Drive Unit H Lake Forest, IL 60045-	Fire sprinkler system inspections / service	\$0
Vanguard Energy Services, LLC	850 East Diehl Road Suite 142 Naperville, IL 60563	Campus gas 3rd party provider	\$5,193.29
Verizon Wireless	Legal & External Affairs One Verizon Way Basking Ridge, NJ 07920	Staff cell phone service provider	\$240.62
Verizon Wireless	One Verizon Place Attn: Gen'l Counsel Alpharetta, GA 30004	Staff cell phone service provider	\$0
Village of Bartlett		Utilities	\$16,010.04
Vision Service Plan (IL)	P.O. Box #742135 Los Angeles, CA 90074-2135	employee benefits	\$0

Counterparty	Counterparty Address (if known)	Type of Contract or Lease (if known)	Cure Amount
Waste Management	1001 Fannin Suite 400 Houston, TX 77002	Utilities	\$0
Waste Management		Utilities	\$11,601.93
WhaBa Medical Inc	870 W. Lake Street Suite 702 Roselle, IL 60172	Medical supplies	\$3,890.00
Wheaton Eye Clinic			\$1,194.98
Wyndemere LLC	200 Wyndemere Circle Wheaton, IL 60187	Transfer Agreement	\$0
Zekas, Jerome	3545 FRD Long Grove, IL 60047	Deposit	\$1,000

### **Contract with the Congregation**

The Reorganized Debtor shall assume the Option to Purchase with The Sisters of St. Joseph of the Third Order of St. Francis, Inc., dated December 1, 2012.

### **Modified Residency Agreements**

Pursuant to Article VII(A)(1) of the Plan, the Reorganized Debtor shall assume all Modified Residency Agreements. The names of the individual residents who are parties to the Modified Residency Agreements have been omitted from this schedule for privacy reasons. Such individuals shall receive separate correspondence from the Reorganized Debtor informing them that their Modified Residency Agreements will be assumed as of the Effective Date of the Plan.

**EXHIBIT C**

**CONTRACTS AND LEASES TO BE REJECTED**

<b>Counterparty</b>	<b>Counterparty Address (if known)</b>	<b>Type of Contract or Lease (if known)</b>
Omnicare of Northern IL	2313 S. Mount Prospect Rd. DesPlaines, IL 60018	Pharmacy
Rehab Care Group, Inc.	680 South Fourth St. Louisville, KY 40202	In house rehab
Residential Unit Use Agreement between the Sisters of St. Joseph of the Third Order of St. Francis, Inc. and the Debtor dated as of July 1, 2006		
Agreement between the Sisters of St. Joseph of the Third Order of St. Francis, Inc. and the Debtor dated December 31, 2012		

**Residency Agreements of Health Center Residents**

Pursuant to Article VII(A)(3) of the Plan, the Reorganized Debtor shall reject the Residency Agreements with all Health Center Residents. The names of the individual residents who are parties to such agreements have been omitted from this schedule for privacy reasons. Such individuals shall receive separate correspondence from the Reorganized Debtor informing them that their Residency Agreements will be rejected as of the Effective Date of the Plan. As noted in the Plan, each such Health Center Resident may enter into a new monthly rental agreement that provides substantially the same services to such Health Center Resident at the same monthly rates as provided under their prior Residency Agreement. Forms of such new agreements were filed with First Plan Supplement.

**Residency Agreements of Former Residents**

The Reorganized Debtor shall reject all Residency Agreements with Former Residents to the extent such agreements remain executory. The names of the individual residents who are parties to such agreements have been omitted from this schedule for privacy reasons. Such individuals or their estates shall receive separate correspondence from the Reorganized Debtor informing them that their Residency Agreements will be rejected as of the Effective Date of the Plan.

## **EXHIBIT D-1**

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MASTER TRUST INDENTURE  
(AMENDED AND RESTATED)

Between

CLARE OAKS

and

UMB BANK, N.A.,  
as Master Trustee

Dated as of \_\_\_\_\_, 2020

DIRECT NOTE OBLIGATIONS

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**MASTER TRUST INDENTURE  
(AMENDED AND RESTATED)**

This is a MASTER TRUST INDENTURE (AMENDED AND RESTATED) dated as of \_\_\_\_\_, 2020 (this “Master Indenture”), between CLARE OAKS, an Illinois not for profit corporation (the “Corporation”), as the initial member of the Obligated Group hereinafter referred to, and UMB Bank, N.A., a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States, with its corporate trust office at 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, herein called the “Master Trustee.”

**RECITALS:**

This Master Indenture constitutes an amendment and restatement of the Master Trust Indenture dated as of December 1, 2012 (the “*Original Indenture*”) between the Corporation and Wells Fargo Bank, National Association, as master trustee.

The Corporation is authorized by law, and deems it necessary and desirable that it be able to issue Direct Note Obligations and other evidences of indebtedness (collectively, the “*Obligations*”) of several series hereunder in order to secure the financing or refinancing of senior residential and health care facilities and for other lawful and proper corporate purposes and has heretofore issued the Series 2020 Obligations (as hereinafter defined) in accordance with the terms of the Original Indenture.

The Corporation also desires to provide in this Master Indenture for other legal entities to join with the Corporation in the future in pooling credit resources in order to achieve lower borrowing costs and to become jointly and severally liable with the Corporation and such other entities for the payment of the Obligations and the performance of all covenants contained herein. The Corporation and each legal entity incurring such joint and several liability in accordance with the terms hereof are herein referred to individually as a “*Member*” and collectively as the “*Members*” or the “*Obligated Group*.”

As part of and in accordance with a Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the “*Plan*”), the Original Indenture is being amended and restated as provided herein. The Corporation and the Master Trustee are executing this Master Indenture as a Supplemental Master Indenture amending and restating the Original Indenture in accordance with the order confirming the Plan. As part of the Plan, the Corporation has requested that the Illinois Finance Authority issue the Series 2020 Bonds (as defined herein) to be secured by the Series 2020 Obligations (as hereinafter defined) for the purpose of funding a portion of capital and operating expenses and providing for the exchange of the Series 2020 Bonds for the outstanding Series 2012 Bonds secured by the Series 2012 Obligations.

All acts and things necessary to make the Series 2020 Obligations (as hereinafter defined), when authorized and executed by the Corporation and authenticated and delivered by the Master Trustee as in this Master Indenture provided, the valid, binding and legal obligations of the Obligated Group, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Master Indenture and the issuance hereunder of the following Obligations (collectively, the “*Series 2020 Obligations*”): (i) Direct Note Obligation, Series 2020A-1 (the “*Series 2020A-1 Obligation*”), in the principal amount of \$5,740,000, (ii) Direct Note Obligation, Series 2020A-2 (the “*Series 2020A-2 Obligation*”) in an aggregate principal amount equal to \$7,875,000, (iii) Direct Note Obligation, Series 2020A-3 (the “*Series 2020A-3 Obligation*” and together with the Series 2020A-1 Obligation, the Series 2020A-2 Obligation, the “*Series 2020A Obligations*”), in the principal



amount of \$21,385,000, (iv) Direct Note Obligation, Series 2020B-1 (the “*Series 2020B-1 Obligation*”), in the original principal amount of \$13,500,000 and (v) Direct Note Obligation, Series 2020B-2 (the “*Series 2020B-2 Obligation*” and together with the Series 2020A Obligation, the Series 2020B-1 Obligation, the “*Series 2020 Obligations*”), in the original principal amount of \$2,500,000 have in all respects been duly authorized, and the Corporation, in the exercise of the legal right and power vested in it, executes this Master Indenture and proposes to make, execute, issue and deliver the Series 2020 Obligations, and the Members of the Obligated Group may make, execute, issue and deliver one or more Additional Obligations of various series.

In order to declare the terms and conditions upon which Obligations of each series are authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of Obligations of each series by the holders thereof and the sum of One Dollar to them duly paid by the Master Trustee at the execution of these presents and of other good and lawful consideration, the receipt of which is hereby acknowledged, the Members covenant and agree with the Master Trustee, for the equal and proportionate benefit of the respective holders from time to time of Obligations of each series, as follows:

### **GRANTING CLAUSES**

That each Member of the Obligated Group in consideration of the premises and of the purchase of the Obligations and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal or Accreted Value of, premium, if any, and interest on the Obligations and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Master Indenture and has conveyed, mortgaged, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in, and by these presents does hereby convey, mortgage, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Master Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular the property, real and personal, hereinafter described (said property being herein sometimes referred to as the “Indenture Trust Estate”) to wit:

#### **DIVISION I**

All Gross Revenues of the Obligated Group Members; and

#### **DIVISION II**

All the right, title and interest of the Members of the Obligation Group in and to all cash proceeds and receipts arising out of or in connection with the sale of the Obligations and all moneys held by the Master Trustee in the funds created hereunder, including the Operating Account, the Entrance Fees Fund, the Gross Revenue Fund, the Operating Reserve Fund, the Capital Expenditure Fund, the Insurance and Condemnation Award Fund, and the Costs of Issuance Fund created hereunder, or held by the Master Trustee as special trust funds derived from insurance proceeds, condemnation awards, payments on contractors’ performance or payment bonds or other surety bonds, or any other source; and

#### **DIVISION III**

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by any Member or by anyone on its behalf to the Master Trustee, including, without limitation, funds of any Member held by the Master Trustee as security for the Obligations;

TO HAVE AND TO HOLD, all and singular, the properties, the rights and privileges hereby conveyed, assigned and pledged by the Members or intended so to be, unto the Master Trustee, its successors and assigns forever, in trust, nevertheless, with power of sale and, except as herein otherwise expressly provided, for the equal and *pro rata* benefit and security of all Obligations issued hereunder, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one Obligation over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, so that each and all of such Obligations shall, except as herein otherwise expressly provided, have the same right, lien and privilege under this Master Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition, that if the Members or their successors or assigns shall well and truly pay or cause to be paid the principal or Accreted Value of such Obligations with interest, according to the provisions set forth in the Obligations and each of them or shall provide for the payment or redemption of such Obligations by depositing or causing to be deposited with the Master Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Members, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Master Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Members and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Members such instruments of satisfaction or release as may be necessary or proper to discharge this Master Indenture of record, and if necessary shall grant, reassign and deliver to the Members, their successors or assigns, all and singular the property, rights, privileges and interests by them hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Master Indenture shall be and remain in full force and effect.

## ARTICLE I

### DEFINITIONS

In addition to the words and terms elsewhere defined in this Master Indenture, the following words and terms as used in this Master Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

*“Accelerable Instrument”* means (i) any Senior Obligation securing, or with respect to any Senior Obligation, any Related Bond Indenture or Related Loan Document under which there has been issued or incurred, or by which there is secured, any Indebtedness which Senior Obligation, Related Bond Indenture or Related Loan Document provides that, upon the occurrence of an event of default thereunder, the holder thereof may request that the Master Trustee declare such Senior Obligation due and payable prior to the date on which it would otherwise become due and payable and (ii) any Subordinate Obligation securing, or with respect to any Subordinate Obligation, any Related Bond Indenture or Related Loan Document under which there has been issued or incurred, or by which there is secured, only Indebtedness evidenced or secured by a Subordinate Obligation, which Subordinate Obligation or instrument provides that, if there are no Senior Obligations Outstanding hereunder, upon the occurrence of an event of default thereunder, the holder thereof may request that the Master Trustee declare such Subordinate Obligation due and payable prior to the date on which it would otherwise become due and payable.

*“Accreted Value”* means, with respect to any Obligation constituting Capital Appreciation Indebtedness, (a) as of any Valuation Date, the amount determined by the Bond Trustee as provided in the Bond Indenture or such other amount set forth for such Valuation Date in such Obligation or the Supplemental Master Indenture creating such Obligation and, (b) as of any date other than a Valuation Date, the sum of (1) the Accreted Value of such Obligation as of the next preceding Valuation Date and (2) the product of (x) a fraction, the numerator of which is the number of days elapsed from such 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 (y) the difference between (I) the Accreted Value of such Obligation as of such succeeding Valuation Date and (II) the Accreted Value of such Obligation as of such preceding Valuation Date.

*“Act”* means the Illinois Finance Authority Act of the State of Illinois, as from time to time amended.

*“Additional Indebtedness”* means Indebtedness incurred by any Member subsequent to the issuance of the Series 2020 Obligations.

*“Additional Obligations”* means any evidence of Indebtedness or evidence of any repayment obligation under any Interest Rate Agreement issued after the issuance of the Series 2020 Obligations authorized to be issued by a Member pursuant to this Master Indenture which has been authenticated by the Master Trustee pursuant to Section 204 hereof.

*“Adequate Reserve”* means a cash deposit (which may be invested in Permitted Investments) in an amount equal to, or a payment bond of a corporate surety in the face amount equal to, the total amount in controversy, in each case reasonably satisfactory to the Master Trustee, furnished by the Obligated Group to the Master Trustee through the establishment of a segregated account within the Operating Reserve Fund.

*“Affiliate”* means a corporation, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, a Member; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of a Member. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, “Directing Body” means with respect to: (a) a corporation having stock, such corporation’s board of directors and the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation’s directors (both of which groups shall be considered a Directing Body); (b) a not for profit corporation not having stock, such corporation’s members if the members have complete discretion to elect the corporation’s directors, or the corporation’s directors if the corporation’s members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

*“AL/MC Occupancy Requirements”* shall have the meaning set forth in Section 426(a) hereof.

“*Annual Budget*” shall have the meaning set forth in Section 409 hereof.

“*Anti-Money Laundering Laws*” means any laws or regulations relating to money laundering or terrorist financing, including, without limitation, the Bank Secrecy Act, 31 U.S.C. sections 5301 *et seq.*; the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. 107-56 (a/k/a the USA Patriot Act); Laundering of Monetary Instruments, 18 U.S.C. section 1956; Engaging in Monetary Transactions in Property Derived from Specified Unlawful Activity, 18 U.S.C. section 1957; the Financial Recordkeeping and Reporting of Currency and Foreign Transactions Regulations, 31 C.F.R. Part 103; and any similar laws or regulations currently in force or hereafter enacted.

“*Applicable Law*” means all applicable provisions of all present and future laws, ordinances, constitutions, statutes, rules, regulations, requirements, orders, judgments, injunctions and decrees of any Governmental Authority having jurisdiction over the Facilities.

“*Applicable Rating Agencies*” means any two Rating Agencies, or, if only one Rating Agency maintains an applicable rating, such Rating Agency (each, an “*Applicable Rating Agency*”).

“*Assisted Living Units*” means the assisted living units that are part of the Facilities.

“*Authority*” means the Illinois Finance Authority, a body politic and corporate constituting a public instrumentality created and existing under and by virtue of the Act, and its successors and assigns.

“*Base Management Fee*” shall have the meaning set forth in the Management Agreement.

“*Bond Counsel*” means a nationally recognized firm of municipal bond attorneys which are Independent Counsel and are acceptable to the Master Trustee.

“*Bondholder*,” “*holder*” or “*owner of the Bonds*” means the registered owner of any Related Bond.

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

“*Budgeted Capital Expenditures*” means the projected capital expenditures set forth in the Capital Expenditure Projections or, for the Fiscal Year ending December 31, 2020 and thereafter, the budgeted capital expenditures set forth in the Annual Budget.

“*Business Day*” means any day other than a Saturday, Sunday, or other day on which the New York Stock Exchange or banks are authorized or required to close in New York, New York, or in the city in which the designated corporate trust office of the Master Trustee is located.

“*Capital Appreciation Indebtedness*” means Indebtedness (a) the interest on which is payable only at the maturity thereof or upon the redemption thereof prior to maturity and (b) issued, in the case of Indebtedness evidenced by an Obligation, pursuant to a Supplemental Master Indenture and specifying in

such Supplemental Master Indenture or such Obligation the Valuation Dates thereof and the Accreted Value thereof on each such Valuation Date.

“*Capital Expenditure Fund*” means the Fund created under Section 430 hereof.

“*Capital Expenditure Projections*” means the capital expenditure projections provided to the Master Trustee on the Closing Date and acknowledged as the “Capital Expenditure Projections” by the Master Trustee.

“*Capitalized Lease*” means any lease of personal property which, in accordance with generally accepted accounting principles, is required to be capitalized on the balance sheet of the lessee.

“*Capitalized Rentals*” means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person in accordance with generally accepted accounting principles.

“*Cash and Investments*” means the sum of cash, cash equivalents, marketable securities, including without limitation board-designated assets, and amounts, if any, on deposit in the Operating Account, the Operating Reserve Fund or the Rent Reserve Fund, or on deposit in the Gross Revenue Fund in excess of the amounts required to be applied on the first Business Day of the immediately succeeding calendar month in accordance with the provisions of Section 428 hereof for any purpose other than a transfer to the Operating Reserve Fund. For avoidance of doubt, the term “*Cash and Investments*” does not include (i) trustee-held funds other than those otherwise described in the first sentence of this definition, (ii) donor-restricted funds, (iii) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group, (iv) any amounts on deposit in a Debt Service Reserve Fund created under the Series 2020 Bond Indenture, or any other debt service reserve fund created under a Related Bond Indenture, or (v) any amounts on deposit in the Capital Expenditure Fund, or in the Gross Revenue Fund for transfer to the Capital Expenditure Fund. For purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate to the Gross Revenue Fund shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to and remains unexpended on the date the applicable Officer’s Certificate is required to be delivered with respect to such calculation.

“*Class 3 Note*” means a note evidencing the Allowed Class 3 Claims, as defined in the Plan, in the original principal amount of \$\_\_\_\_\_. The Class 3 Note shall not bear interest.

“*Class 4 Bi-Annual Payment Amount*” means the amount due on the Class 4 Note on the next January 1 or July 1.

“*Class 4 Note*” means a note evidencing the Allowed Class 4 Claims, as defined in the Plan, in the original principal amount of \$\_\_\_\_\_. The Class 4 Note shall not bear interest.

“*Class 5 Note*” means a note evidencing the Allowed Class 5 Claims, as defined in the Plan, in the original principal amount of \$\_\_\_\_\_. The Class 5 Note shall not bear interest.

“*Class 6 Note*” means a note evidencing the Allowed Class 6 Claims, as defined in the Plan, in the original principal amount of \$\_\_\_\_\_. The Class 6 Note shall not bear interest.

“*Closing Date*” means the date of execution and delivery of this Master Indenture.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section.

“*Compilation*” means the financial compilation and analysis prepared for the Corporation and provided to the Master Trustee on the Closing Date.

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

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

“*Contributions*” means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities. Contributions shall include payments received from any Affiliate of an Obligated Group Member.

“*Corporation*” means Clare Oaks, an Illinois not-for-profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“*Costs of Issuance*,” with respect to a series of Obligations, means and includes the legal fees and expenses of Bond Counsel, counsel to the Corporation, counsel to the Master Trustee, counsel to the Related Bond Trustee, and counsel to any purchaser of such Obligation; feasibility consultant’s fees and expenses; financing costs; financial advisor’s fees and expenses; accounting fees and expenses; consulting fees; Master Trustee’s fees; Bond Trustee’s fees; paying agent and certifying and authenticating agent fees; dissemination agent fees; publication costs; title insurance premiums; and printing and engraving costs incurred in connection with the authorization, sale, and issuance of such series of Obligations and any Related Bonds, and the expenses to the Corporation in connection with any Interest Rate Agreement with respect to such Obligation, any Related Bonds, or any Related Obligations.

“*Costs of Issuance Fund*” means the Fund created under Section 432 hereof.

“*Credit Facility*” means any letter of credit, standby bond purchase agreement or similar credit facility issued or entered into to secure any series of Related Bonds.

“*Current Value*” means (i) with respect to Property, Plant, and Equipment: (a) the aggregate fair market value of such Property, Plant, and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Representative with the consent of 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 shall be dated not more than six months prior to the date as of which Current Value is to be calculated), minus the fair market value (as reflected in such most recent appraiser's report) of any Property, Plant, and Equipment included in such report but disposed of since the last such report; plus (b) the Book Value of any Property, Plant, and Equipment acquired since the last such report, minus (c) the Book Value of any such Property, Plant, and Equipment acquired since the last such report but disposed of and (ii) with respect to any other Property, the fair market value of such Property, which fair market value shall be evidenced in a manner satisfactory to the Master Trustee.

*"Days' Cash on Hand"* means, as of the date of calculation, the amount determined by dividing (i) the amount of Cash and Investments on such date, minus the sum of (a) the amount of any outstanding Indebtedness of the Obligated Group incurred to finance Expenses or to increase Cash and Investments and (b) the amount of any Adequate Reserve by (ii) the quotient obtained by dividing (a) Expenses (including interest on Indebtedness but excluding provisions for bad debt, amortization, depreciation, or any other non-cash expenses) for the most recent two fiscal quarters for which financial statements of the Obligated Group are available by (b) the number of days elapsed in such six-month period.

*"Days' Cash on Hand Requirement"* shall have the meaning set forth in Section 424(a) hereof.

*"Debt Service Requirements"* means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal or Accreted Value of (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment, or otherwise) and interest on Outstanding Funded Indebtedness of each Person or a group of Persons with respect to which calculated; provided that: (i) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Section 417 hereof; (ii) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (iii) principal and Accreted Value of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal or Accreted Value and such amounts so required to be applied are sufficient to pay such principal or Accreted Value; (iv) any annual fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements, and (v) with respect to any Funded Indebtedness for which the number of actual payments of principal in any Fiscal Year is greater than those in the immediately preceding and/or succeeding Fiscal Years solely by reason of the fact that such principal payments are scheduled to occur other than on a specified date or dates, the first or last principal payment in such Fiscal Year, as the case may be, for which the number of payments is higher shall be deemed to be required to be made in the immediately preceding or succeeding Fiscal Year, as appropriate, so as to have an equal number of principal payments in each Fiscal Year.

*"Default Condition"* means the occurrence or existence of an event or condition that, upon the giving of notice or the passage of time, or both, would constitute an Event of Default.

*"Defaulted Interest"* means interest on any Related Bond of a particular series that is payable but not duly paid on the date due.

*"Deposit"* means any amount paid by a prospective Resident that is required to be held in escrow by Applicable Law or under the applicable Residency Agreement, but only during such time as such amount is required to be held in escrow (collectively, the *"Deposits"*).

*"Distribution Waterfall"* shall have the meaning set forth in Section 428(b) hereof.

“*Effective Date*” shall mean \_\_\_\_\_, 2020.

“*Emergency Capital Expenditures*” means expenditures relating to or arising out of an emergency situation with respect to the Facilities or their operation that are necessary to the continued operation of the Facilities at the time of such expenditure or for the safety or protection of Residents at the time of such expenditure.

“*EMMA*” means the Municipal Securities Rulemaking Board (through its Electronic Municipal Market Access (EMMA) System) or any other repository designated by the United States Securities and Exchange Commission as a central repository.

“*Encumbered*” means, with respect to Property, subject to a Lien; provided that any amounts on deposit in a construction fund created in connection with the issuance of an Obligation that are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property that is not subject to a Lien.

“*Entrance Fees*” means fees, other than security deposits, monthly rentals, or monthly service charges, paid to a Member by residents of units or the Landlord for the purpose of obtaining the right to reside in those units or to obtain a parking space including any refundable resident deposits described in any lease, residency agreement, or similar agreement with respect to those units or parking spaces, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement or a reservation agreement prior to the occupancy of the unit or parking space covered by such lease, residency agreement, or similar agreement (which amounts shall be included if and when occupancy occurs) (each, an “*Entrance Fee*”).

“*Entrance Fees Fund*” means the Fund created under Section 427 hereof.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, and any successor statute of similar import, and regulations thereunder, in each case as in effect from time to time. References to sections of ERISA shall be construed also to refer to any successor sections.

“*ERISA Affiliate*” means any Person who for purposes of Title IV of ERISA is a member of a controlled group, of which the Obligated Group is a member, is under common control with the Obligated Group, or is a member of an affiliated service group of which any Member of the Obligated Group is a member in accordance with the provisions of Section 414(b), (c), (m), or (o) of the Code.

“*ERISA Event*” means (i) a “Reportable Event” described in Section 4043 of ERISA and the regulations issued thereunder, excluding, however, such events as to which the PBGC by regulation has waived the requirement of Section 4043(a) of ERISA that the PBGC be notified within thirty (30) days of the occurrence of such event; (ii) the withdrawal of any Member of the Obligated Group or any ERISA Affiliate from a Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA; (iii) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA; (iv) the institution of proceedings to terminate a Plan by the PBGC; (v) the complete or partial withdrawal of any Member of the Obligated Group or any ERISA Affiliate from a Multiemployer Plan or notification that such Multiemployer Plan is in reorganization; (vi) the failure to make required contributions to a Plan; or (vii) any other event or condition that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.



“*Escrow Obligations*” means, (i) with respect to any Obligation that secures a series of Related Bonds, the obligations permitted to be used to refund or advance refund such series of Related Bonds under the Related Bond Indenture, or (ii) in all other cases (a) Government Obligations, (b) obligations of any agency or instrumentality of the United States Government, (c) certificates of deposit issued by a bank or trust company that are (1) fully insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or a similar corporation chartered by the United States or (2) secured by a pledge of any United States Government Obligations having an aggregate market value, exclusive of accrued interest, equal at least to the principal amount of the certificates so secured, which security is held in a custody account by a custodian satisfactory to the Master Trustee, or (d) obligations issued by any state of the United States or any political subdivision, public instrumentality, or public authority of any state, which obligations are not callable before the date the principal thereof will be required and which obligations are fully secured by and payable solely from Government Obligations, which securities are held pursuant to an agreement in form and substance not objected to by the Master Trustee (each, an “*Escrow Obligation*”).

“*Event of Default*” means each of the events or conditions specified in Section 502 hereof.

“*Excess Cash*” shall have the meaning set forth in Section 428(b) hereof.

“*Excluded Property*” means (a) any assets of “employee pension benefit plans” as defined in ERISA, (b) any Deposits and (c) the real estate described in *Exhibit C* hereto, as amended as provided hereto from time to time, and all improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith.

“*Expenses*” means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Person or group of Persons involved during such period, minus (i) interest on Funded Indebtedness (taking into account any Interest Rate Agreement as provided in Section 417 hereof), (ii) depreciation and amortization, (iii) extraordinary expenses, losses on the sale, disposal, or abandonment of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (iv) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate that does not constitute an extraordinary expense, (v) losses resulting from any reappraisal, revaluation, or write-down of assets other than bad debts, (vi) any losses from the sale or other disposition of fixed or capital assets, (vii) any losses resulting from changes in the valuation of investment securities and unrealized changes in the value of derivative instruments or resulting from the temporary impairment of investment securities, (viii) any accrued rent under the Lease that is not payable during the applicable period and any rent credits provided to the Corporation pursuant to the provisions of the Lease, (ix) any other non-cash expenses and (x) any rent, development, marketing, operating, or other subordinated fees that have been deferred from the year in which they were originally due and that were not paid during such period. If such calculation is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded. Notwithstanding the foregoing, for purposes of calculating the Historical Debt Service Coverage Ratio hereunder, the determination of Expenses used in such calculation shall be made in accordance with Section 410(b) hereof.

“*Facilities*” means all land, leasehold interests, and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of any Member of the Obligated Group. Facilities shall not include any land, leasehold interests, buildings, fixtures, or equipment constituting Excluded Property.

“*Final Accreted Value*,” with respect to the Series 2020B Obligations and the Series 2020B Bonds, means the Accreted Value thereof on its maturity date.

“*Fiscal Year*” means the 12-month period beginning on January 1 of any calendar year and ending on December 31 of the next calendar year.

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

“*Funded Indebtedness*” means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed; (b) the Person’s Guaranties of Indebtedness; and (c) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Indenture.

“*Funded Interest*” means amounts irrevocably deposited in an escrow or other trust account to pay interest on Funded Indebtedness or Related Bonds and interest earned on amounts irrevocably deposited in an escrow or other trust account, to the extent such amounts so deposited are required to be applied to pay interest on Funded Indebtedness or Related Bonds.

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

“*Government Obligations*” means securities which consist of (a) United States Government Obligations or (b) evidences of a direct ownership in future interest or principal payments on United States Government Obligations, which obligations are held in a custody account by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian satisfactory to the Master Trustee pursuant to the terms of a custody agreement.

“*Governmental Authority*” means any government or political subdivision, or any agency, authority, board, bureau, commission, department or instrumentality of either, or any court, tribunal, central bank or arbitrator.

“*Gross Revenue Fund*” means the Fund created under Section 428 hereof.

“*Gross Revenues*” means all receipts, revenues, rentals, income, business interruption or similar insurance proceeds (including, without limitation, all Entrance Fees and all Medicaid, Medicare, and other third-party payments), condemnation awards, investment income and investment proceeds, and other moneys received or receivable by or on behalf of any Obligated Group Member (including, without limitation, revenues derived from (i) the ownership, operation, or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same, whether in the form of accounts, general intangibles, or other rights, and the proceeds of such accounts, general intangibles, and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, including without limitation any amount released to any Obligated Group Member from the Alternative Working Capital Fund and Indemnification Escrow Account and (ii) gifts, grants, bequests, donations, and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance, or repair of any portion of the Facilities; provided,

however, that there shall be excluded from Gross Revenues (a) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (b) gifts, grants, bequests, donations, and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, that are specifically restricted by the donor or grantor to a particular purpose that is inconsistent with their use for payments required under this Master Indenture, (c) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (d) Deposits until the conditions for the release of such Deposits to the Corporation shall have been satisfied, and (e) any insurance proceeds or condemnation awards required to be deposited into the Insurance and Condemnation Award Fund by the provisions of Sections 411 and 412 hereof.

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

*“Historical Debt Service Coverage Ratio”* means, for any period of time, the ratio of Income Available for Debt Service for that period to the Maximum Annual Debt Service.

*“Holder,” “Obligation Holder,”* or *“Owner”* means the registered owner of any fully registered or book entry Obligation unless alternative provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued for establishing ownership of such Obligation in which case such alternative provision shall control.

*“IL Occupancy Requirements”* shall have the meaning set forth in Section 425 hereof.

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

*“Indebtedness”* means, for any Person, (i) all Guaranties by such Person, (ii) all liabilities (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with generally accepted accounting principles and (iii) all obligations for the payment of money incurred or assumed by such Person (a) due and payable in all events or (b) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others, or otherwise; provided that Indebtedness shall not include Indebtedness of one Member to another Member, any Guaranty by any Member of Indebtedness of any other Member, the joint and several liability of any Member on Indebtedness issued by another Member, Interest Rate Agreements, or any obligation to repay moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing, or similar facilities to Entrance Fees (whether amortized into income or not), endowment or similar funds deposited by or on behalf of such residents including but not limited to any deferred obligations for the refund or repayment of Entrance Fees, any rent, development, marketing, operating, or other fees that have been deferred from the year in

which they were originally due as a result of deferral or subordination (including without limitation rent due under the Lease).

*“Indenture Trust Estate”* has the meaning given to that term in the Granting Clauses hereof.

*“Independent Architect”* means an architect, engineer, or firm of architects or engineers selected by the Obligated Group Representative, acceptable to the Master Trustee and licensed by, or permitted to practice in, the state where the construction involved is located, which architect, engineer, or firm of architects or engineers shall have no interest, direct or indirect, in any member of the Obligated Group or any Affiliate thereof and, in the case of an individual, shall not be a partner, member, director, officer, controlling shareholder, or employee of any member of the Obligated Group or any Affiliate thereof and, in the case of a firm, shall not have a partner, member, director, officer, or employee who is a partner, member, director, officer, controlling shareholder, or employee of any member of the Obligated Group or any Affiliate thereof; it being understood that an arm’s-length contract with a member of the Obligated Group for the performance of architectural or engineering services shall not in and of itself be regarded as creating an interest in or an employee relationship with such entity and that the term Independent Architect may include an architect or engineer or a firm of architects or engineers who otherwise meet the requirements of this definition and who also are under contract to construct the facility that they have designed.

*“Independent Counsel”* means an attorney duly admitted to practice law before the highest court of any state who is not an employee of any Member or of an Affiliate of any Member and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee, or any Related Bond Trustee.

*“Independent Living Units”* means the independent living units that are part of the Facilities.

*“Initial Entrance Fees”* means Entrance Fees received upon the initial occupancy of any Independent Living Unit (including any such fees collected for the purpose of obtaining a parking space) not previously occupied.

*“Initial Management Agreement”* means the Management Agreement dated as of \_\_\_\_\_, 2020, between the Corporation and ER Senior Management, LLC, as manager, as the same may be amended from time to time with the prior written consent of the Majority of Applicable Holders.

*“Insurance and Condemnation Award Fund”* means the Fund created under Section 431 hereof.

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

*“Interest Rate Agreement”* means an interest rate exchange, hedge, or similar agreements, expressly identified in an Officer’s Certificate of the Obligated Group Representative delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or

futures contract or an option (e.g. a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended, or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness hereunder.

“*IRS*” means the United States Internal Revenue Service.

“*Land*” means the real Property owned or leased by the Obligated Group upon which the primary operations of the Members are conducted as described in *Exhibit A* hereto, as amended as provided herein from time to time, together with all buildings, improvements and fixtures located thereon, but excluding therefrom the Excluded Property.

“*Landlord*” means The Sisters of St. Joseph of the Third Order of St. Francis, Inc., an Indiana nonprofit corporation.

“*Lease*” means the Amended and Restated Ground Lease dated as of [December 1, 2012, amending and restating the Ground Lease dated as of July 1, 2006], between the Landlord and the Corporation, and as further amended or supplemented from time to time.

“*Lien*” means any mortgage, pledge or lease of, security interest in or lien, charge, restriction or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than any Member, and any Capitalized Lease under which any Member is lessee and the lessor is not another Member.

“*Lock-Box Budget*” shall have the meaning set forth in Section 514 hereof.

“*Lock-Box Notice*” shall have the meaning set forth in Section 514 hereof.

“*Long-Term Indebtedness*” means Indebtedness having an original stated maturity or term greater than one year (and that is not payable upon demand of the holder of such Indebtedness within one year of the date of original issuance) or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

“*Majority of the Applicable Holders*” means the Holders of more than 50% in aggregate principal amount of the Senior Obligations that are then Outstanding, or if no Senior Obligations are Outstanding, Holders of more than 50% in aggregate principal amount or Accreted Value, as applicable, of the Series 2020 Obligations that are then Outstanding. The determination of who is the Holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in Section 513 hereof.

“*Management Agreement*” means, initially, the Initial Management Agreement and, thereafter, any management agreement between a Manager and a Member approved in writing by the Master Trustee and a Majority of the Applicable Holders.

“*Manager*” means a manager under a Management Agreement.

“*Master Indenture*” means this Master Trust Indenture (Amended and Restated) dated as of \_\_\_\_\_, 2020, between the Corporation and the Master Trustee, as it may from time to time be further amended or supplemented in accordance with the terms hereof.

“*Master Trustee*” means UMB Bank, N.A., its successors and assigns, or any successor trustee under this Master Indenture.

*“Material Adverse Effect”* means an event or occurrence that adversely affects in a material manner (i) the assets, liabilities, condition (financial or otherwise), business or operations of any Obligated Group Member (or other named party) including, without limitation, the Facilities or any part thereof, (ii) the ability of any Obligated Group Member (or other named party) to carry out its business as of the date of this Master Indenture or as proposed herein to be conducted or to meet or perform its covenants and obligations under this Master Indenture or any Obligation issued hereunder on a timely basis or (iii) any Obligated Group Member’s status as an organization described in Section 501(c)(3) of the Code.

*“Matters Contested in Good Faith”* means matters (i) then being contested in good faith by appropriate proceedings diligently and continuously pursued; (ii) of which the Master Trustee has been notified in writing and is being kept informed in such detail as the Master Trustee may from time to time reasonably request; (iii) the enforcement of which is effectively stayed during the period of the contest; and (iv) with respect to which, if so requested by the Master Trustee, an Adequate Reserve shall have been established.

*“Maturity Value”* for any Obligation issued to evidence or secure Capital Appreciation Indebtedness, the Accreted Value at the final maturity of such Obligation.

*“Maximum Annual Debt Service”* means, the greatest Debt Service Requirements in the then current or any future Fiscal Year on the Series 2020A Bonds.

*“Member”* or *“Member of the Obligated Group”* means any Person who is listed on Exhibit “E” hereto after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture (collectively, the *“Members”* or the *“Members of the Obligated Group”*).

*“Memory Care Units”* means the memory care units or beds included as part of the Facilities.

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

*“Mortgage”* means the Amended and Restated Leasehold Mortgage and Security Agreement between the Corporation, as mortgagor, and the Master Trustee, as mortgagee, dated as of \_\_\_\_\_, 2020, and as the same may be supplemented and amended from time to time.

*“Mortgaged Property”* means the real property and personal property of the Corporation that is subject to the Lien and security interest of the Mortgage.

*“Multiemployer Plan”* means a Plan that is a “multiemployer plan” as defined in Section 3(37) or 4001(a)(3) of ERISA.

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

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

“*Non-Recourse Indebtedness*” means any Indebtedness the liability for which is effectively limited to Property, Plant, and Equipment (other than the Land) financed by the applicable Indebtedness and the income therefrom, with no recourse, directly or indirectly, to any other Property of any Member.

“*Obligated Group*” means the Corporation and any other Person that has fulfilled the requirements for entry into the Obligated Group set forth in Section 404 hereof and that has not ceased such status pursuant to Section 405 hereof.

“*Obligated Group Member*” means any Person who is listed on Exhibit “E” hereto after designation as a Member of the Obligated Group pursuant to the terms of this Master Indenture (collectively, the “*Obligated Group Members*”).

“*Obligated Group Representative*” means the Corporation or such other Member as may be designated from time to time pursuant to written notice to the Master Trustee, executed by the President or Chairman of the Governing Body of the Corporation or, if the Corporation is no longer a Member of the Obligated Group, of each Member of the Obligated Group.

“*Obligations*” means the Series 2020 Obligations and any Additional Obligations, and any obligation or obligations issued in exchange therefor (each, an “*Obligation*”).

“*Occupied*” means (i) with respect to any Independent Living Unit or Assisted Living Unit, as applicable, any unit for which a Residency Agreement has been executed and for which an Entrance Fee (or portion thereof as required under any deferred Entrance Fee payment program) has been paid, and for which applicable service charges are being paid, in accordance with such Residency Agreement or (ii) with respect to any other type of living unit, physical possession of such unit by a resident.

“*OFAC*” means the United States Department of Treasury Office of Foreign Assets Control.

“*OFAC Laws*” means any laws, regulations, and Executive Orders relating to the economic sanctions programs administered by OFAC, including without limitation, the International Emergency Economic Powers Act, 50 U.S.C. sections 1701 et seq.; the Trading with the Enemy Act, 50 App. U.S.C. sections 1 et seq.; and the Office of Foreign Assets Control, Department of the Treasury Regulations, 31 C.F.R. Parts 500 et seq. (implementing the economic sanctions programs administered by OFAC).

“*OFAC SDN List*” means the list of “Specially Designated Nationals and Blocked Persons” maintained by OFAC.

“*OFAC Violation*” has the meaning assigned to such term in Section 453(e) of this Master Indenture.

*“Officer’s Certificate”* means a certificate signed, in the case of a certificate delivered by a Member of the Obligated Group, by the President, any Vice President, Executive Director, Director of Finance or any other officer, employee or agent authorized to sign by resolution of the Governing Body of any Member of the Obligated Group or in the case of a certificate delivered by any other corporation, by the President, any Vice President, Executive Director, Director of Finance or any other officer, employee or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such certificate shall be evidenced to the satisfaction of the Master Trustee.

*“Operating Account”* means an account held and maintained by each Member subject to the Lien of this Master Indenture pursuant to a deposit account control agreement with the depository bank that is reasonably acceptable to the Master Trustee.

*“Operating Expenses”* means, for any period, all amounts required to be paid by any Obligated Group Member in connection with the operation and management of the Facilities, including, without limitation, any management fees, marketing expenses, insurance costs, amounts due and owing under the Lease and any taxes incurred by the Obligated Group Member during such period, but excluding capital expenditures, any interest or principal payments on Funded Indebtedness, any Entrance Fees due to be refunded to Residents, depreciation and amortization, and other non-cash expenses.

*“Operating Reserve Fund”* means the Fund created under Section 429 hereof.

*“Operating Revenues”* means, for any period, means all receipts, revenues, rentals and income received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from the ownership, operation or leasing of any portion of the Facilities, but excluding Entrance Fees, non-cash revenues, accruals and restricted contributions.

*“Opinion of Bond Counsel”* means a written opinion of nationally recognized municipal bond counsel, which opinion, including the scope, form, substance and other aspects thereof, is acceptable to the Master Trustee, and which opinion may be based upon a ruling or rulings of the Internal Revenue Service.

*“Option Agreement”* means the Option to Purchase dated [December 1, 2012] between the Landlord and the Corporation, as it may be amended from time to time.

*“Original Indenture”* means the Master Trust Indenture dated as of December 1, 2012, between the Corporation and Wells Fargo Bank, National Association, as master trustee.

*“Outstanding”* means, in the case of Indebtedness of a Person other than Related Bonds or Obligations, all such Indebtedness of such Person which has been issued except any such portion thereof canceled after purchase or surrendered for cancellation or because of payment at or redemption prior to maturity, any such Indebtedness in lieu of which other Indebtedness has been duly incurred and any such Indebtedness which is no longer deemed outstanding under its terms and with respect to which such Person is no longer liable under the terms of such Indebtedness.

*“Outstanding Obligations”* or *“Obligations Outstanding”* means all Obligations that have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except:

(a) Obligations canceled after purchase or because of payment at or prepayment or redemption prior to maturity;



(b) (i) Obligations for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Master Trustee (whether upon or prior to the maturity or redemption date of any such Obligations); provided that if such Obligations are to be prepaid or redeemed prior to the maturity thereof, notice of such prepayment or redemption shall have been given or irrevocable arrangements satisfactory to the Master Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Master Trustee shall have been filed with the Master Trustee and (ii) Obligations securing Related Bonds for the payment or redemption of which cash or Escrow Obligations shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Related Bonds); provided that if such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Obligations in lieu of which others have been authenticated hereunder; and

(d) Obligations held by a Member.

Notwithstanding the foregoing, any Obligation securing Related Bonds shall be deemed Outstanding if such Related Bonds are Outstanding.

“*Outstanding Related Bonds*” or “*Related Bonds Outstanding*” means all Related Bonds that have been duly authenticated and delivered by the Related Bond Trustee under the Related Bond Indenture and are deemed outstanding under the terms of such Related Bond Indenture or, if such Related Bond Indenture does not specify when Related Bonds are deemed outstanding thereunder, all such Related Bonds which have been so authenticated and delivered, except:

(a) Related Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Related Bonds for the payment or redemption of which cash or Escrow Obligations of the type described in clause (ii)(a) of the definition thereof shall have been theretofore deposited with the Related Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with the Related Bond Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Related Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Related Bond Trustee shall have been filed with the Related Bond Trustee;

(c) Related Bonds in lieu of which others have been authenticated under the Related Bond Indenture; and

(d) For the purposes of all covenants, approvals, waivers and notices required to be obtained or given under the Related Bond Indenture, Related Bonds held or owned by a Member.

“*Paying Agent*” means the bank or banks, if any, designated pursuant to a Related Bond Indenture to receive and disburse the principal of and interest on any Related Bonds or designated pursuant to the Master Indenture and named in an Obligation to receive and disburse the principal of and interest on such Obligation.

“*PBGC*” means the Pension Benefit Guaranty Corporation or any successor thereto.

“*Permits*” means, collectively, all consent, licenses permits, order or other approvals required for occupancy and operation of the Facilities in accordance with all Applicable Law affecting the Facilities (each, a “*Permit*”).

“*Permitted Encumbrances*” means any Lien arising under this Master Indenture and, as of any particular time:

(i) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids, or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure the payment of taxes or assessments or other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions, or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;

(ii) the Mortgage and any other security agreement or document securing the Master Trustee in connection with the issuance of the Series 2020 Obligations, and any other Lien on Property if such Lien secures the Obligations (subject to the priorities of payment set forth herein) and only the Obligations;

(iii) Residency Agreements and leases that relate to Property of the Obligated Group that is of a type and amount of space that is customarily the subject of such leases, such as office space for physicians and educational institutions, food service facilities, gift shops, beauty shop, banking, parking for residents, other similar specialty services, pharmacy and similar departments or employee rental apartments; sale/saleback or lease/leaseback or similar arrangements in connection with the issuance of Related Bonds; and any leases, licenses, or similar rights to use Property whereunder a Member is lessee, licensee, or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm’s-length transaction, provided in each case that such Lien is subject and junior to the Lien of the Mortgage;

(iv) Liens for taxes and special assessments that are not then delinquent, or if then delinquent are being contested in accordance with Section 406 hereof;

(v) utility, access and other easements and rights-of-way, restrictions, encumbrances, and exceptions that do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);

(vi) any mechanic’s, laborer’s, materialman’s, supplier’s, or vendor’s Lien or right in respect thereof if payment is not yet due under the contract in question or has been due for less than 60 days, or if such Lien is being contested in accordance with the provisions of this Master Indenture;

(vii) such Liens, defects, irregularities of title, and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved

and that do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof;

(viii) statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and that do not apply to Property that has been deposited as part of a plan to secure Indebtedness;

(ix) zoning laws and similar restrictions that are not violated by the Property affected thereby;

(x) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill-Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;

(xi) all right, title, and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges, and passageways over, under or upon a public way;

(xii) Liens on or in Property given, granted, bequeathed, or devised by the owner thereof existing at the time of such gift, grant, bequest, or devise, provided that (a) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (b) such Liens secure Indebtedness that is not assumed by any Member and such Liens attach solely to the Property (including the income therefrom) that is the subject of such gift, grant, bequest, or devise;

(xiii) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;

(xiv) Liens in favor of a resident or other depositor on Deposits or other moneys deposited by residents or others with a Member as a security deposit or prepayment of the cost of resident or patient care;

(xv) Liens on Excluded Property;

(xvi) Liens on payments from a third-party payor due to rights of third-party payors for recoupment of excess reimbursement paid;

(xvii) any security interest in the Rebate Fund, any depreciation reserve, debt service, or interest reserve, debt service, construction fund or any similar fund established pursuant to the terms of any Supplemental Master Indenture, any Related Bond Indenture, or any Related Loan Document in favor of the Master Trustee, the applicable Related Bond Trustee, the applicable Related Issuer, or the Holder of the Indebtedness issued pursuant to such Supplemental Master Indenture, Related Bond Indenture, or Related Loan Document;

(xviii) any Lien on Property acquired by a Member that Lien secures Indebtedness issued, incurred, or assumed by any Member, in connection with and to effect such acquisition or existing Indebtedness that will remain Outstanding after such acquisition which Lien encumbers Property other than Land, buildings, or other improvements, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value subject to such Lien as determined in good faith by the Governing Body of the Member;

(xix) such Liens, covenants, conditions, and restrictions, if any, that do not secure Indebtedness and that are other than those of the type referred to above, as are set forth in Exhibit "F" to this Master Indenture, and that (a) in the case of Property owned by the Obligated Group on the date of execution of this Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (b) in the case of any other Property, do not materially impair or materially interfere with the value, operation, or usefulness thereof for the purpose for which such Property was acquired or is held by a Member;

(xx) the items set forth on Schedule B to the title insurance policy delivered in connection with the issuance of the Series 2020 Obligations and which items are also listed in Exhibit "F" attached hereto;

(xxi) the Lease and any rights granted to the Landlord thereunder, subject to any subordination terms set forth therein as of the date of execution of this Master Indenture; and

(xxii) the Option Agreement, the Sublease and the Use Agreement.

*"Permitted Investments"* means and includes any of the following:

(i) Government Obligations;

(ii) debt obligations that are (a) at the time of purchase, issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (b) 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 each Applicable Rating Agency;

(iii) 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) that is either (a) rated in the highest rating category by each Applicable Rating Agency, or (b) backed by the full faith and credit of the United States of America;

(iv) U.S. denominated deposit accounts, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Master Trustee or its affiliates, that 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 each Applicable Rating Agency, and that mature not more than 360 days after the date of purchase;

(v) commercial paper that 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 each Applicable Rating Agency, and that matures not more than 270 days after the date of purchase;

(vi) bonds, notes, debentures, or other evidences of indebtedness issued or guaranteed by a corporation that are, at the time of purchase, rated by each Applicable 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);

(vii) investment agreements approved by a Majority of the Applicable Holders;

(viii) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (iii) above, which agreements may be entered into with a bank (including without limitation the Related Bond Trustee or the Master Trustee), a trust company, financial services firm or a broker dealer that is a member of the Securities Investors Protection Corporation, provided that (a) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and that the collateral is, to the knowledge of the Master Trustee, free and clear of third-party liens or claims, (b) a master repurchase agreement or specific written repurchase agreement governs the transaction, (c) the collateral securities are valued no less frequently than weekly, and (d) 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%;

(ix) investments in a money market fund, which may be funds of the Related Bond Trustee or the Master Trustee or an affiliate thereof, rated (at the time of purchase) in the highest rating category for this type of investment by each Applicable Rating Agency; and

(x) any other investment approved by a Majority of the Applicable Holders.

The Related Bond Trustee and the Master Trustee shall not be obligated to determine whether an investment that at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter and shall be under no obligation to sell or a liquidate an investment unless instructed to do so by the Corporation.

For the purposes of this definition, obligations issued or held in the name of the Related Bond Trustee or the Master Trustee (or in the name of the Related Issuer and payable to the Related Bond Trustee or the 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 Related Bond Trustee or the Master Trustee, as applicable.

*“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.

*“Plan”* means an employee pension benefit plan as defined in Section 3(2) of ERISA, that (i) is currently or hereafter sponsored, maintained, or contributed to by any Member of the Obligated Group or an ERISA Affiliate or (ii) was at any time during the last six (6) calendar years preceding the date of this Master Indenture, sponsored, maintained or contributed to by any Member of the Obligated Group or an ERISA Affiliate (collectively, *“Plans”*).

*“Primary Obligor”* means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

*“Project”* means the Facilities originally refinanced with the proceeds of the Series 2012 Bonds consisting of the continuing care retirement community known as Clare Oaks.

*“Projected Rate”* means the projected yield at par of an obligation as set forth in the report of a Consultant (which Consultant and report are not objected to by the Master Trustee). Such report shall state that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations selected by such Consultant, which obligations such Consultant states in its

report are reasonable comparators for utilizing in developing such Projected Rate and which obligations: (i) were outstanding on a date selected by the Consultant which date so selected occurred during the 90-day period preceding the date of the calculation utilizing the Projected Rate in question, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement, including without limitation any letter or line of credit or insurance policy (unless the Indebtedness for which the Projected Rate is being calculated has similar enhancement), and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

*“Property”* means any and all rights, titles, and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired, other than Excluded Property.

*“Property, Plant, and Equipment”* means all Property of each Member that is classified as Property, Plant, and Equipment under generally accepted accounting principles.

*“Rating Agency”* means Moody’s, Standard & Poor’s, or Fitch, and their respective successors and assigns.

*“Rebate Fund”* means any Rebate Fund created by a Related Bond Indenture.

*“Related Bond Indenture”* means the Series 2020 Bond Indenture, and any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued (collectively, the *“Related Bond Indentures”*).

*“Related Bond Trustee”* means the Series 2020 Bond Trustee, and any other trustee under any Related Bond Indenture and any successor trustee thereunder or, if no trustee is appointed under a Related Bond Indenture, the Related Issuer.

*“Related Bonds”* means the Series 2020 Bonds, and any other revenue bonds or similar obligations the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations.

*“Related Issuer”* means the Authority and any other issuer of a series of Related Bonds.

*“Related Loan Document”* means the Series 2020 Bond Loan Agreement, and any other document or documents (including without limitation any loan or credit agreement, lease, sublease, or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, subleased, or sold to a Member) (collectively, the *“Related Loan Documents”*).

*“Related Person”* shall have the meaning set forth in Section 147(a)(2) of the Code.

*“Required Information Recipients”* means the Master Trustee, each Related Bond Trustee, the Authority, and all beneficial owners of \$500,000 or more in aggregate principal or original principal amount, as applicable, of any series of Related Bonds who shall request any applicable information in writing (which written request shall include a certification as to such ownership).

“*Residency Agreement*” means any written agreement or contract, as amended from time to time, between a Member and a resident of a Facility or the Landlord, giving the resident and/or the Landlord certain rights of occupancy in the Facility, including without limitation, independent living units, assisted living units, memory support units, skilled nursing beds, or specialty care beds and providing for certain services to such resident (collectively, the “*Residency Agreements*”).

“*Resident*” means the occupant or prospective occupant of a unit at the Facility pursuant to a Residency Agreement (collectively, the “*Residents*”).

“*Resident Service Fees*” means all fees and charges, other than Entrance Fees, received by the Corporation from Residents, including those monthly rental, second person, *per diem* and amenity service fees paid by Residents pursuant to the Residency Agreements.

“*Revenues*” means, for any period, (i) in the case of any Person providing health care services and/or senior living services, the sum of (a) resident service revenues *plus* (b) other operating revenues, *plus* (c) non-operating revenues (other than Contributions, income derived from the sale or other disposition of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item or earnings that constitute Funded Interest, earnings on amounts that are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness or earnings not available to pay Expenses or debt service on Indebtedness of the Obligated Group), *plus* (d) Unrestricted Contributions, *plus* (e) Entrance Fees received *minus* (1) Entrance Fees amortized during such Fiscal Year, (2) Entrance Fees refunded to residents, and (3) the amount of Entrance Fees refunds payable irrespective of reoccupancy, within 12 months of the date of calculation with respect to units that are unoccupied as of the date of calculation; and (ii) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally accepted accounting principles; but excluding in either case (a) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative instruments, (b) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (c) earnings resulting from any reappraisal, revaluation or write-up of fixed or capital assets, (d) any revenues recognized from deferred revenues related to Entrance Fees, or (e) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable Officer’s Certificate is required to be delivered with respect to such calculation. For purposes of any calculation hereunder that is made with reference to both Revenues and Expenses, any deduction from gross resident service revenues otherwise required by this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses. Notwithstanding the foregoing, for purposes of calculating the Historical Debt Service Coverage Ratio hereunder, the determination of Revenues used in such calculation shall be made in accordance with Section 410(b) hereof.

“*Senior Obligations*” means (i) the Series 2020A Obligations, (ii) any Obligation issued on a parity with the Series 2020A Obligations, (iii) any Obligation declared to be a “*Senior Obligation*” upon the issuance thereof and (iii) any Obligation issued to refund or refinance any of the foregoing (each, a “*Senior Obligation*”).

“*Series 2012 Bond Indenture*” means the Bond Trust Indenture dated as of July 1, 2006, between the Authority and the Series 2006A/B Bond Trustee, pursuant to which the Series 2006A Bonds and the Series 2006B Bonds are being issued.

“*Series 2012 Bonds*” means, collectively, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2012C Bonds.

“*Series 2012A Bonds*” means, collectively, the Series 2012A-1 Bonds, the Series 2012A-2 Bonds and Series 2012A-3 Bonds.

“*Series 2012A Obligations*” means, collectively, the Series 2012A-1 Obligation, the Series 2012A-2 Obligation and the Series 2012A-3 Obligation.

“*Series 2012A-1 Bonds*” means the \$8,000,000 aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2012A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-2 Bonds*” means the \$4,000,000 aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2012A-2 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-3 Bonds*” means the \$2,000,000 aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2012A-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-1 Obligation*” means the Corporation’s \$8,000,000 principal amount Direct Note Obligation, Series 2012A-1, issued under the Master Indenture as security for the Series 2012A-1 Bonds.

“*Series 2012A-2 Obligation*” means the Corporation’s \$4,000,000 principal amount Direct Note Obligation, Series 2012A-2, issued under the Master Indenture as security for the Series 2012A-2 Bonds.

“*Series 2012A-3 Obligation*” means the Corporation’s \$2,000,000 principal amount Direct Note Obligation, Series 2012A-3, issued under the Master Indenture as security for the Series 2012A-3 Bonds.

“*Series 2012B Bonds*” means the \$39,991,094 aggregate principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012B (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C Bonds*” means, collectively, the Series 2012C-1 Bonds, the Series 2012C-2 Bonds and the Series 2012C-3 Bonds.

“*Series 2012C-1 Bonds*” means the \$25,006,410 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C-2 Bonds*” means the \$5,001,282 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012A-2 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C-3 Bonds*” means the \$5,001,282 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012C-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2020 Bonds*” means the Series 2020A Bonds and the Series 2020B Bonds.



“*Series 2020 Obligations*” means, collectively, the Series 2020A Obligations and the Series 2020B Obligations.

“*Series 2020A Bonds*” means the Series 2020A-1 Bonds, the Series 2020A-2 Bonds and the Series 2020A-3 Bonds.

“*Series 2020A-1 Bonds*” means the \$5,740,000 aggregate original principal amount of Illinois Finance Authority Taxable Revenue Refunding Bonds, Series 2020A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-2 Bonds*” means the Series 2020A-2I Bonds and the Series 2020A-2II Bonds.

“*Series 2020A-2I Bonds*” means the \$2,875,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-2 (Subseries I) (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-2II Bonds*” means the \$5,000,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-2 (Subseries II) (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-3 Bonds*” means the \$21,385,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A Obligations*” means, collectively, the Series 2020A-1 Obligation, the Series 2020A-2 Obligation and the Series 2020A-3 Obligation.

“*Series 2020A-1 Obligation*” means the Corporation’s \$5,740,000 original principal amount Direct Note Obligation, Series 2020A-1, issued under the Master Indenture as security for the Series 2020A-1 Bonds.

“*Series 2020A-2 Obligation*” means the Corporation’s \$7,875,000 original principal amount Direct Note Obligation, Series 2020A-2, issued under the Master Indenture as security for the Series 2020A-2 Bonds.

“*Series 2020A-3 Obligation*” means the Corporation’s \$21,385,000 original principal amount Direct Note Obligation, Series 2020A-3, issued under the Master Indenture as security for the Series 2020A-3 Bonds.

“*Series 2020B Bonds*” means the Series 2020B-1 Bonds and the Series 2020B-2 Bonds.

“*Series 2020B-1 Bonds*” means the \$13,500,000 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020B-2 Bonds*” means the \$2,500,000 aggregate original principal amount of Illinois Finance Authority Subordinated Capital Appreciation Revenue Bonds, Series 2020B-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020B Obligations*” means, collectively, the Series 2020B-1 Obligation and the Series 2020B-2 Obligation.

“*Series 2020B-1 Obligation*” means the Corporation’s \$13,500,000 original principal amount Direct Note Obligation, Series 2020B-1, issued under the Master Indenture as security for the Series 2020B-1 Bonds.

“*Series 2020B-2 Obligation*” means the Corporation’s \$2,500,000 original principal amount Direct Note Obligation, Series 2020B-2, issued under the Master Indenture as security for the Series 2020B-2 Bonds.

“*Skilled Nursing Units*” means the skilled nursing units included as part of the Facilities.

“*SNF Occupancy Requirements*” shall have the meaning set forth in Section 426(c) hereof.

“*Sources and Uses*” means the schedule of funds, bond proceeds, and other amounts available to the Corporation, and the uses thereof, in each case as of the Closing Date as provided to the Master Trustee on the Closing Date.

“*Stable Occupancy*” means the date on which the total percentage of the Independent Living Units that are Occupied is equal to or greater than 90%, calculated as of the last day of any fiscal quarter.

“*Standard & Poor’s*” or “*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Standard & Poor’s*” or “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee, at the direction of the Obligated Group Representative.

“*Sublease*” means the Amended and Restated Sublease dated as of [December 31, 2012], between the Landlord and the Corporation, and as further amended or supplemented from time to time.

“*Subordinate Management Fee*” shall have the meaning set forth in the Management Agreement.

“*Subordinate Obligations*” means (i) the Series 2020B Obligation, (ii) any Obligation issued on a parity with the Series 2020B Obligation, (iii) any Obligation declared to be a “*Subordinate Obligation*” upon the issuance thereof, and (v) any Obligation issued to refund or refinance any of the foregoing (each, a “*Subordinate Obligation*”).

“*Supplemental Master Indenture*” means an indenture amending or supplementing this Master Indenture entered into pursuant to Article VII hereof.

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

“*Trade Payables Requirements*” shall have the meaning set forth in Section 434 hereof.

“*United States Government Obligations*” means non-callable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of Treasury of the United States of America.

“*Unrestricted Contributions*” means Contributions, including any payment received from an Affiliate of an Obligated Group Member, which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“*Use Agreement*” means the Use Agreement dated as of July 1, 1997 between the Landlord and Bartlett Learning Center, Inc. regarding the use of certain space subject to the sublease, as amended and modified, and as the same may be amended and modified from time to time.

“*Valuation Date*” means, with respect to any Obligation constituting Capital Appreciation Indebtedness, the date or dates specified in such Obligation or in the Supplemental Master Indenture creating such Obligation on which specific Accreted Values are assigned to such Capital Appreciation Indebtedness.

“*Written Request*” means with reference to a Related Issuer, a request in writing signed by the Chairman, Vice Chairman, Mayor, Clerk, President, Vice President, Executive Director, Associate Executive Director, Secretary or Assistant Secretary of the Related Issuer and with reference to any Member means a request in writing signed by the President, Vice President or Treasurer of such Member, or any other officers, employee or agent designated by the Related Issuer or such Member, as the case may be.

Words of the neuter gender shall be deemed and construed to include correlative words of the feminine and masculine genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles. Headings of articles and sections herein and the table of contents hereof are solely for the convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

## ARTICLE II

### THE OBLIGATIONS

*Section 201. Series, Designation and Amount of Obligations.* No Obligations may be issued under the provisions of this Master Indenture except in accordance with this Article. The total principal amount of Obligations, the number of Obligations and the series of Obligations that may be created under this Master Indenture are not limited except as is set forth with respect to the Series 2020 Obligations in Section 208 hereof and as shall be set forth with respect to any other series of Obligations in the Supplemental Master Indenture providing for the issuance thereof. Each series of Obligations, other than the Series 2020 Obligations, shall be issued pursuant to a Supplemental Master Indenture. Each series of Obligations shall be designated so as to differentiate the Obligations of such series from the Obligations of any other series. Unless provided to the contrary in a Supplemental Master Indenture, Obligations shall be issued as fully registered Obligations with the Obligations of each series to be lettered and numbered R-1 and upward.

*Section 202. Payment of Obligations.* The principal and Accreted Value of, premium, if any, and interest or other payments on the Obligations shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, and such principal, Accreted Value, premium, if any, and interest shall be payable at the principal corporate trust office of the Master Trustee in Minneapolis, Minnesota, or at the office of any alternate Paying Agent or agents named in any such Obligations or in a Related Bond Indenture. Unless contrary provision is made herein or in the Supplemental Master Indenture pursuant to which an Obligation is issued or the election referred to in the next sentence is made, payment of the interest on the

Obligations shall be made to the person appearing on the Obligation registration books of the Obligated Group (kept in the principal corporate trust office of the Master Trustee as Obligation Registrar) as the registered owner thereof and shall be paid by check or draft mailed to the registered owner at his address as it appears on such registration books or at such other address as is furnished to the Master Trustee in writing by such holder or by wire transfer; provided, however, that any Supplemental Master Indenture creating any Additional Obligation may provide that interest on such Additional Obligation may be paid, upon the request of the holder of such Additional Obligation, by wire transfer. The foregoing notwithstanding, a Member may elect to make payments on an Obligation directly by check or draft hand delivered to the holder thereof or its designee or shall be made by such Member by wire transfer to such holder, in either case delivered on or prior to the date on which such payment is due. Such Member shall give notice of any such payment to the Master Trustee concurrently with the making thereof, specifying the amount paid and identifying the Obligation or Obligations with respect to which such payment was made by series, designation, number and registered holder. Except with respect to Obligations directly paid, the Members agree to deposit with the Master Trustee prior to each due date of the principal or Accreted Value of, premium, if any, or interest on any of the Obligations a sum sufficient to pay such principal, Accreted Value, premium, if any, or interest so becoming due. Any such moneys shall upon Written Request and direction of the Obligated Group Representative be invested in Permitted Investments. The foregoing notwithstanding, amounts deposited with the Master Trustee to provide for the payment of Obligations pledged to the payment of Related Bonds shall be invested in accordance with the provisions of the Related Bond Indenture and Related Loan Document. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments. Supplemental Master Indentures may create such security including debt service reserve funds and other funds as are necessary to provide for payment or to hold moneys deposited for payment or as security for a related series of Additional Obligations.

*Section 203. Execution.* Obligations shall be executed on behalf of a Member by the manual or, if permitted by law, facsimile signature of its Chairman of its Governing Body, President, any Vice President or Treasurer and shall have impressed or printed by facsimile thereon the corporate seal of such Member, if required by law, which shall be attested by the manual or, to the extent permitted by law, facsimile signature of its Secretary or any Assistant Secretary. In case any officer whose signature or facsimile of whose signature shall appear on the Obligations shall cease to be such officer before the delivery of such Obligations, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

*Section 204. Authentication.* No Obligation shall be valid or obligatory for any purpose or entitled to any security or benefit under this Master Indenture unless and until a certificate of authentication on such Obligation substantially in the form set forth below shall have been duly executed by the Master Trustee, and such executed certificate of the Master Trustee upon any such Obligation shall be conclusive evidence that such Obligation has been authenticated and delivered under this Master Indenture. The Master Trustee's certificate of authentication on any Obligation shall be deemed to have been executed by it if signed by an authorized officer or signer of the Master Trustee, but it shall not be necessary that the same officer or signer sign the certificate of authentication on all of the Obligations issued hereunder.

The Master Trustee's authentication certificate shall be in substantially the following form:

**MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE**

This Obligation is one of the Obligations described in the within-mentioned Master Indenture.

UMB BANK, N.A., as Master Trustee

By: \_\_\_\_\_  
Authorized Officer

*Section 205. Form of Obligations and Temporary Obligations.* The Series 2020 Obligations shall be substantially in the respective forms set forth in Exhibit B hereto. All Additional Obligations issued under this Master Indenture shall be substantially in the form set forth in the Supplemental Master Indenture pursuant to which such Additional Obligations are issued, in each case with such appropriate variations, omissions and insertions as are permitted or required by this Master Indenture or deemed necessary by the Master Trustee to reflect the terms and conditions thereof as established hereby and by any Supplemental Master Indenture. Unless Obligations of a series have been registered under the Securities Act of 1933, as amended, each Obligation of such series shall be endorsed with a legend which shall read substantially as follows: "This Obligation has not been registered under the Securities Act of 1933, as amended."

Obligations of any series may be initially issued in temporary form exchangeable for definitive Obligations of the same series when ready for delivery. The temporary Obligations shall be of such denomination or denominations as may be determined by the Member executing the same, and may contain such reference to any of the provisions of this Master Indenture as may be appropriate. Every temporary Obligation shall be executed by a Member and be authenticated by the Master Trustee upon the same conditions and in substantially the same manner as the definitive Obligations. If any Member issues temporary Obligations it will execute and furnish definitive Obligations without delay and thereupon the temporary Obligations may be surrendered for cancellation in exchange therefor at the principal corporate trust office of the Master Trustee, and the Master Trustee shall authenticate and deliver in exchange for such temporary Obligations an equal aggregate principal amount or Accreted Value of definitive Obligations of the same series and maturity of authorized denominations. Until so exchanged, the temporary Obligations shall be entitled to the same benefits under this Master Indenture as definitive Obligations authenticated and delivered hereunder.

*Section 206. Mutilated, Lost, Stolen or Destroyed Obligations.* In the event any temporary or definitive Obligation is mutilated, lost, stolen or destroyed, the Member issuing such Obligation may execute and the Master Trustee may authenticate a new Obligation of like form, date, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Obligation, such mutilated Obligation shall first be surrendered to the Master Trustee, and in the case of any lost, stolen or destroyed Obligation, there shall be first furnished to the Master Trustee evidence of such loss, theft or destruction satisfactory to the Master Trustee, together with indemnity satisfactory to such Member and the Master Trustee. In the event any such Obligation shall have matured, instead of issuing a duplicate Obligation the Obligated Group may pay the same without surrender thereof. The Obligated Group and the Master Trustee may charge the holder or owner of such Obligation with their reasonable fees and expenses in this connection.

*Section 207. Registration; Negotiability; Cancellation upon Surrender; Exchange of Obligations.* Upon surrender for transfer of any Obligation at the principal corporate trust office of the Master Trustee, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Obligation or Obligations of the same series, designation and maturity without coupons for a like aggregate principal amount or Accreted Value.

The execution by a Member of any Obligation of any denomination shall constitute full and due authorization of such denomination and the Master Trustee shall thereby be authorized to authenticate and deliver such Obligation.

The Master Trustee shall not be required to transfer or exchange any Obligation during the period of 15 days next preceding any interest payment date of such Obligation or to transfer or exchange any Obligation after the notice calling such Obligation or portion thereof for redemption has been given as herein provided, or during the period of 15 days next preceding the mailing of such notice of redemption with respect to any Obligation of the same series and maturity.

As to any Obligation, the Person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal or Accreted Value of any such Obligation shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Obligation to the extent of the sum or sums so paid.

Any Obligation surrendered for the purpose of payment or retirement or for replacement pursuant to Section 206 hereof shall be canceled upon surrender thereof to the Master Trustee or any Paying Agent. Unless contrary provision is made in the Supplemental Master Indenture pursuant to which such Obligation is issued, if any Member shall acquire any of the Obligations, such Member shall deliver such Obligations to the Master Trustee for cancellation and the Master Trustee shall cancel the same. Any such Obligations canceled by any Paying Agent other than the Master Trustee shall be promptly transmitted by such Paying Agent to the Master Trustee. Certification of Obligations canceled by the Master Trustee and Obligations canceled by a Paying Agent other than the Master Trustee which are transmitted to the Master Trustee shall be made to the Obligated Group Representative. Canceled Obligations may be destroyed by the Master Trustee unless instructions to the contrary are received from the Obligated Group Representative.

The Obligated Group and the Master Trustee may charge each Obligation Holder requesting an exchange, registration, change in registration or transfer of an Obligation any tax, fee or other governmental charge required to be paid with respect to such exchange, registration or transfer.

*Section 208. Issuance of Series 2020 Obligations.* There are hereby created five series of Obligations:

(a) The Obligations to be issued hereunder shall include the Series 2020A-1 Obligation, which shall be designated "Clare Oaks Direct Note Obligation, Series 2020A-1." The Series 2020A-1 Obligation is hereby expressly limited to the principal amount of \$5,740,000.

The Series 2020A-1 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the Closing Date.

The Series 2020A-1 Obligation shall bear interest from its date at a rate or rates equal to the interest accruing on and payable with respect to the Series 2020A-1 Bonds, shall mature on the latest maturity date of the Series 2020A-1 Bonds and shall be subject to mandatory payment, prepayment or redemption on each date on which Series 2020A-1 Bonds mature or are required to be paid by mandatory redemption, in the amount of the applicable payment required on the applicable Series 2020A-1 Bonds.

The Members of the Obligated Group shall have the right to prepay all or a portion of the Series 2020A-1 Obligation as shall be necessary to effect the payment, prepayment, redemption, refunding or

advance refunding of the Series 2020A-1 Bonds secured by the Series 2020A-1 Obligation or any portion thereof in the manner provided in the Series 2020 Bond Indenture. If called for prepayment or redemption in such events, the Series 2020A-1 Obligation shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or a portion of the Series 2020A-1 Bonds to be refunded, advance refunded or redeemed.

The Corporation hereby elects to make payments on the Series 2020A-1 Obligation by check or draft hand delivered to the Series 2020 Bond Trustee or by wire transfer to the Series 2020 Bond Trustee, as the Series 2020 Bond Trustee shall direct, in either case delivered on the date each such payment is due. The Corporation also hereby elects to have the Series 2020A-1 Obligation be issuable as a separate series of Obligations only in fully registered form exchangeable solely for another fully registered Obligation of such series.

The Series 2020A-1 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2020A-1 Bonds set forth in the Series 2020 Bond Indenture and the Series 2020 Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2020A-1 Obligation shall include, among other things, delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2020A-1 Obligation under the Securities Act of 1933, as amended, is not required.

The Corporation shall receive certain credits against its required payments of principal of and interest on the Series 2020A-1 Obligation to the extent set forth in the Series 2020 Loan Agreement.

The Series 2020A-1 Obligation shall be an Accelerable Instrument.

The Series 2020A-1 Obligation shall be a Senior Obligation.

(b) The Obligations to be issued hereunder shall include the Series 2020A-2 Obligation, which shall be designated "Clare Oaks Direct Note Obligation, Series 2020A-2." The Series 2020A-2 Obligation is hereby expressly limited to the principal amount of \$7,875,000.

The Series 2020A-2 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the Closing Date.

The Series 2020A-2 Obligation shall bear interest from its date at a rate or rates equal to the interest accruing on and payable with respect to the Series 2020A-2 Bonds, shall mature on the latest maturity date of the Series 2020A-2 Bonds and shall be subject to mandatory payment, prepayment or redemption on each date on which Series 2020A-2 Bonds mature or are required to be paid by mandatory redemption, in the amount of the applicable payment required on the applicable Series 2020A-2 Bonds.

The Members of the Obligated Group shall have the right to prepay all or a portion of the Series 2020A-2 Obligation as shall be necessary to effect the payment, prepayment, redemption, refunding or advance refunding of the Series 2020A-2 Bonds secured by the Series 2020A-2 Obligation or any portion thereof in the manner provided in the Series 2020 Bond Indenture. If called for prepayment or redemption in such events, the Series 2020A-2 Obligation shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or a portion of the Series 2020A-2 Bonds to be refunded, advance refunded or redeemed.

The Corporation hereby elects to make payments on the Series 2020A-2 Obligation by check or draft hand delivered to the Series 2020 Bond Trustee or by wire transfer to the Series 2020 Bond Trustee, as the Series 2020 Bond Trustee shall direct, in either case delivered on the date each such payment is due. The Corporation also hereby elects to have the Series 2020A-2 Obligation be issuable as a separate series of Obligations only in fully registered form exchangeable solely for another fully registered Obligation of such series.

The Series 2020A-2 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2020A-2 Bonds set forth in the Series 2020 Bond Indenture and the Series 2020 Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2020A-2 Obligation shall include, among other things, delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2020A-2 Obligation under the Securities Act of 1933, as amended, is not required.

The Corporation shall receive certain credits against its required payments of principal of and interest on the Series 2020A-2 Obligation to the extent set forth in the Series 2020 Loan Agreement.

The Series 2020A-2 Obligation shall be an Accelerable Instrument.

The Series 2020A-2 Obligation shall be a Senior Obligation.

(c) The Obligations to be issued hereunder shall include the Series 2020A-3 Obligation, which shall be designated "Clare Oaks Direct Note Obligation, Series 2020A-3." The Series 2020A-3 Obligation is hereby expressly limited to the principal amount of \$21,385,000.

The Series 2020A-3 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the Closing Date.

The Series 2020A-3 Obligation shall bear interest from its date at a rate or rates equal to the interest accruing on and payable with respect to the Series 2020A-3 Bonds, shall mature on the latest maturity date of the Series 2020A-3 Bonds and shall be subject to mandatory payment, prepayment or redemption on each date on which Series 2020A-3 Bonds mature or are required to be paid by mandatory redemption, in the amount of the applicable payment required on the applicable Series 2020A-3 Bonds.

The Members of the Obligated Group shall have the right to prepay all or a portion of the Series 2020A-3 Obligation as shall be necessary to effect the payment, prepayment, redemption, refunding or advance refunding of the Series 2020A-3 Bonds secured by the Series 2020A-3 Obligation or any portion thereof in the manner provided in the Series 2020 Bond Indenture. If called for prepayment or redemption in such events, the Series 2020A-3 Obligation shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or a portion of the Series 2020A-3 Bonds to be refunded, advance refunded or redeemed.

The Corporation hereby elects to make payments on the Series 2020A-3 Obligation by check or draft hand delivered to the Series 2020 Bond Trustee or by wire transfer to the Series 2020 Bond Trustee, as the Series 2020 Bond Trustee shall direct, in either case delivered on the date each such payment is due. The Corporation also hereby elects to have the Series 2020A-3 Obligation be issuable as a separate series of Obligations only in fully registered form exchangeable solely for another fully registered Obligation of such series.



The Series 2020A-3 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2020A-3 Bonds set forth in the Series 2020 Bond Indenture and the Series 2020 Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2020A-3 Obligation shall include, among other things, delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2020A-3 Obligation under the Securities Act of 1933, as amended, is not required.

The Corporation shall receive certain credits against its required payments of principal of and interest on the Series 2020A-3 Obligation to the extent set forth in the Series 2020 Loan Agreement.

The Series 2020A-3 Obligation shall be an Accelerable Instrument.

The Series 2020A-3 Obligation shall be a Senior Obligation.

(d) The Obligations to be issued hereunder shall include the Series 2020B-1 Obligation, which shall be designated "Clare Oaks Direct Note Obligation, Series 2020B-1." The Series 2020B-1 Obligation is hereby expressly limited to the original principal amount of \$13,500,000.

The Series 2020B-1 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the Closing Date.

The Series 2020B-1 Obligation shall mature and all outstanding principal thereof shall be due and payable, subject to the right of prior prepayment, as hereinafter set forth, on November 15, 2052. The Series 2020B-1 Obligation shall accrete or bear interest at a rate or rates equal to the interest accreting or accruing on and payable with respect to the Series 2020B-1 Bonds and shall be subject to mandatory payment, prepayment or redemption on each date on which Series 2020B-1 Bonds are required to be paid by mandatory redemption, in the amount of the applicable payment required on the applicable Series 2020B-1 Bonds.

The Members of the Obligated Group shall have the right to prepay all or a portion of the Series 2020B-1 Obligation at any time and from time to time, at the Accreted Value or, after Conversion, the principal amount thereof on the applicable prepayment date, without premium or prepayment penalty.

The Corporation hereby elects to make payments on the Series 2020B-1 Obligation by check or draft hand delivered to the Series 2020 Bond Trustee or by wire transfer to the Series 2020 Bond Trustee, as the Series 2020 Bond Trustee shall direct, in either case delivered on the date each such payment is due. The Corporation also hereby elects to have the Series 2020B-1 Obligation be issuable as a separate series of Obligations only in fully registered form exchangeable solely for another fully registered Obligations of such series.

The Series 2020B-1 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2020B-1 Bonds set forth in the Series 2020 Bond Indenture and the Series 2020 Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2020B-1 Obligation shall include, among other things, delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2020B-1 Obligation under the Securities Act of 1933, as amended, is not required.

The Corporation shall receive certain credits against its required payments of the principal or Accreted Value of and interest on the Series 2020B-1 Obligation to the extent set forth in the Series 2020 Loan Agreement.

The Series 2020B-1 Obligation shall be an Accelerable Instrument.

The Series 2020B-1 Obligation shall be a Subordinated Obligation.

(e) The Obligations to be issued hereunder shall include the Series 2020B-2 Obligation, which shall be designated "Clare Oaks Direct Note Obligation, Series 2020B-2." The Series 2020B-2 Obligation is hereby expressly limited to the original principal amount of \$2,500,000.

The Series 2020B-2 Obligation shall be in the form of a fully registered Obligation without coupons, shall be numbered R-1 and shall be dated as of the Closing Date.

The Series 2020B-2 Obligation shall mature and all outstanding principal thereof shall be due and payable, subject to the right of prior prepayment, as hereinafter set forth, on November 15, 2052. The Series 2020B-2 Obligation shall accrete or bear interest at a rate or rates equal to the interest accreting or accruing on and payable with respect to the Series 2020B-2 Bonds and shall be subject to mandatory payment, prepayment or redemption on each date on which Series 2020B-2 Bonds are required to be paid by mandatory redemption, in the amount of the applicable payment required on the applicable Series 2020B-2 Bonds.

The Members of the Obligated Group shall have the right to prepay all or a portion of the Series 2020B-2 Obligation at any time and from time to time, at the Accreted Value or, after Conversion, the principal amount thereof on the applicable prepayment date, without premium or prepayment penalty.

The Corporation hereby elects to make payments on the Series 2020B-2 Obligation by check or draft hand delivered to the Series 2020 Bond Trustee or by wire transfer to the Series 2020 Bond Trustee, as the Series 2020 Bond Trustee shall direct, in either case delivered on the date each such payment is due. The Corporation also hereby elects to have the Series 2020B-2 Obligation be issuable as a separate series of Obligations only in fully registered form exchangeable solely for another fully registered Obligations of such series.

The Series 2020B-2 Obligation shall not be issued until all conditions precedent to the issuance of the Series 2020B-2 Bonds set forth in the Series 2020 Bond Indenture and the Series 2020 Loan Agreement shall have been satisfied or waived by the proper party or parties. The conditions precedent to the delivery of the Series 2020B-2 Obligation shall include, among other things, delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of the Series 2020B-2 Obligation under the Securities Act of 1933, as amended, is not required.

The Corporation shall receive certain credits against its required payments of the principal or Accreted Value of and interest on the Series 2020B-2 Obligation to the extent set forth in the Series 2020 Loan Agreement.

The Series 2020B-2 Obligation shall be an Accelerable Instrument.

The Series 2020B-2 Obligation shall be a Subordinated Obligation.

*Section 209. Security for Obligations.* Any one or more series of Obligations issued hereunder may, so long as any Liens created in connection therewith constitute Permitted Encumbrances, be secured by security (including without limitation letters or lines of credit, insurance or Liens on Property, including health care and senior living Facilities of the Obligated Group, or security interests in depreciation reserve, debt service or interest reserve or debt service or similar funds). Such security need not extend to any other Indebtedness (including any other Obligations or series of Obligations). Consequently, the Supplemental Master Indenture pursuant to which any one or more series of Obligations is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to provide for such security and to permit realization upon such security solely for the benefit of the Obligations entitled thereto.

*Section 210. Issuance of Obligations in Forms Other Than Obligations; Interest Rate Agreements.* (a) To the extent that any Indebtedness which is permitted or required to be issued pursuant to this Master Indenture is not evidenced by a promissory note, an Obligation in the form of a promissory note may be issued hereunder and pledged as security for the payment of such Indebtedness in lieu of directly issuing such Indebtedness as an Obligation hereunder. Nevertheless, the parties hereto agree that Obligations may be issued hereunder to evidence any type of Indebtedness, including without limitation any Indebtedness in a form other than a promissory note. In addition, any Interest Rate Agreement may be authenticated as an Obligation hereunder. Consequently, the Supplemental Master Indenture pursuant to which any Obligation is issued may provide for such supplements or amendments to the provisions hereof, including without limitation Articles II and V hereof, as are necessary to permit the issuance of such Obligation hereunder and as are not inconsistent with the intent hereof that, except as otherwise expressly provided herein, all Obligations issued hereunder be equally and ratably secured by any Lien created hereunder.

(b) Any Interest Rate Agreement which is authenticated as an Obligation hereunder or any Obligation issued to secure an Interest Rate Agreement shall be equally and ratably secured by any Lien created hereunder with all other Obligations issued hereunder except as otherwise expressly provided herein; provided, however, that any such Obligation shall be deemed Outstanding hereunder solely for the purpose of receiving payment hereunder and shall not be entitled to any other rights hereunder.

*Section 211. Appointment of Obligated Group Representative.* Each Member, by becoming a Member of the Obligated Group, irrevocably appoints the Corporation as its Obligated Group Representative and true and lawful attorney in fact, and grants to such Obligated Group Representative (a) full and exclusive power to execute and deliver such consents, certifications, instruments and other documents as may be required hereby, including the full and exclusive power to execute and deliver on behalf of the Obligated Group and each Member thereof all Obligations and Supplemental Master Indentures; and (b) full power to take all actions, prepare, authorize and execute all documents and instruments reasonably and ordinarily necessary or by the Obligated Group Representative deemed desirable in connection with the issuance of any Obligations.

### **ARTICLE III**

#### **PREPAYMENT OR REDEMPTION OF OBLIGATIONS**

*Section 301. Prepayment or Redemption Dates and Prices.* Obligations shall be subject to optional and mandatory prepayment or redemption in whole or in part and may be prepaid or redeemed prior to maturity at the times and upon the terms as provided in this Master Indenture or the Supplemental Master Indenture pertaining to the series of Obligations to be prepaid or redeemed, but not otherwise.

Unless contrary provision is made in the Supplemental Master Indenture pursuant to which a series of Obligations is issued, the Obligations are prepayable prior to maturity in the event of damage to or destruction of the Facilities of any Member of the Obligated Group or any part thereof or condemnation or sale consummated under threat of condemnation of such Facilities or any part thereof, from the Net Proceeds of insurance (other than Net Proceeds of business interruption or similar insurance), condemnation, or sale received in connection therewith permitted or required to be applied to such prepayment pursuant to Section 411 or Section 412 hereof, to the extent of available funds in the following order of priority to:

- (i) *First*, to the prepayment or redemption of the Senior Obligations *pari passu*, with the amount paid by the applicable Member for the prepayment or redemption of the Senior Obligations applied *pro rata* based on the principal amounts of the Senior Obligations then Outstanding until the Senior Obligations are no longer Outstanding; and
- (ii) *Second*, to the prepayment or redemption of the Subordinate Obligations *pari passu*, with the amount paid by the applicable Member for the prepayment of the Subordinate Obligations applied *pro rata* based on the principal amount or Accreted Value of the Subordinate Obligations then Outstanding until the Subordinate Obligations applied are no longer Outstanding.

Any such prepayment shall occur upon direction of the Obligated Group to the Master Trustee, which direction shall be provided no later than the date specified in Section 411 or 412 hereof, as applicable, on which the application of the applicable Net Proceeds to such redemption is required, at the principal amount or Accreted Value thereof, as applicable, plus accrued interest to the date fixed for redemption and without premium.

To the extent not otherwise provided herein or in a Supplemental Master Indenture, the Obligated Group shall have the right to prepay or redeem all or such portion of the Obligations of any particular series as shall be necessary to effect the payment, prepayment, redemption, refunding or advance refunding of the series of Related Bonds secured by such Obligations or any portion thereof in the manner provided in the Related Bond Indenture. If called for prepayment or redemption in such events, the Obligations of such series shall be subject to prepayment or redemption in such amount, and at such times, in the manner and with the premium necessary to effect the refunding, advance refunding or redemption of all or the portion of the series of Related Bonds to be refunded, advance refunded or redeemed.

*Section 302. Notice of Prepayment or Redemption.* Except as permitted by Section 301 above or unless contrary provision is made with respect to a particular series of Obligations in the Supplemental Master Indenture pursuant to which such Obligations are issued, notice of the call for any such prepayment or redemption identifying the Obligations to be prepaid or redeemed shall be given by mailing a copy of such notice by first class mail, postage prepaid to the registered owner of Obligations to be prepaid or redeemed to the address shown on the registration books maintained by the Master Trustee not less than 30 days prior to the prepayment or redemption date; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing to any particular Obligation Holder will not affect the validity of the prepayment or redemption of any other Obligation.

*Section 303. Partial Prepayment or Redemption of Obligations.* Upon surrender of any Obligation for prepayment or redemption in part only, the Member issuing such Obligation shall execute and the Master Trustee shall authenticate and deliver to the holder thereof, at the expense of the Obligated Group, a new registered Obligation or Obligations of the same series and maturity of authorized denominations in aggregate principal amount or Accreted Value equal to the unpaid portion of the

Obligation surrendered. Such Member and the Master Trustee may agree with any holder of any Obligation that such holder may, in lieu of surrendering the same for a new registered Obligation, endorse on such Obligation a notice of such partial prepayment or redemption to be made on the following form which shall be typed or printed on the reverse side of, or attached to, such Obligation:

**PAYMENTS ON ACCOUNT OF PRINCIPAL**

Payment Date	Balance of Principal Amount or Accreted Value Prepaid or Redeemed	Outstanding Amount Remaining	Signature
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Such partial prepayment or redemption shall be valid upon payment of the amount thereof to the registered owner of any such registered Obligation and the Obligated Group and the Master Trustee shall be fully released and discharged from all liability to the extent of such payment irrespective of whether such endorsement shall or shall not have been made upon the reverse of such Obligation by the owner thereof and irrespective of any error or omission in such endorsement.

*Section 304. Effect of Call for Prepayment or Redemption.* On the date designated for prepayment or redemption by notice given as herein provided, the Obligations so called for prepayment or redemption shall become and be due and payable at the prepayment or redemption price provided for prepayment or redemption of such Obligations on such date. If on the date fixed for prepayment or redemption moneys for payment of the prepayment or redemption price and accrued interest are held by the Master Trustee or any other Paying Agent as provided herein, interest on such Obligations so called for prepayment or redemption shall cease to accrue, such Obligations shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Master Trustee or the Paying Agents and the amount of such Obligations so called for prepayment or redemption shall be deemed paid and no longer outstanding.

**ARTICLE IV**

**REPRESENTATIONS AND WARRANTIES; GENERAL COVENANTS**

*Section 401. Payment of Principal, Accreted Value, Premium, If Any, and Interest.* Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly, and severally covenants that it will promptly pay the principal or Accreted Value of, premium, if any, and interest on, every Obligation issued under this Master Indenture at the place, on the dates, and in the manner provided herein and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth herein or in the Obligations, each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, Accreted Value, interest, and premium, if any) equal to the amounts to be paid as interest, principal or Accreted Value at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time Outstanding.

*Section 402. Performance of Covenants.* Each Member covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Master Indenture and in each and every Obligation executed, authenticated, and delivered hereunder.

*Section 403. Representations and Warranties by the Initial Member.* The Initial Member makes the following representations and warranties, as of the Effective Date and as of the date of each certification required to be made hereunder, as the basis for its covenants herein:

(a) It is a not-for-profit corporation duly incorporated under the laws of the State of Illinois, is in good standing and duly authorized to conduct its business and affairs in Illinois, is duly authorized and has full power under the laws of the State of Illinois and all other applicable provisions of law and its articles of incorporation and by-laws to create, issue, enter into, execute, and deliver or approve, to the extent it is a party thereto as applicable, this Master Indenture, the Series 2020 Obligations, the Option Agreement and the Mortgage, and all action on its part necessary for the valid execution and delivery of this Master Indenture, the Option Agreement and the Mortgage, and the valid creation, issuance, and delivery of the Series 2020 Obligations, has been duly and effectively taken; and the Series 2020 Obligations in the hands of the Holders thereof will be the legal and valid obligations of the Members of the Obligated Group.

(b) The execution and delivery of the Series 2020 Obligations, the Mortgage, the Option Agreement and this Master Indenture, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any Lien of any nature upon any of its Property except for Permitted Encumbrances. It has good and marketable fee simple title to all of its Property constituting real property other than that which it leases in which case it has a valid leasehold estate in the real property demised by each such lease and good and marketable title to all of its other Property, in all cases, free and clear of all Liens except for Permitted Encumbrances. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title, and encroachments on adjoining real estate, if any, now existing with respect to its Property do not and will not in the aggregate materially adversely affect the value of the Property currently affected thereby, materially impair the same, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which it was acquired or is held by it. Its Property (including the Facilities) does not violate, in any material respect, any applicable zoning, land use, environmental, or similar law or restriction. The recitals of fact and statements contained in this Master Indenture and in each Related Loan Document are or, in the case of Related Loan Documents entered into in the future, will be true.

(c) It has all necessary licenses and permits required to occupy and operate its Facilities in accordance with its current uses.

(d) It is a Tax-Exempt Organization, and it does not have any “unrelated business taxable income” as defined in Section 512 of the Code that could have a material adverse effect on its status as a Tax-Exempt Organization or that, if such income were subject to federal income taxation, would have a material adverse effect on its condition, financial or otherwise.

(e) It has not heretofore engaged in, and the consummation of the transactions herein provided for and compliance by it with the provisions of this Master Indenture and the Obligations issued hereunder will not involve, to the extent applicable, any prohibited transaction within the meaning of ERISA or Section 4975 of the Code. No Plans maintained by it, if any, and no trusts created thereunder, have incurred any “accumulated funding deficiency” as defined in Section 302 of ERISA and the present value of all benefits vested under all Plans, if any, did not exceed, as of the last annual valuation date the value of the assets of the Plans allocable to such vested benefits.

(f) It has full power and lawful authority to enter into and maintain a security agreement under the Uniform Commercial Code of the state in which it operates and grant a security interest to the Master Trustee in the Indenture Trust Estate, and will preserve, warrant, and defend the same unto the Master Trustee against the claims of all Persons and parties.

(g) There is no pending litigation, action, proceeding, or investigation before any government or political subdivision, or any agency, authority, commission, department or instrumentality of either, or any court, tribunal, central bank or arbitrator against or directly involving any Obligated Group Member, and, to the best of the Obligated Group Representative's knowledge, there is no threatened action, proceeding, or investigation affecting any Obligated Group Member before any such Governmental Authority that, in any case, may materially and adversely affect (i) the financial condition or operations of any Obligated Group Member or the Facilities or (ii) the validity or enforceability of any of this Master Indenture or any of the Obligation issued hereunder.

(h) Each Member of the Obligated Group:

(i) will be operated solely for the purpose of directly acquiring, holding, developing, using, operating, and financing, refinancing, managing, leasing, or selling the Facilities or any part thereof;

(ii) does not engage in any business unrelated to the Facilities and the activities set forth in subparagraph (i) above;

(iii) does not and will not have any assets other than those related to its ownership interest in the Facilities or the operation, management, and financing thereof;

(iv) maintains its own separate books and records and its own accounts, in each case that are separate and apart from the books and records and accounts of any other Person, including any other Obligated Group Member or Affiliate thereof;

(v) holds itself out as being an entity, separate and apart from any other Person, including any other Obligated Group Member or any Affiliate thereof;

(vi) does not commingle its funds or assets with those of any Person, including any other Obligated Group Member or any Affiliate thereof;

(vii) conducts its own business in its own name;

(viii) maintains separate tax returns and financial statements, or if part of a consolidated group, then (A) it is shown as a separate member of such group and (B) the consolidated financial statements are appropriately footnoted to show that it is not liable or responsible in any manner for the debts or liabilities of any other Obligated Group Member or any Affiliate thereof;

(ix) pays its own liabilities out of its own funds;

(x) observes all applicable corporate formalities, including holding regular meetings of its board of directors;

(xi) pays the salaries of its own employees, if any, and maintains or contracts for a sufficient number of employees, if any, in light of its contemplated business operations;

(xii) does not guarantee or otherwise obligate itself with respect to the debts of any other Person or hold out its credit as being available to satisfy the obligations of any other Person, including any other Obligated Group Member or any Affiliate thereof;

(xiii) allocates fairly and reasonably shared expenses, including, without limitation, any overhead for shared office space, if any;

(xiv) uses separate stationery, invoices, and checks;

(xv) does not (A) pledge its assets for the benefit of any other Person, including any other Member of Obligated Group or any Affiliate or (B) make any loans or advances to any other such Person;

(xvi) maintains adequate capital in light of its contemplated business operations; and

(xvii) maintains its assets in such a manner that it is not more costly or difficult to segregate, identify or ascertain such assets.

(i) No Obligated Group Member, nor, to the best of the Obligated Group Representative's knowledge (after due inquiry and investigation), any Persons holding any legal or beneficial interest whatsoever in any Obligated Group Member (whether directly or indirectly) (i) appear on the OFAC SDN List; (ii) are included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the OFAC SDN List; or (iii) have conducted business with or engaged in any transaction with any Person named on any OFAC SDN List or any Person included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the OFAC SDN List.

*Section 404. Entrance into the Obligated Group.* (a) As of the date of execution of this Master Indenture, the Corporation is the only Member of the Obligated Group. Any other Person may become a Member of the Obligated Group if:

(i) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture not objected to by the Master Trustee that shall be executed by the Master Trustee and the Obligated Group Representative, containing (A) the agreement of such Person (1) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Indenture and (2) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 405 hereof) to jointly and severally make payments upon each Obligation at the times and in the amounts provided in each such Obligation and (B) representations and warranties by such Person substantially similar to those set forth in Section 403 hereof other than those contained in Section 403(d) hereof if such Person is not a Tax-Exempt Organization;

(ii) The Obligated Group Representative, by appropriate action of its Governing Body, shall have approved the admission of such Person to the Obligated Group, and each of the other Members shall have taken such action, if any, required to approve the admission of such Person to the Obligated Group;

(iii) The Master Trustee shall have received (A) the consent of a Majority of the Applicable Holders, (B) an opinion of Independent Counsel in form and substance not objected to



by the Master Trustee to the effect that (1) the instrument described in paragraph (i) above has been duly authorized, executed, and delivered and constitutes a legal, valid, and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to the exceptions set forth in Exhibit "D" hereto and (2) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member that otherwise has such status, and (C) if all amounts due or to become due on all Related Bonds have not been paid to the Holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an Opinion of Bond Counsel to the effect that under then existing law the addition of such Person to the Obligated Group, whether or not contemplated on the date of delivery of any such Related Bond, would not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable on such Bond otherwise entitled to such exemption; and

(iv) (A) Exhibit "A" to this Master Indenture is amended to include a description of the real property of the Person becoming a Member upon which the primary operations of such Person are conducted and a description of any Permitted Encumbrances of the type described in paragraph (xx)(b) of the definition thereof, (B) Exhibit "C" is amended to include a description of the Property of the Person becoming a Member that is to be considered Excluded Property (provided that such Property may be treated as Excluded Property only if such Property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property), and (C) Exhibit "E" is amended to add such Person as a Member; and

(b) Each successor, assignee, surviving, resulting, or transferee corporation of a Member must agree to become, and satisfy the above-described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment, or other change in such Member's corporate status.

*Section 405. Cessation of Status as a Member of the Obligated Group.* (a) Each Member covenants that it will not take any action, corporate or otherwise, that would cause it or any successor thereto into which it is merged or consolidated under the terms of this Master Indenture to cease to be a Member of the Obligated Group unless:

(i) the Member proposing to withdraw from the Obligated Group is not a party to any Related Loan Documents with respect to Related Bonds that remain Outstanding;

(ii) prior to cessation of such status, there is delivered to the Master Trustee an Opinion of Bond Counsel to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(iii) the Master Trustee shall have received the consent of a Majority of the Applicable Holders to the cessation of such status;

(iv) prior to such cessation there is delivered to the Master Trustee an opinion of Independent Counsel (which Independent Counsel and opinion are not objected to by the Master Trustee) to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax-Exempt Organization of any Member that otherwise has such status; and

(v) prior to cessation of such status, the Obligated Group Representative consents in writing to the withdrawal by such Member.

(b) Upon such cessation in accordance with the foregoing provisions, (i) Exhibit "A" hereto shall be amended to delete therefrom the description of any real property and of any Permitted Encumbrances of the type described in paragraphs (xx) and (xxi) of the definition of Permitted Encumbrances of the Member that has ceased being a Member of the Obligated Group, (ii) Exhibit "C" shall be amended to delete therefrom any Property of the Member that has ceased being a Member, (iii) Exhibit "E" shall be amended to delete therefrom the name of such Person, and (iv) the Master Trustee shall be authorized to release any mortgage held by the Master Trustee upon the Property of such Member that has ceased being a Member of the Obligated Group.

*Section 406. Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest.* (a) Each Member hereby covenants to:

(i) Except as otherwise expressly provided herein (A) preserve its corporate or other separate legal existence, (B) preserve all its rights and licenses to the extent necessary or desirable in the operation of its business and affairs, and (C) be qualified to do business and conduct its affairs in each jurisdiction where its ownership of Property or the conduct of its business or affairs requires such qualification; provided, however, that nothing in this Master Indenture contained shall be construed to obligate such Member to retain, preserve or keep in effect the rights, licenses, or qualifications no longer used or, in the judgment of its Governing Body, useful in the conduct of its business.

(ii) With respect to any Member that is, on the date it becomes a Member, a non-profit corporation, maintain its status as a not-for-profit corporation throughout the term of this Master Indenture unless (A) the Governing Body determines that such status is not necessary or useful, and (B) prior to the cessation of such status there is delivered to the Master Trustee (1) an Opinion of Bond Counsel addressed to the Master Trustee and each Related Bond Trustee to the effect that such change in status will not have an adverse effect on the exemption of interest on any Related Bond from federal income taxation to which such Bond is otherwise entitled or the validity or enforceability of any Related Bond, and (2) an opinion of Independent Counsel not objected to by the Master Trustee to the effect that registration of the Obligations under the Securities Act of 1933, as amended, is not required or that such Obligations have been so registered.

(iii) At all times use its Facilities only in furtherance of its lawful corporate purposes and cause its business to be carried on and conducted and its Property and each part thereof to be maintained, preserved, and kept in good repair, working order, and condition and in as safe condition as its operations will permit and make all necessary and proper repairs (interior and exterior, structural and non-structural, ordinary as well as extraordinary and foreseen as well as unforeseen), renewals, and replacements thereof so that its operations and business shall at all times be conducted in an efficient, proper, and advantageous manner; provided, however, that nothing herein contained shall be construed (A) to prevent it from ceasing to operate any portion of its Property, if in its reasonable judgment (evidenced, in the case of such a cessation other than in the ordinary course of business, by a determination by its Governing Body) it is advisable not to operate the same, or if it intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effect such sale or other disposition, or (B) to obligate it to retain, preserve, repair, renew, or replace any Property, leases, rights, privileges, or licenses no longer used or, in the judgment of its Governing Body, useful in the conduct of its business, provided that the loss of such Property, leases, rights, privileges, or licenses will not materially impair the

value of the Facilities. Notwithstanding the foregoing, the Obligated Group may make such replacements, additions, modifications, and improvements to the Facilities subject to the conditions that no building or buildings shall be demolished or removed nor shall any alteration to the Facilities be made that would substantially impair the structural strength, utility, or market value thereof without in each case the prior written consent of the Master Trustee and that all alterations to the Facilities shall be located wholly within the boundary lines of the Land and shall become a part of the Mortgaged Property.

(iv) Pay or cause to be paid: (A) all taxes, levies, assessments and charges on account of the use, occupancy or operation of its Property, including but not limited to all sales, use, occupation, real and personal property taxes, all permit and inspection fees, occupation and license fees and all water, gas, electric, light, power or other utility charges assessed or charged on or against its Property or on account of its use or occupancy thereof or the activities conducted thereon or therein; and (B) all taxes, assessments, and impositions, general and special, ordinary and extraordinary, of every name and kind, that shall be taxed, levied, imposed, or assessed during the term of this Master Indenture upon all or any part of its Property, or its interest or the interest of any Related Issuer or either of them in and to its Property, or upon its interest or the interest of any Related Issuer or the interest of either of them in this Master Indenture or the amounts payable hereunder or under the Obligations. If under Applicable Law any such tax, levy, charge, fee, rate, imposition or assessment may at the option of the taxpayer be paid in installments, any Member may exercise such option.

(v) Not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

(vi) At its sole cost and expense, promptly comply with all present and future laws, ordinances, orders, decrees, decisions, rules, regulations, and requirements of every duly constituted Governmental Authority and the officers thereof that may be applicable to it or any of its affairs, business, operations, and Property, any part thereof, any of the streets, alleys, passageways, sidewalks, curbs, gutters, vaults, and vault spaces adjoining any of its Property or any part thereof or to the use or manner of use, occupancy, or condition of any of its Property or any part thereof.

(vii) Promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable that if not so paid, satisfied or discharged would constitute an Event of Default under Section 502(d) hereof.

(viii) At all times comply with all terms, covenants, and provisions of any Liens at such time existing upon its Property or any part thereof or securing any of its Indebtedness.

(ix) Procure and maintain all necessary licenses and permits and use its best efforts to maintain the status of its health care Facilities (other than those not currently having such status or not having such status on the date a Person becomes a Member hereunder) as providers of health care services eligible for payment under those third-party payment programs that its Governing Body determines are appropriate.

(x) In the case of the Corporation and each Member that is a Tax-Exempt Organization at the time it becomes a Member, so long as this Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds shall not

have been fully paid to the Holders thereof or provision for such payment shall not have been made, to take no action or suffer any action to be taken by others, including any action that would result in the alteration or loss of its status as a Tax-Exempt Organization, that could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, that is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

(xi) Operate all of its Facilities so as not to discriminate on a legally impermissible basis.

(xii) In the case of the Corporation and each Member that is a Tax-Exempt Organization at the time it becomes a Member, not distribute any of its revenues, income, or profits, whether realized or unrealized, to any of its members, directors, or officers or allow the same to inure to the benefit of any private Person, other than for the lawful corporate purposes of such Member, as the case may be; provided, further, that no such distribution shall be made that is not permitted by the legislation pursuant to which such Member is governed or that would result in the loss or alteration of its status as a Tax-Exempt Organization.

(b) The foregoing notwithstanding, any Member may (i) cease to be a not-for-profit corporation, (ii) take actions that could result in the alteration or loss of its status as a Tax-Exempt Organization or (iii) distribute its revenues, income, or profits to any of its members, directors, or officers or allow the same to inure to the benefit of a private Person if (A) prior thereto there is delivered to the Master Trustee an Opinion of Bond Counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption, or adversely affect the enforceability in accordance with its terms of this Master Indenture against any Member and (B) after such action the Obligated Group could meet the conditions described in Section 416(a)(i) hereof for the incurrence of one dollar of additional Funded Indebtedness.

(c) For the purposes of this Section (other than paragraph (a)(v) hereof), the terms Property and Facilities shall be deemed to include Excluded Property.

(d) No Member shall be required to pay any tax, levy, charge, fee, rate, assessment, or imposition referred to herein above, to remove any Lien required to be removed under this Section, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than Indebtedness evidenced or secured by Obligations), demands and claims against it or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation, or requirement referred to in this Section, 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 that shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim, or Lien so contested, and the sale, forfeiture, or loss of its Property or any part thereof, provided, that (i) no such contest shall subject any Related Issuer, any Obligation Holder or the Master Trustee to the risk of any liability and (ii) if so requested by the Master Trustee, as a condition to the deferral of any such payment during such contest, the Member shall cause to be provided to the Master Trustee an Adequate Reserve. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim, or Lien being contested, unless such Member agrees to settle such contest and payments under such settlement agreement are deemed to be due and payable. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Member will save all Related Issuers, all Related Bond Trustees, all Obligation Holders, and the Master Trustee harmless from and against all losses, judgments, decrees, and costs (including attorneys' fees and expenses in

connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts that shall be levied, assessed, or imposed or determined to be payable therein, together with all penalties, fines, interests, costs, and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. Each Member hereby waives, to the extent permitted by law, any right that it may have to contest (i) any Obligation issued for the benefit of another Member or (ii) any Obligation issued to secure or in connection with Related Bonds.

(e) If the Master Trustee shall notify such Member that, in the opinion of Independent Counsel, by nonpayment of any of the foregoing items the Property of such Member or any substantial part thereof will be subject to imminent loss or forfeiture, then such Member shall promptly pay all such unpaid items and cause them to be satisfied and discharged.

*Section 407. Insurance.* (a) *Required Coverage.* The Obligated Group shall maintain, or cause to be maintained, insurance under policies of such type and in such amounts or in excess of such amounts as are customarily carried by, and insure against such risks as are customarily insured against by, businesses of like size and character to the Members; provided that in no case is such insurance coverage to be in an amount less than that specified below:

(i) “All Risk” or “Special form” insurance against loss and/or damage to the Mortgaged Property under a policy or policies covering such risks as are ordinarily insured against with respect to similar facilities, including without limiting the generality of the foregoing, fire, lightning, windstorm, hail, flood (if required under subparagraph (ix) below), earthquake, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, vehicle, or smoke and uniform standard extended coverage and vandalism, malicious mischief, and ordinance law endorsements including boiler coverages and machinery coverage. Such insurance shall be in an amount not less than the full insurable replacement value of the Mortgaged Property, with a deductible amount of not more than \$100,000. No policy of insurance shall be so written that the proceeds thereof will produce less than the minimum coverage required by the preceding sentence, by reason of co-insurance provisions or otherwise, without the prior written consent of the Master Trustee. The term “full insurable replacement value” means the actual replacement cost of the Mortgaged Property, including demolition that is required to rebuild and increased cost of construction endorsements. During construction, this coverage may be provided as part of the builder’s all risk coverage required under subparagraph (viii) below.

(ii) Use and occupancy (or business interruption) insurance, covering interruption of the Obligated Group’s operations in whole or in part by reason of the total or partial suspension of, or interruption in, the operation of the Mortgaged Property, including its construction or rental of buildings, caused by the damage to or destruction of any part of the Mortgaged Property caused by any of the perils described in subparagraph (i) above, with such exceptions as are customarily imposed by insurers, in an amount sufficient to pay the interest component of debt service, taxes (or payments in lieu of taxes), and other fixed charges and other necessary continuing expenses for a period of at least 12 months.

(iii) Commercial general public liability insurance (excluding professional liability coverage as provided in subparagraph (viii) below), including blanket contractual liability and bodily injury liability and automobile liability insurance protecting the Obligated Group against liability for injuries to Persons and property with a combined single limit of liability coverage not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate with a deductible not to exceed \$100,000.

(iv) Automobile liability insurance, including hired and non-owned coverage, in an occurrence form, in the minimum amount of \$1,000,000 bodily injury and property damage combined single limit and aggregate where applicable, with a deductible not to exceed \$100,000.

(v) Excess liability coverage in the amount of at least either straight excess or umbrella excess, covering excess of subparagraphs (iii), (iv), and (x) of this subsection to be maintained in force so that the total coverage available under each of the aforementioned subsections, including this subsection, is not less than \$5,000,000 per occurrence and in the aggregate, where applicable, as excess of employer's liability, general liability, professional liability and automobile liability coverage, provided that the Obligated Group need not maintain such coverage if an Insurance Consultant states in writing that such coverage is not available, not available at reasonable rates, or is unfeasible for some other reason, but states that the insurance the Obligated Group is maintaining is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect the Obligated Group's Property and operations.

(vi) Workers' compensation insurance or qualification as a self insurer under the laws of the State respecting all employees of the Obligated Group and all Persons engaged in work on the Mortgaged Property, including without limitation employees of the Manager, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure.

(vii) Fidelity insurance or bonds in an amount not less than \$250,000 on those of its officers, managers, and employees (including leased or temporary employees) who handle funds of the Obligated Group.

(viii) Commencing on the date of execution of a construction contract with respect to any additions to or restorations, replacements or modifications of the Mortgaged Property, until the completion date of such other construction, carry, or cause the contractor to carry, builder's all risk completed value insurance to the extent of the full replacement value of such portions of the Mortgaged Property, in non-reporting form for and with extended coverage endorsement then in use in the State, and covering all physical loss or damage, including by vandalism and malicious mischief for the following: soft costs, delayed completion, loss of earnings/rents and physical damage for "all risks of physical loss" affecting the building or structure; materials and supplies owned by the insured with a full installation floater; foundations; temporary structures (scaffolding, construction forms, etc.); fixtures, materials and equipment to service the building or intended to become a permanent part of the building.

(ix) Either (A) flood insurance in the lesser amount of (1) the aggregate outstanding principal amount or Accreted Value of the Obligations and (2) the maximum amount of flood insurance available, or (B) a certification from the Insurance Consultant that no portion of the Mortgaged Property is located in an area having "Special Flood Hazards" as that term is used in the Flood Disaster Protection Act of 1973, as amended.

(x) Professional liability insurance with limits of liability not less than \$1,000,000 annually per occurrence and \$3,000,000 annual aggregate, and with a deductible not to exceed \$100,000.

(b) *Carriers.* All policies of insurance shall be issued by responsible insurance companies or associations selected by the Obligated Group permitted under the laws of the State to assume the risks covered thereby and rated at least "A-" by A.M. Best or a comparable rating agency.

(c) *Policies.* All policies of insurance shall provide that they may not be canceled nor the coverages reduced, the deductibles increased or otherwise modified adversely to the interests of the Holders without prior written notice to the Master Trustee. The insurance required by subparagraphs (iii), (iv), and (v) of subsection (a) of this Section shall name the Master Trustee as an additional insured, as its interests may appear. The insurance required by subparagraphs (i), (ii), (vii), (viii), and (ix) of subsection (a) of this Section shall name the Master Trustee as an “additional insured” in accordance with the so-called “standard mortgagee subparagraph” and/or “loss payable clause” and require that all insurance proceeds resulting from any claim be paid to the Master Trustee for the benefit of the Holders. All policies of property insurance required hereunder, by naming the Master Trustee as mortgagee, shall contain an endorsement or agreement by the insurer that any loss will be payable in accordance with the terms of said policy, notwithstanding any act of the owner of the property that might otherwise result in forfeiture of said insurance.

(d) *Certificates.* Originals or certified copies of the original policies, including all endorsements of all such policies, shall be deposited with the Master Trustee, provided that in lieu of such policies there may be deposited with the Master Trustee an original certificate or certificates of the respective insurers originally executed by the authorized agent(s) attesting the fact that the insurance required by this Section is in full force and effect and clearly reflecting all coverages, amounts and deductibles. At least five days prior to the expiration of any such policy, the Obligated Group shall furnish the Master Trustee evidence satisfactory to the Master Trustee that the policy has been renewed or replaced or is no longer required hereby.

(e) *Blanket Policies.* In lieu of separate policies, the Obligated Group may maintain blanket or umbrella policies if such policies provide the same coverage required by this Section with protection against each risk and meeting all the other requirements stated herein and the Obligated Group deposits with the Master Trustee a certificate or certificates of the respective insurers evidencing such coverage and otherwise meeting the requirements stated herein.

(f) *Unexpired Policies.* To the extent so provided in any unexpired insurance policy applicable to the Mortgaged Property, the Obligated Group’s rights, if any, to all unexpired insurance policies, including any right to unearned premiums applicable to the Mortgaged Property and all proceeds thereof, shall inure to the benefit of, and pass to the purchaser of, the Mortgaged Property at any foreclosure or trustee’s sale conducted pursuant to the terms of the Mortgage.

(g) *Substitute Coverage.* If any insurance required by this Section shall be commercially unavailable at a reasonable cost or shall have been otherwise provided, as evidenced by a certificate of the Insurance Consultant, the Master Trustee may, in its reasonable judgment, accept such substitute coverage or other modification as shall be recommended by the Insurance Consultant; provided, however, no Event of Default shall occur if substitute coverage shall not be available at a reasonable cost and the Obligated Group shall make a continuing good faith effort to secure the insurance or such substitute coverage, including self-insurance, as shall be recommended by the Insurance Consultant. If the insurance shall become commercially available at a reasonable cost after substitute insurance shall have been acquired, the Obligated Group shall acquire such insurance upon expiration of such substitute insurance or as otherwise recommended by the Insurance Consultant and approved by the Master Trustee.

*Section 408. Right to Perform Members’ Covenants; Advances.* In the event any Member shall fail to (a) pay any tax, charge, assessment, or imposition to the extent required hereunder, (b) remove any Lien or terminate any lease to the extent required hereunder, (c) maintain its Property in repair to the extent required hereunder, (d) procure the insurance required hereby, in the manner herein described, or (e) fail to make any other payment or perform any other act required to be performed hereunder, and is not contesting the same in accordance with Section 406 hereof, then and in each such

case the Master Trustee may (but shall not be obligated to) remedy such failure for the account of such Member and make advances for that purpose. No such performance or advance shall operate to release such Member from any such failure and any sums so advanced by the Master Trustee shall be repayable by such Member on demand and shall bear interest at the Master Trustee's announced prime rate per annum from time to time in effect, from the date of the advance until repaid. The Master Trustee shall have the right of entry on such Member's Property or any portion thereof, in order to effectuate the purposes of this Section, subject to the permission of a court of competent jurisdiction, if required by law.

*Section 409. Annual Budget.* (a) The Obligated Group shall prepare and adopt an annual operating and capital budget for each Fiscal Year covering the operation of the Facilities, commencing with the Annual Budget for the Fiscal Year ending December 31, 2021 (each, an "*Annual Budget*"). Each Annual Budget shall be prepared and submitted to the Governing Body of each Member of the Obligated Group at least 90 days prior to the commencement of the Fiscal Year to which it is intended to apply and shall be approved and adopted by the Governing Body of each Member of the Obligated Group prior to the commencement of such Fiscal Year, provided that the Annual Budget for Fiscal Year 2021 shall be due prior to the beginning of Fiscal 2021. If an Annual Budget shall not be adopted for any new Fiscal Year prior to the commencement thereof, then the Annual Budget in effect as of the end of the previous Fiscal Year shall be used for such new Fiscal Year until replaced by the Annual Budget adopted in accordance with this Section. The Obligated Group shall also submit each Annual Budget to the Master Trustee at least 30 days prior to the commencement of the Fiscal Year to which it is intended to apply accompanied by an Officer's Certificate of the Obligated Group Representative and a certificate signed by an authorized officer of the Manager that to the best of such Person's knowledge, the proposed Annual Budget will enable the Obligated Group to comply with the requirements of Sections 410, 424, 425, 426 and 434 hereof. If the Master Trustee shall determine, prior to the commencement of the Fiscal Year to which it is intended to apply, that the provisions of the Annual Budget reveal that the Obligated Group will not be able to comply with the requirements of Sections 410, 424, 425, 426 and 434 hereof, the Master Trustee shall have the right (but no obligation) to require the Obligated Group to revise the Annual Budget to enable the Obligated Group to comply with the requirements of Sections 410, 424, 425, 426 and 434 hereof, and, further, to require the Obligated Group to employ a Consultant to submit a written report and recommendations with respect to revisions to the proposed Annual Budget and appropriate methods by which the Obligated Group may comply with such requirements. Pending such revisions, the Obligated Group shall continue to operate under the Annual Budget in effect as of the end of the previous Fiscal Year.

(b) The Annual Budget shall set forth projected cash flows, cash and investment account balances, revenues and expenses, and capital expenditures by category in reasonable detail and include adjusted operating expenses, total adjusted operating revenues, and projected occupancy.

(c) The delivery of the Annual Budget to the Master Trustee or any action taken or not taken by the Master Trustee under paragraph (a) of this Section shall not constitute a representation or covenant by any of such Persons as to the accuracy or adequacy of the Annual Budget for any purpose, including the operations of the Facilities.

*Section 410. Rates and Charges.* (a) Each Member covenants and agrees to operate all of its Facilities on a revenue-producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance, and repair of its Property and all other payments required to be made by it hereunder to the extent permitted by law. Each Member further covenants and agrees that it will from time to time as often as necessary and to the extent



permitted by law, revise its rates, fees, and charges in such manner as may be necessary or proper to comply with the provisions of this Section.

(b) The Members covenant and agree that the Obligated Group Representative will calculate the Historical Debt Service Coverage Ratio of the Obligated Group on a rolling four-quarter basis, commencing with the fiscal quarter ending December 31, 2021 (each such quarter period hereinafter referred to as a “measurement period”), and will deliver a copy of such calculation to the Persons to whom financial statements are required to be delivered under Section 415(b) hereof. For avoidance of doubt, the calculation for all measurement periods shall include net Entrance Fees (i.e. Entrance Fees received during such calculation period, minus Refunds paid during such calculation period).

(c) The Obligated Group covenants to maintain a Historical Debt Service Coverage Ratio of the Obligated Group of (i) at least 1.00:1 for the Fiscal Years ended December 31, 2021 and December 31, 2022 and (ii) at least 1.30:1 each Fiscal Year thereafter.

(d) If the Historical Debt Service Coverage Ratio of the Obligated Group for any measurement period described in (b) above, commencing December 31, 2023 is less than 1.30:1, the Obligated Group, at its own expense, shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations with respect to the rates, fees and charges of the Members, the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.30:1 for subsequent measurement periods, provided that the Obligated Group shall not be required to retain a Consultant as aforesaid more than once during any nine-month period.

(e) A copy of the Consultant’s report and recommendations, if any, shall be filed with each Member, the Master Trustee and each Required Information Recipient and posted or caused to be posted on EMMA within 60 days of retaining the Consultant. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. 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.

(f) Notwithstanding any other provisions of this Master Indenture, failure of the Obligated Group to achieve the required Historical Debt Service Coverage Ratio for any measurement period shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Obligated Group Representative) and permitted by law; provided, however, that the failure of the Obligated Group to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year shall constitute an Event of Default.

*Section 411. Damage or Destruction.* (a) The provisions of this Section 411 are subject to the provisions of the Lease, which may, under certain circumstances, require that the Net Proceeds following the damage or destruction of Facilities be applied as provided in the Lease. Each Member agrees to notify the Master Trustee immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds (other than Net Proceeds of business interruption or similar insurance) of which are estimated to exceed \$1,000,000.

(b) Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title, and interest of such Member in and to any Net Proceeds relating to such damage or destruction and agrees to pay or transfer, or cause to be paid or transferred, all such Net Proceeds to the Master Trustee for deposit to the Insurance and Condemnation Award Fund.

(c) If such Net Proceeds do not exceed \$1,000,000, such Net Proceeds may be requisitioned from the Insurance and Condemnation Award Fund by the Corporation for itself or the Member suffering such casualty or loss to repair or replace the affected Property, provided such requisition shall specifically describe the nature of the expenditures being made pursuant to such requisition and the specific location of the Property to which such expenditures relate. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed facilities, (ii) acquire or construct additional capital assets subject to the Lien of the Mortgage (to the same extent that the damaged facilities were subject to the Lien of the Mortgage), or (iii) prepay Obligations in accordance with the provisions of Section 301(b) hereof.

(d) In the event such Net Proceeds exceed \$1,000,000, the Member suffering such casualty or loss shall within the period ending on the later of the date that is 12 months after the date on which the applicable damage or destruction shall occur or one month after the receipt by the Obligated Group of such Net Proceeds, elect by written notice to the Master Trustee one of the following three options:

(i) Option 1 - Repair and Restoration. Such Member may elect to replace, repair, reconstruct, restore, or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. Any such election shall be conditioned on the delivery to the Master Trustee and the Series 2020 Bond Trustee by the Obligated Group Representative of a written notice that the Obligated Group intends to make an election to replace, repair, reconstruct, restore, or improve the Facilities under this subparagraph (i) and either (A) the expiration of 45 days without objection to such election by the Master Trustee or the Series 2020 Bond Trustee or (B) the receipt by the Obligated Group Representative of a written consent of a Majority of the Applicable Holders to such replacement, repair, restoration, reconstruction, restoration, or improvement. In such event such Member shall proceed forthwith to replace, repair, reconstruct, restore, or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction (other than Net Proceeds of business interruption or similar insurance) received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement, or acquisition or to the repayment of such Indebtedness. So long as no Event of Default has occurred and is continuing, any Net Proceeds of insurance relating to such damage or destruction (other than Net Proceeds of business interruption or similar insurance) received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of:

(A) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, improvement, or acquisition and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, improvement, or acquisition; and

(B) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request by an Independent Architect.

It is further understood and agreed that in the event such Member shall elect this Option 1, such Member shall complete the replacement, repair, reconstruction, restoration, improvement, and acquisition of the Facilities, whether or not such Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(ii) Option 2 - Prepayment of Obligations. Subject to the obligations of the Members under Section 406 hereof, such Member may elect (or shall be obligated to if the requirements of Option 1 shall not have been satisfied) to have all of the Net Proceeds payable as a result of such damage or destruction (other than Net Proceeds of business interruption or similar insurance) applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of Section 301(b) hereof.

(iii) Option 3 - Partial Restoration and Partial Prepayment of Obligations. Such Member may, upon satisfaction of the requirements with respect thereof set forth in Option 1 above, elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration, and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Obligations, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (e)(i) of this Section and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (e)(ii) of this Section.

*Section 412. Condemnation.* (a) The provisions of this Section 412 are subject to the provisions of the Lease, which may, under certain circumstances, require that Net Proceeds following condemnation or sale in lieu thereof be applied as provided in the Lease. The Master Trustee shall cooperate fully with the Members in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof.

(b) Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title, and interest of such Member in and to any Net Proceeds of any award, compensation, or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages, or payment being hereinafter referred to as an “award”) and agrees to pay or transfer, or cause to be paid or transferred, any such award to the Master Trustee for deposit to the Insurance and Condemnation Award Fund.

(c) If such Net Proceeds do not exceed \$1,000,000, such Net Proceeds may be requisitioned from the Insurance and Condemnation Award Fund by the Corporation for itself or the Member in question to repair or replace the affected Property, provided such requisition shall specifically describe the nature of the expenditures being made pursuant to such requisition and the specific location of the Property to which such expenditures relate. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (i) restore, replace, or repair the condemned Facilities, (ii) acquire or construct additional capital assets subject to the Lien of the Mortgage (to the same extent that the condemned facilities were

subject to the Lien of the Mortgage), or (iii) prepay Obligations in accordance with the provisions of Section 301(b) hereof.

(d) In the event such Net Proceeds exceed \$1,000,000, the Member in question shall within the period ending on the later of the date that is 12 months after the date on which the applicable damage or destruction occurs or one month after receipt by the Obligated Group of such Net Proceeds, elect by written notice of such election to the Master Trustee one of the following three options:

(i) Option 1 - Repairs and Improvements. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. Any such election shall be conditioned on the delivery to the Master Trustee and the Series 2020 Bond Trustee by the Obligated Group Representative of a written notice that the Obligated Group intends to make an election to restore, replace, repair, or improve the Facilities under this subparagraph (i) and either (A) the expiration of 45 days without objection to such election by the Master Trustee or the Series 2020 Bond Trustee or (B) the receipt by the Obligated Group Representative of a written consent of a Majority of the Applicable Holders to such restoration, replacement, repair, or improvement. In such event, so long as no Event of Default has occurred and is continuing, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of:

(A) the Written Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, improvements, and acquisitions and stating that such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repairs, improvements, and acquisition; and

(B) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Written Request by an Independent Architect.

(ii) Option 2 - Prepayment of Obligations. Subject to the obligation of such Member under Section 406 hereof, such Member may elect (or shall be obligated to if the requirements of Option 1 shall not have been satisfied) to have such Net Proceeds of the award applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of Section 301(b) hereof.

(iii) Option 3 - Partial Restoration and Partial Prepayment of Obligations. Such Member may, upon satisfaction of the requirements with respect thereof set forth in Option 1 above, elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be applied as set forth in subparagraph (d)(i) of this Section and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (d)(ii) of this Section.

*Section 413. Other Provisions with Respect to Net Proceeds.* Any Net Proceeds described in Section 411 or 412 shall be deposited upon receipt with or by the Master Trustee in the Insurance and Condemnation Award Fund and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments subject to any Member's right to requisition the same pursuant to Sections 411 and 412 hereof. The form of requisition from the Insurance and Condemnation Fund is attached as Exhibit "J" to this Master Indenture. If any Member elects to proceed under either Section 411(e)(i) or (iii) or 412(d)(i) or (iii), any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations in accordance with the provisions of Section 301(b) hereof.

*Section 414. Merger, Consolidation, Sale, or Conveyance.* (a) Each Member agrees that it will not merge into, or consolidate with, one or more corporations that are not Members, or allow one or more of such corporations to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(i) Any successor corporation to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a Person (other than a natural person) organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor corporation to assume, jointly and severally, the due and punctual payment of the principal and Accreted Value of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Indenture and the Mortgage to be kept and performed by such Member;

(ii) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Document or this Master Indenture;

(iii) If all amounts due or to become due on all Related Bonds the interest on which is excluded from the gross income of the holders thereof for federal income tax purposes have not been fully paid to the Holders thereof or fully provided for, there shall be delivered to the Master Trustee an Opinion of Bond Counsel to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds; and

(iv) The Master Trustee shall have received the written consent of a Majority of the Applicable Holders to such transaction.

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions described in Section 404 hereof to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and the predecessor corporation shall be released from its obligations hereunder and under any Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation hereunder shall in all respects have the same legal

rank and benefit under this Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(d) The Master Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, complies with the provisions of this Section and that it is proper for the Master Trustee under the provisions of Article VII and of this Section to join in the execution of any instrument required to be executed and delivered by this Section.

*Section 415. Financial Statements, Etc.* (a) The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true, and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with generally accepted accounting principles consistently applied except as may be disclosed in the notes to the audited financial statements referred to in subsection (b) below. To the extent that generally accepted accounting principles would require consolidation of certain financial information of entities that are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles that include information with respect to entities that are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Master Trustee with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Master Trustee and, in the opinion of the accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (iii) such supplemental information is used for the purposes hereof or for any agreement, document or certificate executed and delivered in connection or pursuant to this Master Indenture.

(b) The Obligated Group Representative shall furnish or cause to be furnished to the Required Information Recipients (provided that the Authority shall be provided only the items set forth in subparagraph (v) and (vi) below unless the Authority shall request other information being provided in accordance with this Section) and shall post or cause to be posted on EMMA, the following:

(i) Through the end of Fiscal Year 2023, a monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 20 days after the completion of such month, including:

(A) (1) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (2) occupancy levels of the Project as of the end of such month including the number of units that were Occupied and vacated during that month and on an aggregate basis along with a unit-by-unit list of the most recent Entrance Fee associated with such unit (if applicable) and Refund Fee schedule that includes contract type and associated cash flow by unit; marketing report with leads, prospects, tours, calendar of marketing events; (3) an unaudited statement of revenues and expenses and statement of cash flows of the Obligated Group for such month and an unaudited balance sheet of the Obligated Group as of the end of such month;

(4) statements of the balances for each fund and account required to be established hereunder or any Related Bond Indenture as of the end of such month (obtained from the applicable trustee), all in reasonable detail and certified in an Officer's Certificate of the Obligated Group Representative and (5) a comparison of actual results of operations to budget (along with an explanation of any variances of more than 10%).

(B) The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described in this subsection (i) after the first anniversary of the Effective Date. After the first anniversary of the Effective Date, such information shall be included in the quarterly statements described below.

(ii) A quarterly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 30 days after the completion of the most recent applicable full fiscal quarter, stating:

(A) Beginning with the first full fiscal quarter after the Effective Date, and ending at the end of the first full fiscal quarter following the date on which Stable Occupancy shall have been achieved, the number of Independent Living Units and the number of Independent Living Units Occupied, together with an Officer's Certificate of the Obligated Group Representative stating whether the Obligated Group is in compliance with the covenant contained in Section 425 hereof; and

(B) Beginning with the first full fiscal quarter after the Effective Date, an accounting the Obligated Group's trade payables, together with an Officer's Certificate of the Obligated Group Representative stating whether the Obligated Group is in compliance with the covenant contained in Section 434 hereof.

(iii) The following information as soon as practicable after it is available but in no event more than 30 days after the completion of each fiscal quarter (including the last fiscal quarter) of each Fiscal Year: (A) quarterly unaudited financial statements of the Obligated Group, including a combined or combining statement of revenues and expenses, a comparison to budget, a statement of cash flows of the Obligated Group during such period, a combined or combining balance sheet as of the end of each such fiscal quarter, and a management's discussion and analysis with respect to the such fiscal quarter and (B) a calculation of Days' Cash on Hand as of the last day of such quarter, the Historical Debt Service Coverage Ratio of the Obligated Group for such quarter, the IL Occupancy Requirement, the AL/MC Occupancy Requirement, the SNF Occupancy Requirement, the aging of trade payables, and the payor mix of the skilled nursing beds of the Obligated Group, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative. If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.00:1 or the Days' Cash on Hand is less than the Days' Cash on Hand Requirement for any Days' Cash on Hand Testing Date as provided in Section 424 hereof, the Obligated Group shall deliver the financial information and the calculations described in paragraph (iii) above on a monthly basis within 30 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.00:1 and the Days' Cash on Hand is at least equal to the Days' Cash on Hand Requirement.

(iv) Within 135 days of the end of each Fiscal Year, commencing with the Fiscal Year ending December 31, 2020, an annual audited financial report of the Obligated Group prepared by a firm of certified public accountants, including a combined and an unaudited combining balance sheet as of the end of such Fiscal Year and a combined and an unaudited

combining statement of changes in fund balances for such Fiscal Year, a combined and an unaudited combining statement of revenues and expenses for such Fiscal Year, and a statement of cash flows of the Obligated Group for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the accountants preparing such report containing calculations of the Obligated Group's Historical Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand as of the last day of such Fiscal Year, an accounting of the aging of trade payables and a statement that such accountants have no knowledge of any Event of Default or Default Condition, or if such accountants shall have obtained knowledge of any such Default Condition or Event of Default, they shall disclose in such statement the Event of Default or Default Condition and the nature thereof.

(v) On or before the date of delivery of the financial reports referred to in subsections (iii) and (v) above, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions, and conditions of this Master Indenture or if not, specifying all such Event of Defaults or Default Conditions and the nature thereof, (B) calculating and certifying the occupancy percentages, Days' Cash on Hand, Historical Debt Service Coverage Ratio, and aging of trade payables, if required to be calculated for such Fiscal Year by Sections 410, 424, 425, 426 and 434, as of the end of such fiscal period or Fiscal Year, as appropriate and (C) commencing with the Fiscal Year beginning January 1, 2021, attaching a copy of the Obligated Group's Annual Budget for such Fiscal Year and (D) stating the payor mix of the skilled nursing beds of the Obligated Group.

(vi) Copies of (A) any board-approved revisions to the Annual Budget provided pursuant to subsection (vi) above, or (B) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as a Tax-Exempt Organization or with respect to the tax-exempt status of the Tax-Exempt Bonds, or any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes, promptly upon receipt.

(c) The Obligated Group Representative shall furnish or cause to be furnished to the Master Trustee or any Related Bond Trustee, such additional information as the Master Trustee or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee or such Related Bond Trustee to determine whether the covenants, terms, and provisions of this Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents, and vouchers relating to the business, affairs, and Property (other than patient, donor, and personnel records and other records the disclosure of which is precluded by Applicable Law) of the Members shall, to the extent permitted by law, at all times during regular business hours be open to the inspection of such accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee. Each Member shall furnish all information necessary to comply with such a request to the Obligated Group Representative

(d) The Members also agree that, within ten days after its receipt thereof, the Obligated Group Representative will file with the Master Trustee and each Required Information Recipient and post or cause to be posted on EMMA a copy of each Consultant's report or Independent Counsel's opinion required to be prepared under the terms of this Master Indenture.

(e) The Obligated Group Representative shall give prompt written notice of a change of accountants by the Obligated Group to the Master Trustee and each Related Bond Trustee. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure,



or auditing scope or procedure, that the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Bond Trustee or the Master Trustee may reasonably request.

(f) Without limiting the foregoing, each Member will permit, upon reasonable notice, the Master Trustee or any such Related Bond Trustee (or such Persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances, and accounts of the Obligated Group with its officers and independent accountants, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(g) The Obligated Group Representative may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "*Interim Period*") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by a firm of independent certified public accountants selected by the Obligated Group Representative covering the operations of the Obligated Group for such Interim Period and containing a combined balance sheet as of the end of such Interim Period and a combined statement of changes in fund balances and changes in financial position for such Interim Period and a combined statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate written statement of the accountants preparing such report containing a calculation of the Obligated Group's Historical Debt Service Coverage Ratio for the Interim Period and a statement that such accountants have obtained no knowledge of any Event of Default or Default Condition, or if such accountants shall have obtained knowledge of any such Event of Default or Default Condition, they shall disclose in such statement the Event of Default or Default Condition and the nature thereof (but such accountants shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any Event of Default or Default Condition).

(h) The Obligated Group Representative shall arrange for and conduct, or cause the Manager to arrange for and conduct, disclosure calls not less frequently than quarterly with beneficial owners of the Related Bonds and other interested Persons and shall post or cause to be posted notice of the date and time of such calls on EMMA at least five Business Days before each such call. The Obligated Group Representative's appropriate officials or employees or representatives of the Manager shall participate on such calls.

*Section 416. Permitted Additional Indebtedness.* The Obligated Group shall not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than:

(a) Indebtedness incurred with the written consent of a Majority of the Applicable Holders;

(b) Funded Indebtedness for the purpose of refunding any Obligation if (A) both the principal amount and Accreted Value and the aggregate annual debt service on the refunding Indebtedness is no greater than the principal amount and Accreted Value and the aggregate annual debt service that would be payable on the refunded Obligation, (B) if the refunded Obligation (1) is a Senior Obligation, the refunding Indebtedness is evidenced or secured by an Obligation that is a Senior Obligation or (2) is a Subordinate Obligation, the refunding Indebtedness is evidenced or secured by an Obligation that is a Subordinate Obligation, and (C) the other terms and conditions of the refunding are

not materially less favorable to the Members of the Obligated Group and the Holders of the Outstanding Obligations.

(c) Indebtedness (other than Obligations) for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under this Master Indenture;

(d) Indebtedness (other than Obligations) consisting of accounts payable incurred in the ordinary course of business or other Indebtedness not incurred or assumed primarily to assure the repayment of money borrowed or credit extended which Indebtedness is incurred in the ordinary course of business, including but not limited to deferred obligations for the refund or repayment of Entrance Fees; and

(e) Indebtedness (other than Obligations), including without limitation Capitalized Leases, incurred in connection with the purchase or acquisition of equipment or other personal Property, provided that the principal amount of such Indebtedness together with the aggregate principal amount of all other Indebtedness then outstanding and incurred pursuant to this subsection shall not exceed \$250,000.

*Section 417. Calculation of Debt Service and Debt Service Coverage.* (a) The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness, and the debt service payable with respect to such Indebtedness required under certain provisions of this Master Indenture shall be made in a manner consistent with that adopted in Section 416 and in this Section.

(b) In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of this Master Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the “*Determination Period*”) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) that was in effect on the last date of each of the 12 full calendar months immediately preceding the month in which such calculation is made; provided that if the index or other basis for calculating such interest was not in existence for at least 12 full calendar months immediately preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month immediately preceding the date of calculation; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate.

(c) Obligations issued to secure Indebtedness permitted to be incurred under Section 416 shall not be treated as Additional Indebtedness in a manner that would require such Indebtedness to be included more than one time in the calculations performed under this Master Indenture.

(d) For all purposes under this Master Indenture, it shall be assumed that 100% of Indebtedness that is guaranteed is Funded Indebtedness of the guarantor under such Guaranty.

(e) For purposes of the various calculations required under this Master Indenture for Capitalized Leases, the Capitalized Rentals under a Capitalized Lease at the time of such calculation shall be deemed to be the principal payable thereon.

(f) Anything herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which an Interest Rate Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Interest Rate Agreement is in effect at a net rate that takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Interest Rate Agreement; provided that the long-term credit rating of the provider of such Interest Rate Agreement (or any guarantor thereof) is in one of the three highest rating categories of each Rating Agency maintaining a rating on such provider or guarantor (without regard to any refinements of gradation of rating category by numerical modifier or otherwise). For the purposes of determining the Debt Service Requirements for any future period of time with respect to any Indebtedness subject to an Interest Rate Agreement satisfying the requirements of the preceding sentence (i) if the Member is required to pay a fixed rate of interest under the Interest Rate Agreement, such Indebtedness shall be deemed to bear interest at such fixed rates and (ii) if the Member is required to pay interest at a variable rate under the Interest Rate Agreement, Debt Service Requirements on such Indebtedness shall be calculated in accordance with subsection (b) of this Section. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account an Interest Rate Agreement, any payments made by a Member on such Interest Rate Agreement shall be excluded from Expenses and any payments received by a Member on such Interest Rate Agreement shall be excluded from Revenues, in each case, for all purposes of this Master Indenture.

*Section 418. Sale, Lease, or Other Disposition of Property.* Each Member agrees that it will not sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including cash and investments) without the written consent of a Majority of the Applicable Holders unless (i) such sale, lease or disposition is in the ordinary course of business upon fair and reasonable terms or (ii) such sale, lease or disposition is of Property which has become inadequate, obsolete, worn out, unsuitable or unnecessary and the disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property. Any proceeds of such disposition shall constitute Gross Revenues and be deposited to the Gross Revenue Fund upon receipt.

*Section 419. [Reserved].*

*Section 420. Obligation Register.* The Master Trustee will keep the Obligation Register at the principal corporate trust office of the Master Trustee. At reasonable times and under reasonable regulations established by the Master Trustee, the list of last known Holders held as part of the Obligation Register may be inspected and copied by any Member, any Obligation Holder, or the authorized representative thereof, provided that the ownership of such Holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

*Section 421. Designation of Additional Paying Agents.* The Obligated Group Representative may, in its discretion, cause the necessary arrangements to be made through the Master Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of such of the Obligations as shall be presented when due at the principal corporate trust office of the Master Trustee, or at the designated or principal corporate trust office of said alternate Paying Agents.

*Section 422. Further Assurances; Additional Property.* (a) The Members will do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, all such further acts, deeds, conveyances, mortgages, assignments, transfers, and assurances as the Master Trustee reasonably may require for the better assuring, assigning and confirming unto the Master Trustee, its successors and assigns, all and singular the security granted hereunder, if any.

(b) All right, title, and interest of the Members in and to all improvements, betterments, renewals, substitutions and replacements of the Property constituting the Indenture Trust Estate or any part thereof, hereafter acquired by a Member, immediately upon such acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the Indenture Trust Estate and shall be subject, if applicable to Property of such type, to the security interest of this Master Indenture and/or any subsequently created liens and security interest securing the Obligations as fully and completely and with the same effect as though owned by the Members at the time this Master Indenture was executed or any and all such other liens and security interests were created, but at any and all times the Members will execute and deliver to the Master Trustee any and all such further assurances, mortgages, conveyances or assignments thereof and other instruments with respect thereto as the Master Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the security interest of this Master Indenture or such other subsequently created liens and security interests.

*Section 423. Indemnity.* (a) Each Member shall pay, and shall protect, indemnify, and save the Master Trustee and any holder or beneficial owner of Obligations or Related Bonds harmless from and against any and all liabilities, losses, damages, costs, and expenses (including attorneys' fees and expenses of such Member and the Master Trustee), causes of action, suits, claims, demands, and judgments of whatsoever kind and nature (including those arising or resulting from any injury to or death of any Person or damage to Property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) the use, non-use, condition, or occupancy of any of the Property of any Member, any repairs, construction, alterations, renovation, relocation, remodeling, and equipping thereof or thereto or the condition of any of such Property including adjoining sidewalks, streets, or alleys and any equipment or Facilities at any time located on such Property or used in connection therewith but which are not the result of the negligence or willful misconduct of the Master Trustee;

(ii) violation of any agreement, warranty, covenant, or condition of this Master Indenture, except by the Master Trustee;

(iii) violation of any contract, agreement, or restriction by any Member relating to its Property;

(iv) violation of any law, ordinance, regulation, or court order affecting any Property of any Member or the ownership, occupancy, or use thereof;

(v) any statement or information concerning any Member or its officers and members or its Property, contained in any official statement or other offering document furnished to the Master Trustee or the purchaser of any Obligations or any Related Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or other offering document of any statement or information that should be contained therein for the purpose for which the same is to be used or that is necessary to make the statements therein concerning any Member, its officers and members and its Property not misleading in any material respect, provided that the official statement or other offering document has been approved by the Obligated Group Representative and the indemnified party did not have knowledge of the omission or misstatement or did not use the official statement or other offering document with reckless disregard of or negligence in regard to the accuracy or completeness of the official statement or other offering document; and

(vi) the exercise and performance of any of the Master Trustee's powers and duties hereunder except to the extent that such loss, liability, or damage, including reasonable attorneys' fees, is incurred by reason of the Master Trustee's negligence or willful misconduct.

(b) Such indemnity shall extend to each Person, if any, who "controls" the Master Trustee as that term is defined in Section 15 of the Securities Act of 1933, as amended.

(c) In the event of settlement of any litigation commenced or threatened, such indemnity shall be limited to the aggregate amount paid under a settlement effected with the written consent of the Obligated Group Representative and the expenses of the indemnified Person(s).

(d) The Master Trustee shall promptly notify the Obligated Group Representative in writing of any claim or action brought against the Master Trustee or any controlling Person, as the case may be, in respect of which indemnity may be sought against any Member, setting forth the particulars of such claim or action, and the Obligated Group will assume the defense thereof, including the employment of counsel satisfactory to the Master Trustee or such controlling Person, as the case may be, and the payment of all expenses. The Master Trustee or any such controlling Person, as the case may be, may employ separate counsel in any such action and participate in the defense thereof, and the reasonable fees and expenses of such counsel shall not be payable by the Obligated Group unless such employment has been specifically authorized by the Obligated Group Representative. The obligations of the Obligated Group set forth in this Section shall survive the assignment or termination of this Master Indenture and the resignation or removal of the Master Trustee.

*Section 424. Days' Cash on Hand Covenant.* (a) Each Member of the Obligated Group covenants that, commencing December 31, 2023, the Member will maintain as of each June 30 and December 31 (each such date being a "*Days' Cash on Hand Testing Date*") no less than 90 Days' Cash on Hand on each Days' Cash on Hand Testing Date (the "*Days' Cash on Hand Requirement*"). The Obligated Group Representative shall deliver to the Master Trustee no later than 30 days after the applicable Days' Cash on Hand Testing Date an Officer's Certificate setting forth such calculation as of such Days' Cash on Hand Testing Date. For informational purposes, the Obligated Group Representative shall also deliver to the Master Trustee no later than 30 days after each March 31 and September 30, commencing March 31, 2021, an Officer's Certificate setting forth the calculation of Days' Cash on Hand as of those dates.

(b) If the amount of Days' Cash on Hand of any Member as of any Days' Cash on Hand Testing Date is less than the Days' Cash on Hand Requirement, the Obligated Group, at its own expense, shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations with respect to the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Days' Cash on Hand to Days' Cash on Hand Requirement, provided that the Obligated Group shall not be required to retain a Consultant as aforesaid more than once during any calendar year.

(c) A copy of the Consultant's report and recommendations, if any, shall be filed with each Member, the Master Trustee and each Required Information Recipient and posted or caused to be posted on EMMA within 60 days of retaining the Consultant. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. 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.

(d) Notwithstanding any other provisions of this Master Indenture, failure of the Obligated Group to achieve the Days' Cash on Hand Requirement for Days' Cash on Hand Testing Date shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Obligated Group Representative) and permitted by law; provided, however, that the failure of the Obligated Group to achieve a Days' Cash on Hand Requirement for two consecutive Days' Cash on Hand Testing Dates or if the number of Days' Cash on Hand as of any Days' Cash on Hand Testing Date is less than 30, it shall constitute an Event of Default hereunder.

*Section 425. IL Occupancy Covenant.* (a) The Obligated Group covenants that as of each June 30 and December 31, commencing with December 31, 2022 (each such date being a "*Testing Date*"), the Obligated Group will have Occupied the total percentage of all Independent Living Units at or above the applicable IL Occupancy Requirement set forth below (the "*IL Occupancy Requirement*"), with the numerator being the average Independent Living Units Occupied for the preceding rolling four quarters and the denominator being 164.

Testing Date	No. of Independent Living Units (Percentage) Occupied
December 31, 2022	117 (70%)
June 30 and December 31, 2023	123 (75%)
June 30 and December 31, 2024	131 (80%)
June 30, 2025 and thereafter	145 (88%)

(b) If the IL Occupancy Requirement is not met as of any Testing Date, the Obligated Group Representative shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations (which shall be reported to the Master Trustee and the Holders) regarding the actions to be taken to increase the number of Independent Living Units Occupied to at least the IL Occupancy Requirement set forth above on the earliest date practicable. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law.

(c) Notwithstanding any other provision of this Master Indenture, failure of the Obligated Group to achieve the IL Occupancy Requirement for any Fiscal Year shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law; provided, however, that failure of the Obligated Group to achieve the IL Occupancy Requirement for any two consecutive Testing Periods shall constitute an Event of Default.

*Section 426. Health Care Occupancy Covenant.* (a) The Obligated Group covenants that as of each Testing Date, the Obligated Group will have Occupied the total percentage of all Assisted Living Units and Memory Care Units at or above the applicable AL/MC Occupancy Requirement set forth below (the "*AL/MC Occupancy Requirement*"), with the numerator being the average Assisted Living Units and Memory Care Units Occupied for the preceding rolling four quarters and the denominator being 65.

Testing Date	No. of AL/MC Units or Beds (Percentage) Occupied
December 31, 2022	46 (70%)
June 30 and December 31, 2023	49 (75%)
June 30 and December 31, 2024	52 (80%)
June 30, 2025 and thereafter	57 (88%)

(b) If the AL/MC Occupancy Requirement is not met as of any Testing Date, the Obligated Group Representative shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations (which shall be reported to the Master Trustee and the Holders) regarding the actions to be taken to increase the number of Assisted Living Units and Memory Case Units Occupied to at least the AL/MC Occupancy Requirement set forth above on the earliest date practicable. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. Notwithstanding any other provision of this Master Indenture, failure of the Obligated Group to achieve the AL/MC Occupancy Requirement for any Fiscal Year shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law; provided, however, that failure of the Obligated Group to achieve the AL/MC Occupancy Requirement for any two consecutive Testing Periods shall constitute an Event of Default.

(c) The Obligated Group covenants that as of each Testing Date, the Obligated Group will have Occupied the total percentage of all Skilled Nursing Beds at or above the applicable SNF Occupancy Requirement set forth below (the "*SNF Occupancy Requirement*"), with the numerator being the average Skilled Nursing Beds Occupied for the preceding rolling four quarters and the denominator being 60.

Testing Date	No. of SNF Units or Beds (Percentage) Occupied
December 31, 2022	42 (70%)
June 30 and December 31, 2023	45 (75%)
June 30 and December 31, 2024	48 (80%)
June 30, 2025 and thereafter	52 (88%)

(d) If the SNF Occupancy Requirement is not met as of any Testing Date, the Obligated Group Representative shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations (which shall be reported to the Master Trustee and the Holders) regarding the actions to be taken to increase the number of Skilled Nursing Beds Occupied to at least the SNF Occupancy Requirement set forth above on the earliest date practicable. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. Notwithstanding any

other provision of this Master Indenture, failure of the Obligated Group to achieve the SNF Occupancy Requirement for any Fiscal Year shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law; provided, however, that failure of the Obligated Group to achieve the SNF Occupancy Requirement for any two consecutive Testing Periods shall constitute an Event of Default.

*Section 427. Entrance Fees Fund.* The Master Trustee shall establish and maintain a separate Fund to be known as the "Entrance Fees Fund – Clare Oaks" (the "*Entrance Fees Fund*") into which the Obligated Group shall deposit, or cause to be deposited, on a daily basis, all Entrance Fees received by it in the form of cash, checks, or negotiable instruments. Moneys in the Entrance Fees Fund shall be disbursed by the Master Trustee to the Members to pay refunds required by the terms of Residency Agreements, in the amount set forth in an Officer's Certificate of the applicable Member. Moneys no longer subject to the refund provisions of Residency Agreements shall be transferred by the Master Trustee to the Gross Revenue Fund.

*Section 428. Gross Revenue Fund.* (a) The Master Trustee shall establish and maintain a separate Fund to be known as the "Gross Revenue Fund – Clare Oaks" (the "*Gross Revenue Fund*") into which the Obligated Group shall, subject to any contrary provisions of subsection (d) of this Section, deposit, or cause to be deposited, on a weekly basis, all Gross Revenues received by it in the form of cash, checks, or negotiable instruments.

(b) On the first Business Day of each calendar month after the Effective Date (unless otherwise provided), amounts in the Gross Revenue Fund shall be transferred or deposited, as applicable, by the Master Trustee in the following order of priority (the "*Distribution Waterfall*"):

(i) FIRST: to each Member, for deposit in its Operating Account, (A) prior to the application of the Lock-Box Budget provisions of Section 514 hereof and after any suspension of such provisions of Section 514 hereof, an amount certified by the Member (in an Officer's Certificate of the Member setting forth in reasonable detail the projected application of the amount so certified) as necessary to pay anticipated Operating Expenses (including the Base Management Fee") and Budgeted Capital Expenditures for the upcoming month (subject to the further provisions of this paragraph and taking into account any unapplied amount withdrawn for such purpose in a prior month) or (B) during any period during which the Lock-Box Budget provisions of Section 514 hereof shall be applicable, the amount set forth in the Lock-Box Budget as Operating Expenses and Budgeted Capital Expenditures for such upcoming month; and

(ii) SECOND: to the Series 2020 Bond Trustee for deposit to the Debt Service Fund or, in the case of a transfer pursuant to clause (2) of this subparagraph to the Debt Service Reserve Fund, and in respect of the Series 2020A Obligations, (1) an amount equal to the lesser of (x) one-sixth of the interest payable on the Series 2020A Bonds on the immediately succeeding Interest Payment Date or (y) taking into account all amounts in the Debt Service Fund available to pay interest on the Series 2020A Bonds, such lesser sum as shall be required to pay the interest payable on the Series 2020A Bonds on the immediately succeeding Interest Payment Date, and (2) any past due amounts under this subparagraph, it being understood and agreed that the payment of interest on, the Series 2020A Bonds by the Series 2020 Bond Trustee from amounts in the Debt Service Reserve Fund shall not be deemed to satisfy the Corporation's payment obligations under this subparagraph; provided however, if, commencing January 1, 2022, any Class 4 Note is greater than \$0, the amount transferred to the Series 2020 Bond Trustee with



respect to the Series 2020A-3 Obligation shall equal the equivalent of interest on Series 2020A-3 Obligation at 4.00% per annum for the applicable period; and

(iii) THIRD: to Corporation for deposit in the Class 4 Note Account, an amount to make the balance therein equal to 100% of the Class 4 Bi-Annual Payment Amount, until the amount transferred pursuant to this provision equals 100% of the original principal amount of the Class 4 Note; and

(iv) FOURTH: in the event that a portion of interest due on the Series 2020A-3 Obligations is deferred from and after January 1, 2022 as set forth in the last sentence of SECOND above, to the Series 2020 Bond Trustee for deposit to the Series 2020A-3 Interest Account of Debt Service Fund an amount equal the remaining interest payable on the Series 2020A-3 Bonds on the immediately succeeding Interest Payment Date (e.g. the remaining 1.25% per annum of interest payable on the Series 2020A-3 Bonds); and

(v) FIFTH: to the Series 2020 Bond Trustee for deposit to the Debt Service Fund or, in the case of a transfer pursuant to clause (2) of this subparagraph to the Debt Service Reserve Fund, and in respect of the Series 2020A Obligations, (1) commencing December 1, 2023, an amount equal to the lesser of (x) one-twelfth of the principal, if any, payable with respect to the Series 2020A Bonds on the immediately succeeding November 15 by maturity or mandatory bond sinking fund redemption pursuant to the Series 2020 Bond Indenture or (y) taking into account all amounts in the Debt Service Fund available to pay principal of the Series 2020A Bonds, such lesser sum as shall be required to pay the principal payable with respect to the Series 2020A Bonds on the immediately succeeding November 15 by maturity or mandatory bond sinking fund redemption pursuant to the Series 2020 Bond Indenture (as such amounts shall be certified to the Master Trustee by the Series 2020 Bond Trustee), and (2) any past due amounts under this subparagraph, it being understood and agreed that the payment of principal of the Series 2020A Bonds by the Series 2020 Bond Trustee from amounts in the Debt Service Reserve Fund shall not be deemed to satisfy the Corporation's payment obligations under this subparagraph; and

(vi) SIXTH: to the Manager to pay the Subordinate Management Fee;

(vii) SEVENTH: to the Series 2020 Bond Trustee for deposit to the accounts of the Debt Service Reserve Fund until the balance therein is equal to the applicable Debt Service Reserve Fund Requirement (as certified to the Master Trustee by the Series 2020 Bond Trustee); and

(viii) EIGHTH: to each Member, for deposit in its Operating Account, an amount such that the balance therein, not taking to account the amount transferred pursuant to FIRST of this Section, is equal to the 30 Days' Cash on Hand and to the Operating Reserve Fund an amount such that the balance therein is equal to 60 Days' Cash on Hand (such amounts to be set forth in a calculation provided to the Master Trustee as part of the Annual Budget each Fiscal Year);

(ix) NINTH: any amounts remaining after the transfers and deposits described in subparagraphs (i) through (viii) above (for purposes of this subparagraph, the "Excess Cash"), shall be transferred as follows:

- (a) Until the Class 3 Note is paid in full, (i) 50% of the Excess Cash shall be transferred to the Series 2020 Bond Trustee for deposit in the Series 2020B Interest Account or to 2020B Optional Redemption Account, as applicable,

and (ii) 50% of the Excess Cash shall be applied by the Corporation, *first*, to the pay the Class 5 Note until such Class 5 Note is paid in full, *second*, to pay the Class 6 Note until the Class 6 Note is paid in full, and *third*, to pay the Class 3 Note until the Class 3 Note is paid in full.

(b) Upon payment in full of the Class 3 Note, 100% of the Excess Cash shall be transferred to the Series 2020 Bond Trustee for deposit in the Series 2020B Interest Account or to 2020B Optional Redemption Account, as applicable.

(c) With respect to any amount transferred to a Related Bond Trustee, the Master Trustee shall identify the subsection, subparagraph, or item of this Section directing such transfer, and, if applicable, the fund or account to which such transfer should be deposited.

(d) Notwithstanding the foregoing, upon the occurrence and during the continuance of an Event of Default, a Majority of the Applicable Holders may direct the Master Trustee to reorder the priority of the subparagraphs contained in the Distribution Waterfall, and in such event, the Distribution Waterfall shall be deemed revised accordingly.

*Section 429. Operating Reserve Fund.* (a) The Master Trustee shall establish and maintain a separate Fund to be known as the “Operating Reserve Fund – Clare Oaks” (the “*Operating Reserve Fund*”). The Master Trustee shall make an initial deposit to the Operating Reserve Fund of \$\_\_\_\_\_ on the Effective Date. All moneys received by the Master Trustee and held in the Operating Reserve Fund shall be trust funds under the terms of this Master Indenture for the benefit of all of the Outstanding Obligations (except as otherwise provided) and shall not be subject to lien or attachment of any other creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Master Indenture.

(b) Moneys in the Operating Reserve Fund shall be disbursed by the Master Trustee to or for the account of the Corporation or to the Obligation Holders, as applicable:

(i) to or for the account of the Corporation, upon receipt by the Master Trustee of a Written Request to the effect that (A) such moneys will be used to pay (1) Operating Expenses set forth in an itemized budget accompanying such Written Request that describes the specific uses for which such moneys are needed and the amount needed for each such specific use, (2) judgments against any Member of the Obligated Group (other than judgments on Funded Indebtedness), or (3) amounts due on any Obligations of any Member of the Obligated Group, (B) such moneys are anticipated to be expended no later than the calendar month following the month in which such Written Request is submitted, and (C) no other funds (other than, in the case of payments on Obligations, any applicable debt service reserve fund or the Capital Expenditure Fund) are available or will reasonably be available to make such payments. The Master Trustee shall disburse the applicable funds within seven days of receipt by the Master Trustee of the Written Request referenced in this clause (i); or

(ii) for the account of the Corporation, to pay the principal or Accreted Value of, and interest on, the Obligations to the extent that there are insufficient funds available therefor under this Master Trust Indenture or under the Related Bond Indenture (other than in any applicable debt service reserve fund or in the Capital Expenditure Fund); provided that, if the amounts available in the Operating Reserve Fund are less than the aggregate amount of such insufficiency, such payments shall be applied to the respective Obligations on a *pro rata* basis in accordance with the respective priorities, principal amounts or Accreted Values of the applicable Obligations. The Corporation hereby authorizes and directs the Master Trustee to withdraw funds from the

Operating Reserve Fund to pay the principal or Accreted Value of, and interest on, the Obligations to the extent that there are insufficient funds available therefor under this Master Trust Indenture or under the Related Bond Indenture (other than in any applicable debt service reserve fund or in the Capital Expenditure Fund).

*Section 430. Capital Expenditure Fund.* (a) The Master Trustee shall establish and maintain a separate Fund to be known as the “Capital Expenditure Fund – Clare Oaks” (the “*Capital Expenditure Fund*”). The Master Trustee shall make an initial deposit to the Capital Expenditure Fund of \$3,800,000 on the Effective Date. All moneys received by the Master Trustee and held in the Capital Expenditure Fund shall be trust funds under the terms of this Master Indenture for the benefit of all of the Outstanding Obligations (except as otherwise provided) and shall not be subject to lien or attachment of any other creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Master Indenture.

(b) Amounts on deposit in the Capital Expenditure Fund may be used by the Corporation for the purpose of funding repairs and other capital expenditures as set forth on Exhibit \_\_ hereto (the “*Approved Capital Expenditures*”). Upon receipt by the Master Trustee of a certification from the Member that all Approved Capital Expenditures have been completed, any remaining balance in the Capital Expenditure Fund shall be deposited in the [Revenue Fund][transferred to the Series 2020 Bond Trustee for deposit in the Series 2020A-1 Account of the Debt Service Reserve Fund].

*Section 431. Insurance and Condemnation Award Fund.* (a) Reference is hereby made to Section 411 and 412 hereof whereunder it is provided that under certain circumstances the Net Proceeds of insurance and condemnation awards are to be paid to the Master Trustee and deposited into the Insurance and Condemnation Award Fund, and are to be disbursed and paid out as therein provided. The Master Trustee hereby accepts and agrees to perform the duties and obligations as therein specified. The Master Trustee shall establish and maintain a separate trust fund to be known as the “Insurance and Condemnation Award Fund – Clare Oaks” (the “*Insurance and Condemnation Award Fund*”) which shall be opened only if funds are required to be deposited therein as provided in such Sections 411 and 412. The Master Trustee shall also establish and maintain a separate account within the Insurance Fund and Condemnation Award Fund with respect to each event or occurrence giving rise to a deposit therein. Funds held in the Insurance and Condemnation Award Fund shall be disbursed in accordance with Sections 411 and 412 hereof upon receipt of a requisition for payment substantially in the form attached as Exhibit “H” to this Master Indenture, and the Master Trustee is hereby authorized and directed to issue its checks or wires for each disbursement upon receipt of such a requisition. Notwithstanding anything contained herein to the contrary, any amounts required to be deposited in the Insurance and Condemnation Award Fund in accordance with the provisions of this Master Indenture shall be deposited in the applicable account thereof, and, prior to the occurrence of an Event of Default, any amounts in an account of the Insurance and Condemnation Award Fund may be used as described in Sections 411 and/or 412 hereof.

*Section 432. [Reserved]*

*Section 433. Investment of the Entrance Fees Fund, the Gross Revenue Fund, the Operating Reserve Fund, the Capital Expenditure Fund, the Insurance and Condemnation Award Fund and the Costs of Issuance Fund.* (a) Any moneys held by the Master Trustee in the Entrance Fees Fund, the Gross Revenue Fund, the Operating Reserve Fund, the Capital Expenditure Fund and the Insurance and Condemnation Award Fund shall be invested by the Master Trustee, upon the written direction of the Obligated Group Representative, in Permitted Investments. Such investments shall mature or be available for withdrawal at par without penalty on or prior to the date or dates that moneys therefrom are anticipated to be required. The Master Trustee, unless specifically prohibited by the Obligated Group

Representative in writing, may trade with itself, or any bank affiliated with it, in the purchase and sale of such investments and may charge and collect its or their customary fees and expenses. The Master Trustee shall not be liable or responsible for any loss resulting from such investments. Any investment income or other gain from any investment of moneys on deposit in the Entrance Fees Fund, the Gross Revenue Fund, the Operating Reserve Fund and the Capital Expenditure Fund, the Insurance and Condemnation Award Fund shall, except as otherwise provided herein, be retained therein. Any loss resulting from such investments shall be charged to the Entrance Fees Fund, the Gross Revenue Fund, the Operating Reserve Fund and the Capital Expenditure Fund, the Insurance and Condemnation Award Fund, as the case may be.

(b) The Master Trustee shall be entitled to presume that any investments made at the direction of the Obligated Group Representative will not cause any Related Bonds to be “arbitrage bonds” and that such investments, if Permitted Investments, are otherwise permitted by the terms of this Master Indenture and Applicable Law. Notwithstanding any provision of this Master Indenture to the contrary, the Master Trustee shall not be liable or responsible for any calculation or determination that may be required in connection with or for the purpose of complying with Section 148 of the Code including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code, and shall be entitled to rely on the directions or absence of directions of the Obligated Group Representative and any rebate analyst.

*Section 434. Trade Payables Covenant.* (a) The Obligated Group covenants that, commencing with the first full quarter after the Effective Date, it shall keep a record of the aging of its trade payables. The Obligated Group further covenants that it shall maintain its trade payables such that 90% of all trade payables will be less than 75 days’ past due and no trade payable will be greater than 100 days’ past due unless being contested in good faith (the “*Trade Payables Requirements*”).

(b) If the reports for any fiscal quarter indicate that the Trade Payables Requirements were not met, the Obligated Group Representative shall, within 30 days, retain a Consultant reasonably acceptable to a Majority of the Applicable Holders to make recommendations (which shall be reported to the Master Trustee and the Holders) regarding the actions to be taken to bring the Obligated Group into compliance with the Trade Payables Requirements on the earliest date practicable. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Corporation shall not be required to obtain a Consultant’s report more than once in any nine-month period.

(c) Notwithstanding any other provision of this Master Indenture, failure of the Obligated Group to meet the Trade Payables Requirements shall not constitute an Event of Default if the Obligated Group takes all action necessary to comply with the procedures set forth above for obtaining a Consultant’s report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

*Section 435. Application for Rating.* Not later than 150 days after receipt by the Obligated Group Representative of audited financial statements of the Obligated Group for the first full Fiscal Year following the achievement of Stable Occupancy, and each Fiscal Year thereafter, the Obligated Group will approach a Rating Agency to obtain a credit rating until the Obligated Group obtains a credit rating of “BBB-/BBB-/Baa3” or better from such Rating Agency (an “*Investment Grade*” credit rating). The requirement to approach a Rating Agency annually shall be suspended when the Obligated Group maintains an Investment Grade credit rating. In addition, the Obligated Group shall not be required to approach a Rating Agency to obtain a credit rating pursuant to this Section if the Obligated Group Representative reasonably believes that the Obligated Group will not meet the criteria of any Rating

Agency for an Investment Grade credit rating based on the then existing published rating criteria of the Rating Agencies.

*Section 436. Notice of Material Adverse Effect.* Promptly after becoming aware thereof, the Obligated Group Representative shall provide the Required Information Recipients and post on EMMA written notice of any event that has had, or any Obligated Group Member reasonably anticipates will have, a Material Adverse Effect.

*Section 437. Actuarial Study.* At least once every three years after the Closing Date, or if the audited financial statements of the Obligated Group shall show any unfunded future service obligations, at the Master Trustee's request, the Obligated Group shall furnish an actuarial study, prepared by an actuary acceptable to the Master Trustee, with respect to the Residents in the Project and the pricing of Entrance Fees and Resident Service Fees, which shall set forth any recommendations necessary to meet such unfunded service obligations in a timely fashion. The Obligated Group shall take any action necessary to implement the recommendations made in such actuarial study.

*Section 438. Governmental Filings.* The Obligated Group Representative shall furnish to the Master Trustee, post on EMMA, and furnish to each Required Information Recipient, to the extent permitted by law, promptly upon the filing or sending or receipt thereof, (i) a copy of any filing made by the Obligated Group Representative or any Member of the Obligated Group with any Governmental Authority relating to the Facilities; (ii) copies of each annual licensure or other inspection report of the Facilities by any Governmental Authority; (iii) any correspondence to or from the Internal Revenue Service concerning the status of any Obligated Group Member as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of any Related Bonds.

*Section 439. Insurance Consultant Certification.* At least once during each Fiscal Year, the Obligated Group Representative shall retain an Insurance Consultant who shall review the Obligated Group's insurance and shall certify that the Obligated Group's insurance meets or exceeds the requirements of Section 407 hereof and shall file such certification with the Master Trustee. The Obligated Group Representative shall promptly notify the Master Trustee of any decreases in the amount of any such coverage. A signed copy of the report of the Insurance Consultant shall be filed with the Master Trustee and each Required Information Recipient and posted on EMMA, and the insurance requirements specified hereunder shall be deemed modified or superseded as necessary to conform with the recommendations contained in said report. The Master Trustee shall be entitled to rely upon such certifications of the Insurance Consultant in determining compliance by the Obligated Group with the insurance requirement set forth herein, it being understood and agreed that the Master Trustee has made no representation as to, and shall have no responsibility for, the sufficiency or adequacy of any insurance obtained by an Member of the Obligated Group.

*Section 440. Other Information.* The Obligated Group Representative shall furnish to the Master Trustee and to each Required Information Recipient and post on EMMA such other information respecting the business, properties, or the condition or operations, financial or otherwise, of the Obligated Group and the Facilities as the Master Trustee or any Required Information Recipient may from time to time reasonably request.

*Section 441. Notices.* The Obligated Group Representative shall provide to the Master Trustee and to each Required Information Recipient and shall post on EMMA:

(a) *Notice of Default.* Immediately upon becoming aware thereof, notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action that constitutes an Event of Default or a Default Condition.

(b) ERISA. Promptly after becoming aware of the occurrence of any ERISA Event or of any “prohibited transaction” (as defined in Section 4975 of the Code or Section 406 of ERISA) in connection with any Plan or any trust created thereunder, a written notice signed by an Authorized Officer specifying the nature thereof, what action the Obligated Group is taking or proposes to take with respect thereto and, when known, any action proposed to be taken by any Governmental Authority with respect thereto.

(c) Litigation; Arbitration. Prompt written notice of all actions, suits, and proceedings before any Governmental Authority, domestic or foreign, or any arbitration body or authority, against or involving the any Obligated Group Member, or the Facilities that involve claims equal to or in excess of \$100,000.

(d) Claimed Default. Promptly upon receipt of any notice from, or the taking of any action by, the holder of any Indebtedness of the Obligated Group with respect to a claimed default, copies of such notice or a report of such action.

*Section 442. Preservation of Liens; Recordation of Interest.* The Obligated Group shall take all necessary action to maintain and preserve the lien and security interest of the Mortgage. The Obligated Group shall cause to be filed, registered, and recorded all necessary financing statements or other instruments, and any amendments or continuation statements relating thereto, necessary to be kept and filed in such manner and in such places as may be required by law to fully preserve and protect the lien and security interest in, and all rights of the Master Trustee and the Obligation Holders with respect to, the Indenture Trust Estate. The Obligated Group shall, upon the request of the Master Trustee, from time to time, execute and deliver and, if necessary, file such further instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Master Indenture or to protect the interests of the Master Trustee and the Obligation Holders in the Mortgaged Property and the remainder of the Indenture Trust Estate. Except to the extent it is exempt therefrom, the Obligated Group shall pay or cause to be paid all filing, registration, and recording fees incident to such filing, registration, and recording, and all expenses incident to the preparation, execution, and acknowledgment of such instruments of further assurance, 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 Master Indenture and such instruments of further assurance.

*Section 443. Right of Entry.* Upon prior written notice, the Obligated Group shall permit the Master Trustee or the duly authorized representatives of the Obligation Holders to enter the Facilities, or any parts thereof, during normal business hours to examine and copy the Obligated Group’s financial and corporate books, records, and accounts, and to discuss the affairs, finances, business and accounts of the Obligated Group with the Obligated Group’s officers, directors, and employees to monitor compliance with the provisions of the Master Indenture.

*Section 444. Licensure.* Upon any failure to obtain any Permit or any subsequent loss of any Permit, the Obligated Group Representative shall immediately send to the Master Trustee and to each Required Information Recipient and post on EMMA a statement setting forth the reasons given by the Governmental Authority and the actions taken or proposed to be taken to obtain or restore the permit.

*Section 445. Preservation of Corporate Existence; 501(c)(3) Status.* (a) Each Member shall preserve and maintain its corporate existence, right (charter and statutory), and franchises and licenses; provided that no Member shall be required to preserve any right or franchise or license if the Governing Body of the Member shall determine that the preservation thereof shall no longer be desirable in the conduct of the business of the Member and that the loss thereof will not have a Material Adverse Effect.

(b) The Corporation and any Member that is a Tax-Exempt Organization at the time such entity becomes a Member shall preserve and maintain its status as a Tax-Exempt Organization and shall timely and properly file with the IRS all annual reports, tax returns and other matters required to be filed by the Corporation or other Member with the IRS.

*Section 446. Management.* (a) ER Senior Management, LLC shall serve as the initial Manager of the Project under the Initial Management Agreement unless otherwise replaced in accordance with the terms hereof. Any successor or replacement Manager selected by the Obligated Group Representative shall be approved in writing by the Master Trustee and a Majority of the Applicable Holders.

(b) The fees of the Manager shall not be payable more than monthly, and the fees of the Manager shall be payable only under the Management Agreement.

(c) Any Management Agreement that is not the initial Management Agreement shall be subject to the prior review and reasonable approval of the Master Trustee and the Majority of the Applicable Holders.

(d) If a report of a Consultant pursuant to Section 424, 425 or 426 hereof recommends that the Obligated Group Representative replace the Manager, unless the Master Trustee shall state otherwise in writing, the Obligated Group agrees to take action with another Person providing comprehensive management services to comply with such recommendations, as quickly as is practicable and in any case within 45 days. Any such successor Manager shall be acceptable to the Master Trustee.

*Section 447. ERISA Compliance.* The Obligated Group shall, and shall use its best efforts to cause its ERISA Affiliates to comply, in a timely fashion, with all requirements of ERISA and the Code, including, but not limited to, paying all contributions required to meet the minimum funding standards set forth in ERISA and the Code with respect to each Plan and to file all annual reports and other disclosures required to be filed pursuant to ERISA or the Code in connection with each Plan. The Obligated Group shall not terminate or take any other action with respect to, or permit any Affiliate to terminate or take any other action with respect to, any Plan so as to result in any material liability of the Obligated Group to the PBGC.

*Section 448. Compliance with Laws.* The Obligated Group shall comply in all material respects with all Applicable Law except for Matters Contested in Good Faith, provided that any such contest shall not have a Material Adverse Effect.

*Section 449. Collection of Gross Revenues.* Promptly upon receipt the Obligated Group shall remit to the Master Trustee all Gross Revenues for deposit into the Gross Revenue Fund.

*Section 450. Compliance with Other Agreements.* The Obligated Group shall comply in all material respects with the terms and conditions of this Master Indenture and all other instruments, agreements, and other documents delivered by or on behalf of the Obligated Group in connection with issuance of the Series 2020 Obligations.

*Section 451. Environmental Report Update.* From time to time, upon the written request of the Master Trustee (but not more than once each year unless required by any Governmental Authority), which request is based on new information that forms the basis for a reasonable belief that a new environmental audit is necessary to evaluate a problem affecting the Land of material concern to the Master Trustee, the Obligated Group Representative shall deliver to the Master Trustee a report prepared by an independent engineering firm or environmental consultant (appropriately licensed and insured)

acceptable to the Master Trustee, which report is complete and free of qualification and states that, after due investigation of the Facilities and the Site, (a) there is no evidence that there is any hazardous waste, toxic substance, pollutant, or other contaminant contained in or under the Facilities or the Site (except in accordance with Applicable Law) or (b) any such substances have been removed and disposed of in compliance with all Applicable Law.

*Section 452. Single Purpose Entity.* (a) Each Member shall continue to maintain with commercial banking institutions its own deposit account or accounts separate from those of any Affiliate. Except as provided herein (including in Section 418 hereof), the funds of the Member shall not be diverted to any other Person, including any Affiliate, other than payment of the management fees and expenses under the Management Agreement, or for other business uses of the Obligated Group, nor shall such funds be commingled with the funds of any Affiliate;

(b) To the extent that any Member shall share the same officers or other employees as any of its Affiliates, the salaries of and the expenses relating to providing benefits to such officers and the employees shall be fairly allocated among such entities, and each such entity shall bear its fair share of the salary and benefit costs associated with all such common officers and employees.

(c) To the extent that any Member jointly contracts with any of its Affiliates or to do business with vendors or service providers or to share overhead expenses, the costs incurred in so doing shall be allocated fairly among such entities, and each such entity shall bear its fair share of such costs. To the extent that any Member contracts or does business with vendors or service providers where the goods and services provided are partially for the benefit of any other Person, including any of its Affiliates, the costs incurred in so doing shall be fairly allocated to or among such entities for whose benefit the goods and services are provided, and each such entity shall bear its fair share of such costs.

(d) To the extent that any Member or any of its Affiliates have offices in the same location, there shall be a fair and appropriate allocation of overhead costs among them, and each such entity shall bear its fair share of such expenses.

(e) Each Member of the Obligated Group shall:

(i) maintain books and records separate from those of any other Person, including any of its Affiliate;

(ii) maintain its assets in such a manner that it is not more costly or difficult to segregate, identify or ascertain such assets;

(iii) hold regular meetings of its Governing Body and observe all other corporate formalities;

(iv) hold itself out to creditors and the public as a legal entity separate and distinct from any other Person, including any of its the Affiliates;

(v) prepare separate tax returns and financial statements, or if part of a consolidated group, then (A) the Member shall be shown as a separate member of such group and (B) the consolidated financial statements shall be appropriately footnoted to show that the Member is not liable or responsible in any manner for the debts or liabilities of any of its Affiliate;

(vi) conduct business in its name and use separate stationery, invoices and checks;



(vii) not commingle its assets or funds with those of any other Person, including any of its Affiliates;

(viii) not assume, guarantee or pay the debts or obligations of or hold out its credit as being available to satisfy the obligations of any other Person, including any of its Affiliates;

(ix) not engage in any business unrelated to the Facilities and the activities to directly acquire, hold, develop, use, operate and finance, refinance, manage, lease or sell the Facilities or any part thereof;

(x) not have any assets other than those related to its interest in the Facilities or the operation, management and financing thereof;

(xi) not pledge its assets for the benefit of any other Person, including any of its Affiliate, or make any loans or advances to any other Person, including any of its Affiliate;

(xii) maintain adequate capital in light of its contemplated business operation; and

(xiii) make no investments other than Permitted Investments.

*Section 453. Compliance with Anti-Money Laundering, Anti-Terrorism, and OFAC Laws.* (a) The Obligated Group shall comply at all times with the requirements of all Anti-Money Laundering Laws and Anti-Terrorism Laws.

(b) The Obligated Group Representative shall provide the Master Trustee any information regarding the Obligated Group and its Affiliates necessary for the Master Trustee or any Holder to comply with all Anti-Money Laundering Laws and Anti-Terrorism Laws.

(c) The Obligated Group shall comply at all times with the requirements of all OFAC Laws.

(d) The Obligated Group shall not, and shall cause its Affiliates and Persons holding any legal or beneficial interest whatsoever in any Member (whether directly or indirectly) not to, conduct business with or engage in any transaction with any Person named in the OFAC SDN List or any Person included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the Persons referred to or described in the OFAC SDN List.

(e) If any Member of the Obligated Group obtains actual knowledge or receives any written notice that any Member of the Obligated Group, any Affiliate, or any Person holding any legal or beneficial interest whatsoever in any Member (whether directly or indirectly) is named on the OFAC SDN List (such occurrence, an “OFAC Violation”), such Member shall immediately (i) give written notice to the Master Trustee of such OFAC Violation, and (ii) comply with all Applicable Law with respect to such OFAC Violation (regardless of whether the party included on the OFAC SDN List is located within the jurisdiction of the United States of America), including the OFAC Laws, and each Member hereby authorizes and consents to the Master Trustee’s taking any and all steps the Master Trustee deems necessary, in its sole discretion, to comply with all Applicable Law with respect to any such OFAC Violation, including the requirements of the OFAC Laws (including the “freezing” and/or “blocking” of assets and reporting such action to OFAC).

(f) Upon the Master Trustee's request from time to time, the Obligated Group Representative shall deliver a certification confirming its compliance with the covenants set forth in this Section.

*Section 454. [reserved]*

*Section 455. Capital Expenditure Projections.* The Obligated Group shall not request the Master Trustee to disburse Budgeted Capital Expenditures pursuant to the Section 428(b)(ii) hereof in any Fiscal Year in amounts in excess of the Capital Expenditure Projections for such Fiscal Year without the prior written consent of a Majority of the Applicable Holders and shall provide to the Master Trustee, on or before each January 15 of each year, an Officer's Certificate of the Obligated Group Representative to the effect that amounts disbursed to the Obligated Group pursuant to Section 428(b)(ii) hereof in respect of Budgeted Capital Expenditures for the immediately preceding fiscal year did not exceed the Capital Expenditure Projections for such fiscal year except to the extent approved in writing by a Majority of the Applicable Holders.

*Section 456. Deposits.* When all conditions for the release of any Deposit or any portion thereof shall have been satisfied, the Obligated Group Representative shall transfer such Deposit or portion thereof to the Master Trustee for deposit to the to the Gross Revenue Fund or shall return such Deposit or portion thereof to the applicable depositor, as appropriate.

## ARTICLE V

### REMEDIES

*Section 501. [reserved]*

*Section 502. Events of Default.* Each of the following events is hereby declared an "event of default":

(a) failure of the Obligated Group to pay any installment of interest or principal or Accreted Value, or any premium, on any Obligation when the same shall become due and payable, whether at maturity, upon any date fixed for prepayment or by acceleration or otherwise; or

(b) failure of any Member to comply with, observe or perform any of the covenants, conditions, agreements or provisions contained in Sections 410(f), 416, 418, 424(c), 425(c), 426(c) or 434(c) hereof; or

(c) failure of any Member to comply with, observe or perform any other of the covenants, conditions, agreements or provisions hereof and to remedy such default within 30 days after written notice thereof to such Member and the Obligated Group Representative from the Master Trustee or a Majority of the Applicable Holders, provided that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under this Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default hereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default shall thereafter prosecute and complete the same with due diligence and dispatch by the deadline established by the Master Trustee; or

(d) any representation or warranty made by any Member herein or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation in connection with the sale

of any Obligation or furnished by any Member pursuant hereto proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 30 days after written notice thereof to the Obligated Group Representative by the Master Trustee or a Majority of the Applicable Holders; provided that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under this Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default hereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(e) default in the payment of the principal of, premium, if any, or interest on any Indebtedness for borrowed money of any Member, including without limitation any Indebtedness created by any Related Loan Document, as and when the same shall become due, or an event of default as defined in any mortgage, indenture, loan agreement or other instrument under or pursuant to which there was issued or incurred, or by which there is secured, any such Indebtedness (including any Obligation) of any Member, and which default in payment or event of default entitles the holder thereof to declare or, in the case of any Obligation, to request that the Master Trustee declare, such Indebtedness due and payable prior to the date on which it would otherwise become due and payable; provided, however, that if such Indebtedness is not evidenced by an Obligation or issued, incurred or secured by or under a Related Loan Document, a default in payment thereunder shall not constitute an "event of default" hereunder unless the unpaid principal amount of such Indebtedness, together with the unpaid principal amount of all other Indebtedness so in default, exceeds the greater of \$250,000 or 1% of unrestricted net assets of the Obligated Group; or

(f) any judgment, writ or warrant of attachment or of any similar process shall be entered or filed against any Member or against any Property of any Member and remains unvacated, unpaid, unbonded, unstayed or uncontested in good faith for a period of 90 days; provided, however, that none of the foregoing shall constitute an event of default unless the amount of such judgment, writ, warrant of attachment or similar process, together with the amount of all other such judgments, writs, warrants or similar processes so unvacated, unpaid, unbonded, unstayed or uncontested, exceeds \$250,000 or 1% of the unrestricted net assets of the Obligated Group; or

(g) any Member admits insolvency or bankruptcy or its inability to pay its debts as they mature, or is generally not paying its debts as such debts become due, or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for such Member, or for the major part of its Property; or

(h) a trustee, custodian or receiver is appointed for any Member or for the major part of its Property and is not discharged within 90 days after such appointment; or

(i) bankruptcy, dissolution, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against any Member (other than bankruptcy proceedings instituted by any Member against third parties), and if instituted against any Member are allowed against such Member or are consented to or are not dismissed, stayed or otherwise nullified within 90 days after such institution; or

(j) payment of any installment of interest or principal, or any premium, on any Related Bond shall not be made when the same shall become due and payable under the provisions of any Related Bond Indenture; or

(k) a default by the Corporation shall occur and remain uncured beyond the expiration of any applicable cure period under the Lease, or the Landlord shall give notice of its intention to terminate the Lease, or the Lease shall be terminated for any reason, or moneys in the Rent Reserve Fund shall be applied to the payment of any amount owed to the Landlord under the Lease; or

(l) the Facilities or any portion thereof shall be subject to any material condemnation or similar proceeding; or

(m) any event of default shall occur under the Mortgage; or

(n) any event of default shall occur under the Option Agreement; or

(o) there shall have been a material amendment or modification to the bylaws or Articles of Incorporation without the prior written consent of the Majority of Applicable Holders.

*Section 503. Acceleration.* If an event of default has occurred and is continuing, the Master Trustee may, and if requested by either a Majority of the Applicable Holders or the holder of any Accelerable Instrument under which Accelerable Instrument an event of default exists (which event of default permits the holder thereof to request that the Master Trustee declare such Indebtedness evidenced by an Obligation due and payable prior to the date on which it would otherwise become due and payable), shall, by notice in writing delivered to the Obligated Group Representative, declare the entire principal amount of all Obligations then outstanding hereunder and the interest accrued thereon immediately due and payable, and the entire principal and Accreted Value and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of Section 511 hereof with respect to waivers of events of default.

*Section 504. Remedies; Rights of Obligation Holders.* Upon the occurrence of any event of default, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal and Accreted Value of, premium, if any, and interest on the Obligations outstanding hereunder and any other sums due hereunder and may collect such sums in the manner provided by law out of the Property or the Excluded Property of any Member wherever situated.

If an event of default shall have occurred, and if it shall have been requested so to do by either a Majority of the Applicable Holders or the holder of an Accelerable Instrument who requested or was entitled to request pursuant to Section 503 hereof that the Master Trustee accelerate the Obligations and if it shall have been indemnified as provided in Section 601(k) hereof, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; provided, however, that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

No remedy by the terms of this Master Indenture conferred upon or reserved to the Master Trustee (or to the holders of Obligations) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Master Trustee or to the holders of Obligations hereunder now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or event of default hereunder, whether by the Master Trustee or by the holders of Obligations, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

*Section 505. Direction of Proceedings by Holders.* A Majority of the Applicable Holders shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture and the Mortgage, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction. Pending such direction from a Majority of the Applicable Holders, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request pursuant to Section 503 hereof the Master Trustee has accelerated the Obligations.

The foregoing notwithstanding, the holders of not less than a majority in aggregate principal amount and Accreted Value of the Obligations then outstanding which are entitled to the exclusive benefit of certain security in addition to that intended to secure all or other Obligations shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Master Indenture, the Supplemental Master Indenture or Indentures pursuant to which such Obligations were issued or so secured or any separate security document in order to realize on such security; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken.

*Section 506. Appointment of Receivers.* Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Master Trustee and the holders of Obligations under this Master Indenture, the Master Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

*Section 507. Application of Moneys.* All moneys received by the Master Trustee pursuant to any right given or action taken under the provisions of this Article (except moneys held for the payment of Obligations called for prepayment or redemption which have become due and payable) shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, expenses, liabilities and advances incurred or made by the Master Trustee, any Related Issuers and any Related Bond Trustees, be applied as follows:

(a) Unless the principal and Accreted Value of all the Obligations shall have become or shall have been declared due and payable, all such moneys shall be applied:

First: To the payment to the Persons entitled thereto of all installments of interest then due on the Senior Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Persons entitled thereto of the unpaid principal and premium, if any, on the Senior Obligations which shall have become due (other than Senior Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full the Senior Obligations due on any particular date, then to the payment ratably, according to the amount of principal and premium due on such date, to the Persons entitled thereto without any discrimination or privilege; and

Third: To the payment to the Persons entitled thereto of all installments of interest then due on the Subordinate Obligations, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Fourth: To the payment to the Persons entitled thereto of the unpaid principal, Accreted Value and premium, if any, on the Subordinate Obligations which shall have become due (other than Senior Obligations called for redemption or payment for payment of which moneys are held pursuant to the provisions of this Master Indenture), in the order of the scheduled dates of their payment, and, if the amount available shall not be sufficient to pay in full the Senior Obligations due on any particular date, then to the payment ratably, according to the amount of principal, Accreted Value and premium due on such date, to the Persons entitled thereto without any discrimination or privilege; and

Fifth: To the payment to the Persons entitled thereto of all unpaid principal, Accreted Value and interest on Obligations, payment of which was extended by such Persons as described in Section 501 hereof.

(b) If the principal and Accreted Value of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied, *first*, to the payment of the principal, premium, if any, and interest then due and unpaid upon the Senior Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Senior Obligation over any other Senior Obligation, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the Persons entitled thereto without any discrimination or privilege; and, *second*, to the payment of the principal, Accreted Value, premium, if any, and interest then due and unpaid upon the Subordinate Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Subordinate Obligation over any other Subordinate Obligation, ratably, according to the amounts due respectively for principal, Accreted Value, premium, if any, and interest to the Persons entitled thereto without any discrimination or privilege; and

(c) If the principal and Accreted Value of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that

the principal and Accreted Value of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied by the Master Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Master Trustee shall determine in its sole discretion, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Master Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Master Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any unpaid Obligation until such Obligation shall be presented to the Master Trustee for appropriate endorsement or for cancellation if fully paid.

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

*Section 508. Remedies Vested in Master Trustee.* All rights of action including the right to file proof of claims under this Master Indenture or under any of the Obligations may be enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Master Trustee shall be brought in its name as Master Trustee without the necessity of joining as plaintiffs or defendants any holders of the Obligations, and any recovery of judgment shall be for the equal benefit of the holders of the Outstanding Obligations.

*Section 509. Rights and Remedies of Obligation Holders.* No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Master Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an event of default and a Majority of the Applicable Holders or the holder of an Accelerable Instrument who requested or was entitled to request pursuant to Section 503 hereof that the Master Trustee accelerate the Obligations, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as provided in Section 601(k), and unless the Master Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of this Master Indenture and to any action or cause of action for the enforcement of this Master Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Master Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Obligations outstanding. Nothing in this Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal or Accreted Value of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of the Members to pay the principal, Accreted Value, premium, if any, and interest on each

of the Obligations issued hereunder to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed.

*Section 510. Termination of Proceedings.* In case the Master Trustee shall have proceeded to enforce any right under this Master Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Master Trustee, then and in every case the Members and the Master Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the Property pledged and assigned hereunder, and all rights, remedies and powers of the Master Trustee shall continue as if no such proceedings had been taken.

*Section 511. Waiver of Events of Default.* If, at any time after the principal and Accreted Value of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided and before the acceleration of any Related Bond, any Member shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal, Accreted Value and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal, Accreted Value and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under this Master Indenture, other than the nonpayment of principal and Accreted Value of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case a Majority of the Applicable Holders and the holder of each Accelerable Instrument who requested or was entitled to request the giving of notice of acceleration, by written notice to the Obligated Group Representative and to the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon.

*Section 512. Members' Rights of Possession and Use of Property.* So long as each Member is in full compliance with the terms and provisions of this Master Indenture, each Member shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

*Section 513. Related Bond Trustee or Bondholders Deemed to Be Obligation Holders.* For the purposes of this Master Indenture, unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds shall be deemed the holders of the Obligations to the extent of the principal amount or Accreted Value of the Obligations to which their Bonds relate.

*Section 514. Lock-Box Provisions.* Upon the occurrence and during the continuance of an event of default described in Section 502 hereof, the Master Trustee shall give to the Obligated Group Representative a notice (the "*Lock-Box Notice*") referring to this Section of this Master Indenture. Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within seven days the Obligated Group Representative will submit to the Master Trustee a proposed operating budget for the Master Trustee's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Master Trustee will notify the Obligated Group Representative whether such budget is



approved as submitted or of any modifications the Master Trustee will impose. A copy of the budget, as approved or modified (the “*Lock-Box Budget*”), will be sent to the Obligated Group Representative. In the event that the Obligated Group Representative fails to submit a proposed operating budget to the Master Trustee, the Master Trustee will modify the operating budget last submitted to the Master Trustee as it deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Master Trustee at any time and from time to time as the Master Trustee in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Master Trustee to the Obligated Group Representative. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Representative to pay operating expenses only in accordance with the Lock-Box Budget.

If at any time following a Lock-Box Notice all amounts due to the Master Trustee have been paid in full, the Master Trustee will notify the Obligated Group Representative in writing that the lock-box provisions of this Section are suspended. Additionally, the Master Trustee may in its discretion at any time agree to suspend such lock-box provisions by so notifying the Obligated Group Representative in writing. Thereafter, unless and until any subsequent Lock-Box Notice is received by the Obligated Group Representative, Gross Revenues need not be deposited with the Master Trustee.

## ARTICLE VI

### THE MASTER TRUSTEE

*Section 601. Acceptance of the Trusts.* The Master Trustee accepts and agrees to execute the trusts imposed upon it by this Master Indenture, but only upon the terms and conditions set forth herein. The Master Trustee, prior to the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture and to perform such duties as an ordinarily prudent trustee under a corporate mortgage, and no implied covenants or obligations should be read into this Master Indenture against the Master Trustee. If an event of default under this Master Indenture shall have occurred and be continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture and shall use the same degree of care as a prudent Person would exercise or use in the circumstances in the conduct of such Person’s own affairs. The Master Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Master Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver or employee retained or employed by it in connection herewith. The Master Trustee may act upon the opinion or advice of an attorney, surveyor, engineer or accountant selected by it in the exercise of reasonable care. The Master Trustee shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

(b) The Master Trustee shall not be responsible for any recital herein, or in the Obligations (except with respect to the certificate of the Master Trustee endorsed on the Obligations), or for the investment of moneys as herein provided, or for the recording or re-recording, filing or re-filing of this Master Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Corporation of this Master Indenture, or by any Member of any

supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Obligations issued hereunder or intended to be secured hereby, or for the value or title of the Property herein conveyed or otherwise as to the maintenance of the security hereof. The Master Trustee may (but shall be under no duty to) require of any Member full information and advice as to the performance of the covenants, conditions and agreements in this Master Indenture and shall use its best efforts, but without any obligation, to advise the Members of any impending default known to the Master Trustee. The Master Trustee shall have no obligation to perform any of the duties of the Obligated Group hereunder.

(c) The Master Trustee shall not be accountable for the use or application by the Obligated Group of any of the Obligations or the proceeds thereof or for the use or application of any money paid over by the Master Trustee in accordance with the provisions of this Master Indenture or for the use and application of money received by any Paying Agent. The Master Trustee may become the owner of Obligations secured hereby with the same rights it would have if it were not Master Trustee.

(d) The Master Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram or other paper or document in good faith deemed by it to be genuine and to have been signed or sent by the proper Person or Persons. Any action taken by the Master Trustee pursuant to this Master Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Obligation shall be conclusive and binding upon all future owners of the same Obligation and upon Obligations issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Master Trustee shall be entitled to rely upon an Officer's Certificate as sufficient evidence of the facts therein contained and, prior to the occurrence of a default of which the Master Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Master Trustee may accept a certificate of the President, any Vice President or Secretary of any Member under its seal to the effect that a resolution in the form therein set forth has been adopted by such Member as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty and the Master Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Master Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Obligated Group to cause to be made any of the payments to the Master Trustee required to be made by Section 202 or Section 401 unless the Master Trustee shall be specifically notified in writing of such default by a Member, by the written report of nationally recognized independent certified public accountants required by Section 415(b)(iv), by any Related Bond Trustee, by the owner of an Accelerable Instrument or by a Majority of the Applicable Holders and all notices or other instruments required by this Master Indenture to be delivered to the Master Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Master Trustee, and in the absence of such notice so delivered, the Master Trustee may conclusively assume there is no default except as aforesaid.

(h) At any and all reasonable times, the Master Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and

all books, papers and records of any Member pertaining to the Obligations, and to take such memoranda from and in regard thereto as may be reasonably desired.

(i) The Master Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything contained elsewhere in this Master Indenture, the Master Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Obligation, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Master Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Master Trustee reasonably requested by the Master Trustee to discharge its duties, for the purpose of establishing the right of any Member to the authentication of any Obligations, the withdrawal of any cash, the release of any property or the taking of any other action by the Master Trustee.

(k) Before taking any action under this Master Indenture other than making payments of principal, Accreted Value and interest on the Obligations as they become due and causing an acceleration of the Obligations when required hereby, the Master Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct in connection with any action so taken.

(l) All moneys received by the Master Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Master Indenture. Neither the Master Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

*Section 602. Fees, Charges and Expenses of Master Trustee and Any Additional Paying Agent.* The Master Trustee shall be entitled to payment and/or reimbursement for reasonable fees and for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Master Trustee in connection with such services. The Master Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Master Trustee as Paying Agent and Obligation Registrar for the Obligations as hereinabove provided. Any additional Paying Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as additional Paying Agent for the Obligations. Upon an event of default, but only upon an event of default, the Master Trustee and any additional Paying Agent shall have a right of payment prior to payment on account of principal or Accreted Value of, or premium, if any, or interest on any Obligation for the foregoing advances, fees, costs and expenses incurred.

*Section 603. Notice to Obligation Holders If Default Occurs.* If a default occurs of which the Master Trustee is by subsection (g) of Section 601 hereof required to take notice or if notice of default be given as in said subsection (g) provided, then the Master Trustee shall give written notice thereof by mail to the last known owners of all Obligations then outstanding shown by the list of Obligation Holders required by the terms of this Master Indenture to be kept at the office of the Master Trustee.

*Section 604. Intervention by Master Trustee.* In any judicial proceeding to which any Member is a party and which in the opinion of the Master Trustee and its counsel has a substantial bearing on the interests of owners of the Obligations, the Master Trustee may intervene on behalf of Obligation Holders and, subject to the provisions of Section 601(k), shall do so if requested in writing by the owner of an

Accelerable Instrument or a Majority of Applicable Holders. The rights and obligations of the Master Trustee under this Section are subject to the approval of a court of competent jurisdiction.

*Section 605. Successor Master Trustee.* Any corporation or association into which the Master Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Master Trustee hereunder and vested with all of the title to the whole property or Indenture Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of and of the parties hereto, anything herein to the contrary notwithstanding.

*Section 606. Corporate Master Trustee Required; Eligibility.* There shall at all times be a Master Trustee hereunder which shall be a bank or trust company organized under the laws of the United States of America or any state thereof, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and (except for the Master Trustee initially appointed under this Master Indenture and its successors under Section 605) having a reported combined capital and surplus and undivided profits of at least \$50,000,000. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 607. No resignation or removal of the Master Trustee and no appointment of a successor Trustee shall become effective until the successor Master Trustee has accepted its appointment under Section 610 hereof.

*Section 607. Resignation by the Master Trustee.* The Master Trustee and any successor Master Trustee may at any time resign from the trusts hereby created by giving thirty days' written notice to the Obligated Group Representative and by registered or certified mail to each registered owner of Obligations then outstanding and to each holder of Obligations as shown by the list of Obligation Holders required by this Master Indenture to be kept at the office of the Master Trustee. Such resignation shall take effect at the end of such thirty days or when a successor Master Trustee has been appointed and has assumed the trusts created hereby, whichever is later, or upon the earlier appointment of a successor Master Trustee by the Obligation Holders or by the Obligated Group. If a successor Master Trustee has not accepted its appointment within such 30-day period, the current Master Trustee may apply to a court of competent jurisdiction to appoint a successor Master Trustee to act until such time, if any, as a successor shall have so accepted its appointment. Such notice to the Obligated Group Representative may be served personally or sent by registered or certified mail.

*Section 608. Removal of the Master Trustee.* The Master Trustee may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Master Trustee and to the Obligated Group Representative, and signed by the registered owners of a Majority of the Applicable Holders. So long as no event of default has occurred and is continuing under this Master Indenture, and no event shall have occurred which, with the passage of time or the giving of notice or both would become such an event of default under this Master Indenture, the Master Trustee may be removed at any time by an instrument in writing signed by the Obligated Group Representative and delivered to the Master Trustee. The foregoing notwithstanding, the Master Trustee may not be removed by the Obligated Group Representative unless written notice of the delivery of such instrument or instruments signed by the Obligated Group Representative is mailed to the owners of all Obligations outstanding under this Master Indenture, which notice indicates the Master Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective on the 60th day next succeeding the date of such notice, unless the owners of not less than 10% in aggregate principal

amount and Accreted Value of such Obligations then outstanding under this Master Indenture shall object in writing to such removal and replacement.

*Section 609. Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee.* In case the Master Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Obligated Group, or by a Majority of the Applicable Holders, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys in fact, duly authorized, with the approval of the Obligated Group so long as the Obligated Group is not in default, or potentially in default, hereunder. If a successor trustee shall not have been appointed within 30 days after notice of resignation by or removal of the Master Trustee, the Obligated Group or any holder of an Obligation may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided. Every such successor Master Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank in good standing under the law of the jurisdiction in which it was created and by which it exists, having corporate trust powers and subject to examination by federal or state authorities, and having a reported capital and surplus of not less than \$50,000,000.

*Section 610. Concerning Any Successor Master Trustee.* Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Obligated Group Representative an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Obligated Group Representative, or of its successor, execute and deliver an instrument transferring to such successor Master Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Master Trustee shall deliver all securities and moneys held by it as Master Trustee hereunder to its successor. Should any instrument in writing from any Member be required by any successor Master Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by such Member. The resignation of any Master Trustee and the instrument or instruments removing any Master Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Master Trustee in each recording office, if any, where the Master Indenture shall have been filed and/or recorded.

*Section 611. Master Trustee Protected in Relying upon Resolutions, Etc.* The resolutions, opinions, certificates and other instruments provided for in this Master Indenture may be accepted by the Master Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Master Trustee for the release of property and the withdrawal of cash hereunder.

*Section 612. Successor Master Trustee as Trustee of Funds, Paying Agent and Obligation Registrar.* In the event of a change in the office of Master Trustee, the predecessor Master Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Obligation Registrar and Paying Agent for principal and Accreted Value of, premium, if any, and interest on the Obligations, and the successor Master Trustee shall become such Master Trustee, Obligation Registrar and Paying Agent unless a separate Paying Agent or Agents are appointed by the Obligated Group Representative in connection with the appointment of any successor Master Trustee.

*Section 613. Maintenance of Records.* The Master Trustee agrees to maintain such records with respect to any and all moneys or investments held by the Master Trustee pursuant to the provisions hereof as are requested by the Obligated Group Representative. The Master Trustee shall be entitled to reasonable compensation for its maintenance of any such records.

*Section 614. Electronic Instruction.* The Master Trustee agrees to accept and act upon instructions or directions pursuant to this Master Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods by Persons believed by the Bond Trustee to be authorized to give instructions and direction. The Master Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Master Trustee's reliance upon and compliance with such directions and instructions notwithstanding any such directions and instructions that conflict or are inconsistent with a subsequent written instruction. Any party providing information to the Master Trustee via electronic methods agrees to assume all risks arising out of the use of such electronic methods, including, without limitation, the risk of the Master Trustee's acting on unauthorized instructions, the risk of interception and misuse by third parties or non-receipt of directions or instructions by the Master Trustee.

## ARTICLE VII

### SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS TO THE MORTGAGE

*Section 701. Supplemental Master Indentures and Amendments to the Mortgage Not Requiring Consent of Obligation Holders.* Subject to the limitations set forth in Section 702 hereof with respect to this Section, in addition to any amendments which are specifically permitted under the Mortgage, the Members and the Master Trustee may, but without the consent of, or notice to, any of the Obligation Holders, amend or supplement this Master Indenture or the Mortgage for any one or more of the following purposes:

(a) To cure any ambiguity or defective provision in or omission from this Master Indenture in such manner as is not inconsistent with and does not impair the security of the Master Indenture or the Mortgage or adversely affect the holder of any Obligation;

(b) To grant to or confer upon the Master Trustee for the benefit of the Obligation Holders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Obligation Holders and the Master Trustee, or either of them, to add to the covenants of the Members for the benefit of the Obligation Holders or to surrender any right or power conferred hereunder or under the Mortgage upon any Member;

(c) To assign and pledge under this Master Indenture or the Mortgage any additional revenues, properties or collateral;

(d) To permit the qualification of this Master Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar federal statute hereafter in effect or to permit the qualification of any Obligations for sale under the securities laws of any state of the United States;

(e) To provide for the refunding or advance refunding of any Obligation;

(f) To provide for the issuance of Additional Obligations;

(g) To reflect the addition to or withdrawal of a Member from the Obligated Group;

(h) To provide for the release in accordance with the provisions of the Mortgage of any Property subject to the lien of such Mortgage; and

(i) To make any other change which, in the opinion of the Master Trustee, does not materially adversely affect the holders of any of the Obligations and, in the opinion of each Related Bond Trustee, does not materially adversely affect the holders of the Related Bonds with respect to which it acts as trustee, including without limitation any modification, amendment or supplement to this Master Indenture or any indenture supplemental hereto or the Mortgage or any amendment thereto in such a manner as to establish or maintain exemption of interest on any Related Bonds under a Related Bond Indenture from federal income taxation under applicable provisions of the Code.

Any Supplemental Master Indenture providing for the issuance of Additional Obligations shall set forth the date thereof, the date or dates upon which principal or Accreted Value of, premium, if any, and interest on such Obligations shall be payable, the other terms and conditions of such Obligations, the form of such Obligations and the conditions precedent to the delivery of such Obligations which shall include, among other things:

(a) delivery to the Master Trustee of all materials required to be delivered as a condition precedent to the incurrence of the Additional Indebtedness evidenced by such Obligations;

(b) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that all requirements and conditions to the issuance of such Obligations, if any, set forth herein and in the Supplemental Master Indenture have been complied with and satisfied; and

(c) delivery to the Master Trustee of an opinion of Independent Counsel acceptable to the Master Trustee to the effect that registration of such Obligations under the Securities Act of 1933, as amended, is not required, or, if such registration is required, that the Obligated Group has complied with all applicable provisions of said Act.

If at any time the Obligated Group Representative shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (l) above, the Master Trustee shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, in the manner provided in Section 1004 hereof at least 15 days prior to the execution of such Supplemental Master Indenture, which notice shall include a copy of the proposed Supplemental Master Indenture.

*Section 702. Supplemental Master Indentures and Amendment of the Mortgage Requiring Consent of Obligation Holders.* In addition to Supplemental Master Indentures covered by Section 701 hereof and subject to the terms and provisions contained in this Section, and not otherwise, a Majority of the Applicable Holders at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage or, in case less than all of the several series of Obligations outstanding are affected thereby, the holders of not less than majority in aggregate principal amount and Accreted Value of the Obligations of the series affected thereby which are outstanding hereunder at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage, shall have the right, from time to time, anything contained in this Master Indenture or in the Mortgage to the contrary notwithstanding, to consent to and approve the execution by the Members and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Master Indenture or in any Supplemental Master Indenture; provided, however, that nothing contained in this Section or in Section 701 hereof shall permit, or be construed as permitting, (a)

an extension of the stated maturity or reduction in the principal amount or Accreted Value of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount or Accreted Value of Obligations the holders of which are required to consent to any such Supplemental Master Indenture or amendment to the Mortgage or any such amending or supplementing instruments, without the consent of the holders of all the Obligations at the time outstanding which would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee.

If at any time the Obligated Group Representative shall request the Master Trustee to enter into any such Supplemental Master Indenture for any of the purposes of this Section, the Master Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Master Indenture to be mailed by first class mail postage prepaid to each holder of an Obligation or, in case less than all of the series of Obligations are affected thereby, of an Obligation of the series affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Master Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Master Trustee for inspection by all Obligation holders. The Master Trustee shall not, however, be subject to any liability to any Obligation holder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Master Indenture when consented to and approved as provided in this Section. If a Majority of the Applicable Holders or the holders of not less than a majority in aggregate principal amount and Accreted Value of the Obligations of each series affected thereby, as the case may be, which are outstanding hereunder at the time of the execution of any such Supplemental Master Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Obligation shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Master Trustee or the Members from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Master Indenture as in this Section permitted and provided, this Master Indenture shall be and be deemed to be modified and amended in accordance therewith.

For the purpose of obtaining the foregoing consents, the determination of who is deemed the holder of an Obligation held by a Related Bond Trustee shall be made in the manner provided in Section 513.

*Section 703. Modifications to Residency Agreements.* Except for modifications or amendments providing for increases in Entrance Fee prices, neither the Corporation nor any member of the Obligated Group may make any material modification to the Residency Agreements without the consent of a Majority of the Applicable Holders.

*Section 704. Amendments to Lease or Option Agreement.* Except for amendments permitted by the Mortgage, the Corporation may not execute any amendment of or modification to the Lease or to the Option Agreement that materially affects the security interest granted to the Master Trustee under the Mortgage without the consent of a Majority of the Applicable Holders.

## **ARTICLE VIII**

### **SATISFACTION OF THE MASTER INDENTURE**

*Section 801. Defeasance.* If the Members shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of this Section, any Obligations owned by a Member) outstanding in any one or more of the following ways:



(a) by paying or causing to be paid the principal and Accreted Value of (including redemption premium, if any) and interest on all Obligations outstanding, as and when the same become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine sufficient to pay or redeem (when redeemable) all Obligations outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested at the direction of the Obligated Group Representative in Escrow Obligations, in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Representative for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations outstanding; or

(d) by depositing with the Master Trustee, in trust, before maturity, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations outstanding at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group and, if any such Obligations are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of this Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then and in that case (but subject to the provisions of Section 803 hereof) this Master Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Master Trustee shall, upon Written Request of the Obligated Group Representative, and upon receipt by the Master Trustee of an Officer's Certificate from the Obligated Group Representative and an opinion of Independent Counsel acceptable to the Master Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Master Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Master Indenture and the lien hereof. The satisfaction and discharge of this Master Indenture shall be without prejudice to the rights of the Master Trustee to charge and be reimbursed by the Obligated Group for any expenditures which it may thereafter incur in connection herewith. The foregoing notwithstanding, the liability of the Obligated Group in respect of the Obligations shall continue, but the holders thereof shall thereafter be entitled to payment only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

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

The Obligated Group may at any time surrender to the Master Trustee for cancellation by it any Obligations previously authenticated and delivered which the Obligated Group may have acquired in any manner whatsoever, and such Obligations, upon such surrender and cancellation, shall be deemed to be paid and retired.

*Section 802. Provision for Payment of a Particular Series of Obligations or Portion Thereof.* If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose of this Section, any such Obligations owned by a Member) in one of the following ways:

(a) by paying or causing to be paid the principal and Accreted Value of (including redemption premium, if any) and interest on all Obligations of such series or portion thereof outstanding, as and when the same shall become due and payable;

(b) by depositing with the Master Trustee, in trust, at or before maturity, moneys in an amount as the Master Trustee shall determine sufficient to pay or redeem (when redeemable) all Obligations of such series or portion thereof outstanding (including the payment of premium, if any, and interest payable on such Obligations to the maturity or redemption date), provided that such moneys, if invested, shall be invested at the direction of the Obligated Group Representative in Escrow Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof outstanding at or before their respective maturity dates; it being understood that the investment income on such Escrow Obligations may be used at the direction of the Obligated Group Representative for any other purpose permitted by law;

(c) by delivering to the Master Trustee, for cancellation by it, all Obligations of such series or portion thereof outstanding; or

(d) by depositing with the Master Trustee, in trust, Escrow Obligations in such amount as the Master Trustee shall determine (which determination may be based upon a report of a firm of independent certified public accountants) will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Obligations of such series or portion thereof at or before their respective maturity dates;

and if the Obligated Group shall also pay or cause to be paid all other sums payable hereunder by the Obligated Group with respect to such series of Obligations or portion thereof, and, if any such Obligations of such series or portion thereof are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given in accordance with the requirements of the Master Indenture or provisions satisfactory to the Master Trustee shall have been made for the giving of such notice, then in that case (but subject to the provisions of Section 803 hereof) such Obligations shall cease to be entitled to any lien, benefit or security under the Master Indenture. The liability of the Obligated Group in respect of such Obligations shall continue but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Obligation Holders) only out of the moneys or Escrow Obligations deposited with the Master Trustee as aforesaid.

*Section 803. Satisfaction of Related Bonds.* The provisions of Section 801 and Section 802 of this Master Indenture notwithstanding, any Obligation which secures a Related Bond (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances described in subsection (b)(ii) of the definition of "Outstanding Obligations" contained in Article I; and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under this Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

## ARTICLE IX

### MANNER OF EVIDENCING OWNERSHIP OF OBLIGATIONS

*Section 901. Proof of Ownership.* Any request, direction, consent or other instrument provided by this Master Indenture to be signed and executed by the Obligation Holders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Obligation Holders in person or by an agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Obligations, if made in the following manner, shall be sufficient for any of the purposes of this Master Indenture and shall be conclusive in favor of the Master Trustee and the Obligated Group, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before such officer the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of Obligations shall be proved by the registration of such Obligations.

Any action taken or suffered by the Master Trustee pursuant to any provision of this Master Indenture, upon the request or with the assent of any Person who at the time is the holder of any Obligation or Obligations, shall be conclusive and binding upon all future holders of the same Obligation or Obligations or any Obligation or Obligations issued in exchange therefor.

*Section 902. Treatment of Capital Appreciation Indebtedness.* For the purposes of consents, approvals, waivers of defaults, direction of remedies or appointment or removal of the Master Trustee under this Master Indenture, the outstanding principal amount of any Obligation constituting Capital Appreciation Indebtedness shall be deemed to be the Accreted Value thereof at the time of determination.

## ARTICLE X

### MISCELLANEOUS

*Section 1001. Limitation of Rights.* With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Indenture or the Obligations is intended or shall be construed to give to any Person other than the parties hereto, and the holders of the Obligations, any legal or equitable right, remedy or claim under or in respect to this Master Indenture or any covenants, conditions and provisions herein contained; this Master Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the holders of the Obligations as herein provided.

*Section 1002. Unclaimed Moneys.* Any moneys deposited with the Master Trustee by the Obligated Group in accordance with the terms and covenants of this Master Indenture, in order to redeem or pay any Obligation in accordance with the provisions of this Master Indenture, and remaining unclaimed by the owners of the Obligation for two years after the date fixed for redemption or of maturity, as the case may be, shall, if the Obligated Group is not at the time to the knowledge of the Master Trustee in default with respect to any of the terms and conditions of this Master Indenture, or in the Obligations, be repaid by the Master Trustee to the Obligated Group Representative upon its written request therefor on behalf of the Members; and thereafter the registered owners of the Obligations shall be entitled to look only to the Obligated Group for payment thereof. The Obligated Group hereby covenants

and agrees to indemnify and save the Master Trustee harmless from any and all losses, costs, liability and expense suffered or incurred by the Master Trustee by reason of having returned any such moneys to the Members as herein provided.

*Section 1003. Severability.* If any provision of this Master Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Master Indenture contained, shall not affect the remaining portions of this Master Indenture, or any part thereof.

*Section 1004. Notices.* It shall be sufficient service of any notice, complaint, demand or other paper if the same shall be delivered in person or duly mailed by registered or certified mail addressed to the appropriate party as follows:

To the Members of the Obligated Group:

Clare Oaks  
825 Carillion Drive  
Bartlett, Illinois 60103-4401  
Attention: President  
Telephone: (630) 837-4061  
Telecopy: (630) 837-0057

To the Master Trustee:

UMB Bank, N.A.  
120 South Sixth Street, Suite 1400  
Minneapolis, Minnesota, 55402  
Attention: Corporate Trust Department  
(612) 337-7004

Any notice delivered hereunder to Moody's and Standard & Poor's shall be duly mailed by first class mail addressed as follows: Moody's Investors Service, 99 Church Street, New York, New York 10007 and Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041, respectively.

*Section 1005. Master Trustee as Paying Agent and Registrar.* The Master Trustee is hereby designated and agrees to act as principal Paying Agent and Obligation Registrar for and in respect to the Obligations. The Obligated Group may also appoint one or more other banks as Paying Agent.

*Section 1006. Counterparts.* This Master Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 1007. Applicable Law.* This Master Indenture shall be governed exclusively by the applicable laws of the State of Illinois.

*Section 1008. Immunity of Officers, Directors, Employees and Members of Members.* No recourse shall be had for the payment of the principal or Accreted Value of or premium or interest on any of the Obligations or for any claim based thereon or upon any obligation, covenant or agreement in this Master Indenture contained against any past, present or future officer, director, employee, member or agent of any Member, or of any successor corporation, as such, either directly or through any Member or any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, employees, members or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Master Indenture and the issuance of such Obligations.

*Section 1009. Holidays.* If the date for making any payment or the date for performance of any act or the exercising of any right, as provided in this Master Indenture, is not a business day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the nominal date provided in this Master Indenture.

*Section 1010. UCC Financing Statements.* The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code financing statement, continuation or amendment that may be required by law or is, in the judgment of the Master Trustee, necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Indenture or the Mortgage.

*Section 1011. Conflicts With Lease or Option Agreement.* If any of the terms or provisions hereof conflict with the provisions of the Lease or of the Option Agreement, the terms hereof shall control.

IN WITNESS WHEREOF, CLARE OAKS has caused these presents to be signed in its name and on its behalf by its President, and to evidence its acceptance of the trusts hereby created, UMB Bank, N.A. has caused these presents to be signed in its name and on its behalf by one of its Vice Presidents, all as of the day and year first above written.

CLARE OAKS

By: \_\_\_\_\_  
President

UMB BANK, N.A., as Master Trustee

By: \_\_\_\_\_  
Vice President

**EXHIBIT A**

**DESCRIPTION OF LAND**

**EXHIBIT B**

**FORMS OF SERIES 2020 OBLIGATIONS**



**EXHIBIT C**

**DESCRIPTION OF EXCLUDED PROPERTY**

None

**EXHIBIT D**

**LIST OF EXCEPTIONS**

The provisions of the Master Indenture pursuant to which each Member of the Obligated Group covenants to jointly and severally pay any Obligation issued by a Member other than itself may not be enforceable if such payment:

- a. is to be made on any such Obligation which was issued for a purpose which is not consistent with the charitable purposes of the Member from which such payment is requested or which was issued for the benefit of any entity other than a not for profit corporation which is exempt from federal income taxes under Sections 501(a) and 501(c)(3) of the Code;
- b. is to be made from any moneys or assets which are donor restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment;
- c. would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member from which such payment is requested; or
- d. is to be made pursuant to any loan violating applicable usury laws.

**EXHIBIT E**

**LIST OF OBLIGATED GROUP MEMBERS**

Clare Oaks  
825 Carillion Drive  
Bartlett, Illinois 60103-4401

**EXHIBIT F**

**PERMITTED ENCUMBRANCES**

**[from title report]**

103853715v.2

## **EXHIBIT D-2**

BOND TRUST INDENTURE

BETWEEN

ILLINOIS FINANCE AUTHORITY

AND

UMB BANK, N.A.  
as Bond Trustee

Dated as of \_\_\_\_\_ 1, 2020

\$5,740,000 Illinois Finance Authority  
Taxable Revenue Refunding Bonds, Series 2020A-1  
(Clare Oaks)

\$7,875,000 Illinois Finance Authority  
Revenue Refunding Bonds, Series 2020A-2  
(Clare Oaks)

\$21,385,000 Illinois Finance Authority  
Revenue Refunding Bonds, Series 2020A-3  
(Clare Oaks)

\$13,500,000 Illinois Finance Authority  
Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-1  
(Clare Oaks)

\$2,500,000 Illinois Finance Authority  
Subordinated Capital Appreciation Revenue Bonds, Series 2020B-2  
(Clare Oaks)

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THIS BOND TRUST INDENTURE (this “*Bond Indenture*”) dated as of \_\_\_\_\_, 1, 2020, between the ILLINOIS FINANCE AUTHORITY, a body politic and corporate created and existing under the laws of the State of Illinois (the “*Authority*”), and UMB BANK, N.A., as bond trustee (the “*Bond Trustee*”), a national banking association duly established, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States, with a designated corporate trust office, domicile and post office address at 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402;

WITNESSETH:

WHEREAS, the Authority is a body politic and corporate of the State of Illinois (the “*State*”) created under the Illinois Finance Authority Act, as amended (said Act as the same may from time to time be amended being hereinafter called the “*Act*”); and

WHEREAS, the Authority is authorized under the Act, among other things, to finance and refinance the cost of “health facilities” owned and operated by “participating health institutions” (as such terms are defined in the Act), to issue bonds for the purpose of loaning funds to said institutions for such purpose and for the purpose of refunding its bonds theretofore issued for such purpose, such bonds to be secured by instruments evidencing and securing such loans to said institutions and to be payable solely out of the payments made by such institutions thereon, and to enter into a trust indenture providing for the issuance of such bonds and for their payment and security; and

WHEREAS, at the request of the Borrower, the Authority previously issued its \$8,000,000 Series 2012A-1 Bonds, \$4,000,000 Series 2012A-2 Bonds, \$2,000,000 Series 2012A-3 Bonds \$40,004,015 Series 2012B Bonds, \$25,004,910 Series 2012C-1 Bonds, \$4,993,300 Series 2012C-2 Bonds, and \$4,993,300 Series 2012C-3 Bonds, under and pursuant to a Bond Trust Indenture (the “*Series 2012 Bond Indenture*”) dated as of December 1, 2012 between the Authority and the Wells Fargo Bank, National Association, as trustee; and

WHEREAS, the 2012 Bonds were exchanged for bonds previously issued by the Authority, the proceeds of which were loaned to Clare Oaks (the “*Corporation*” or the “*Borrower*”), an Illinois not for profit corporation and a “participating health institution” as defined in the Act, to provide the Corporation with a portion of the funds necessary to (i) pay or reimburse the Corporation for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain retirement, health and nursing care facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work and utilities thereto, including but not limited to the acquisition, construction, renovation, remodeling and equipping of a continuing care retirement community containing independent living units, assisted living units, memory care beds and nursing care beds on the Corporation’s campus in Bartlett, Illinois (the “*Project*” or the “*Bond Financed Property*”); (ii) pay a portion of the interest on such bonds; (iii) fund debt service reserve funds; and (iv) pay certain expenses incurred in connection with the issuance of the such bonds; and

WHEREAS, as part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the “*Plan*”), the Borrower has requested that the Authority issue \$5,740,000

in aggregate principal amount of its Taxable Revenue Refunding Bonds, Series 2020A-1 (Clare Oaks) (the "*Series 2020A-1 Bonds*"), \$2,875,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-2 (Subseries I) (Clare Oaks) (the "*Series 2020A-2I Bonds*"), \$21,385,000 in the aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-3 (Clare Oaks) (the "*Series 2020A-3 Bonds*"), \$13,500,000 in the aggregate principal amount of its Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-1 (Clare Oaks) (the "*Series 2020B-1 Bonds*") and exchange the Series 2020A-1 Bonds, Series 2020A-2I Bonds, the Series 2020A-3 and Series 2020B-1 Bonds for all outstanding Series 2012A Bonds and Series 2012B Bonds as further set forth herein;

WHEREAS, as part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the "*Plan*"), the Borrower has requested that the Authority issue \$5,000,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-2 (Subseries II) (Clare Oaks) (the "*Series 2020A-2II Bonds*") and \$2,500,000 in aggregate principal amount of its Capital Appreciation Revenue Bonds, Series 2020B-2 (Clare Oaks) (the "*Series 2020B-2 Bonds*" and together with the Series 2020A-1 Bonds, the Series 2020A-2I Bonds, the Series 2020A-2II Bonds, the Series 2020A-3 Bonds and the Series 2020B-1 Bonds, the "*Bonds*") for the purpose of funding certain capital costs associated with the Project and funding a portion of an operating reserve fund for the Project; and

WHEREAS, as part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the "*Plan*"), the Series 2012C Bonds are being cancelled in full;

WHEREAS, the Authority is authorized under the Act to issue its bonds for the purposes aforesaid and the Authority has determined that the public interest will be best served and that the purposes of the Act can be more advantageously obtained by the Authority's issuance of Bonds for the foregoing purposes; and

WHEREAS, the execution and delivery of this Bond Indenture and the issuance of the Bonds under the Act have been in all respects duly and validly authorized by resolution duly passed and approved by the Authority; and

WHEREAS, the Authority will secure the Bonds pursuant to a Loan Agreement dated as of \_\_\_\_\_ 1, 2020 pursuant to which the Corporation will covenant to make payments at such times and in such amounts (including principal, Accreted Value, interest and premium, if any) so as to provide for the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds outstanding under this Bond Indenture; and

WHEREAS, as further security for the repayment of the Bonds, the Corporation will issue to the Authority its Direct Note Obligation, Series 2020A-1 (the "*Series 2020A-1 Obligation*"), in the principal amount of \$5,740,000, its Direct Note Obligation, Series 2020A-2 (the "*Series 2020A-2 Obligation*") in an aggregate principal amount equal to \$7,875,000, its Direct Note Obligation, Series 2020A-3 (the "*Series 2020A-3 Obligation*" and together with the Series 2020A-1 Obligation, the Series 2020A-2 Obligation, the "*Series 2020A Obligations*"), in the principal amount of \$21,385,000, its Direct Note Obligation, Series 2020B-1 (the "*Series 2020B-1 Obligation*"), in the original principal amount of \$13,500,000 and its Direct Note Obligation, Series 2020B-2 (the "*Series 2020B-2 Obligation*" and together with the Series 2020A



Obligation, the Series 2020B-1 Obligation, the “*Series 2020 Obligations*”), in the original principal amount of \$2,500,000, pursuant to a Master Trust Indenture (Amended and Restated) dated as of \_\_\_\_\_ 1, 2020 (the “*Master Indenture*”), between the Corporation, as the initial Member of the Obligated Group, and UMB Bank, N.A., as master trustee (the “*Master Trustee*”); and

WHEREAS, the Bonds and the Bond Trustee’s certificate of authentication to be endorsed thereon are to be in substantially the forms set forth as exhibits hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Bond Indenture; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding and legal obligations of the Authority according to the import thereof, and to constitute this Bond Indenture a valid assignment and pledge of the payments and prepayments upon the Series 2020 Obligations to be applied to the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds and a valid assignment of the right, title and interest of the Authority under the Loan Agreement and amounts payable under the Loan Agreement (except Unassigned Rights, as hereinafter defined), have been done and performed, and the creation, execution and delivery of the Bond Indenture, and the creation, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized:

Now, Therefore, this Bond Indenture Witnesseth:

That the Authority in consideration of the premises and of the purchase of the Bonds and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds and the performance and observance of all of the covenants and conditions herein or therein contained, has executed and delivered this Bond Indenture and has conveyed, granted, assigned, transferred, pledged, set over and confirmed and granted a security interest in and by these presents does hereby convey, grant, assign, transfer, pledge, set over and confirm and grant a security interest in, unto the Bond Trustee, its successor or successors and its or their assigns forever, with power of sale, all and singular the property hereinafter described (said property being herein sometimes referred to as the “*trust estate*”) to wit:

#### GRANTING CLAUSES

##### DIVISION I

All right, title and interest of the Authority in and to the Series 2020 Obligations pledged hereunder and all sums payable in respect of the indebtedness evidenced thereby;

##### DIVISION II

All right, title and interest of the Authority in and to the Loan Agreement and the amounts payable to the Authority under the Loan Agreement (excluding Unassigned Rights);

### DIVISION III

All fund and accounts held under this Bond Indenture and all securities and investments held therein;

### DIVISION IV

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Authority, the Corporation, any other Member of the Obligated Group or by anyone on their behalf to the Bond Trustee, including without limitation funds of the Corporation held by the Bond Trustee as security for the Bonds;

### EXCEPTED PROPERTY

There is, however, expressly excluded from the lien and operation of this Bond Indenture amounts on deposit in the Rebate Fund established by the Tax Exemption Agreement (as such terms are hereinafter defined) and amounts required to be deposited therein;

TO HAVE AND TO HOLD, all and singular, the properties and the rights and privileges hereby conveyed, assigned and pledged by the Authority or intended so to be, unto the Bond Trustee and its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of each and every owner of the Bonds issued and to be issued hereunder, without preference, priority or distinction as to participation in the 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 that the Series 2020B Bonds shall be subordinated to the Series 2020A Bonds as herein provided, and except as herein otherwise expressly provided, so that, subject to such exceptions, 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 however that the amounts held (i) in the Series 2020A-1 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-1 Bonds, (ii) in the Series 2020A-2 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-2 Bonds and (iii) in the Series 2020A-3 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-3 Bonds.

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 and Accreted Value 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 required for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, 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 Authority and upon the payment of the cost and expenses thereof, shall duly execute, acknowledge and deliver to the Authority and the Corporation such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture, including if appropriate any required discharge of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all and singular 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.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all Bonds are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, releases, uses and trusts hereinafter set forth, and the Authority, for itself and its successors, does hereby covenant and agree to and with the Bond Trustee and its respective successors in said trust, for the benefit of those who shall own the Bonds, or any of them as follows:

## ARTICLE I

### DEFINITIONS

*Section 1.1 Definitions.* To the extent not defined herein, the terms used in this Bond Indenture shall have the same meanings as set forth in the Master Indenture. In addition to the words and terms defined in the Master Indenture or elsewhere in this Bond Indenture, the following words and terms as used herein shall have the following meanings unless the context or use indicates another or different meaning:

*“Accreted Value”* means, with respect to the Series 2020B Bonds, (i) an amount (truncated to three (3) decimal places) equal to the original principal amount of such Series 2020B Bonds at the date of issuance plus the interest accrued on such Series 2020B Bonds from the date of original issuance of such Series 2020B Bonds to the date of computation, such interest to accrue at the rate of interest per annum of the Series 2020B Bonds, compounded semi-annually on each Interest Payment Date; and (ii) as of any date other than an Interest Payment Date, the sum of (a) the Accreted Value on the next preceding Interest Payment Date and (b) the product of (1) a fraction, the numerator of which is the number of days having elapsed from the preceding Interest Payment Date and the denominator of which is the number of days from such preceding Interest Payment Date to the next succeeding Interest Payment Date and (2) the difference between the Accreted Values for such Interest Payment Date.

*“Act”* means the Illinois Finance Authority Act of the State of Illinois, as from time to time amended.

*“Affiliate”* means a corporation, partnership, joint venture, association, business trust or similar entity (a) which controls, is controlled by or is under common control with, directly or indirectly, a Member; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of a Member. For the purposes of this definition, control means with respect to: (a) a corporation having stock, the ownership, directly or indirectly, of more

than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the directors of such corporation; (b) a not for profit corporation not having stock, having the power to elect or appoint, directly or indirectly, a majority of the members of the Directing Body of such corporation; or (c) any other entity, the power to direct the management of such entity through the ownership of at least a majority of its voting securities or the right to designate or elect at least a majority of the members of its Directing Body, by contract or otherwise. For the purposes of this definition, "Directing Body" means with respect to: (a) a corporation having stock, such corporation's board of directors and the owners, directly or indirectly, of more than 50% of the securities (as defined in Section 2(1) of the Securities Act of 1933, as amended) of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporation's directors (both of which groups shall be considered a Directing Body); (b) a not for profit corporation not having stock, such corporation's members if the members have complete discretion to elect the corporation's directors, or the corporation's directors if the corporation's members do not have such discretion; and (c) any other entity, its governing board or body. For the purposes of this definition, all references to directors and members shall be deemed to include all entities performing the function of directors or members however denominated.

"*Authority*" means the Illinois Finance Authority, a body politic and corporate created and existing under and by virtue of the Act, and its successors and assigns.

"*Authorized Denomination*" means, with respect to the Series 2020A-2II Bonds, \$100,000 and any integral multiple of \$5,000 in excess thereof, and, with respect to all other series of Bonds, \$1 or any integral multiple thereof.

"*Bond Counsel*" means a nationally recognized firm of municipal bond attorneys which are Independent Counsel and who are acceptable to the Authority and the Bond Trustee.

"*Bond Financed Property*" means all of the property of the Corporation financed or refinanced with the proceeds of the Bonds which is further described in the Project Certificate Exhibit.

"*Bond Indenture*" means this Bond Trust Indenture dated as of \_\_\_\_\_, 2020 between the Authority and the Bond Trustee, as it may from time to time be amended or supplemented.

"*Bond Register*" means the registration books of the Authority kept by the Bond Trustee to evidence the registration and transfer of the Bonds.

"*Bond Trustee*" means UMB Bank, N.A., its successors and assigns, or any successor bond trustee under this Bond Indenture.

"*Bond Trustee's Agent*" means any agent designated as Bond Trustee's Agent pursuant to Section 814 of this Bond Indenture and at the time serving in that capacity.

"*Bond Year*" means the period of 12 consecutive months ending November 15 of any year in which Bonds are Outstanding.

“*Bonds*” means the Series 2020A Bonds and the Series 2020B Bonds.

“*Bondholder*,” “*holder*,” “*owner*” or “*owner of the Bonds*” each means the registered owner of any Bond.

“*Borrower*” means the Corporation.

“*Business Day*” means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the State of Illinois or the State of New York are authorized by law to close or (b) a day on which the New York Stock Exchange is closed.

“*Closing Date*” means the date of the initial issuance and delivery of the Bonds, \_\_\_\_\_, 2020.

“*Code*” means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations, relating to such section which are applicable to the Bonds or the use of the proceeds thereof.

“*Corporation*” means Clare Oaks, an Illinois not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

“*Debt Service Reserve Fund Requirement*” means, as of the date of calculation, an amount equal to the maximum annual debt service on the applicable series of Bonds for the current or any subsequent Bond Year, calculated from time to time in accordance with the provisions of the Master Indenture.

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

“*Determination of Taxability*” means the issuance by the IRS of a written determination, private ruling, technical advice memorandum or any other written communication to the effect that, or any determination, decision or decree by any court of competent jurisdiction that, an Event of Taxability shall have occurred. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following: (i) the date on which the Corporation files any statement, supplemental statement or other tax schedule, return, or document that discloses that an Event of Taxability shall have occurred; (ii) the effective date of any federal legislation enacted after the date of this Bond Indenture or promulgation of any income tax regulation or ruling by the IRS that causes an Event of Taxability after the date of this Bond Indenture; or (iii) upon the sale, lease, or other deliberate action taken with respect to the Project within the meaning of Treas. Reg. §1.141-2(d), the failure of the Corporation to provide to the Bond Trustee to receive an unqualified opinion of Bond Counsel addressed to the Bond Trustee to the effect that such deliberate action will not cause the interest payable on the Bonds to become includable in the gross income of the recipient.

“*DTC*” means The Depository Trust Company, New York, New York, and its successors and assigns appointed pursuant to Section 211 hereof.

“*DTC Participants*” means those broker dealers, banks and other financial institutions reflected on the books of DTC.

“*EMMA*” means the Municipal Securities Rulemaking Board (through its Electronic Municipal Market Access (EMMA) System) or any other repository designated by the United States Securities and Exchange Commission as a central repository.

“*Event of Default*” shall have the meaning set forth in Section 7.2.

“*Event of Taxability*” means if, as the result of any act, failure to act, the use of the proceeds of the Bonds, change in use of the Project, any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in this Bond Indenture or the Tax Agreement by the Authority or the Corporation, or noncompliance with any of the requirements relating to the tax exemption of the Bonds (other than the Series 2020A-1 Bonds), or of the enactment of any federal legislation after the date of this Bond Indenture or the promulgation of any income tax regulation or ruling by the IRS after the date of this Bond Indenture, the interest on the Bonds (other than the Series 2020A-1 Bonds) is or becomes includable in the gross income of the recipient.

“*Final Accreted Value*” means the Accreted Value on its maturity date of a Series 2020B Bond.

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

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

“*Government Obligations*” means securities which consist of (a) United States Government Obligations or (b) evidences of a direct ownership in future interest or principal payments on United States Government Obligations, which obligations are held in a custody account by a custodian satisfactory to the Bond Trustee pursuant to the terms of a custody agreement.

“*Immediate Notice*” means notice by telephone, telex, telecopier or electronic mail to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; provided, however, that if any Person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, telex, telecopier number or electronic mail address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

“*Independent Counsel*” means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for the

Authority, the Corporation, any other Member of the Obligated Group, the Bond Trustee or the Master Trustee.

*“Interest Payment Date”* means (i) each May 15 and November 15, commencing May 15, 2021, and (ii) the redemption and maturity date for each Bond. In each case, if any date so specified is not a Business Day, the Interest Payment Date shall be the immediately following Business Day.

*“Limited Offering Memorandum”* means the Limited Offering Memorandum relating to the Series 2020 Bonds dated \_\_\_\_\_, 2020.

*“Loan Agreement”* means the Loan Agreement dated as of \_\_\_\_\_, 2020 between the Authority and the Corporation relating to the Bonds, as it may from time to time be amended and supplemented.

*“Majority of the Applicable Holders”* means the Holders of more than 50% in aggregate principal amount of the Series 2020A Bonds that are then Outstanding, provided that if there are no Series 2020A Bonds Outstanding hereunder, the term *“Majority of the Applicable Holders”* means the Holders of more than 50% in aggregate principal amount or Accreted Value, as applicable, of the Series 2020B Bonds then Outstanding.

*“Master Indenture”* means the Master Trust Indenture (Amended and Restated) dated as of \_\_\_\_\_, 2020 between the Corporation, as the initial Member of the Obligated Group, and the Master Trustee, as it may from time to time be further supplemented and amended in accordance with the terms thereof.

*“Master Trustee”* means UMB Bank, N.A., or any successor trustee under the Master Indenture.

*“Member”* or *“Member of the Obligated Group”* means any Person who is designated as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture.

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

*“Mortgage”* means the Leasehold Mortgage and Security Agreement between the Corporation, as mortgagor, and the Master Trustee, as mortgagee, dated as of July 1, 2006, as amended by the \_\_\_\_\_ dated as of \_\_\_\_\_, 20\_\_\_\_, and as the same may be supplemented and amended from time to time.

*“Notice of Mandatory Exchange of Bonds”* means the Notice of Mandatory Exchange of Bonds dated \_\_\_\_\_, from the Bond Trustee to the owners of the Series 2012 Bonds notifying the owners of the Series 2012 Bonds of the bond exchange in accordance with the Plan.

*“Obligated Group Representative”* means the Corporation or such other Member of the Obligated Group as may be designated from time to time pursuant to written notice to the Master Trustee and the Authority executed by the President or Chairman of the Governing Body of the Corporation or, if the Corporation is no longer a Member of the Obligated Group, of each Member of the Obligated Group.

*“Officer’s Certificate”* means a certificate signed, in the case of a certificate delivered by a corporation, by the Chairman, Vice Chairman, President, any Vice President, the Secretary, the Treasurer or any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Bond Trustee.

*“Opinion of Bond Counsel”* means an opinion of nationally recognized municipal bond counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service, and which counsel and opinion, including the scope, form, substance and other aspects thereof, are acceptable to the Authority and the Bond Trustee.

*“Original Principal Amount”* or *“original principal amount”* when used with respect to a Series 2020B Bond means an amount equal to the original principal amount of such Series 2020B Bond and not its Accreted Value unless otherwise provided herein.

*“Outstanding Bonds,” “outstanding Bonds”* or *“Bonds outstanding”* means, as of any given date, all Bonds which have been duly authenticated and delivered by the Bond Trustee under this Bond Indenture, except:

(a) Bonds canceled after purchase thereof or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash or noncallable Government Obligations or both shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds) in accordance with this Bond Indenture; provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee shall have been filed with the Bond Trustee;

(c) Bonds in lieu of which others have been authenticated under Section 2.4, 2.5, 2.7 or 2.8 hereof; and

(d) For the purpose of determining whether the owners of a requisite aggregate principal amount or Accreted Value of outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of this Bond Indenture, Bonds which are owned or held by a Member or an Affiliate of a Member. In determining whether the Bond Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver only Bonds (i) which are registered in the name of a Member or an Affiliate of a Member or (ii) which the Bond Trustee knows to be so owned shall be disregarded.



“*Paying Agent*” means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal or Accreted Value of and interest on the Bonds.

“*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.

“*Plan*” means the plan of reorganization relating to the restructuring of the Series 2012 Bonds which was confirmed by Bankruptcy Court of the Northern District of Illinois, Eastern Division, on \_\_\_\_\_, as amended.

“*Prior Bonds*” means the Series 2012 Bonds and bonds previously refunded or exchanged for the Series 2012 Bonds.

“*Proceeds*” means the first offering price of any series of Bonds excluding any accrued interest.

“*Project*” means the Bond Financed Property.

“*Project Certificate*” means the Certificate Regarding the Project and the Expenditure of Funds dated the Closing Date delivered by the Corporation.

“*Project Certificate Exhibit*” means *Exhibit A* of the Project Certificate.

“*Qualified Investments*” means dollar denominated investments in any of the following:

- (a) Government Obligations;
- (b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated 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 its 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 indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) investment agreements with banks that at the time such agreement is executed are rated 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 such 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 such 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 such 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 indebtedness 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 such non-bank financial institutions 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 without limitation the Bond Trustee or the Master Trustee), 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, to the knowledge of the Bond Trustee, 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) such obligations must be held in the custody of the Bond Trustee, Bond Trustee's Agent, Master Trustee or Master Trustee's Agent;

(i) investments in a money market fund, which may be funds of the Bond Trustee or an affiliate of the Bond Trustee, 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 the majority of whose investments consist solely of Permitted Investments as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Master Trustee, Bond Trustee or its 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 Qualified Investment remains a Qualified 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 in the name of Issuer and payable to 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.

*“Rating Agency”* means Moody’s, Standard & Poor’s or Fitch and their respective successors and assigns.

*“Rebate Fund”* means the fund created under the Tax Exemption Agreement to comply with Section 148(f) of the Code.

*“Record Date”* means, with respect to Bonds, the [May 1] or [November 1] (whether or not a Business Day) next preceding an Interest Payment Date.

*“Related” or “related”* means, with respect to the Series 2020 Obligations, the particular Series 2020 Obligation issued in connection with the issuance of a particular series of Series 2020 Bonds in a like principal amount and interest rate with a like maturity and principal payment schedule.

*“Representation Letter”* means the Blanket DTC Letter of Representations dated February 5, 2004 from the Authority accepted by DTC.

*“Series 2012 Bonds”* means, collectively, the Series 2012A Bonds, the Series 2012B Bonds and the Series 2012C Bonds.

*“Series 2012A Bonds”* means, collectively, the Series 2012A-1 Bonds, the Series 2012A-2 Bonds and Series 2012A-3 Bonds.

*“Series 2012A Obligations”* means, collectively, the Series 2012A-1 Obligation, the Series 2012A-2 Obligation and the Series 2012A-3 Obligation.

*“Series 2012A-1 Bonds”* means the \$8,000,000 aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2012A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-2 Bonds*” means the \$4,000,000 aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2012A-2 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-3 Bonds*” means the \$2,000,000 aggregate principal amount of Illinois Finance Authority Taxable Revenue Bonds, Series 2012A-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012A-1 Obligation*” means the Corporation’s \$8,000,000 principal amount Direct Note Obligation, Series 2012A-1, issued under the Master Indenture as security for the Series 2012A-1 Bonds.

“*Series 2012A-2 Obligation*” means the Corporation’s \$4,000,000 principal amount Direct Note Obligation, Series 2012A-2, issued under the Master Indenture as security for the Series 2012A-2 Bonds.

“*Series 2012A-3 Obligation*” means the Corporation’s \$2,000,000 principal amount Direct Note Obligation, Series 2012A-3, issued under the Master Indenture as security for the Series 2012A-3 Bonds.

“*Series 2012B Bonds*” means the \$39,991,094 aggregate principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012B (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C Bonds*” means, collectively, the Series 2012C-1 Bonds, the Series 2012C-2 Bonds and the Series 2012C-3 Bonds.

“*Series 2012C-1 Bonds*” means the \$25,006,410 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C-2 Bonds*” means the \$5,001,282 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012A-2 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2012C-3 Bonds*” means the \$5,001,282 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Bonds, Series 2012C-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2012 Bond Indenture.

“*Series 2020 Bonds*” means the Series 2020A Bonds and the Series 2020B Bonds.

“*Series 2020 Obligations*” means, collectively, the Series 2020A Obligations and the Series 2020B Obligations.

“*Series 2020A Bonds*” means the Series 2020A-1 Bonds, the Series 2020A-2 Bonds and the Series 2020A-3 Bonds.

“*Series 2020A-1 Bonds*” means the \$5,740,000 aggregate original principal amount of Illinois Finance Authority Taxable Revenue Refunding Bonds, Series 2020A-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-2 Bonds*” means the Series 2020A-2I Bonds and the Series 2020A-2II Bonds.

“*Series 2020A-2I Bonds*” means the \$2,875,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-2 (Subseries I) (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-2II Bonds*” means the \$5,000,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-2 (Subseries II) (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A-3 Bonds*” means the \$21,385,000 aggregate original principal amount of Illinois Finance Authority Revenue Refunding Bonds, Series 2020A-3 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020A Obligations*” means, collectively, the Series 2020A-1 Obligation, the Series 2020A-2 Obligation and the Series 2020A-3 Obligation.

“*Series 2020A-1 Obligation*” means the Corporation’s \$\_\_\_\_\_ original principal amount Direct Note Obligation, Series 2020A-1, issued under the Master Indenture as security for the Series 2020A-1 Bonds.

“*Series 2020A-2 Obligation*” means the Corporation’s \$\_\_\_\_\_ original principal amount Direct Note Obligation, Series 2020A-2, issued under the Master Indenture as security for the Series 2020A-2 Bonds.

“*Series 2020A-3 Obligation*” means the Corporation’s \$\_\_\_\_\_ original principal amount Direct Note Obligation, Series 2020A-3, issued under the Master Indenture as security for the Series 2020A-3 Bonds.

“*Series 2020B Bonds*” means the Series 2020B-1 Bonds and the Series 2020B-2 Bonds.

“*Series 2020B-1 Bonds*” means the \$13,500,000 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020B-2 Bonds*” means the \$2,500,000 aggregate original principal amount of Illinois Finance Authority Subordinated Revenue Refunding Capital Appreciation Bonds, Series

2020B-1 (Clare Oaks) authorized to be issued pursuant to the terms and conditions of the Series 2020 Bond Indenture.

“*Series 2020B Obligation*” means the Corporation’s \$\_\_\_\_\_ original principal amount Direct Note Obligation, Series 2020B, issued under the Master Indenture as security for the Series 2020B Bonds.

“*Special Record Date*” means the date fixed by the Bond Trustee pursuant to Section 2.2 of this Bond Indenture for the payment of Defaulted Interest.

“*Standard & Poor’s*” or “*S&P*” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Standard & Poor’s*” or “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency which has been designated by the Obligated Group Representative by notice to the Bond Trustee, the Authority, the Borrower and the Remarketing Agent.

“*State*” means the State of Illinois.

“*Tax-Exempt Bonds*” means the Series 2020A-1 Bonds, the Series 2020AI Bonds, the Series 2020A-3 Bonds and the Series 2020B Bonds.

“*Tax-Exempt Organization*” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code and is not a “private foundation” within the meaning of Section 509(a) of the Code, or corresponding provisions of federal income laws from time to time in effect.

“*Tax Exemption Agreement*” means the Tax Exemption Agreement relating to the Bonds dated the Closing Date among the Corporation, the Authority and the Bond Trustee and all amendments and supplements thereto.

“*Unassigned Rights*” means the fees and expenses payable to the Authority, the Authority’s right to indemnification in certain circumstances, the Authority’s right to execute and deliver supplements and amendments to the Loan Agreement and the Authority’s right to exercise the same rights of discretion as are granted to the Master Trustee under the Master Indenture.

“*United States Government Obligations*” means noncallable direct obligations of, or obligations the timely payment of the principal of and interest on which is fully guaranteed by, the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America.

“*Unrelated Trade or Business*” means an activity which constitutes an “unrelated trade or business” within the meaning of Section 513(a) of the Code without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code.

“*Valuation Date*” means any date on which the Bond Trustee values the investments on deposit in the Debt Service Reserve Fund pursuant to Section 4.6 hereof.

“*Written Request*” with reference to the Authority means a request in writing (which may be by electronic means acceptable to the Bond Trustee) signed by the Chairman, Vice Chairman, Executive Director, Treasurer, Secretary or an Assistant Secretary of the Authority, and with reference to the Corporation means a request in writing signed by the President, a Vice President, the Treasurer, the Secretary or an Assistant Secretary of the Corporation, or any other officers designated by the Authority or the Corporation, as the case may be.

*Section 1.2 Rules of Construction.* Unless the context shall otherwise require,

(a) an accounting term not otherwise defined herein shall have the meaning assigned to it in accordance with generally accepted accounting principles;

(b) references to Articles and Sections are to the Articles and Sections of this Bond Indenture;

(c) words of the neuter gender shall be deemed and construed to include correlative words of the feminine and masculine genders;

(d) unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa;

(e) headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof; and

(f) all references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Bond Indenture as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

## **ARTICLE II**

### **THE BONDS**

*Section 2.1 Authorized Amount of Bonds.* No Bonds may be issued under the provisions of this Bond Indenture except in accordance with this Article. The total principal amount of Series 2020A-1 Bonds that may be issued is hereby expressly limited to \$5,740,000. The total principal amount of Series 2020A-2 Bonds that may be issued is hereby expressly limited to \$7,875,000. The total principal amount of Series 2020A-3 Bonds that may be issued is hereby expressly limited to \$21,385,000. The total principal amount of Series 2020B-1 Bonds that may be issued is hereby expressly limited to \$13,500,000. The total original principal amount of Series 2020B-2 Bonds that may be issued is hereby expressly limited to \$2,500,000.

*Section 2.2 Issuance of Bonds.*

(a) (i) The Series 2020A-1 Bonds shall be designated “Taxable Revenue Refunding Bonds, Series 2020A-1 (Clare Oaks)” and shall be issued in the aggregate principal amount of \$5,740,000. The Series 2020A-1 Bonds shall bear interest from their dated date and shall be issuable as registered bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2020A-1 Bonds shall be numbered from R-1 upward. The Series 2020A-1 Bonds, as initially issued, shall be dated \_\_\_\_\_, 2020. Except as described in the next sentence, subsequently issued Series 2020A-1 Bonds shall be dated the later of \_\_\_\_\_, 2020, or the most recent preceding Interest Payment Date to which interest has been paid thereon. Series 2020A-1 Bonds issued on an Interest Payment Date to which interest has been paid shall be dated as of such date. Interest on the Series 2020A-1 Bonds will be payable on May 15 and November 15 of each year, commencing May 15, 2021. Interest on the Series 2020A-1 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. The Series 2020A-1 Bonds shall bear interest (based on a 360-day year of twelve 30-day months) at the rate of 7.00% per annum and shall mature on November 15, 2036. The Series 2020A-1 Bonds shall be subject to redemption prior to maturity in part on November 15 in the years and in the amounts set forth below at a redemption price equal to the principal amount of each Series 2020A-1 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date (the particular Series 2020A-1 Bonds to be redeemed to be selected by lot in such manner as the Bond Trustee in its discretion shall deem appropriate and fair, provided that so long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020A-1 Bonds, the particular Series 2020A-1 Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine). Unless none of the Series 2020A-1 Bonds shall then be outstanding, there shall be due and the Authority shall in all events pay as mandatory sinking fund payments for the retirement of Series 2020A-1 Bonds the following amounts on November 15 of each of the following years:

Year	Sinking Fund Payment
2024	\$280,000
2025	300,000
2026	330,000
2027	350,000
2028	370,000
2029	400,000
2030	430,000
2031	460,000
2032	490,000
2033	520,000
2034	560,000
2035	600,000
2036	650,000

(ii) The Series 2020A-2 Bonds shall be designated “Revenue Refunding Bonds, Series 2020A-2 (Clare Oaks)” and shall be issued in the aggregate principal amount of \$7,875,000. The Series 2020A-2 Bonds shall further be designated in two



subseries – “Subseries I” in the aggregate principal amount of \$2,875,000 and “Subseries II” in the aggregate principal amount of \$5,000,000. The Series 2020A-2 Bonds shall bear interest from their dated date and shall be issuable as registered bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2020A-2 Bonds shall be numbered from RI-1 for Subseries I and RII-1 for Subseries II and upward. The Series 2020A-2 Bonds, as initially issued, shall be dated \_\_\_\_\_, 2020. Except as described in the next sentence, subsequently issued Series 2020A-2 Bonds shall be dated the later of \_\_\_\_\_, 2020, or the most recent preceding Interest Payment Date to which interest has been paid thereon. Series 2020A-2 Bonds issued on an Interest Payment Date to which interest has been paid shall be dated as of such date. Interest on the Series 2020A-2 Bonds will be payable on May 15 and November 15 of each year, commencing May 15, 2021. Interest on the Series 2020A-2 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. The Series 2020A-2 Bonds shall bear interest (based on a 360-day year of twelve 30-day months) at the rate of 6.00% and shall mature on \_\_\_\_\_ 1, 2036. The Series 2020A-2 Bonds shall be subject to redemption prior to maturity in part on November 15 in the years and in the amounts set forth below at a redemption price equal to the principal amount of each Series 2020A-2 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date (the particular Series 2020A-2 Bonds to be redeemed to be selected by lot in such manner as the Bond Trustee in its discretion shall deem appropriate and fair, provided that so long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020A-2 Bonds, the particular Series 2020A-2 Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine). Unless none of the Series 2020A-2 Bonds shall then be outstanding, there shall be due and the Authority shall in all events pay as mandatory sinking fund payments for the retirement of Series 2020A-2 Bonds the following amounts on November 15 of each of the following years:

Year	Subseries I Sinking Fund Payment	Subseries II Sinking Fund Payment
2024	\$150,000	\$260,000
2025	160,000	280,000
2026	170,000	300,000
2027	180,000	320,000
2028	190,000	330,000
2029	200,000	350,000
2030	220,000	380,000
2031	230,000	400,000
2032	240,000	420,000
2033	260,000	450,000
2034	270,000	470,000
2035	290,000	500,000
2036	315,000	540,000

(b) The Series 2020A-3 Bonds shall be designated “Taxable Revenue Refunding Bonds, Series 2020A-3 (Clare Oaks)” and shall be issued in the aggregate principal amount of

\$21,385,000. The Series 2020A-3 Bonds shall bear interest from their dated date and shall be issuable as registered bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2020A-3 Bonds shall be numbered from R-1 upward. The Series 2020A-3 Bonds, as initially issued, shall be dated \_\_\_\_\_, 2020. Except as described in the next sentence, subsequently issued Series 2020A-3 Bonds shall be dated the later of \_\_\_\_\_, 2020, or the most recent preceding Interest Payment Date to which interest has been paid thereon. Series 2020A-3 Bonds issued on an Interest Payment Date to which interest has been paid shall be dated as of such date. Interest on the Series 2020A-3 Bonds will be payable on May 15 and November 15 of each year, commencing May 15, 2021. Interest on the Series 2020A-3 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months. The Series 2020A-3 Bonds shall bear interest (based on a 360-day year of twelve 30-day months) at the rate of 4.00% per annum to and including December 31, 2021 and 5.25% thereafter and shall mature on November 15, 2052. The Series 2020A-3 Bonds shall be subject to redemption prior to maturity in part on November 15 in the years and in the amounts set forth below at a redemption price equal to the principal amount of each Series 2020A-3 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date (the particular Series 2020A-3 Bonds to be redeemed to be selected by lot in such manner as the Bond Trustee in its discretion shall deem appropriate and fair, provided that so long as Cede & Co., as nominee of DTC, is the registered owner of the Series 2020A-3 Bonds, the particular Series 2020A-3 Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine). Unless none of the Series 2020A-3 Bonds shall then be outstanding, there shall be due and the Authority shall in all events pay as mandatory sinking fund payments for the retirement of Series 2020A-3 Bonds the following amounts on November 15 of each of the following years:

Year	Sinking Fund Payment	Year	Sinking Fund Payment
2031	\$580,000	2042	\$950,000
2032	580,000	2043	990,000
2033	610,000	2044	1,040,000
2034	640,000	2045	1,100,000
2035	670,000	2046	1,150,000
2036	700,000	2047	1,210,000
2037	740,000	2048	1,270,000
2038	780,000	2049	1,330,000
2039	820,000	2050	1,400,000
2040	860,000	2051	1,520,000
2041	900,000	2052	1,545,000

(c) *Issuance of Series 2020B-1 Bonds.* (i) The Series 2020B-1 Bonds shall be designated “Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-1 (Clare Oaks)” The Series 2020B-1 Bonds shall be issued in the original principal amount of \$13,500,000. The Series 2020B-1 Bonds shall accrete in value from their respective dates and shall be issuable as registered bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2020B-1 Bonds shall be numbered from R-1 upward. The Series

2020B-1 Bonds, as initially and subsequently issued, shall be dated \_\_\_\_\_, 2020, and shall mature on November 15, 2052.

The Series 2020B-1 Bonds shall be exchanged for Series 2012B Bonds in an original principal amount corresponding to \_\_\_\_\_% of the outstanding principal amount of the Series 2012B Bonds as described in the Notice of Mandatory Exchange of Bonds.

Interest on the Series 2020B-1 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months. Each \$1 Original Principal Amount Series 2020B-1 Bond shall accrue interest from \_\_\_\_\_, 2020, at a yield (compounded semi-annually on each Interest Payment Date, commencing May 15, 2021) equal to 8.00% per annum and shall accrete to the Accreted Values as of each Interest Payment Date.

The Accreted Value for any date other than an Interest Payment Date is the Accreted Value on the Interest Payment Date immediately preceding such date, plus the portion of the difference between the Accreted Value on such Interest Payment Date and the immediately succeeding Interest Payment Date equal to (i) the number of days from such preceding Interest Payment Date to the date for which the determination is being made (assuming 30-day months) divided by (ii) the total number of days from such preceding Interest Payment Date to the next succeeding Interest Payment Date (assuming 30-day months).

(d) *Issuance of Series 2020B-2 Bonds.* (i) The Series 2020B-2 Bonds shall be designated "Subordinated Revenue Refunding Capital Appreciation Bonds, Series 2020B-2 (Clare Oaks)" The Series 2020B-2 Bonds shall be issued in the original principal amount of \$2,500,000. The Series 2020B-2 Bonds shall accrete in value from their respective dates and shall be issuable as registered bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2020B-2 Bonds shall be numbered from R-1 upward. The Series 2020B-2 Bonds, as initially and subsequently issued, shall be dated \_\_\_\_\_, 2020, and shall mature on November 15, 2052.

Interest on the Series 2020B-2 Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months. Each \$1 Original Principal Amount Series 2020B-2 Bond shall accrue interest from \_\_\_\_\_, 2020, at a yield (compounded semi-annually on each May 15 and November 15 commencing May 15, 2021) equal to 8.00% per annum and shall accrete to the Accreted Values as of each May 15 and November 15.

The Accreted Value for any date other than those specified is the Accreted Value on the May 15 or November 15 immediately preceding such date, plus the portion of the difference between the Accreted Value on such May 15 or November 15 and the immediately succeeding May 15 or November 15 equal to (i) the number of days from such preceding May 15 or November 15 to the date for which the determination is being made (assuming 30-day months) divided by (ii) the total number of days from such preceding May 15 or November 15 to the next succeeding May 15 or November 15 (assuming 30-day months).

(e) *Payment of Principal, Accreted Value and Interest.* (i) The principal and Accreted Value of, and premium, if any, and interest on, the Bonds shall be payable when due in any currency of the United States of America that, at the respective dates of payment thereof, is legal

tender for the payment of public and private debts, and such principal, Accreted Value and premium, if any, shall be payable (A) subject to Section 2.5 hereof, upon presentment at the designated corporate trust office of the Bond Trustee, initially in \_\_\_\_\_, or its agent or successor as Bond Trustee, or at the office of any alternate Paying Agent named in any such Bond or (B) subject to Section 2.5 hereof, as to any owner of \$500,000 or more in aggregate principal amount and/or original principal amount of Bonds who so elects by wire transfer of funds to such wire transfer address within the continental United States as such owner shall have furnished to the Bond Trustee in writing on or prior to the Record Date and upon compliance with the reasonable requirements of the Bond Trustee.

(ii) Except as provided below with respect to Defaulted Interest, payment of the interest on the Series 2020A Bonds and Series 2020B Bonds shall be made to the person appearing on the Bond Register as the owner thereof as of the close of business of the Bond Trustee on the Record Date for such interest payment and shall be paid (A) by check or draft mailed to such registered owner on the applicable Interest Payment Date at such owner's address as it appears on the Bond Register or at such other address as is furnished to the Bond Trustee in writing by the Record Date by such owner, or (B) as to any registered owner of \$500,000 or more in aggregate principal amount of Bonds who so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing by the Record Date and upon compliance with the reasonable requirements of the Bond Trustee. Interest on the Series 2020B Bonds is only payable from Excess Cash, to the extent available, and if interest is not paid on May 15 or November, it is included in the Accreted Value thereof and is payable only after default on the payment of Accreted Value due at Maturity or upon earlier redemption or acceleration.

*Section 2.3 Defaulted Interest.* Defaulted Interest with respect to any Series 2020A Bond and Series 2020B Bonds shall cease to be payable to the owner thereof on the relevant Record Date and, except as hereinafter provided, 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 established by the Bond Trustee and shall be not more than 15 nor less than ten days prior to the date 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, not less than ten days prior to such Special Record Date, to each owner of a Series 2020A Bond, Series 2020B Bond at the address of such owner as it appears on the Bond Register. Such Defaulted Interest shall be paid to the owners in whose names the Bonds on which such Defaulted Interest is to be paid are registered on such Special Record Date.

*Section 2.4 Execution; Limited Obligation; No Liability of State.* The Bonds shall be executed on behalf of the Authority with the manual or facsimile signature of its Chairman 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 Assistant Secretary. All authorized facsimile signatures shall have the same force and effect as if manually 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.

The Bonds, together with all principal, Accreted Value and interest thereon and premium, if any, with respect thereto, are special, limited obligations of the Authority secured by the Loan Agreement and the Series 2020 Obligations pledged hereunder and shall always be payable solely from the revenues and income derived from the Loan Agreement and the Series 2020 Obligations (except to the extent paid out of moneys attributable to proceeds of the Bonds, the income from the temporary investment thereof or payments made pursuant to or derived from a mortgage or assignment of leases and rents or credit enhancement device), 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 Series 2020 Obligations, which revenues and income shall be used for no other purpose than to pay the principal installments or Accreted Value of, premium, if any, and interest on the Bonds, except as may be expressly authorized otherwise in this Bond Indenture and in the Loan Agreement.

The Bonds and the obligation to pay principal, Accreted Value and interest thereon and any premium with respect thereto do not now and shall never constitute an indebtedness or an obligation of the Authority, the State of Illinois 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 Series 2012 Obligations pledged hereunder (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 Authority, the State of Illinois or any political subdivision thereof to pay any principal installment or Accreted Value of, redemption premium, if any, or interest on the Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

*Section 2.5 Authentication.* No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in the exhibits hereto shall have been duly executed by the Bond Trustee, and such executed certificate of the Bond Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Indenture. The Bond Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signer of the Bond Trustee, but it shall not be necessary that the same signer sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 2.6 Form of Bonds and Temporary Bonds.* The Bonds shall be substantially in the forms set forth in the exhibits hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee and the Authority.

Bonds of any series may be initially issued in temporary form exchangeable for definitive Bonds of the same series when ready for delivery. The temporary Bonds shall be of such denomination or denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Bond Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered for cancellation in exchange therefor at the designated corporate trust office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of the same series, maturity and interest rate of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Bond Indenture as definitive Bonds authenticated and delivered hereunder.

*Section 2.7 Delivery of Bonds.* Upon the execution and delivery of this Bond Indenture, the Authority shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Series 2020 Bonds, and deliver such Bonds to the purchasers as may be directed by the Authority as hereinafter in this Section 2.6 provided.

Prior to the delivery by the Bond Trustee of any of the Bonds there shall be filed with or delivered to the Bond Trustee and the Authority:

(a) a copy, duly certified by the Executive Director, Secretary or Treasurer of the Authority or such other officer as the Authority may designate, of the resolutions adopted and approved by the Authority authorizing the execution and delivery of the Loan Agreement, the Tax Exemption Agreement, the Escrow Agreement and this Bond Indenture and the issuance and delivery of the Bonds;

(b) a copy, duly certified by the Secretary or an Assistant Secretary of the Corporation, of the resolutions adopted and approved by the Corporation authorizing the execution and delivery of the Series 2020 Obligations, the Master Indenture, the Loan Agreement, and the Mortgage, and approving this Bond Indenture and the issuance and delivery of the Bonds;

(c) the original executed and authenticated Series 2020 Obligations and an original executed counterpart of this Bond Indenture, the Master Indenture, the Loan Agreement, the Tax Exemption Agreement, the Mortgage, the Option Agreement and the Escrow Agreement;

(d) a request and authorization to the Bond Trustee on behalf of the Authority and signed by its Executive Director, Secretary or Treasurer or such other officer as the Authority may designate to authenticate and deliver the Bonds; and

(e) a written opinion of Bond Counsel in form and substance satisfactory to the Authority, such satisfaction to be conclusively evidenced by the delivery of the Bonds by the Authority;

(f) a written opinion of Counsel for the Authority in form and substance satisfactory to the Authority, such satisfaction to be conclusively evidenced by the delivery of the Bonds by the Authority;

(g) a written opinion of Counsel for the Corporation in form and substance satisfactory to the Authority, such satisfaction to be conclusively evidenced by the delivery of the Bonds by the Authority;

(h) the Confirmation Order; and

(i) such other closing documents and opinions of counsel as the Bond Trustee or the Authority may reasonably specify in writing to the Bond Trustee (which may be done through the inclusion of such items on the final closing agenda prepared in connection with the issuance of the Bonds).

*Section 2.8 Mutilated, Lost, Stolen or Destroyed Bonds.* In the event any temporary or definitive Bond is mutilated, lost, stolen or destroyed, the Authority may execute and the Bond Trustee may authenticate a new Bond of like form, date, series, subseries, maturity, interest rate and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Bond Trustee evidence of such loss, theft or destruction satisfactory to the Bond Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured or shall have been called for redemption, instead of issuing a duplicate Bond the Authority may pay the same without surrender thereof. The Authority and the Bond Trustee may charge the owner of such Bond with their reasonable fees and expenses in connection with any actions the Bond Trustee may take pursuant to this Section.

*Section 2.9 Transfer and Exchange of Bonds; Persons Treated as Owners.* The Authority shall cause the Bond Register to be kept by the Bond Trustee at its designated corporate trust office. At reasonable times and under reasonable regulations established by the Bond Trustee, the Bond Register may be inspected and copied by the Authority.

Only upon surrender for transfer of any Bond at the designated corporate trust office of the Bond Trustee shall the Authority execute and the Bond Trustee authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same series, subseries, maturity, interest rate and denomination (and in the case of Series 2020B Bonds, a like aggregate original principal amount) which the registered owner is entitled to receive. Any Bond or Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount (and in the case of Series 2020B Bonds, a like aggregate original principal amount) of a Bond or Bonds of the same series, subseries, maturity and interest rate of other authorized denominations. The execution by the Authority of any Bond shall constitute full and due authorization of such Bond, and the Bond Trustee shall thereby be authorized to authenticate, date and deliver such Bond.

All transfers of Series 2020 Bonds shall be subject to the provisions of Section 2.14 hereof.

All Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Trustee, duly executed by the registered owner or by such owner's duly authorized attorney.

No service charge shall be imposed upon the owner for any exchange or transfer of Bonds. The Authority and the Bond Trustee may, however, require payment by the person requesting an exchange or transfer of Bonds of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption in part.

The Authority and the Bond Trustee shall not be required to register the transfer of or exchange any Bond after notice calling such Bond or portion thereof for redemption has been mailed or during the 15-day period next preceding the mailing of a notice of redemption of any Bonds of the same series, subseries and maturity.

New Bonds delivered upon any transfer or exchange shall be valid obligations of the Authority, evidencing the same debt as the Bonds surrendered, shall be secured by this Bond Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

The Authority and the Bond Trustee may treat the registered owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal or Accreted Value of and premium, if any, and interest on any such Bond as herein provided shall be made only to or upon the written order of the registered owner thereof or such owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

*Section 2.10 Cancellation.* Any Bond surrendered for the purpose of payment or retirement or for exchange or transfer or for replacement pursuant to Section 2.8 hereof, shall be cancelled upon surrender thereof to the Bond Trustee. Certification of Bonds cancelled by the Bond Trustee shall be made to the Authority and to the Corporation. Cancelled Bonds may be destroyed by the Bond Trustee unless instructions to the contrary are received from the Authority or the Corporation. Upon the date of final maturity or redemption of all Bonds, the Bond Trustee shall destroy any inventory of unissued certificates.

*Section 2.11 Book-Entry Only System.* It is intended that the Bonds be registered so as to participate in a securities depository system with DTC (the "*DTC System*"), as set forth herein. The Bonds shall be initially issued in the form of a single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. The Authority and the Bond Trustee are authorized to execute and deliver such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Representation Letter. In the event of any conflict between the terms of the Representation Letter and the terms of this Bond Indenture, the



terms of this Bond Indenture shall control. DTC may exercise the rights of a Bondholder only in accordance with the terms hereof applicable to the exercise of such rights.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Authority, the Bond Trustee and the Corporation shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a “*DTC Participant*”) or to any person on behalf of whom such a DTC Participant directly or indirectly holds an interest in the Bonds (each such person being herein referred to as an “*Indirect Participant*”). Without limiting the immediately preceding sentence, the Authority, the Bond Trustee or the Corporation shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any Indirect Participant or any other Person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than a Bondholder, as shown in the Bond Register, of any amount with respect to principal or Accreted Value of, premium, if any, or interest on, the Bonds or (iv) any consent given by DTC as registered owner. So long as certificates for the Bonds are not issued pursuant to Section 211, the Authority, the Corporation and the Bond Trustee may treat DTC or any successor securities depository as, and deem DTC or any successor securities depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation (i) the payment of principal and Accreted Value of and interest on the Bonds, (ii) giving notice of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds and (iv) the selection of Bonds for redemption. While in the DTC System, no Person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond certificate with respect to any Bond. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Indenture with respect to interest checks or drafts being mailed to the registered owner at the close of business on the Record Date applicable to any interest payment date, the name “Cede & Co.” in this Bond Indenture shall refer to such new nominee of DTC.

*Section 2.12 Payments and Notices to Cede & Co.* Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or Accreted Value of, premium, if any, and interest on such Bond, and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter. The Bond Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Bond Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants, but neither the Bond Trustee nor the Authority shall be liable if the Bond Trustee fails to make such request or if Cede & Co. fails to honor such request.

*Section 2.13 Successor Securities Depository; Transfers Outside Book-Entry Only System.* In the event that the Authority or the Bond Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated

Bonds, the Authority or the Bond Trustee shall so notify DTC. Upon receipt of such notice DTC will notify the DTC Participants of such request and such DTC Participants may utilize DTC's withdrawal procedure to withdraw their Bonds from DTC. In the event a DTC Participant utilizes such process, certificated Bonds will be prepared. If all DTC Participants comply with such request, the Authority or the Bond Trustee may appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository. In such event, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Bond Indenture.

*Section 2.14 Limitations on Investors and Restrictions on Transfers of Series 2020A Bonds.* The Series 2020A Bonds are not issued under Rule 144A of the Securities Act of 1933, as amended ("Rule 144A"). However, the Authority requires that investors in the Series 2020A Bonds be "Qualified Institutional Buyers" within the meaning of Rule 144A. Each beneficial owner of the Series 2020A Bonds agrees, by purchase of the Series 2020A Bonds, not to sell or otherwise transfer any Series 2020A Bonds to any Person other than a Qualified Institutional Buyer; provided, however that such limitation on the sale or transfer of the Series 2020A Bonds shall cease to be in effect upon receipt by the Bond Trustee of evidence that the Series 2020A Bonds are rated at least "BBB/Baa3" (or equivalent) by any Rating Agency.

### **ARTICLE III**

#### **APPLICATION OF FUNDS**

*Section 3.1 Application of Proceeds.* On the Closing Date, the Authority, for and on behalf of the Corporation, shall deposit with the Bond Trustee all of the proceeds loaned to the Corporation from the sale of the Series 2020A-2 (Subseries II) Bonds, and the Bond Trustee shall, out of such proceeds:

- (i) transfer \$\_\_\_\_\_ to the Master Trustee for deposit in the Capital Expenditures Fund held under the Master Indenture; and
- (ii) transfer \$\_\_\_\_\_ the Master Trustee for deposit in the Operating Reserve Account under the Master Indenture.

*Section 3.2 Application of Other Funds.* On the Closing Date, the Bond Trustee shall receive \$\_\_\_\_\_ from the Series 2012 Trustee and shall deposit such amount as follows: (i) \$\_\_\_\_\_ in the 2020A-1 Account of the Debt Service Reserve Fund, (ii) \$\_\_\_\_\_ in the 2020A-2 Account of the Debt Service Reserve Fund and (iii) \$\_\_\_\_\_ in the 2020A-3 Account of the Debt Service Reserve Fund.

*Section 3.3 Expense Fund.* The Authority shall establish with the Bond Trustee a separate account to be known as the "Expense Fund – Clare Oaks – Series 2020" (the "Expense

*Fund*). Moneys in the Expense Fund shall be disbursed upon receipt of a Written Request for the payment of expenses for any recording, trustee's and depository's fees and expenses, accounting and legal fees, financing costs and other fees and expenses incurred or to be incurred by or on behalf of the Authority or the Corporation in connection with or incident to the issuance and sale of the Series 2020 Bonds and the restructuring transaction associated therewith. At such time as the Bond Trustee is furnished with a Written Request stating that all such fees and expenses have been paid, and in no event later than June 30, 2021, the Bond Trustee shall transfer any moneys remaining in the Expense Fund to the Interest Fund.

## ARTICLE IV

### REVENUES AND FUNDS

*Section 4.1 Source of Payment of Bonds.* The Bonds herein authorized and all payments to be made by the Authority thereon and into the various funds established under this Bond Indenture are not general obligations of the Authority but are limited obligations payable solely from (a) payments or prepayments on the Series 2020 Obligations including, without limitation, in certain circumstances, from proceeds of insurance, condemnation awards and proceeds from sales made under threat of condemnation as provided in the Master Indenture, (b) payments or prepayments made under the Loan Agreement (except for Unassigned Rights) and (c) moneys and investments held by the Bond Trustee under, and to the extent provided in, this Bond Indenture.

*Section 4.2 Debt Service Fund.* The Authority hereby establishes with the Bond Trustee and directs the Bond Trustee to maintain so long as any of the Bonds is Outstanding a separate Fund to be known as the "Debt Service Fund – Clare Oaks – Series 2020" (the "*Debt Service Fund*"). All payments upon the Series 2020 Obligations pledged hereunder, all transfers to the Bond Trustee by the Master Trustee pursuant to the provisions of Section 428(b)(ii), (iv), (v) and (ix) of the Master Indenture, all payments under the Loan Agreement and all transfers from the Rebate Fund, when received by the Bond Trustee, shall be deposited into the Debt Service Fund and shall be held therein until disbursed as herein provided. Pursuant to the assignment and pledge of payments upon the Series 2020 Obligations set forth in the granting clauses contained herein, the Authority will direct the Corporation to make payments upon the Series 2020 Obligations pledged hereunder directly to the Bond Trustee when and as the same become due and payable.

*Section 4.3 Interest Fund.*

(a) The Authority hereby establishes with the Bond Trustee and hereby directs the Bond Trustee to maintain so long as any of the Bonds is Outstanding a separate Fund to be known as the "Interest Fund – Clare Oaks – Series 2020" (the "*Interest Fund*") and, within the Interest Fund, four separate and segregated accounts, to be known as the "2020A-1 Interest Account" (the "*2020A-1 Interest Account*"), the "2020A-2 Interest Account" (the "*2020A-2 Interest Account*"), the "2020A-3 Interest Account" (the "*2020A-3 Interest Account*"), and "2020B Interest Account" (the "*2020B Interest Account*" and together with the 2020A-1 Interest Account, the 2020A-2 Interest Account, the 2020A-3 Interest Account, the "*Interest Fund Accounts*").

(b) On or before the tenth day of each month, commencing December 10, 2020, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-1 Interest Account an amount equal to the lesser of (i) one sixth of the interest payable on the Series 2020A-1 Bonds on the immediately succeeding Interest Payment Date for the Series 2020A-1 Bonds ([Insert stub period deposits]), or (ii) taking into account all amounts in the 2020A-1 Interest Account available to pay interest on the Series 2020A-1 Bonds, such lesser sum as shall be required to pay the interest payable on the Series 2020A-1 Bonds on such Interest Payment Date. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the next succeeding Business Day.

(c) On or before the tenth day of each month, commencing December 10, 2020, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-2 Interest Account an amount equal to the lesser of (i) one sixth of the interest payable on the Series 2020A-2 Bonds on the immediately succeeding Interest Payment Date for the Series 2020A-2 Bonds ([Insert stub period deposits]), or (ii) taking into account all amounts in the 2020A-2 Interest Account available to pay interest on the Series 2020A-2 Bonds, such lesser sum as shall be required to pay the interest payable on the Series 2020A-2 Bonds on such Interest Payment Date. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the next succeeding Business Day.

(d) On or before the tenth day of each month, commencing December 10, 2020, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-3 Interest Account an amount equal to the lesser of (i) one sixth of the interest payable on the Series 2020A-3 Bonds on the immediately succeeding Interest Payment Date for the Series 2020A-3 Bonds ([Insert stub period deposits]), or (ii) taking into account all amounts in the 2020A-3 Interest Account available to pay interest on the Series 2020A-3 Bonds, such lesser sum as shall be required to pay the interest payable on the Series 2020A-3 Bonds on such Interest Payment Date. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the next succeeding Business Day; provided that if a portion of interest on the Series 2020A-3 Bonds is deferred from and after January 1, 2022 equal 1.25% per annum as a result of transfers pursuant to Section 428(b)(iii), the amount to be deposited in the 2020A-3 Interest Account shall be the amount transferred pursuant to Section 428(b)(ii) and (iv) of the Master Indenture.

(e) On or before the tenth day of each month, commencing December 10, 2020, the Bond Trustee shall transfer Excess Cash to the Series 2020B Interest Account an amount equal to, taking into account all amounts in the 2020B Interest Account available to pay interest on the Series 2020B Bonds, such lesser sum as shall be required to pay the interest payable on the Series 2020B Bonds on such Interest Payment Date. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the next succeeding Business Day.

(f) In connection with any partial redemption or defeasance prior to Maturity of the Bonds, the Bond Trustee may, at the request of the Corporation, use any amounts on deposit in an Interest Fund Account in excess of the amount needed to pay the interest on the Series 2020A Bonds or Series 2020B Bonds, remaining Outstanding on the first Interest Payment Date therefor occurring on or after the date of such redemption or defeasance to pay the principal of and

interest on the Series 2020A Bonds or Series 2020B Bonds, as applicable, to be redeemed or defeased.

*Section 4.4 Bond Sinking Fund.*

(a) The Authority hereby establishes with the Bond Trustee and directs the Bond Trustee to maintain so long as any of the Bonds is Outstanding a separate Fund to be known as the “Bond Sinking Fund – Clare Oaks – Series 2020” (the “*Bond Sinking Fund*”) and, within the Bond Sinking Fund, four separate and segregated accounts, to be known as the “2020A-1 Sinking Fund Account” (the “*2020A-1 Bond Sinking Fund Account*”), the “2020A-2 Bond Sinking Fund Account” (the “*2020A-2 Bond Sinking Fund Account*”), the “2020A-3 Bond Sinking Fund Account” (the “*2020A-3 Bond Sinking Fund Account*”), and “2020B Bond Sinking Fund Account” (the “*2020B Bond Sinking Fund Account*” and together with the 2020A-1 Bond Sinking Fund Account, the 2020A-2 Bond Sinking Fund Account, the 2020A-3 Bond Sinking Fund Account, the “*Bond Sinking Fund Accounts*”).

(b) On or before the tenth day of each month, commencing December 10, 2023, after making any transfer required by Section 4.3(b), (c) and (d) hereof, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-1 Sinking Fund Account an amount equal to the lesser of (i) one-twelfth of the principal, if any, payable with respect to the Series 2020A-1 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking fund redemption pursuant to Section 5.2 hereof (provided, however, [stub period]) or (ii) taking into account all amounts in the 2020A-1 Sinking Fund Account available to pay principal of the Series 2020A-1 Bonds, such lesser sum as shall be required to pay the principal payable with respect to the Series 2020A-1 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking fund redemption pursuant to Section 5.2 of hereof. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the immediately succeeding Business Day.

(c) On or before the tenth day of each month, commencing December 10, 2023, after making any transfer required by Section 4.3(b), (c) and (d) hereof, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-2 Sinking Fund Account an amount equal to the lesser of (i) one-twelfth of the principal, if any, payable with respect to the Series 2020A-2 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking fund redemption pursuant to Section 5.2 hereof (provided, however, [stub period]) or (ii) taking into account all amounts in the 2020A-2 Sinking Fund Account available to pay principal of the Series 2020A-2 Bonds, such lesser sum as shall be required to pay the principal payable with respect to the Series 2020A-2 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking fund redemption pursuant to Section 5.2 of hereof. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the immediately succeeding Business Day.

(d) On or before the tenth day of each month, commencing December 10, 2030, after making any transfer required by Section 4.3(b), (c) and (d) hereof, the Bond Trustee shall transfer from the Debt Service Fund to the 2020A-3 Sinking Fund Account an amount equal to the lesser of (i) one-twelfth of the principal, if any, payable with respect to the Series 2020A-3 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking

fund redemption pursuant to Section 5.2 hereof (provided, however, [stub period]) or (ii) taking into account all amounts in the 2020A-3 Sinking Fund Account available to pay principal of the Series 2020A-3 Bonds, such lesser sum as shall be required to pay the principal payable with respect to the Series 2020A-3 Bonds on the immediately succeeding November 15 by Maturity or mandatory bond sinking fund redemption pursuant to Section 5.2 of hereof. If the tenth day of any month is not a Business Day, the deposit herein required to be made shall be made on the immediately succeeding Business Day.

(e) On or before the tenth day of November 15, 2052, after making any transfer required by Sections 4.3, 4.4(b), 4.4(c) and 4.4(d) hereof, the Bond Trustee shall transfer from the Debt Service Fund to the 2020B Bond Sinking Fund Account an amount equal to the Final Accreted Value of the Series 2020B Bonds.

(f) Moneys on deposit in the Bond Sinking Fund, other than income earned thereon that is to be transferred to other funds created hereunder or to the Rebate Fund, shall be applied by the Bond Trustee to pay principal and Accreted Value of the Bonds as it becomes due and to redeem the Bonds in accordance with the Bond Sinking Fund schedules provided in Section 5.2 hereof. The Bond Trustee may, to the extent available for purchase, at the request of the Corporation, purchase for cancellation Series 2020A Bonds in the open market at prices not exceeding the principal amount thereof being purchased plus accrued interest, with such interest portion of the purchase price to be paid from the applicable Interest Fund Account and the principal portion of such purchase price to be paid from the applicable Bond Sinking Fund Account, and, upon cancellation of such purchased Series 2020A Bonds, the principal amount thereof shall be credited to the next Bond Sinking Fund payment otherwise due hereunder with respect to the applicable Maturity of Series 2020A Bonds.

(g) In connection with any partial redemption or defeasance prior to Maturity of the Bonds of any series, the Bond Trustee may, at the request of the Corporation, use any amounts on deposit in a Bond Sinking Fund Account in excess of the amount needed to pay principal or Final Accreted Value of the applicable series of Bonds remaining Outstanding on the first principal or mandatory sinking fund payment date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on, or Final Accreted Value of, the Bonds to be redeemed or defeased.

#### *Section 4.5 Optional Redemption Fund.*

(a) The Authority hereby establishes with the Bond Trustee and hereby directs the Bond Trustee to maintain so long as any of the Bonds is Outstanding a separate Fund to be known as the “Optional Redemption Fund – Clare Oaks – Series 2020” (the “*Optional Redemption Fund*”), and within the Optional Redemption Fund four separate and segregated accounts, to be known as the “2020A-1 Optional Redemption Account” (the “*2020A-1 Optional Redemption Account*”), the “2020A-2 Sinking Fund Account” (the “*2020A-2 Sinking Fund Account*”), the “2020A-3 Sinking Fund Account” (the “*2020A-3 Sinking Fund Account*”), and “2020B Sinking Fund Account” (the “*2020B Sinking Fund Account*” and together with the 2020A-1 Sinking Fund Account, the 2020A-2 Sinking Fund Account, the 2020A-3 Sinking Fund Account, the “*Bond Sinking Fund Accounts*”).

(b) In the event of (i) prepayment by or on behalf of the Corporation or any other Member of amounts payable on the Series 2020 Obligations pledged under this Bond Indenture, including prepayment with condemnation, insurance, or sale under threat of condemnation proceeds, or (ii) deposit with the Bond Trustee by the Corporation or the Authority of moneys from any other source for redeeming Bonds or purchasing Bonds for cancellation, except as otherwise provided in this Bond Indenture, such moneys shall be deposited into the applicable Optional Redemption Account or Accounts. Funds received by the Bond Trustee for the prepayment of Bonds shall be deposited into the applicable Optional Redemption Account; provided that, except as set forth in Section 4.5(c) below, no amount shall be deposited in the 2020B Optional Redemption Account until the Series 2020A Bonds are no longer Outstanding. Moneys on deposit in the Optional Redemption Fund shall be used, first, to make up any deficiencies existing in the Interest Fund, the Bond Sinking Fund and the Debt Service Reserve Fund (in that order) and, second, for the redemption of Bonds in accordance with the provisions of Article V hereof.

(c) Subject to the provisions of Sections 4.6(c) and 4.7(c) hereof, Excess Cash transferred to the Bond Trustee by the Master Trustee pursuant to the provisions of Section 428(b)(ix) of the Master Trust Indenture shall be deposited in the 2020B Optional Redemption Account and used to redeem Series 2020B Bonds pursuant to Section 5.1(a) hereof on the earliest date practicable in accordance with the provisions of Article V hereof without further request, direction or approval from the Corporation.

*Section 4.6 Debt Service Reserve Fund.*

(a) The Authority hereby establishes with the Bond Trustee and hereby directs the Bond Trustee to maintain so long as any of the Bonds is Outstanding a separate Fund to be known as the “Debt Service Reserve Fund – Clare Oaks” (the “*Debt Service Reserve Fund*”) and within the Debt Service Reserve Fund three separate and segregated accounts, to be known as the “Series 2020A-1 Debt Service Reserve Account – Clare Oaks” (the “*2020A-1 Debt Service Reserve Account*”), “Series 2020A-2 Debt Service Reserve Account – Clare Oaks” (the “*2020A-2 Debt Service Reserve Account*”) and “Series 2020A-3 Debt Service Reserve Account – Clare Oaks” (the “*2020A-3 Debt Service Reserve Account*” and together with the 2020A-1 Debt Service Reserve Account and the 2020A-2 Debt Service Reserve Account, the “*Debt Service Reserve Accounts*”). The Value of the moneys and investments in the Debt Service Reserve Accounts shall be maintained in an amount equal to the applicable Debt Service Reserve Fund Requirement with respect to each such account in the manner and to the extent provided in Section 428 of the Master Indenture by deposits to the credit of the Debt Service Reserve Accounts from transfers to the Bond Trustee by the Master Trustee pursuant to the provisions of Sections 428(b)(iii) and (v) of the Master Indenture. Amounts on deposit in the Debt Service Reserve Fund shall be administered by the Bond Trustee as described in this Section 4.6, subject to the provisions of Article VII hereof. Moneys on deposit in the 2020A-1 Debt Service Reserve Account shall be used only to make up any deficiencies in the 2020A-1 Interest Fund Account and the 2020A-1 Bond Sinking Fund Account (in that order). Moneys on deposit in the 2020A-2 Debt Service Reserve Account shall be used only to make up any deficiencies in the 2020A-2 Interest Fund Account and the 2020A-2 Bond Sinking Fund Account (in that order). Moneys on deposit in the 2020A-3 Debt Service Reserve Account shall be used only to make up any deficiencies in the 2020A-3 Interest Fund Account and the 2020A-3 Bond Sinking Fund Account

(in that order). Each account shall be held only for the benefit of the particular subseries of Bonds and notwithstanding any other provision of this Agreement to the contrary, shall only be applied for the benefit of such subseries of Bonds.

(b) Moneys on deposit in the Debt Service Reserve Fund shall be invested in Permitted Investments. The Value of Permitted Investments in the Debt Service Reserve Fund shall be determined by the Bond Trustee on each November 15 (collectively, the “*Valuation Dates*” and each, a “*Valuation Date*”).

(c) To the extent that the Value of the moneys and investments in the applicable Debt Service Reserve Fund shall have been less than the Debt Service Reserve Fund Requirement with respect to each respective account as of the immediately preceding Valuation Date as a result of a decline in the Value of the investments therein (for purposes of this subsection, an “*Investment Deficiency*”), Excess Cash transferred to the Bond Trustee by the Master Trustee pursuant to the provisions of Section 428(b)(x) of the Master Indenture shall, prior to application in accordance with the provisions of Section 4.5(c) hereof, be deposited (such deposits to each account of the Debt Service Reserve Fund shall be made pro-rata, based on the Investment Deficiency in each such account, out of the amounts received from the Master Trustee) into the respective account of Debt Service Reserve Fund in an amount equal to the lesser of (i) the amount of such Excess Cash or (ii) the Investment Deficiency, minus any amounts deposited into such account of the Debt Service Reserve Fund pursuant to the provisions of this subsection (c) after such immediately preceding Valuation Date.

(d) Subject to Section 4.8(c) hereof, if the Value of the moneys and investments in the Debt Service Reserve Fund is greater than the Debt Service Reserve Fund Requirement as of any Valuation Date, such excess shall be deposited in the applicable account of Interest Fund.

(e) If the balance of any account in the Debt Service Reserve Fund, together with all other amounts available to pay the principal of, and interest on, the applicable series of Bonds, at Maturity or earlier redemption (the “*Remaining Debt Service*”), shall, at any time, be sufficient to pay the Remaining Debt Service with respect to such series of Bonds, any moneys in the applicable account of the Debt Service Reserve Fund, may, at the written direction of the Corporation, be transferred to the applicable account of the Interest Fund and/or the Bond Sinking Fund in such respective amounts as shall cause the amounts therein to be sufficient to the pay the Remaining Debt Service on the related series of Bonds.

(f) During any period that the Project is subject to the Illinois Life Care Facilities Act, if at any time the amount on deposit in the Debt Service Reserve Fund is less than the maximum amount of principal and interest payable on the Series 2020A Bonds during the next succeeding six-month period, the Bond Trustee shall give notice of such event by first class mail, postage prepaid, to the Director of the Illinois Department of Public Health.

*Section 4.7 [Reserved]*

*Section 4.8 Investment of Funds.*

(a) Upon verbal direction to be promptly followed by a Written Request of the Corporation filed with the Bond Trustee, moneys in the Debt Service Fund, the Interest Fund, the



Bond Sinking Fund, the Debt Service Reserve Fund and the Optional Redemption Fund shall be invested only in Permitted Investments. Investment income on such Funds shall be transferred monthly by the Bond Trustee in accordance with the provisions of this Section 4.8. All such investments shall be made so as to mature, or be available without loss or penalty, on or prior to the date or dates that moneys therefrom are anticipated to be required, and moneys on deposit in the Debt Service Reserve Fund may be invested in investments that mature, or be available without loss or penalty, no later than two years after the making thereof. The Bond Trustee, when authorized by the Corporation, may trade with itself in the purchase and sale of securities for such investment; provided, however, that in no case shall any investment be otherwise than in accordance with the investment limitations contained herein and in the Tax Agreement. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investments.

(b) The investment earnings on funds on deposit in any Interest Fund Account shall be retained therein.

(c) Except as provided in subsection (b) above, all income in excess of the requirements (in the case of the Debt Service Fund, the Interest Fund and the Bond Sinking Fund, the amounts expected to be used to make required debt service payments within 13 months of the date of deposit) of the funds specified in subsection (a) of this Section derived from the investment of moneys on deposit in any such funds shall be deposited in the following funds, in the order listed:

(i) the Debt Service Reserve Fund, if the amount on deposit therein is less than the Debt Service Reserve Fund Requirement;

(ii) the Bond Sinking Fund to the extent of the amount required to be deposited therein to make the next required principal payment on the Bonds occurring within 13 months of the date of deposit; and

(iii) the Interest Fund to the extent of the estimated amount required to be deposited therein to make any interest payment on the Bonds occurring within 13 months of the date of deposit; and

(iv) the balance, if any, to the Optional Redemption Fund, for application first to the optional redemption of Series 2020A Bonds and, if no Series 2020A Bonds are Outstanding, to the optional redemption of Series 2020B Bonds.

(d) Any costs of making any investment of moneys in a Fund or Account, including investment management fees, shall be charged to that Fund or Account.

(e) The Bond Trustee shall be entitled to presume that any investments made at the direction of the Corporation will not cause the Bonds other than the Series 2020A-1 Bonds to be "arbitrage bonds" and that such investments, if Permitted Investments, are permitted by applicable law. The Bond Trustee shall not be liable or responsible for any calculation or determination that may be required in connection with or for the purpose of complying with Section 148 of the Code including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of Section 148 of the Code, and shall be entitled to rely on the directions or absence of directions of the Corporation and any rebate analyst.

*Section 4.9 Trust Funds.* All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall, except as provided in Section 4.10 hereof, be trust funds under the terms hereof for the benefit of all Outstanding Bonds (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Authority, the Corporation, or any other Member. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

*Section 4.10 Excluded Fund; Transfers to Rebate Fund.* The foregoing provisions of this Article IV notwithstanding, (a) the Rebate Fund shall not be considered a part of the Trust Estate created by this Bond Indenture, and (b) the Bond Trustee shall, at the direction of the Corporation, transfer moneys on deposit in any of the trust funds established under Article III or this Article IV to the Rebate Fund in accordance with the provisions of the Tax Agreement.

## **ARTICLE V**

### **REDEMPTION OF BONDS**

*Section 5.1 Optional Redemption Dates and Prices.*

(a) The Series 2020A Bonds shall be callable for optional redemption at any time prior to Maturity, in whole or in part, on and after November 15, 2023.

(b) The Series 2020 Bonds will also be subject to optional redemption at any time prior to Maturity, in whole or in part, in the event the Corporation shall exercise its option to prepay any or all of the Series 2020 Obligations, including without limitation through the required transfer of Excess Cash as provided in Section 4.5(c) hereof.

(c) If the Bonds are redeemed in part, other than from Excess Cash, the Bonds shall be redeemed first from the Series 2020A-1 Bonds, then the Series 2020A-2 Bonds, then the Series 2020A-3 Bonds, then the Series 2020B-1 Bonds, and then the Series 2020B-2 Bonds, and if less than all of a series of Bonds are being redeemed, by lot or in such other random manner as the Bond Trustee may deem appropriate for each applicable series of Bonds based on the outstanding principal or Accreted Value thereof, subject to the limitation that any redemption of a Bond pursuant to the provisions of this Section may be in a multiple of one dollar or less so long as the Bonds which will remain outstanding after such redemption will be in Authorized Denominations.

Bonds being redeemed pursuant to this Section 5.1 shall be redeemed at a redemption price of 100% of:

(d) The principal amount thereof plus accrued and unpaid interest thereon to the redemption date, in the case of the Series 2020A Bonds: and

(e) The Accreted Value thereof as of the redemption date in the case of the Series 2020B Bonds.

Bonds may be called for redemption by the Bond Trustee pursuant to this Section 5.1 upon receipt by the Bond Trustee at least 45 days prior to the redemption date (or such shorter

period as shall be acceptable to the Bond Trustee in its sole discretion) of a written request of the Corporation authorizing the application of funds for such redemption, provided that no such request shall be required for a redemption from Excess Cash as provided in Section 4.5(c). Any such Written Request shall specify the amount of Bonds to be called for redemption.

In lieu of redeeming Series 2020A Bonds pursuant to this Section 5.1, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available hereunder for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the redemption price then applicable hereunder. In the case of any optional redemption or any purchase and cancellation of the Bonds, the Authority shall receive credit against its required Bond Sinking Fund deposits with respect to the Bonds of the same series in such order as the Corporation shall elect in writing prior to such optional redemption or purchase and cancellation or, if no election shall be made, in the inverse order thereof.

*Section 5.2 Bond Sinking Fund Deposits - Mandatory Deposits.*

(a) With respect to the payment of Series 2020A Bonds at Maturity or mandatory Bond Sinking Fund redemptions through the Bond Sinking Fund, the Authority shall have on deposit in the applicable account of the Bond Sinking Fund moneys in the amounts and at the times, respectively, set forth in the following tables.

**Series 2020A-1 Bond Sinking Fund Account**

<b>November 15 of the Year</b>	<b>Principal Amount</b>	<b>November 15 of the Year</b>	<b>Principal Amount</b>
2024	\$280,000	2031	\$460,000
2025	300,000	2032	490,000
2026	330,000	2033	520,000
2027	350,000	2034	560,000
2028	370,000	2035	600,000
2029	400,000	2036	650,000
2030	430,000		

**Series 2020A-2 Bond Sinking Fund Account**

<b>November 15 of the Year</b>	<b>Subseries I Principal Amount</b>	<b>Subseries II Principal Amount</b>
2024	\$150,000	\$260,000
2025	160,000	280,000
2026	170,000	300,000
2027	180,000	320,000
2028	190,000	330,000
2029	200,000	350,000
2030	220,000	380,000

<b>November 15 of the Year</b>	<b>Subseries I Principal Amount</b>	<b>Subseries II Principal Amount</b>
2031	230,000	400,000
2032	240,000	420,000
2033	260,000	450,000
2034	270,000	470,000
2035	290,000	500,000
2036	315,000	540,000

**Series 2020A-3 Bond Sinking Fund Account**

<b>November 15 of the Year</b>	<b>Principal Amount</b>	<b>November 15 of the Year</b>	<b>Principal Amount</b>
2031	\$580,000	2042	\$950,000
2032	580,000	2043	990,000
2033	610,000	2044	1,040,000
2034	640,000	2045	1,100,000
2035	670,000	2046	1,150,000
2036	700,000	2047	1,210,000
2037	740,000	2048	1,270,000
2038	780,000	2049	1,330,000
2039	820,000	2050	1,400,000
2040	860,000	2051	1,520,000
2041	900,000	2052	1,545,000

(b) The deposits required pursuant to this Section 5.2 shall be reduced (i) by the amount of Series 2020A Bonds acquired and delivered in accordance with Section 4.4 hereof in satisfaction of such Bond Sinking Fund requirements and (ii) in connection with a partial redemption of Series 2020A Bonds other than by mandatory Bond Sinking Fund redemption, if the Corporation elects to reduce mandatory Bond Sinking Fund redemptions for any subseries of Series 2020A Bonds in the manner provided in Section 5.1(d) hereof.

(c) Moneys on deposit in the 2020A-1 Bond Sinking Fund Account on November 15 of each of the years 2024 through 2036 shall be applied to the payment of mandatory sinking fund payments or maturing principal of the Series 2020A-1 Bonds due on such dates.

(d) Moneys on deposit in the 2020A-2 Bond Sinking Fund Account on November 15 of each of the years 2024 through 2036 shall be applied to the payment of mandatory sinking fund payments or maturing principal of the Series 2020A-2 Bonds due on such dates.

(e) Moneys on deposit in the 2020A-3 Bond Sinking Fund Account on November 15 of each of the years 2031 through 2052 shall be applied to the payment of mandatory sinking fund payments or maturing principal of the Series 2020A-3 Bonds due on such dates.

(f) Payment of the Series 2020A Bonds through the Bond Sinking Fund shall be without premium.

(g) The Series 2020B Bonds are not subject to mandatory Bond Sinking Fund redemption prior to Maturity. Amounts on deposit in the Series 2020B Bond Sinking Fund Account on November 15, 2052, shall be applied to pay the Final Accreted Value of the Series 2020B Bonds.

(h) The Series 2020B Bonds are subject to mandatory redemption in part on November 15 of each year from amounts deposited in the Series 2020B Sinking Fund Account from Excess Cash.

*Section 5.3 Mandatory Redemption Upon the Occurrence of a Determination of Taxability.* The Bonds (other than the Series 2020A-1 Bonds) shall be subject to mandatory redemption by the Authority in whole and not in part upon the occurrence of a Determination of Taxability within 150 days after the occurrence of such Determination of Taxability at a redemption price equal to 100% of the principal amount thereof, plus interest accrued thereon to the redemption date, in the case of the Series 2020A Bonds, and equal to 100% of the Accreted Value thereof, in the case of the Series 2020B Bonds that are not Converted Bonds.

*Section 5.4 Notice of Redemption.*

(a) Notice of the call for any redemption pursuant to Section 5.1, 5.2 or 5.3 hereof shall state the following: (i) the name of the bond issue, (ii) the CUSIP number and bond certificate number of the Bonds to be redeemed, (iii) the original dated date of the bond issue, (iv) the interest rate and Maturity of the Bonds to be redeemed, (v) the date of the redemption notice, (vi) the redemption date, (vii) the redemption price and (viii) the address and telephone number of the designated corporate trust office of the Bond Trustee. The redemption notice shall be given by mailing a copy of such notice of redemption by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, or, in the case of a redemption upon a Determination of Taxability, not less than ten days prior to the redemption date, to the owners of the Bonds to be redeemed to the address shown on the Bond Register; provided, however, that failure to give such notice by mailing or a defect in the notice or the mailing as to any Bond shall not affect the validity of any proceedings for redemption as to any other Bond for which notice is properly given.

(b) Except for a redemption pursuant to Section 5.2 or 5.3 [and as otherwise provided in the paragraph], prior to the date that the redemption notice is mailed as aforesaid, funds shall be placed with the Bond Trustee by or on behalf of the Corporation to pay such Bonds and interest accrued thereon to the redemption date and the premium, if any. Upon the happening of the above conditions, the Bonds, or portions thereof, so called for redemption shall not bear interest after the applicable redemption date, shall no longer be protected by this Bond Indenture, and shall not be deemed to be Outstanding under the provisions hereof. The Bond Trustee shall redeem or purchase, in the manner provided in this Article V, such an aggregate principal or Accreted Value amount or of Bonds at the principal or Accreted Value amount thereof plus interest accrued to the redemption date, and premium, if any, as will exhaust as nearly as practicable the funds placed on deposit with the Bond Trustee. At the direction of the

Corporation, such funds may be invested in Government Obligations until needed for such redemption. If any owner of \$500,000 or more in aggregate principal amount and/or original principal amount of Bonds to be redeemed on a single day delivers such Bonds for redemption on or prior to such redemption date, payment of such redemption price for such Bonds shall be made, if such owner so elects, by wire transfer of funds to such wire transfer address within the continental United States as such owner shall have furnished to the Bond Trustee in writing and upon compliance with the reasonable requirements of the Bond Trustee. Each redemption payment shall indicate the dollar amount of each CUSIP identification number being redeemed. Notwithstanding the foregoing, upon the written direction of the Obligated Group Representative, the notice of redemption for optional redemption pursuant to Section 5.1 hereof shall contain a statement to the effect that the redemption of the Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such amounts have not been so received, the notice will be of no force and effect and the Authority shall not be required to redeem such Bonds and such Bonds shall not become due and payable.

## ARTICLE VI

### GENERAL COVENANTS

*Section 6.1 Payment of Debt Service.* Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay the principal or Accreted Value of, premium, if any, and interest on every Bond issued under this Bond Indenture at the place, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof. The principal and Accreted Value of and interest and premium, if any, on the Bonds are payable solely from (a) payments or prepayments on the Series 2020 Obligations, (b) payments or prepayments made under the Loan Agreement (other than Unassigned Rights), (c) moneys and investments held by the Bond Trustee under, and to the extent provided in, this Bond Indenture and (d) in certain circumstances, proceeds from insurance, condemnation awards and proceeds from sales made under threat of condemnation, which Series 2020 Obligations and payments are hereby specifically assigned and pledged to the payment of the Bonds in the manner and to the extent herein specified, and nothing in the Bonds or in this Bond Indenture shall be considered as assigning or pledging any funds or assets of the Authority (except the moneys, the Series 2020 Obligations and the Loan Agreement pledged under this Bond Indenture).

In connection with the payment of any interest on or principal or Accreted Value of the Bonds from any Fund or Account maintained under this Bond Indenture, the Bond Trustee hereby agrees to file a completed Office of the Comptroller of the State of Illinois Form C-08 (Notice of Payments), or such similar form as the Comptroller shall specify by notice to the Authority (collectively "*Form C-08*"), with the Office of the Comptroller of the State of Illinois within 15 days following such payment of interest or principal. A copy of such Form C-08 shall also be filed with the Authority. All information included on Form C-08 shall comply with the provisions of Section 31.30.20 of the Comptroller's Uniform Statewide Accounting System Manual.

*Section 6.2 Performance of Covenants; Legal Authorization.* The Authority covenants that it will faithfully perform on its part at all times any and all covenants, undertakings, stipulations and provisions contained in this Bond Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining thereto; provided, however, that except for the matters set forth in any documents hereof relating to payment of the Bonds, the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Corporation or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Authority shall have received from the party requesting such action or execution assurance satisfactory to the Authority that the Authority shall be reimbursed for its reasonable expenses, including legal counsel fees, incurred or to be incurred in connection with taking such action or executing such instrument. The Authority covenants that it is duly authorized under the Constitution and the laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Bond Indenture, to grant the security interest herein provided, to assign and pledge the Loan Agreement, the Series 2020 Obligations hereunder (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken, and that the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof and hereof. Anything contained in this Bond Indenture to the contrary notwithstanding, it is hereby understood that none of the covenants of the Authority contained in this Bond Indenture are intended to create a general or primary obligation of the Authority.

*Section 6.3 Ownership; Instruments of Further Assurance.* The Authority represents that it lawfully owns the Series 2020 Obligations and that the pledge and assignment thereof and the assignment of the Loan Agreement to the Bond Trustee hereby made are valid and lawful. The Authority covenants that it will defend the title to the Series 2020 Obligations and its interest in the Loan Agreement and the assignment thereof (except for Unassigned Rights) to the Bond Trustee, for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Authority covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Bond Trustee, the Series 2020 Obligations, the Loan Agreement and all payments thereon and thereunder (except for Unassigned Rights) pledged hereby to the payment of the principal and Accreted Value of, premium, if any, and interest on the Bonds.

*Section 6.4 Recording and Filing.* In order to perfect the security interest of the Bond Trustee in the Trust Estate and to perfect the security interest in the Series 2020 Obligations pledged hereunder, 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 or Accreted Value of, premium, if any, and interest on the Bonds and as otherwise provided herein, and the Corporation 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 Corporation 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 Series 2020 Obligations pledged hereunder. 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, the registered owners, and the Bond Trustee, 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 and Accreted Value 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. Notwithstanding the foregoing, the Corporation hereby authorizes the Bond Trustee, and appoints the Bond Trustee as its attorney-in-fact, to file in such office or offices as the Bond Trustee deems necessary or desirable such financing and continuation statements and amendments thereof or supplements thereto, and such other documents as the Bond Trustee may from time to time require to perfect, preserve and protect the security interest of the Bond Trustee in the Trust Estate and the Series 2020 Obligations pledged hereunder.

*Section 6.5 Required Reporting to the Authority.*

(a) 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 owners (or a designated representative thereof) of not less than 10% in aggregate principal amount of the Bonds then outstanding (original principal amount in the case of the Series 2020B Bonds).

(b) No later than 30 days after a payment of interest, principal or Accreted Value is made, the Trustee shall prepare and file with the Office of Comptroller of the State of Illinois a C-08, Notice of Payment of Bond Interest and/or Principal. A copy of the C-08 should be forwarded to the Authority by facsimile (312.651.1350), e-mail (jkuhn@il-fa.com) or mail (Illinois Finance Authority, Two Prudential Plaza, 180 North Stetson Avenue, Suite 2555, Chicago, Illinois, 60601, Attention: Accounting Department – Bond Indebtedness).

(c) Not later than 30 days after the end of each January 1, April 1, July 1 and October 1, commencing on April 1, 2021, the Bond Trustee shall prepare and file with the Authority a statement setting forth, with respect to such quarter, (1) amounts withdrawn from and deposited in each fund and account relating to the Bonds hereunder, (2) the balance on deposit in each such fund or account relating to the Bonds at the end of each period for which such statement is prepared, (3) a brief description of all obligations held as investments in each such fund or account relating to the Bonds, (4) the amount applied to the redemption of the Bonds, a description of the Bonds or portions of Bonds so redeemed, and an accounting of the Bonds of each maturity outstanding and (5) any other information that the Authority may reasonably request or that the Bond Trustee may from time to time deem appropriate.



*Section 6.6 Bond Register.* The Bond Trustee shall keep on file at its office the Bond Register. At reasonable times and under reasonable regulations established by the Bond Trustee, said Bond Register may be inspected and copied by the Corporation, or any other Member of the Obligated Group or the authorized representative of any owner or owners of 10% or more in principal amount of the Bonds outstanding (original principal amount in the case of the Series 2020B Bonds), such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Bond Trustee.

*Section 6.7 Rights Under the Loan Agreement, the Series 2020 Obligations; Bond Trustee as Holder of the Series 2020 Obligations.* The Authority agrees that the Bond Trustee in its own name or in the name of the Authority may enforce all rights of the Authority (other than Unassigned Rights) and all obligations of the Corporation under and pursuant to the Loan Agreement and any obligation of any Member under the Series 2020 Obligations pledged hereunder for and on behalf of the Bondholders (other than Unassigned Rights), whether or not the Authority is in default hereunder.

The Bond Trustee shall be considered the holder of the Series 2020 Obligations.

*Section 6.8 Designation of Additional Paying Agents.* The Authority may (upon the written consent of the Corporation, which consent will not be unreasonably withheld) cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents for the Bonds and for the making available of funds hereunder for the payment of such of the Bonds as shall be presented when due at the designated corporate trust office of the Bond Trustee, or its successor in trust hereunder, or at the principal office of said alternate Paying Agents.

*Section 6.9 Arbitrage; Compliance with Tax Exemption Agreement.* The Authority and the Corporation covenant and agree that they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under this Bond Indenture (other than the Series 2020A-1 Bonds) or with respect to the payments derived from the Series 2020 Obligations pledged hereunder or from the Loan Agreement or any other moneys regardless of source or where held which may, notwithstanding compliance with the other provisions of this Bond Indenture, the Loan Agreement and the Tax Exemption Agreement, result in constituting the Bonds (other than the Series 2020A-1 Bonds) “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code. The Authority further covenants and agrees that it will comply with and take all actions required by the Tax Exemption Agreement.

*Section 6.10 Prohibited Activities.* 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 and will not knowingly engage in any activities and that it has not knowingly taken and 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.

## ARTICLE VII

### EVENTS OF DEFAULT; REMEDIES

#### *Section 7.1 [reserved]*

*Section 7.2 Events of Default.* Each of the following events is hereby declared an “Event of Default,” that is to say, if:

(a) payment of any installment of interest payable on any of the Bonds shall not be made by the Authority when the same shall become due and payable; or

(b) payment of the principal or Accreted Value of or the premium, if any, payable on any of the Bonds shall not be made by the Authority when the same shall become due and payable, either at maturity, by proceedings for redemption, upon acceleration, through failure to make any payment to any fund hereunder or otherwise; or

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) an order or decree shall be entered, appointing a receiver, receivers, custodian or custodians for any of the revenues of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(e) any proceeding shall be instituted with the consent or acquiescence of the Authority, or any plan shall be entered into by the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from any part or all of the trust estate, including the revenues and other moneys derived by the Authority under the Series 2020 Obligations pledged under this Bond Indenture or the Loan Agreement; or

(f) the Authority (i) files a petition in bankruptcy or under Title 11 of the United States Code, as amended, (ii) makes an assignment for the benefit of its creditors, (iii) consents to the appointment of a receiver, custodian or trustee for itself or for the whole or any part of the trust estate, including the revenues and other moneys derived by the Authority under the Series 2020 Obligations pledged under this Bond Indenture or the Loan Agreement or (iv) is generally not paying its debts as such debts become due; or

(g) (i) the Authority is adjudged insolvent by a court of competent jurisdiction, (ii) on a petition in bankruptcy filed against the Authority, the Authority is adjudged as bankrupt, or (iii) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver, custodian or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or

decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(h) the Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(i) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(j) any event of default as defined in Section 9.1 of the Loan Agreement or in Section 502 of the Master Indenture shall occur and such event of default shall be continuing from and after the date the Authority is entitled under the Loan Agreement to request that the Master Trustee declare any Series 2020 Obligation pledged under this Bond Indenture to be immediately due and payable, or such event of default shall be continuing from and after the date on which the Master Trustee is entitled under the Master Indenture to declare any Master Note immediately due and payable, or the Master Trustee shall declare any Master Note immediately due and payable; or

(k) the Authority shall 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 indenture supplemental hereto to be performed on the part of the Authority, and such default shall continue for the period of 30 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; the Bond Trustee may give such notice in its discretion and shall give such notice at the written request of a Majority of the Applicable Holders; provided, that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority to remedy such default within such 30-day period shall not constitute a default hereunder if the Authority shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(l) the Authority or the Corporation shall default in the performance of any covenant, condition, agreement or provision of the Tax Exemption Agreement, and such default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the party in default, the Corporation and the other party; provided that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority or the Corporation to remedy such default within such 30-day period shall not constitute a default hereunder if the Authority or the Corporation shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(m) the default by the Corporation in the performance of its covenant in Section 8.10 of the Loan Agreement relating to the discharge, vacation, bonding or stay of any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee hereunder, such default being an event of default specified in Section 9.1(i) of the Loan Agreement.

*Section 7.3 Acceleration.* Upon the happening of any Event of Default and upon the written request of a Majority of the Applicable Holders, and upon being indemnified to its satisfaction, the Bond Trustee shall, by notice in writing delivered to the Authority, declare the entire principal and Accreted Value of the Bonds then Outstanding and the interest accrued thereon, immediately due and payable, and the entire principal, Accreted Value and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 7.11 hereof with respect to waivers of Events of Default.

*Section 7.4 Remedies; Rights of Bondholders.* Upon the occurrence of any Event of Default, the Bond Trustee may pursue any available remedy, including a suit at law or in equity to enforce the payment of the principal and Accreted Value of, premium, if any, and interest on the Bonds Outstanding.

If an Event of Default shall have occurred, and if the Bond Trustee shall have been requested to do so by a Majority of the Applicable Holders and the Bond Trustee shall have been indemnified as provided in Section 8.1 hereof, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Bond Trustee shall deem most expedient in the interests of the owners of Bonds; provided, however, that the Bond Trustee shall have the right to decline to comply with any such request if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the owners of Bonds not parties to such request.

No remedy by the terms of this Bond Indenture conferred upon or reserved to the Bond Trustee (or the owners of Bonds) 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 the owners of Bonds hereunder) now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default or Default Condition shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or Default Condition, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default or Default Condition, whether by the Bond Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent Event of Default or Default Condition or shall impair any rights or remedies consequent thereon.

*Section 7.5 Direction of Proceedings by Bondholders.* A Majority of the Applicable Holders shall have the right, at any time, by an instrument or instruments in writing executed and

delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, including the enforcement of the rights of the Authority under the Loan Agreement or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Indenture.

*Section 7.6 Appointment of Receivers.* Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the owners of Bonds 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 rights and properties pledged hereunder and of the revenues, issues, payments and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

*Section 7.7 Application of Moneys.* All moneys received by the Bond Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of this Article shall, together with all moneys in the Funds and Accounts maintained by the Bond Trustee under Articles III and IV hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and the expenses, liabilities and advances incurred or made by, the Bond Trustee (including, but not limited to, the reasonable fees and expenses of its counsel), be deposited in the Debt Service Fund and shall be applied as follows:

(a) Unless the principal and Accreted Value of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Exemption Agreement;

SECOND: To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2020A Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

THIRD: To the payment to the Persons entitled thereto of the unpaid principal of the Series 2020A Bonds which shall have become due (other than Series 2020A Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Series 2020A Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege;

FOURTH: To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2020B Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not

be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege;

FIFTH: To the payment to the Persons entitled thereto of the unpaid Accreted Value of any of the Series 2020B Bonds that shall have become due, and, if the amount available shall not be sufficient to pay in full such Series 2020B Bonds due on any particular date, then to the payment ratably, according to the amount of Accreted Value due on such date, to the Persons entitled thereto, without any discrimination or privilege.

(b) If the principal and Accreted Value of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable pursuant to the Tax Exemption Agreement;

SECOND: To the payment of the principal and interest then due and unpaid upon the Series 2020A Bonds, together with interest on overdue interest at the applicable interest rate on the Series 2020A Bonds to the extent permitted by law, without preference or priority of principal or interest over the other, or of any installment of interest over any other installment of interest, or of any Series 2020A Bond over any other Series 2020A Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the principal, Accreted Value and interest then due and unpaid upon the Series 2020B Bonds, together with interest on overdue interest at the applicable interest rate on the Bonds to the extent permitted by law, without preference or priority of principal, Accreted Value or interest over the other, or of any installment of interest over any other installment of interest, or any Series 2020B Bond over any other Series 2020B Bond, ratably, according to the amounts due respectively for principal, Accreted Value and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal and Accreted Value of all of the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of paragraph (b) of this Section in the event that the principal and Accreted Value of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Interest shall continue to accrue or accrete, as applicable, on principal or Accreted Value of the Bonds that has become due, by acceleration or otherwise, until such principal or Accreted Value shall be paid.

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section, such moneys shall be applied by it at such times, and from time to time, as the Bond

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 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, or, with respect to payments of Defaulted Interest, shall be such date as is required by the last paragraph of Section 2.2 hereof) upon which such application is to be made and upon such date interest on the amounts of principal or Accreted Value to be paid on such dates shall cease to accrue. The Bond Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date at least ten days prior to the Special Record Date. The Bond Trustee 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 Bonds and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Bond Trustee have been paid, including, but not limited to, the reasonable fees and expenses of its counsel, any balance remaining shall be paid to the Persons entitled to receive the same; and if no other Person shall be entitled thereto, then the balance, if any, shall be paid to the Corporation.

Notwithstanding the foregoing, amounts held (i) in the Series 2020A-1 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-1 Bonds, (ii) in the Series 2020A-2 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-2 Bonds and (iii) in the Series 2020A-3 Debt Service Reserve Account – Clare Oaks” of the Debt Service Reserve Fund shall be held and applied solely for the benefit of the holders of the Series 2020A-3 Bonds.

*Section 7.8 Remedies Vested in Bond Trustee.* All rights of action, including the right to file proof of claims under this Bond Indenture or under any of the Bonds, may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto and any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the owners of the Outstanding Bonds.

*Section 7.9 Rights and Remedies of Bondholders.* 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 hereof or for the appointment of a receiver or any other remedy hereunder, unless a Default Condition shall have become an Event of Default and a Majority of the Applicable Holders shall have made written request to the Bond Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and unless also they have offered to the Bond Trustee indemnity as provided in Section 8.1 hereof, and unless the Bond Trustee shall thereafter fail or refuse to exercise the power hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of this 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 any right in any manner whatsoever to affect, disturb or prejudice the lien of this Bond Indenture by any 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 Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal and Accreted Value of and interest on any Bond at and after the Maturity thereof, or the obligation of the Authority to pay the principal and Accreted Value of and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner in said Bonds expressed, provided, however, that no principal or Accreted Value of the Series 2020B Bonds shall be paid unless and until all principal and interest then due on the Series 2020A Bonds have been paid.

*Section 7.10 Termination of Proceedings.* In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Authority and the Bond Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the property pledged and assigned hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

*Section 7.11 Waiver of Events of Default.* The Bond Trustee may, in its discretion, waive any Event of Default and its consequences and rescind any declaration of maturity of principal and Accreted Value, and shall do so upon being indemnified to its satisfaction and upon written request of a Majority of the Applicable Holders. The foregoing notwithstanding, in no event shall there be waived (i) any failure to pay the principal or Accreted Value of any Outstanding Bonds when due whether at Maturity or by mandatory redemption through the Bond Sinking Fund or (ii) any failure to pay when due the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest thereon (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred and all arrears of payments of principal and Accreted Value when due other than as a result of an acceleration of the Bonds and all fees and expenses of the Bond Trustee and any Paying Agent in connection with such Event of Default shall have been paid or provided for, including, but not limited to, the reasonable fees and expenses of their counsel. In case of any such waiver or rescission or in case any proceeding taken by the Bond Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Bond Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

*Section 7.12 Corporation's Right of Possession and Use of Its Property.* So long as the Corporation is in full compliance with the terms and provisions of the Loan Agreement and the



Master Trust Indenture, the Corporation shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Authority and the Bond Trustee.

*Section 7.13 Waiver of Redemption; Effect of Sale of the Corporation's Property.* The Authority, to the extent permitted by law, shall not claim any rights under any stay, valuation, exemption or extension law, and hereby waives any right of redemption that it may have in respect of the Property of the Corporation.

*Section 7.14 Notice of Event of Default; Endorsement of Series 2020 Obligations.* Upon the occurrence of an Event of Default of which the Bond Trustee has actual knowledge or is required to take notice or be deemed to have notice under Section 8.1(g) hereof, the Bond Trustee shall promptly give written notice thereof to the Authority, the Master Trustee and the Corporation setting forth the nature of such Event of Default. Upon the occurrence of an Event of Default and in the event the Authority is requested by the Bond Trustee to endorse any of the Series 2020 Obligations as permitted under the Illinois Uniform Commercial Code, such endorsement may, in the discretion of the Authority, be without recourse.

## **ARTICLE VIII**

### **THE BOND TRUSTEE**

*Section 8.1 Acceptance of the Trusts.* The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the terms and conditions set forth herein. The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture and to perform such trusts as an ordinarily prudent trustee under a corporate indenture, and no implied covenants or obligations should be read into this Bond Indenture against the Bond Trustee. If any Event of Default shall have occurred and be continuing, the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture and shall use the same degree of care as a prudent Person would exercise or use in the circumstances in the conduct of such prudent Person's own affairs. The Bond Trustee agrees to perform such trusts only upon and subject to the following expressed terms and conditions:

(a) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, or receivers and shall not be responsible for the misconduct or negligence of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation (which shall be expenses reimbursable to the Bond Trustee pursuant to Section 6.10 of the Loan Agreement) to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. The Bond Trustee may act upon the opinion or advice of an attorney, surveyor, engineer, accountant, or other expert or contractor if selected by it in accordance with the standard specified above or, if selected or retained by the Authority, approved by the Bond Trustee in the exercise of such care. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or non-action based on its good faith reliance upon such opinion or advice.

(b) The Bond Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to the certificate of the Bond Trustee endorsed on the Bonds), or for the investment of moneys as herein provided (except that no investment shall be made except in accordance with Section 4.8 hereof), or for the recording or rerecording, filing or re-filing of this Bond Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Authority of this Bond Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Bond Trustee may (but shall be under no duty to) require of the Authority and the Corporation full information and advice as to the performance of the covenants, conditions, and agreements in the Loan Agreement. Except as otherwise provided in Section 7.4 hereof, the Bond Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(c) The Bond Trustee shall not be accountable for the use or application by the Authority or the Corporation of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any Paying Agent (except when the Bond Trustee acts as Paying Agent). The Bond Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Bond Trustee.

(d) The Bond Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper person or persons. The Bond Trustee shall be protected in relying upon any telephonic or other electronic communication deemed by it in good faith to be genuine and correct and to be from the proper person or persons whenever this Bond Indenture permits such telephonic or other electronic communication. 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.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceedings, the Bond Trustee shall be entitled to rely upon a certificate signed on behalf of the Authority by the Chairman or the Executive Director as sufficient evidence of the facts therein contained and prior to the occurrence of a Default Condition or an Event of Default of which the Bond Trustee has been notified as provided in subsection (g) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of the Chairman or the Executive Director to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Bond Trustee shall not be required to take notice or be deemed to have notice of any Event of Default or Default Condition hereunder (except non-payment of any principal (including mandatory sinking fund redemption), Accreted Value or interest when due on the Bonds) or non-payment of any payments required to be made by under Section 4.3(b) or (c), Section 4.4(b) or (c) hereof, unless the Bond Trustee shall be specifically notified in writing of such Event of Default or Default Condition by the Authority or by a Majority of the Applicable Holders and all notices or other instruments required by this Bond Indenture to be delivered to the Bond Trustee must, in order to be effective, be delivered at the Office of the Bond Trustee, and in the absence of such notice so delivered the Bond Trustee may conclusively assume there is no Event of Default or Default Condition except as aforesaid.

(h) The Bond Trustee shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts relating to any period in which it may be in possession of or managing any Property.

(i) At any and all reasonable times, the Bond Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right fully to inspect any and all of the property pledged hereunder, including all books, papers, and records of the Authority pertaining to the property pledged hereunder and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any Property, or any action whatsoever within the purview of this Bond Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Bond Trustee deemed necessary or desirable for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, the release of any Property, or the taking of any other action by the Bond Trustee.

(l) Before taking any action under this Bond Indenture relating to an Event of Default or a Default Condition or in connection with its duties under this Bond Indenture, other than making payments of principal and Accreted Value of and interest on the Bonds as they become due or causing an acceleration or a mandatory tender of the Bonds when required by this Bond Indenture, the Bond Trustee may require that a satisfactory indemnity bond or other satisfactory indemnity be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state, or local statute, rule, law, or ordinance related to the

protection of the environment or hazardous substances, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(m) All moneys received by the Bond Trustee or any Paying Agent shall, until used or applied or invested as provided in this Bond Indenture or in the Tax Agreement, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law or by this Bond Indenture or the Tax Exemption Agreement. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except as may be otherwise agreed upon in writing.

(n) In the event the Bond Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of owners of Bonds, each representing less than a Majority of the Applicable Holders, or, with respect to action required to be taken upon request by a majority of the Series 2020A Bondholders, representing less than a majority of the Series 2020A Bondholders, or, with respect to action required to be taken upon request by a majority of the Series 2020B Bondholders, representing less than a majority of the Series 2020B Bondholders, pursuant to the provisions of this Bond Indenture, the Bond Trustee, in its sole discretion, may determine what action, if any, shall be taken including, without limitation, disregarding one or both requests.

(o) The Bond Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Bond Indenture shall extend to the Bond Trustee's officers, directors, agents, attorneys, and employees. Such immunities and protections and right to indemnification, together with the Bond Trustee's right to compensation, shall survive the Bond Trustee's resignation or removal, the defeasance or discharge of this Bond Indenture and final payment of the Obligations.

(p) Except for information provided by the Bond Trustee concerning the Bond Trustee, the Bond Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Bonds, and the Bond Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(q) The Bond Trustee shall have no obligation to monitor or confirm (i) the quality of the Trust Estate; or (ii) the legal sufficiency of any liens, and the perfection thereof, granted or purported to be granted to the Bond Trustee pursuant to this Bond Indenture.

(r) Whenever there is a reference in this Bond Indenture to an act, document, or other matter being satisfactory to the Bond Trustee, acceptable to the Bond Trustee, not objected to by the Bond Trustee, consented to by the Bond Trustee, or otherwise subject to discretionary approval or non-approval by the Bond Trustee, the Bond Trustee may, but shall not be obligated to, refrain from exercising such discretion unless directed to exercise such discretion by a Majority of the Applicable Holders, and, if so directed, shall exercise such discretion in accordance with the direction of a Majority of the Applicable Holders.

*Section 8.2 Fees, Charges, and Expenses of the Bond Trustee, the Bond Registrar, and the Authority.*

(a) The Bond Trustee, the Bond Registrar and the Authority shall be entitled to payment and reimbursement for reasonable fees for their respective services rendered hereunder and all advances, counsel fees and other expenses reasonably 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.

(b) The Authority shall require the Corporation, pursuant to the Loan Agreement, to indemnify and hold harmless the Bond Trustee against any liabilities that the Bond Trustee may incur in the exercise and performance of its powers and duties hereunder and under any other agreement referred to herein that are not due to the Bond Trustee's negligence or willful misconduct, and for any reasonable fees and expenses of the Bond Trustee. The rights of the Bond Trustee under this Section shall survive the payment in full of the Bonds and the discharge of this Bond Indenture.

(c) When the Bond Trustee incurs expenses or renders services after an Event of Default specified in Section 7.2 occurs, the reasonable expenses and the compensation for services (including the reasonable fees and expenses of its agents and counsel) are intended to constitute expenses of administration under applicable bankruptcy law.

(d) The Bond Trustee shall have a first lien and right of setoff against all funds held hereunder (other than the Rebate Fund) with respect to its fees for services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by the Bond Trustee.

*Section 8.3 Notice to the Authority and the Bondholders if an Event of Default Occurs.* If an Event of Default occurs, the Bond Trustee shall give written notice thereof by first class mail or an overnight delivery service, postage prepaid, to the Authority and to the owners of all Bonds then Outstanding as shown on the Bond Register.

*Section 8.4 Intervention by Bond Trustee.* In any judicial proceeding to which the Authority is a party and that in the opinion of the Bond Trustee and its counsel has a substantial bearing on the interests of the owners of the Bonds, the Bond Trustee may intervene on behalf of the Bondholders and, subject to the provisions of Section 8.1(k) hereof, shall do so if requested in writing by a Majority of the Applicable Holders. The rights and obligations of the Bond Trustee under this Section are subject to the approval of a court of competent jurisdiction.

*Section 8.5 Successor Bond Trustee.* Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, provided such corporation or association is otherwise eligible under Section 8.6 hereof, shall be and become the successor Bond Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

*Section 8.6 Bond Trustee Required; Eligibility.* There shall at all times be a Bond Trustee hereunder that shall be a commercial bank or trust company organized and in good standing under the laws of the United States of America, any state thereof, or the District of Columbia, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a reported combined capital and surplus of not less than \$50,000,000. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 8.7 hereof. No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee shall become effective until the successor Bond Trustee, shall have accepted its appointment under Section 8.11 hereof. If a successor Bond Trustee shall not have accepted its appointment under Section 8.11 hereof within 30 days of a notice of resignation or removal of the current Bond Trustee, the Bond Trustee may apply to a court of competent jurisdiction to appoint a successor Bond Trustee to act until such time, if any, as a successor shall have so accepted its appointment. All costs, fees and expenses related to such application to any court shall be paid by the Corporation.

*Section 8.7 Resignation by the Bond Trustee.* The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts hereby created by executing any instrument in writing resigning such trusts and specifying the date when such resignation shall take effect, and filing the same with the Authority and the Corporation not less than 45 days before the date specified in such instrument when such resignation shall take effect, and by giving notice to such resignation to each owner of Bonds then Outstanding by first class mail, postage prepaid, not less than 20 days prior to such resignation date.

*Section 8.8 Removal of the Bond Trustee.* The Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee and the Authority and signed by a Majority of the Applicable Holders. So long as no Event of Default or Default Condition shall have occurred and be continuing under this Bond Indenture or the Loan Agreement, the Bond Trustee may also be removed at any time by an instrument in writing signed by the Authority, upon the written request of the Corporation, and delivered to the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Authority unless written notice of the delivery of such instrument or instruments signed by the Authority is mailed to the owners of all Bonds Outstanding, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective upon the later of the acceptance of the appointment by the successor Bond Trustee, or the 60th day immediately succeeding the date of such notice, unless the owners of 10% or more in aggregate principal amount or the owners of 10% or more in Accreted Value of such Bonds then Outstanding shall object in writing to such removal and replacement, in which case the Bond Trustee shall not be removed. Such notice shall be mailed by first class mail postage prepaid to the owners of all such Bonds then Outstanding at the address of such owners then shown on the Bond Register.

*Section 8.9 Appointment of Successor Bond Trustee by the Bondholders; Temporary Bond Trustee.* In the event that the Bond Trustee shall give notice of resignation or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public office or offices, or of a receiver appointed by a court, a successor may with the prior written consent of

the Corporation (to the extent that no “Event of Default” shall have occurred and be continuing under the Loan Agreement and no Default Condition has occurred under the Loan Agreement), be appointed by a Majority of the Applicable Holders, by an instrument or concurrent instruments in writing signed by such Bondholders, or by their duly authorized attorneys in fact, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the Authority, the retiring Bond Trustee, the successor Bond Trustee and the Corporation. Pending such appointment by the Bondholders, the Authority may, with the consent of the Corporation (to the extent that no “Event of Default” shall have occurred and be continuing under the Loan Agreement), appoint a temporary successor Bond Trustee by an instrument in writing signed by an authorized officer of the Authority, a copy of which shall be delivered personally or sent by first class mail, postage prepaid, to the retiring Bond Trustee, the successor Bond Trustee, and the Corporation.

*Section 8.10 Judicial Appointment of Successor Trustee.* In case at any time the Bond Trustee shall resign or receive notice of removal and no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Article VIII prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the resigning Bond Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Bond Trustee. If no appointment of a successor Bond Trustee shall be made pursuant to the foregoing provisions of this Article VIII within six calendar months after a vacancy shall have occurred in the office of Bond Trustee, any owner of Bonds may apply to any court of competent jurisdiction to appoint a successor Bond Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Bond Trustee.

*Section 8.11 Concerning Any Successor Bond Trustees.*

(a) Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the Written Request of the Authority, or of its successor, execute and deliver an instrument transferring to such successor Bond Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as Bond Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Bond Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article shall be filed and/or recorded by the successor Bond Trustee in each recording office, if any, where this Bond Indenture shall have been filed and/or recorded.

(b) Notice of the appointment of any successor Bond Trustee hereunder shall be given by such successor Bond Trustee to each rating agency at such time maintaining a rating on the Bonds pursuant to Section 14.5 hereof.

*Section 8.12 Bond Trustee Protected in Relying Upon Resolution, Etc.* The resolutions, opinions, certificates and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Bond Trustee for the release of property and the withdrawal of cash hereunder.

*Section 8.13 Successor Bond Trustee as Bond Trustee of Funds, Paying Agent, and Bond Registrar.* In the event of a change in the Office of the Bond Trustee, the predecessor Bond Trustee that has resigned or been removed shall cease to be Bond Trustee of the Debt Service Fund, the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund, the Debt Service Reserve Fund and any other trust funds provided hereunder and shall cease to be the Bond Registrar and Paying Agent for the principal and Accreted Value of, and premium, if any, and interest on, the Bonds, and the successor Bond Trustee shall become such Bond Trustee, Bond Registrar and Paying Agent, unless a separate Paying Agent or Agents are appointed by the Authority in connection with the appointment of any successor Bond Trustee.

*Section 8.14 Paying Agents; Appointment and Acceptance of Duties; Removal.*

(a) The Bond Trustee is hereby designated and agrees to act as Paying Agent and as Bond Registrar for and in respect of the Bonds.

(b) The Authority may appoint one or more additional Paying Agents for the Bonds. Any such Paying Agent shall be a commercial bank or trust company organized under the laws of the United States of America or one of the states thereof. Each Paying Agent other than the Bond Trustee shall signify its acceptance of the duties and obligations imposed upon it by this Bond Indenture by executing and delivering to the Authority and the Bond Trustee a written acceptance thereof. The Authority may remove any Paying Agent other than the Bond Trustee and any successors thereto, and appoint a successor or successors thereto; provided that any such Paying Agent designated by the Authority shall continue to be a Paying Agent of the Authority for the purpose of paying the principal and Accreted Value of, and premium, if any, and interest on, the Bonds until the designation of a successor as such Paying Agent. Each Paying Agent is hereby authorized to pay or redeem Bonds when duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Bond Trustee for cancellation.

*Section 8.15 Trust Estate May Be Vested in Separate or Co-Trustee.*

(a) It is the intent of the Authority and the Bond Trustee that this Bond Indenture not violate the law of any jurisdiction (including particularly the State) denying or restricting the right of banking corporations or associations to transact business as Bond Trustee in that jurisdiction. It is recognized that in case of litigation under this Bond Indenture or the Loan Agreement, and in particular in case of the enforcement of any of them upon the occurrence of an Event of Default, or in case the Bond Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies granted to it



under this Bond Indenture or to hold title to the Trust Estate or take any other action that may be desirable or necessary in connection therewith, it may be necessary for the Bond Trustee to appoint an additional individual or institution as a separate or co-Bond Trustee. The following provisions of this Section are adapted to these ends.

(b) In the event that the Bond Trustee appoints an additional individual or institution as a separate or co-Bond Trustee, (i) each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended by this Bond Indenture to be exercised by or vested in or conveyed to the Bond Trustee with respect thereto is exercisable by and vests in the separate or co-Bond Trustee, but only to the extent necessary to enable the separate or co-Bond Trustee to exercise those powers, rights, and remedies that it is directed to exercise by the Bond Trustee or by a Majority of the Applicable Holders, and (ii) every covenant and obligation necessary to the exercise thereof by the separate or co-Bond Trustee runs to and is enforceable by either of them.

(c) Should any deed, conveyance or instrument in writing from the Authority be required by the separate Bond Trustee or co-Bond Trustee so appointed by the Bond Trustee for more fully and certainly vesting in and confirming to him, her or it those properties, rights, powers, trusts, duties and obligations, any and all deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate Bond Trustee or co-Bond Trustee, or successor to either, dies, becomes incapable of acting, resigns or is removed, all the estates, properties, rights, powers, trusts, duties and obligations of the separate Bond Trustee or co-Bond Trustee, so far as permitted by law, shall vest in and may be exercised by the Bond Trustee until the appointment of a new Bond Trustee or successor to the separate Bond Trustee or co-Bond Trustee.

*Section 8.16 Representations, Warranties, and Covenants of the Bond Trustee.* All federal, state and local governmental, public and regulatory authority approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings that are required to have been obtained or made by the Bond Trustee with respect to the authorization, execution, delivery and performance by, or the enforcement against or by, the Bond Trustee of this Bond Indenture have been obtained and are in full force and effect and all conditions of such approvals, consents, notices, authorizations, registrations, licenses, exemptions and filings have been fully complied with. The Bond Trustee has a combined capital and surplus of at least \$50,000,000.

## **ARTICLE IX**

### **SUPPLEMENTAL BOND INDENTURES**

*Section 9.1 Supplemental Indentures Not Requiring Consent of the Bondholders.* Subject to the limitations set forth in Section 9.2(a) hereof with respect to this Section 9.1, the Authority and the Bond Trustee may, without the consent of, but with prior written notice to, the Bondholders, enter into an indenture or indentures supplemental to this Bond Indenture for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Bond Indenture;

(b) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders and the Bond Trustee, or either of them;

(c) to assign and pledge under, or to subject to, this Bond Indenture additional revenues, properties or collateral;

(d) to evidence the appointment of a separate bond trustee or the succession of a new bond trustee hereunder in accordance with the provisions hereof;

(e) to modify, amend or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit any required 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 of America;

(f) to provide for the refunding or advance refunding of the Bonds, including the right to establish and administer an escrow fund and to take related action in connection therewith in accordance with the provisions of Article XI hereof;

(g) to modify, amend or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit certificated Bonds in accordance with the provisions hereof;

(h) to modify, amend or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit continued compliance with the Tax Agreement in manner that does not materially adversely affect the rights or interests of any Bondholder; and

(i) to modify, amend or supplement the provisions hereof in any other way that the Bond Trustee has determined does not materially adversely affect the rights or interests of any Bondholder.

*Section 9.2 Supplemental Indentures Requiring Consent of the Bondholders.*

(a) In addition to supplemental indentures described in Section 9.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, a Majority of the Holders shall, or, in case only one series of Bonds Outstanding is affected thereby, the owners of not less than a majority in aggregate principal amount or Accreted Value of the Bonds of the series so affected that are Outstanding at the time of such execution, have the right, from time to time, anything contained in this Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or any supplemental indenture; provided, however, that nothing in this Section or in Section 9.1 contained shall permit, or be construed as permitting, (i) an extension of the Maturity or reduction in the principal amount or Accreted Value of, or reduction in the rate or extension of the time of paying of interest on, or extension of or reduction of any amount payable on the redemption of, any Bonds, without the

consent of the owners of such Bonds, (ii) a reduction in the amount or extension of the time of any payment required to be made to or from the Interest Fund or the Bond Sinking Fund provided herein, without the consent of the owners of all the Bonds affected thereby, (iii) a reduction in the aggregate principal amount or Accreted Value of Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Bonds affected by such reduction, or (iv) the modification of the rights, duties, or immunities of the Bond Trustee, without the written consent of the Bond Trustee.

(b) If at any time the Authority shall request the Bond Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by first class mail or an overnight delivery service, postage prepaid, to the owners of the Bonds at their addresses as the same shall appear on the Bond Register. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided in this Section. If Bondholders required under Section 9.2(a) hereof 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 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 9.3 Consent of the Corporation.*

(a) Anything herein to the contrary notwithstanding, so long as no “Event of Default” or “Default Condition” has occurred under the Loan Agreement, a supplemental indenture under this Article IX that adversely affects the rights of the Corporation under the Loan Agreement shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to which the Corporation have not already consented, together with a copy of the proposed supplemental indenture and a written consent form to be signed by the Corporation, to be sent by first class mail or an overnight delivery service, postage prepaid, to the Corporation at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture.

(b) Anything herein to the contrary notwithstanding, so long as no “Event of Default” or “Default Condition” has occurred under the Master Indenture, a supplemental indenture under this Article IX that adversely affects the rights of the Corporation under the Master Indenture shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture.

*Section 9.4 Opinion of Bond Counsel.* The Bond Trustee shall not be obligated to execute any supplemental indenture authorized by this Article if such supplemental indenture, in the judgment of the Bond Trustee, adversely affects the rights, duties, liabilities, protections, indemnities or immunities of the Bond Trustee set forth herein. In executing any such supplemental indenture, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Bond Counsel to the effect that such supplemental indenture is authorized by this Bond Indenture and will not adversely affect the validity or enforceability of the Bonds or any exemption from federal income taxation to which the interest on the Bonds (other than the Series 2020A-1 Bonds) would otherwise be entitled.

## **ARTICLE X**

### **AMENDMENTS TO THE LOAN AGREEMENT**

*Section 10.1 Amendments to Loan Agreement Not Requiring Consent of the Bondholders.* Subject to the terms and provisions of Section 10.3 of this Bond Indenture, the Authority and the Corporation may, with the prior written consent of the Bond Trustee and with prior written notice of such amendment to the Bondholders, amend or modify the Loan Agreement, or any provision thereof, or may consent to the amendment or modification thereof, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect in the Loan Agreement; (b) to grant to or confer upon the Authority or Bond Trustee, for the benefit of the Bondholders, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Authority or the Bond Trustee; (c) 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 maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds other than the Series 2020A-1 Bonds; (d) to modify, amend, or supplement the Loan Agreement, or any part thereof, or any supplement thereto, in such manner as the Bond Trustee and Corporation deem necessary in order to comply with any statute, regulation, judicial decision, or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds other than the Series 2020A-1 Bonds; (e) to provide that Bonds may be secured by additional security not otherwise provided for herein or in the Loan Agreement; (f) to provide for the appointment of a successor securities depository; (g) to provide for the availability of certificated Bonds; and (h) to make any other change that does not, in the opinion of the Bond Trustee, have a material adverse effect upon the interests of the Bondholders. In addition, subject to the terms and provisions contained in Section 10.3 hereof, the Bond Trustee may grant such waivers of compliance by the Corporation with the provisions of the Loan Agreement as to which the Bond Trustee may deem necessary or desirable to effectuate the purposes of the intent of the Loan Agreement and that, in the opinion of the Bond Trustee, do not have a material adverse effect upon the interests of the Bondholders, provided that the Bond Trustee shall file with the Authority any and all such waivers granted by the Bond Trustee within three business days thereof.

*Section 10.2 Amendments to Loan Agreement Requiring Consent of the Bondholders.* Except for the amendments, changes or modifications as provided in Section 10.1 hereof, neither the Authority nor the Bond Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the written approval or consent, of a Majority of the

Applicable Holders, or, in case only one series of Bonds Outstanding is affected thereby, the owners of not less than a majority in aggregate principal amount or Accreted Value of the Bonds of the series so affected that are Outstanding hereunder at the time of execution of any such amendment, change, or modification; provided, however, that if such amendment, change or modification will, by its terms, not take effect so long as any Bonds of a specified series remain Outstanding, the consent of the owners of such Bonds shall not be required; and provided further, that no such amendment, change or modification shall affect the obligation of the Corporation to make payments on the Series 2020 Obligations as they become due and payable without the written approval or consent of all Bondholders affected thereby. If at any time the Authority and the Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to fees, expenses and liability, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 9.2 hereof with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to give such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to and approved as provided in this Section. If the Bondholders required hereunder 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 10.3 No Amendment May Alter the Series 2020 Obligations.* Under no circumstances shall any amendment to the Loan Agreement alter the Series 2020 Obligations pledged hereunder or regarding the payments of principal and Accreted Value thereof, or premium, if any, or interest thereon, without the consent of the owners of all the Bonds Outstanding affected thereby.

*Section 10.4 Opinion of Bond Counsel.* The Bond Trustee shall not be obligated to execute any amendment to the Loan Agreement authorized by this Article if such amendment, in the judgment of the Bond Trustee, adversely affects the rights, duties, liabilities, protections, indemnities or immunities of the Bond Trustee set forth herein. In executing any amendment to the Loan Agreement, the Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Bond Counsel to the effect that such amendment is authorized by this Bond Indenture and will not adversely affect the validity or enforceability of the Bonds or any exemption from federal income taxation to which the interest on the Bonds (other than the Series 2020A-1 Bonds) would otherwise be entitled.

## **ARTICLE XI**

### **SATISFACTION OF THIS BOND INDENTURE**

*Section 11.1 Defeasance.*

(a) If the Authority shall pay or provide for the payment of the entire indebtedness on all Bonds Outstanding (including, for the purposes of this Section 11.1, any Bonds held by any Member of the Obligated Group) in any one or more of the following ways:

(i) by paying or causing to be paid the principal and Accreted Value of (including redemption premium, if any) and interest on all Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing with the Bond Trustee, in trust, at or before Maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Bonds Outstanding (including the payment of premium, if any, and interest payable on such Bonds to Maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds Outstanding at or before their respective Maturity; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

(iii) by delivering to the Bond Trustee, for cancellation by it, all Bonds Outstanding; or

(iv) by depositing with the Bond Trustee, in trust, noncallable Government Obligations in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to pay or redeem (when redeemable) and discharge all the Bonds Outstanding (including the payment of premium, if any, and interest payable on such Bonds to Maturity or redemption date thereof), at or before their respective Maturity, all as confirmed by a verification report from a certified public accountant or other consultant acceptable to the Bond Trustee upon which the Bond Trustee may rely;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority, then and in that case, this Bond Indenture and the estate and rights granted hereunder shall cease, determine and become null and void, and thereupon the Bond Trustee shall, upon Written Request of the Authority, and upon receipt by the Bond Trustee of an Officer's Certificate and an opinion of Independent Counsel addressed to the Bond Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with, upon which the Bond Trustee may rely, forthwith execute proper instruments acknowledging satisfaction of and discharging this Bond Indenture and the lien hereof.

(b) If provision is made for payment of Bonds pursuant to this Section and any such Bonds will not be fully paid with the cash and proceeds of Government Obligations within 90 days after such deposit, as a further condition of such Bonds ceasing to be Outstanding hereunder and of the discharge of this Bond Indenture, the Corporation shall obtain and deliver to the Bond Trustee a rating of the applicable Bonds from a Rating Agency, based on the cash and Government Obligations deposited with the Bond Trustee hereunder, which rating shall be the

highest rating then available from the applicable Rating Agency for bonds defeased with cash and/or Government Obligations.

(c) The satisfaction and discharge of this Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the Authority and the Corporation for any fees and expenditures that it may thereafter incur in connection herewith.

(d) All moneys, funds, securities or other property remaining on deposit in the Debt Service Fund, the Interest Fund, the Bond Sinking Fund, the Optional Redemption Fund, the Debt Service Reserve Fund or in any other Fund or investment under this Bond Indenture (other than said Government Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of this Bond Indenture, forthwith be transferred, paid over and distributed to the Authority and the Corporation, as their respective interests may appear.

(e) The Authority or the Corporation may at any time surrender to the Bond Trustee for cancellation by it any Bonds previously authenticated and delivered, that the Authority or the Corporation may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

*Section 11.2 Liability of Authority Not Discharged.* Upon the deposit with the Bond Trustee, in trust, at or before Maturity, of money or noncallable Government Obligations in the necessary amount to pay or redeem all Outstanding Bonds (whether upon or prior to Maturity or the redemption date of such Bonds) and compliance with the other payment requirements of Section 11.1 hereof, provided that if such Bonds are to be redeemed prior to the Maturity thereof, notice of such redemption shall have been given as in Article V herein provided, or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, and subject to the provisions of Section 11.4 hereof, this Bond Indenture may be discharged in accordance with the provisions hereof, but the liability of the Authority in respect of the Bonds shall continue, provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or the Government Obligations deposited with the Bond Trustee as aforesaid.

*Section 11.3 Provision for Payment of a Particular Series of Bonds or any Portion Thereof.*

(a) If the Authority shall pay or provide for the payment of the entire indebtedness on all Bonds (including for purposes of this Section 11.3 Bonds held by any Member of the Obligated Group) of a particular series or any portion of a particular series, in one or more of the following ways:

(i) by paying or causing to be paid the principal and Accreted Value of (including redemption premium, if any) and interest on all Bonds of such series Outstanding or any such portion thereof as and when the same shall become due and payable;

(ii) by depositing with the Bond Trustee, in trust, at or before Maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all of such portion of the Bonds (including the payment of premium, if any, and interest payable on all Bonds of such series Outstanding or any such portion thereof to the Maturity or

redemption date thereof), provided that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds of such series Outstanding or any such portion thereof at or before their respective Maturity; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

(iii) by delivering to the Bond Trustee, for cancellation by it, all Bonds of such series Outstanding or any such portion thereof; or

(iv) by depositing with the Bond Trustee, in trust, noncallable Government Obligations in such amount as the Bond Trustee shall determine, which may be in reliance on a verification report from a certified public accountant or other consultant acceptable to the Bond Trustee, will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds of such series Outstanding (including the payment of premium, if any, and interest payable on such Bonds to Maturity or redemption thereof) or any such portion thereof at or before their respective Maturity;

and if the Authority shall also pay or cause to be paid all other sums payable hereunder by the Authority with respect to all Bonds of such series outstanding or any such portion thereof, and, if such Bonds of such Series or any such portion thereof are to be redeemed prior to the Maturity thereof, notice of such redemption shall have been given as in Article V hereof provided or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit, or security hereunder. The liability of the Authority in respect of such Bonds shall continue, but the owners thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Government Obligations deposited with the Bond Trustee as aforesaid.

(b) If provision is made for payment of Bonds pursuant to this Section and any such Bonds will not be fully paid with the cash and proceeds of Government Obligations within 90 days after such deposit, as a further condition of such Bonds ceasing to be Outstanding hereunder and of the discharge of this Bond Indenture, the Corporation shall obtain and deliver to the Bond Trustee a rating of the applicable Bonds from a Rating Agency, based on the cash and Government Obligations deposited with the Bond Trustee hereunder, which rating shall be the highest rating then available from the applicable Rating Agency for bonds defeased with cash and/or Government Obligations.

*Section 11.4 When Refunding is Not Permitted.* None of the Bonds Outstanding may be refunded as aforesaid nor may this Bond Indenture be discharged if under any circumstances such refunding or discharge would result in the loss of any exemption for purposes of federal income taxation to which interest on the Bonds other than the Series 2020A-1 Bonds would otherwise be entitled. As a condition precedent to the advance refunding of any Bonds Outstanding (other than the Series 2020A-1 Bonds), the Bond Trustee shall receive an Opinion of Bond Counsel to the effect that such advance refunding will not result in the loss of any



exemption for purposes of federal income taxation to which the interest on such Bonds would otherwise be entitled, notwithstanding the satisfaction and discharge of this Bond Indenture.

## **ARTICLE XII**

### **MANNER OF EVIDENCING OWNERSHIP OF BONDS; BONDS HELD BY CORPORATION**

*Section 12.1 Proof of Ownership.* Any request, direction, consent or other instrument provided by this Bond Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by an agent appointed in writing. Proof of the execution of any such request, direction or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Bond Indenture and shall be conclusive in favor of the Bond Trustee and the Authority, with regard to any action taken by them, or either of them, under such request or other instrument, namely:

(a) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the person signing such writing acknowledged before him the execution thereof, or by the affidavit of a witness of such execution; and

(b) the ownership of Bonds and the amounts and registration numbers of such Bonds and the date of owning the same shall be proved by the Bond Register.

Any action taken or suffered by the Bond Trustee pursuant to any provision of this Bond Indenture, upon the request or with the assent of any person who at the time is the owner of any Bond or Bonds, shall be conclusive and binding upon all future owners of the same Bond or Bonds.

## **ARTICLE XIII**

### **MISCELLANEOUS**

*Section 13.1 Limitation of Rights.* With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto and the owners of the Bonds, any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and provisions herein contained; this Bond Indenture and all of the covenants, conditions and provisions hereof 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 13.2 Unclaimed Moneys.* Any moneys deposited with the Bond Trustee by or on behalf of the Authority in accordance with the terms and covenants of this Bond Indenture in order to redeem or pay any Bond in accordance with the provisions of this Bond Indenture and remaining unclaimed by the owners of the Bond for four years after the final maturity of all

Bonds issued hereunder or the redemption date of all the Bonds shall, if the Authority is not at the time to the knowledge of the Bond Trustee in default with respect to any of the terms and conditions of this Bond Indenture or in the Bonds contained and the Corporation is not in default with respect to any of the terms and conditions of the Loan Agreement, be repaid by the Bond Trustee to the Corporation; and thereafter the owners of the Bond shall be entitled to look only to the Authority for payment thereof provided that the Authority shall be obligated to make such payment only to the extent it obtains funds therefor from the Corporation pursuant to Section 6.9 of the Loan Agreement. The Bond Trustee, before being required to make any such repayment, shall, at the expense of the Authority, mail to the registered owners of the Bonds, at the address that last appears on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in said notice any unclaimed balance of said moneys then remaining shall be paid to the Corporation. Such moneys may be held uninvested by the Bond Trustee. The Authority hereby covenants and agrees to indemnify and save the Bond Trustee harmless from any and all loss, costs, liability and expense suffered or incurred by the Bond Trustee by reason of having returned any such moneys to the Authority as herein provided.

*Section 13.3 Severability.* If any provision of this Bond Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections in this Bond Indenture contained shall not affect the remaining portions of this Bond Indenture or any part thereof.

*Section 13.4 Notices.* Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same are: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the Authority:

Illinois Finance Authority  
Two Prudential Plaza  
180 N. Stetson Avenue  
Suite 2555  
Chicago, Illinois 60601  
Attention: Executive Director  
(312) 651-1300

with a copy to:

Illinois Finance Authority  
Two Prudential Plaza  
180 N. Stetson Avenue, Suite 2555  
Chicago, Illinois 60601  
Attention: General Counsel

To the Corporation:

Clare Oaks  
825 Carillion Drive  
Bartlett, Illinois 60103-4401  
Attention: President  
(630) 837-4061

To the Bond Trustee:

UMB Bank, N.A.  
120 South Sixth Street, Suite 1400  
Minneapolis, Minnesota, 55402  
Attention: Corporate Trust Department  
(612) 337-7004

Any notice given pursuant to the terms hereof to the Bond Trustee shall also be given to the Bond Trustee's Agent. Notices shall be given to the Bond Trustee's Agent at the address furnished to the respective parties from time to time by the Bond Trustee.

*Section 13.5 Bond Trustee as Paying Agent and Registrar.* The Bond Trustee is hereby designated and agrees to act as principal Paying Agent and bond registrar for and in respect to the Bonds.

*Section 13.6 Counterparts.* This Bond Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 13.7 Governing Law.* This Bond Indenture shall be governed by and construed in accordance with the laws of the State of Illinois applicable to contracts performed wholly therein.

*Section 13.8 Provisions for Payment of Expenses.* The Authority shall not be obligated to execute any documents or take any other action under or pursuant to this Bond Indenture, the Loan Agreement, the Series 2020 Obligations, or any other document in connection with the Bonds unless and until provision for the payment of expenses of the Authority, including legal counsel fees, shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the Authority for the provision of expenses being agreed upon by the Authority and the party requesting such execution.

*Section 13.9 Immunity of Officers, Employees and Members of Authority.* No recourse shall be had for the payment of the principal or Accreted Value 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 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 13.10 Payments Due on Non-Business Days.* If a payment date is not a Business Day at the place of payment, then payment may be made at that place on the next Business Day, and no interest shall accrue for the intervening period.

IN WITNESS WHEREOF, the ILLINOIS FINANCE AUTHORITY has caused these presents to be signed in its name and on its behalf by its Executive Director, and to evidence its acceptance of the trusts hereby created, UMB BANK, N.A. has caused these presents to be signed in its name and on its behalf by one of its Vice Presidents, and its official seal to be hereunto affixed, and the same to be attested by one of its Assistant Vice Presidents, all as of the day and year first above written.

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director

UMB BANK, N.A., as Bond Trustee

By: \_\_\_\_\_  
Vice President

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Assistant Vice President

8954579v.6

## **EXHIBIT D-3**

LOAN AGREEMENT

DATED AS OF \_\_\_\_\_, 2020

BY AND BETWEEN

CLARE OAKS

AND

ILLINOIS FINANCE AUTHORITY

The rights of the Illinois Finance Authority hereunder have been assigned to UMB Bank, N.A., as Bond Trustee under a Bond Trust Indenture dated as of \_\_\_\_\_, 2020 from the Illinois Finance Authority.

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## LOAN AGREEMENT

This is a LOAN AGREEMENT dated as of \_\_\_\_\_, 2020 (herein referred to sometimes as “this Loan Agreement”), between CLARE OAKS, an Illinois not for profit corporation (the “*Corporation*”), and the ILLINOIS FINANCE AUTHORITY (the “*Authority*”), a body politic and corporate constituting a public instrumentality created and existing under and by virtue of the Illinois Finance Authority Act, as amended (the “*Act*”).

## PRELIMINARY STATEMENT

Reference is hereby made to the Bond Trust Indenture (the “*Bond Indenture*”) dated as of \_\_\_\_\_, 2020, between the Authority and UMB Bank, N.A., as bond trustee (the “*Bond Trustee*”), relating to the Bonds (as defined below), and to the Master Indenture (as hereinafter defined), for definitions of various terms used herein.

Pursuant to the Act, at the request of the Borrower, the Authority previously issued its \$8,000,000 in aggregate principal amount of its Taxable Revenue Bonds, Series 2012A-1 (Clare Oaks) (the “*Series 2012A-1 Bonds*”), \$4,000,000 in aggregate principal amount of its Revenue Bonds, Series 2012A-2 (Clare Oaks) (the “*Series 2012A-2 Bonds*”), \$2,000,000 in the aggregate principal amount of its Taxable Revenue Bonds, Series 2012A-3 (Clare Oaks) (the “*Series 2012A-3 Bonds*” and, together with the Series 2012A-1 Bonds and the Series 2012A-2 Bonds, the “*Series 2012A Bonds*”), \$40,004,015 in aggregate principal amount of its Subordinated Revenue Refunding Bonds, Series 2012B (Clare Oaks) (the “*Series 2012B Bonds*”), \$25,004,910 in aggregate original principal amount of its Subordinated Revenue Refunding Bonds, Series 2012C-1 (Clare Oaks) (the “*Series 2012C-1 Bonds*”), \$4,993,300 in aggregate original principal amount of its Subordinated Revenue Refunding Bonds, Series 2012C-2 (Clare Oaks) (the “*Series 2012C-2 Bonds*”), and \$4,993,300 in aggregate original principal amount of its Subordinated Revenue Refunding Bonds, Series 2012C-3 (Clare Oaks) (the “*Series 2012C-3 Bonds*” and, together with the Series 2012C-1 Bonds and the Series 2012C-2 Bonds, the “*Series 2012C Bonds*,” the Series 2012A Bonds, the Series 2012B Bonds and the Series 2012C Bonds being referred to herein as the “*2012 Bonds*”), under and pursuant to a Bond Trust Indenture (the “*Series 2012 Bond Indenture*”) dated as of December 1, 2012 between the Authority and the 2012 Bond Trustee; and

The 2012 Bonds were exchanged for bonds previously issued by the Authority, the proceeds of which were loaned to Clare Oaks (the “*Corporation*” or the “*Borrower*”), an Illinois not for profit corporation and a “participating health institution” as defined in the Act, to provide the Corporation with a portion of the funds necessary to (i) pay or reimburse the Corporation for, or refinance outstanding indebtedness the proceeds of which were used for, the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain retirement, health and nursing care facilities owned by the Corporation, and all necessary and attendant facilities, equipment, site work and utilities thereto, including but not limited to the acquisition, construction, renovation, remodeling and equipping of a continuing care retirement community containing independent living units, assisted living units, memory care beds and nursing care beds on the Corporation’s campus in Bartlett, Illinois (the “*Project*” or the “*Bond Financed Property*”); (ii) pay a portion of the interest on such bonds; (iii) fund debt service reserve funds; and (iv) pay certain expenses incurred in connection with the issuance of the such bonds; and

As part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the “*Plan*”), the Borrower has requested that the Authority issue \$5,740,000 in aggregate principal amount of its Taxable Revenue Refunding Bonds, Series 2020A-1 (Clare Oaks) (the “*Series 2020A-1 Bonds*”), \$2,875,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-2 (Subseries I) (Clare Oaks) (the “*Series 2020A-2I Bonds*”), \$21,385,000 in the aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-3 (Clare Oaks) (the “*Series 2020A-3 Bonds*”), \$13,500,000 in the aggregate principal amount of its Revenue Refunding Capital Appreciation Bonds, Series 2020B-1 (Clare Oaks) (the “*Series 2020B-1 Bonds*”) and exchange the Series 2020A-1 Bonds, Series 2020A-2A Bonds, the Series 2020A-3 and Series 2020B-1 Bonds for all outstanding Series 2012A Bonds and Series 2012B Bonds as further set forth herein;

As part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the “*Plan*”), the Borrower has requested that the Authority issue \$5,000,000 in aggregate principal amount of its Revenue Refunding Bonds, Series 2020A-2 (Subseries II) (Clare Oaks) (the “*Series 2020A-2II Bonds*”) and \$2,500,000 in aggregate principal amount of its Capital Appreciation Bonds Revenue Bonds, Series 2020B-2 (Clare Oaks) (the “*Series 2020B-2 Bonds*” and together with the *Series 2020A-1 Bonds*, the *Series 2020A-2I Bonds*, the *Series 2020A-2II Bonds*, the *Series 2020A-3 Bonds* and the *Series 2020B-1 Bonds*, the “*Bonds*”) for the purpose of funding certain capital costs associated with the Project and funding a portion of an operating reserve fund for the Project; and

As part of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the “*Plan*”), the Series 2012C Bonds are being cancelled in full;

The Authority is authorized under the Act to issue its bonds for the purposes aforesaid and the Authority has determined that the public interest will be best served and that the purposes of the Act can be more advantageously obtained by the Authority’s issuance of Bonds for the foregoing purposes; and

The execution and delivery of this Bond Indenture and the issuance of the Bonds under the Act have been in all respects duly and validly authorized by resolution duly passed and approved by the Authority; and

The Authority will secure the Bonds pursuant this Loan Agreement under which the Corporation will covenant to make payments at such times and in such amounts (including principal, Accreted Value, interest and premium, if any) so as to provide for the payment of the principal or Accreted Value of, premium, if any, and interest on the Bonds outstanding under this Bond Indenture; and

As further security for the repayment of the Bonds, the Corporation will issue to the Authority its Direct Note Obligation, Series 2020A-1 (the “*Series 2020A-1 Obligation*”), in the principal amount of \$5,740,000, its Direct Note Obligation, Series 2020A-2 (the “*Series 2020A-2 Obligation*”) in an aggregate principal amount equal to \$7,875,000, its Direct Note Obligation, Series 2020A-3 (the “*Series 2020A-3 Obligation*” and together with the Series 2020A-1 Obligation, the Series 2020A-2 Obligation, the “*Series 2020A Obligations*”), in the principal amount of \$21,385,000, its Direct Note Obligation, Series 2020B-1 (the “*Series 2020B-1*

*Obligation*”), in the original principal amount of \$13,500,000 and its Direct Note Obligation, Series 2020B-2 (the “*Series 2020B-2 Obligation*” and together with the Series 2020A Obligation, the Series 2020B-1 Obligation, the “*Series 2020 Obligations*”), in the original principal amount of \$2,500,000, pursuant to a Master Trust Indenture (Amended and Restated) dated as of \_\_\_\_\_ 1, 2020 (the “*Master Indenture*”), between the Corporation, as the initial Member of the Obligated Group, and Wells Fargo Bank, National Association, as master trustee (the “*Master Trustee*”); and

In consideration of the premises, the respective representations and agreements contained herein, the acceptance of the Series 2012 Obligations by the Authority and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal and Accreted Value of, premium, if any, and interest payable on the Series 2012 Obligations and the performance of all the covenants of the Corporation contained herein, the parties hereto agree as follows:

## ARTICLE I

### DEFINITIONS

The terms used in this Loan Agreement, unless the context requires otherwise, shall have the same meanings as set forth in the Master Indenture and in the Bond Indenture. All accounting terms not otherwise defined in the Master Indenture, the Bond Indenture, or herein shall have the meanings assigned to them in accordance with generally accepted accounting principles.

All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

## ARTICLE II

### REPRESENTATIONS

*Section 2.1 Representations by Authority.* The Authority represents and warrants that:

(a) The Authority is a body politic and corporate validly created and existing under the Act, is authorized to enter into the transactions contemplated by this Loan Agreement and to carry out its obligations hereunder, and has been duly authorized to execute and deliver this Loan Agreement.

(b) It is the Authority’s understanding, based upon certain representations of the Corporation, that the issuance and delivery of the Bonds is to provide for the payment of certain obligations of the Corporation certain capital and operating costs associated with the Project, the establishment of an unrestricted reserve fund for the Project and a debt service reserve fund for certain of the Bonds and the payment of certain expenses incurred in connection with the issuance of the Bonds and the restructuring of the Series 2012 Bonds through the exchange of certain of the Bonds for the Series 2012 Bonds.

(c) For the purposes described in Subsection 2.1 (b) above, the Authority has authorized its Series 2020A-1 Bonds in the aggregate principal amount of \$\_\_\_\_\_, its Series 2020A-2 (Subseries I) Bonds in the aggregate principal amount of \$\_\_\_\_\_, its Series 2020A-2 (Subseries II) Bonds in the aggregate principal amount of \$\_\_\_\_\_, its Series 2020A-3 Bonds in the aggregate principal amount of \$\_\_\_\_\_, its Series 2020B-1 Bonds in the aggregate principal amount of \$\_\_\_\_\_, and its Series 2020B-2 Bonds in the aggregate original principal amount of \$\_\_\_\_\_, all to be issued upon the terms set forth in the Bond Indenture, under the provisions of which the Authority's interest in this Loan Agreement and the payments of principal, premium, if any, interest and other revenues hereunder (other than Unassigned Rights), and under the Series 2020 Obligations is pledged and assigned to the Bond Trustee as security for the payment of the principal and Accreted Value of, premium, if any, and interest on the Bonds. The Authority covenants that it has not pledged or assigned, and will not pledge or assign, its interest in this Loan Agreement, or the revenues and receipts derived pursuant to this Loan Agreement, excepting the Unassigned Rights, other than to the Bond Trustee to secure the Bonds.

(d) To the best of its knowledge, no member of the Authority or officer, agent or employee thereof is, in his or her own name or in the name of a nominee, an officer, director or holder of an ownership interest of more than 7.5% in any person, association, trust, corporation, partnership or other entity which is, in its own name or in the name of a nominee, a party to any contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote in connection with the Bond Financed Property.

(e) To the best of its knowledge, no member of the Authority or officer, agent or employee thereof is, in his or her own name or in the name of a nominee, a holder of any direct or indirect interest (other than a prohibited interest described in paragraph (d) above) in any contract or agreement upon which the member or officer, agent or employee may be called upon to act or vote in connection with the Bond Financed Property, except for direct or indirect interests (other than prohibited interests), (i) which such member, officer, agent or employee has disclosed to the Secretary of the Authority prior to the taking of final action by the Authority with respect to such contract or agreement in the manner required by Section 845-45(b) of the Act, which disclosure has been publicly acknowledged by the Authority and entered upon the minutes of the Authority, and (ii) as to which the member, officer, agent or employee has refrained from taking the actions described in said Section 845-45(b).

(f) Neither the Authority's execution of this Loan Agreement, its consummation of the transaction contemplated on its part thereby, nor the Authority's fulfillment or compliance with the terms and conditions thereof conflicts with or results in a breach of the terms, conditions and provisions of any material restriction, agreement or instrument to which the Authority is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

*Section 2.2 Representations and Warranties by the Corporation.* The Corporation makes the following representations and warranties as the basis for its covenants herein:

(a) The Corporation is a not for profit corporation duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State, is duly authorized and has full power under all applicable laws and its Articles of Incorporation and Bylaws to create, issue, enter into, execute and deliver the Master Indenture, the Series 2020 Obligations, the Tax Exemption Agreement, the Mortgage and this Loan Agreement (collectively, the “*Corporation Agreements*”).

(b) The Bond Financed Property being refinanced with the Bonds is comprised of facilities for use by the Corporation as residential independent living units, assisted living units, nursing beds and related facilities, and the Corporation presently intends to operate the Bond Financed Property for such purposes to the expiration or earlier termination of this Loan Agreement. The Bond Financed Property constitutes a “project” as defined in the Act. No portion of the Bond Financed Property includes any property used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship or any property which is used or to be used primarily in connection with any part of the program of a school or department of divinity for any religious denomination.

(c) The execution and delivery of the Corporation Agreements on the Corporation’s part have been duly authorized by all necessary corporate action, and neither the Corporation’s execution and delivery of the Corporation Agreements, the Corporation’s consummation of the transactions contemplated on its part thereby, nor the Corporation’s fulfillment of or compliance with the terms and conditions thereof, conflicts with or results in a material breach of the Articles of Incorporation or Bylaws of the Corporation or any material agreement or instrument to which the Corporation is now a party or by which it is bound (except for any such breaches for which the Corporation has obtained a waiver or a consent), or constitutes a material default (or would constitute a material default with due notice or the passage of time or both) under any of the foregoing (except for any such defaults for which the Corporation has obtained a waiver or consent).

(d) 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 the Corporation Agreements 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 Corporation Agreements. In addition, 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) The Corporation is a Tax-Exempt Organization; the Corporation has received a determination letter from the Internal Revenue Service to the effect that the Corporation is a Tax-Exempt Organizations; and the Corporation has not declared and has not been determined to have any “unrelated business taxable income” as defined in Section 512 of the Code, in an amount which could have a material adverse effect on the Corporation’s status as a Tax-Exempt Organization, or which, if such income were subject to federal income taxation, would have a material adverse effect on the condition, financial or otherwise, of the Corporation.

(f) [Reserved]

(g) The information used in the preparation of this Loan Agreement, the Tax Exemption Agreement and any other written statement furnished by the Corporation to the Authority do not 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 adversely affects or, so far as the Corporation can now foresee, will materially adversely affect the financial condition of the Corporation, the tax-exempt status of the Corporation, the ability of the Corporation to own and operate the Bond Financed Property or the Corporation’s ability to make payments on the Series 2020 Obligations and under this Loan Agreement when and as the same become due and payable.

(h) Compliance by the Corporation with the provisions of the Corporation Agreements will not involve, to the extent applicable, any prohibited transaction within the meaning of the Employee Retirement Income Security Act of 1974, as amended (herein sometimes referred to as “ERISA”), or Section 4975 of the Code. No “employee pension benefit plans” that are subject to Title IV of ERISA (herein sometimes referred to as “Plans”) maintained by the Corporation, nor any trust created thereunder, have incurred any “accumulated funding deficiency” as defined in Section 302 of ERISA, to the extent applicable and the present value of all benefits vested under all Plans, if any, did not exceed, as of the last annual valuation date, the value of the assets of the Plans allocable to such vested benefits.

(i) The Corporation has any and all necessary licenses and permits to occupy and operate its existing facilities including the Bond Financed Property. The Corporation received all certificates of need from the Illinois Health Facilities and Services Review Board (formerly known as the Illinois Health Facilities Planning Board) that were necessary in order to construct and equip the Bond Financed Property. With respect to the construction and equipping of the Bond Financed Property with proceeds of the Series 2006 Bonds, the Corporation has complied with the Illinois Prevailing Wage Act, 820 ILCS 130/1 to 130/12, to the extent required by the Act and other applicable laws.

(j) The representations and certifications contained in the Tax Exemption Agreement and the Project Certificate executed by the Corporation on the Closing Date are true and correct, and are incorporated by reference herein.



## ARTICLE III

### PROJECT DOCUMENTS, TITLE OPINION AND RELATED MATTERS

*Section 3.1 Project Documents.* On or before the day on which the Bonds are issued and delivered (the “*Closing Date*”) the Corporation will deliver to the Authority (unless the right to delivery thereof is waived by the Authority) and to the Bond Trustee copies of the following: (i) a survey of the real property on which the Bond Financed Property is located indicating the location of the Bond Financed Property prepared by a surveyor licensed in the State in accordance with the standard detail requirements for land title surveys adopted by the American Title Association and the American Congress on Surveying and Mapping in 2005, as revised and in effect on the date thereof, together with an Officer’s Certificate of the Corporation certifying, among other things, that (a) such survey is true, complete and correct in all material respects as of the Closing Date and (b) since the dates of such survey, there have been no changes as to any encroachments, overlaps or unrecorded easements which a current update of the survey would disclose, except encroachments, overlaps or unrecorded easements of the type described in subparagraphs (f) and (h) of the definition of Permitted Encumbrances, (ii) the Project Certificate Exhibit, (iii) all permits and approvals required from the Illinois Department of Public Health and from the Illinois Health Facilities and Services Review Board and from any other governmental agency as may be necessary for the exchange of the Series 2012 Bonds for the Series 2020 Bonds and issuance of the Series 2020A Bonds and (iv) all licenses and permits to operate the existing Facilities of the Corporation including, without limitation, the Bond Financed Property (said documents are herein collectively called the “*Project Documents*”). The Authority and the Bond Trustee may waive their right to receive copies of any or all of the Project Documents.

*Section 3.2 No Liens Opinion.* On or prior to the Closing Date, the Corporation, at its own cost and expense, will deliver to the Bond Trustee and the Authority an opinion of counsel, which counsel and opinion, including without limitation, the scope, form, substance and other aspects thereof, are acceptable to the Authority, to the effect that all liens on the Corporation’s existing Property including, without limitation, the Project, constitute Permitted Encumbrances. Such opinion may be based upon (i) a title insurance policy with respect to the Bond Financed Property, (ii) the survey of such real property described in Section 3.1 hereof, (iii) the Officer’s Certificates described in Section 3.1 hereof, (iv) a certificate of an officer of the Corporation dated as of the Closing Date with respect to (a) easements or claims of easements not shown in the public records, (b) any lien or right to lien not shown by the public records, and (c) whether any title matters constitute the type of Permitted Encumbrances specified in subparagraph (f) or (h) of the definition thereof, and (v) searches of financing statements or written reports from the Secretary of State regarding Uniform Commercial Code filings.

*Section 3.3 Changes in or Amendments to Project Documents.* The Corporation may make, authorize or permit such changes in or amendments to the Project Documents as the Corporation may reasonably determine necessary or desirable; provided, however, that no such change or amendment shall be made to the Project Documents unless such change or amendment will not cause the average reasonably expected economic life of the Bond Financed Property to be such that the Corporation is not in compliance with the provisions of the Tax Exemption Agreement regarding the average useful life of the Bond Financed Property. No such change or

amendment shall be made which (a) would result in the Bond Financed Property being used for any purpose prohibited by Section 7.1 hereof, (b) would result in the Bond Financed Property or any portion thereof not being located on the real property of the Corporation constituting the Mortgaged Property (as defined in the Master Indenture), (c) would violate or conflict with the terms of any approvals or findings of non-reviewability concerning the Project by the Illinois Department of Public Health or Illinois Health Facilities and Services Review Board, (d) cause the representations of the Corporation contained in Section 2.2 hereof to be untrue, as if such representations were made as of the date of such change or amendment or (e) result in proceeds of the Series 2020 Bonds being expended at any location which was not described in the notice of public hearing published in connection with the issuance of the Bonds, unless the Corporation delivers an Opinion of Bond Counsel to the Authority and the Bond Trustee stating that the expenditure of proceeds at another location would not result in the loss of any exemption for the purposes of federal income taxation to which interest on the Bonds would otherwise be entitled. A copy of each such change in or amendment to the Project Documents shall be filed promptly with the Authority (unless the right to delivery thereof is waived by the Authority) and the Bond Trustee.

*Section 3.4 Agreement to Complete the Project; Agreement to Equip the Project.* The Corporation agrees to cause the Project to be maintained as and to acquire or otherwise provide all equipment and furnishings necessary for the operation of the Project as “health facilities” under the Act and facilities related thereto.

## **ARTICLE IV**

### **INVESTMENT OF FUNDS**

*Section 4.1 Investment of Funds; Arbitrage; Tax Exemption Agreement.* The Corporation covenants and agrees that moneys on deposit in any Funds under the Bond Indenture (excluding the Rebate Fund) shall at all times be invested by the Bond Trustee in Qualified Investments and that the Corporation will take all actions necessary, including without limitation providing the Obligated Group Representative with all necessary information, to assure that such moneys are continuously invested in accordance with the provisions of the Bond Indenture and the Tax Exemption Agreement. The Corporation further covenants and agrees that it will not take any action or fail to take any action, including without limitation any action with respect to the investment of the proceeds of any Tax-Exempt Bonds (regardless of the source or whether or not held under the Bond Indenture), with respect to any other moneys or securities deposited with the Bond Trustee pursuant to the Bond Indenture, with respect to the payments derived from the Series 2020 Obligations pledged under the Bond Indenture or from the Master Indenture or the Loan Agreement, with respect to the purchase of other Authority obligations or with respect to any actions or payments required under the Tax Exemption Agreement which may result in constituting the Tax-Exempt Bonds “arbitrage bonds” within the meaning of such term as used in Section 148 of the Code. The Corporation covenants that neither it nor any related person, as defined in Sections 144(a)(3) and 147(a) of the Code, shall, pursuant to an arrangement, formal or informal, purchase obligations of the Authority in an amount related to the amount of the Series 2020 Obligations delivered in connection with the transaction contemplated hereby.

## **ARTICLE V**

### **ISSUANCE OF BONDS OF THE AUTHORITY**

*Section 5.1 Payment of Bonds.* The Corporation agrees that the principal and Accreted Value of, the redemption premiums, if any, and the interest on the Bonds shall be made payable in accordance with the provisions of the Bond Indenture and this Loan Agreement and that this Loan Agreement, and payments to be made hereunder and hereon (excluding Unassigned Rights) and the Series 2020 Obligations, shall be assigned and pledged to the Bond Trustee to secure the payment of the Bonds. The foregoing notwithstanding, the Corporation agrees that the moneys and securities, if any, on deposit in the Rebate Fund are not part of the “Trust Estate” and are not available to make payments of principal and Accreted Value of and interest on the Bonds.

*Section 5.2 Right of Bond Trustee to Enforce Loan Agreement, Series 2020 Obligations.* The Corporation agrees that the Series 2020 Obligations, this Loan Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority under the Series 2020 Obligations and this Loan Agreement (except Unassigned Rights), may be protected and enforced in conformity with the Bond Indenture and 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 Bondholders in conformity with the provisions of this Loan Agreement, the Master Indenture and the Bond Indenture.

## **ARTICLE VI**

### **NOTE PAYMENTS; FUND DEPOSITS; PREPAYMENTS AND OTHER PAYMENTS**

*Section 6.1 Payment of Principal, Accreted Value, Premium, if any, and Interest.* The Corporation will duly and punctually pay the principal and Accreted Value of, premium, if any, and interest on the Series 2020 Obligations at the dates and the places and in the manner mentioned in the Series 2020 Obligations and this Loan Agreement, according to the true intent and meaning thereof and hereof. Notwithstanding any schedule of payments upon the Series 2020 Obligations, the Corporation agrees to make payments upon the Series 2020 Obligations and be liable therefor at such times and in such amounts (including principal, Accreted Value, interest and premium, if any) so as to provide for payment of the principal and Accreted Value of, premium, if any, and interest on the Bonds outstanding under the Bond Indenture when due, whether upon a scheduled Interest Payment Date, at maturity or by mandatory redemption, acceleration or otherwise upon the Bonds. The Corporation also agrees to make any payments as required under the Tax Exemption Agreement.

*Section 6.2 Payments in Respect of Series 2020 Obligations and Loan Agreement.* The Corporation covenants and agrees to make the following payments in respect of the Series 2020 Obligations directly to the Bond Trustee for deposit, as the case may be, into the appropriate fund established by the Bond Indenture, on the following dates:

(a) *Interest:* On or before the first day of each month, commencing December 1, 2020, an amount equal to one-sixth of the amount payable on the immediately succeeding Interest Payment Date as interest on the Series 2020A Bonds; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 6.3 hereof.

(b) *Principal:* On or before the first day of each month, commencing December 1, 2023, an amount equal to not less than one-twelfth of the amount of principal becoming due on the Series 2020A Bonds on the next succeeding November 15, by maturity or mandatory Bond Sinking Fund redemption; provided, however, that the Corporation may be entitled to certain credits on such payments as permitted under Section 6.3 hereof.

(c) *Final Accreted Value:* On or before each November 1 and May 1, the amount of Excess Cash available to pay interest on the Series 2020B Bonds on the next succeeding November 15 or May 15. On or before each November 1, the amount of Excess Cash available to redeem principal of the Series 2020B Bonds on the next succeeding November 15. On or before November 15, 2052, an amount equal to not less than the amount of the Final Accreted Value of the Series 2020B Bonds that; provided, however, that the Corporation may be entitled to certain credits on such payment as permitted under Section 6.3 hereof.

(d) *Debt Service Reserve Fund:* The Corporation hereby agrees to cause the Master Trustee to transfer to the Bond Trustee for deposit in the applicable accounts of the Debt Service Reserve Fund created under Section 4.6 of the Bond Indenture moneys in the amounts and at the times provided in Section 4.28 of the Master Indenture and to cause the Master Trustee to advise the Bond Trustee that such amounts so transferred are intended to be deposited in the Debt Service Reserve Fund. Prior to the final maturity date of the Series 2020A-1 Bonds, the Series 2020A-2 Bonds and the Series 2020A-3 Bonds or the date of the earlier redemption or provision for payment of all such outstanding Series 2020A Bonds, if at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than 100% of the applicable Debt Service Reserve Fund Requirement as a result of such account of the Debt Service Reserve Fund having been drawn upon, the Bond Trustee shall notify the Authority and the Corporation of such transfer and the Corporation agrees to restore the amount on deposit in the respective accounts of the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement for such account in the manner and to the extent provided in Section 4.28 of the Master Indenture by deposits to the credit of the Debt Service Reserve Fund from transfers to the Bond Trustee by the Master Trustee.

Prior to the final maturity date of the Series 2020A Bonds or the date of the earlier redemption or provision for payment of all of the outstanding Series 2020A Bonds, if at any time the total amount on deposit in the Debt Service Reserve Fund is less than the maximum amount of principal and interest payable on the Series 2020A Bonds, during the next succeeding six-month period, the Bond Trustee shall give notice of such event by first class mail, postage prepaid, to the Director of the Illinois Department of Public Health.

*Section 6.3 Credits on Series 2020 Obligations.* Notwithstanding any provision contained in this Loan Agreement or in the Bond Indenture to the contrary, in addition to any credits on the Series 2020 Obligations resulting from the payment or prepayment thereof from other sources:

(a) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-1 Interest Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay interest on the Series 2020A-1 Obligations as the same becomes due;

(b) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-2 Interest Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay interest on the Series 2020A-2 Obligation as the same becomes due;

(c) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-3 Interest Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay interest on the Series 2020A-3 Obligation as the same becomes due;

(d) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020B Interest Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay interest on the Series 2020B Obligation as the same becomes due;

(e) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-1 Bond Sinking Fund Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay the principal of the Series 2020A-1 Obligations as the same becomes due and in the order of maturity to the same extent as payments are applied upon the Series 2020A-1 Bonds through the Bond Sinking Fund;

(f) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-2 Bond Sinking Fund Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay the principal of the Series 2020A-2 Obligation as the same becomes due and in the order of maturity to the same extent as payments are applied upon the Series 2020A-2 Bonds through the Bond Sinking Fund;

(g) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020A-3 Bond Sinking Fund Account maintained under the Bond Indenture shall be credited against the obligation of the Corporation to pay the principal of the Series 2020A-3 Obligation as the same becomes due and in the order of maturity to the same extent as payments are applied upon the Series 2020A-3 Bonds through the Bond Sinking Fund;

(h) any moneys deposited or credited by the Bond Trustee or the Corporation in the 2020B Bond Sinking Fund Account maintained under the Bond Indenture shall be

credited against the obligation of the Corporation to pay the Accreted Value of the Series 2020B Obligations (including without limitation the Final Accreted Values of the Series 2020B Bonds) as the same become due and in the order of maturity to the same extent as payments are applied upon the Series 2020B Bonds through the Bond Sinking Fund;

(i) any moneys deposited or credited by the Bond Trustee or the Corporation in the Debt Service Reserve Fund shall be credited against the obligation of the Corporation to make the payments described in Section 6.2(d) hereof; and

(j) the principal or Accreted Value of Bonds of any series, subseries, maturity and interest rate purchased by any Member of the Obligated Group 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 the principal or Accreted Value of the related Series 2020 Obligation in the manner specified in the Bond Indenture.

*Section 6.4 Prepayment Generally.* The Corporation shall be permitted or required to prepay the Series 2020 Obligations to the extent and in the manner permitted by the Bond Indenture. If such prepayment is made in compliance with the terms of the Master Indenture, the Authority agrees to accept prepayment of the Series 2020 Obligations to the extent required to provide for a permitted or required prepayment of the Bonds.

*Section 6.5 Prepayment from Net Proceeds of Insurance, Condemnation or Sale.* The Corporation shall have the right or obligation to have the Series 2020 Obligations prepaid from the Net Proceeds of insurance, condemnation or sale under threat of condemnation by giving the Authority direction to apply such Net Proceeds in a notice of election given pursuant to Section 411 or Section 412 of the Master Indenture. In such event the Authority shall apply all or that portion of such Net Proceeds to be so applied promptly to the prepayment of the Series 2020 Obligations, without premium, plus accrued and unpaid interest thereon to the date of prepayment.

*Section 6.6 Optional Prepayment of Series 2020 Obligations.* In addition to any prepayment of the Series 2020 Obligations made pursuant to Section 6.5 hereof, the Corporation may, at its option and subject to the limitations of the Bond Indenture, prepay the Series 2020 Obligations in whole or in part in order to effect a redemption of Bonds pursuant to Section 5.1 of the Bond Indenture (but if in part, in Authorized Denominations). Such prepayments shall be made by paying or providing for the payment to the Bond Trustee an amount sufficient to redeem (when redeemable) all or a part of the Bonds, as the case may be, at the redemption prices specified therefor in the Bond Indenture. Any prepayment pursuant to this Section 6.6 shall include accrued or accreted interest and premium, if any, required for redemption of such Bonds as shall be redeemed by such prepayment.

*Section 6.7 Notice of Prepayment.* The Corporation shall give the Authority and the Bond Trustee not less than 20 days prior written notice of any prepayment of the Series 2020 Obligations, which notice shall designate the date of prepayment, the respective Series 2020 Obligation to be prepaid and the amount thereof and direct the redemption of the Bonds in amounts corresponding to the prepayment, provided that no such notice shall be required for a redemption from Excess Cash as provided in Section 4.5(c) of the Bond Indenture or for

mandatory bond sinking fund redemption payments. Such notice may be withdrawn by the Corporation prior to delivery of the Authority's Written Request to the Bond Trustee pursuant to Section 5.1 of the Bond Indenture. Such notice may be contained in any notice of election given pursuant to Section 411 or Section 410 of the Master Indenture.

*Section 6.8 Effect of Partial Prepayment; Amortization Schedules.* (i) Upon any partial prepayment of the Series 2020 Obligations, each installment of principal or Accreted Value that shall thereafter be payable on any of the Series 2020 Obligations, as applicable, shall be reduced in a manner consistent with the reduction in the amount of principal or Accreted Value payable on the Bonds to which such installment of principal or Accreted Value corresponds. In addition, upon each such prepayment, each installment of interest that shall thereafter be payable on the Series 2020 Obligations shall be reduced, taking into account the interest rate or rates on the Bonds remaining Outstanding after the redemption of the Bonds from the proceeds of such partial prepayment and after the purchase and delivery and cancellation of the Bonds described in Section 6.3(i), so that the interest remaining payable on the Series 2020 Obligations shall be sufficient to pay the interest on such Outstanding Bonds when due.

(ii) On the date of any partial prepayment of any of the Series 2020 Obligations, the Corporation shall deliver to the Authority and the Bond Trustee two copies of an amortization schedule with respect to the Series 2020 Obligations that have been prepaid in part and remain outstanding, as the case may be, setting forth the amount of the installments to be paid on such Series 2020 Obligations after the date of such partial prepayment and the unpaid principal balance or Accreted Value of such Series 2020 Obligations after payment of each such installment.

*Section 6.9 Additional Payments.* The Corporation shall pay or cause to be paid a one-time issuance fee to the Authority based on the Authority's fee schedule for health care transactions in effect on the date the Bonds are issued and the fee of its Issuer's Counsel prior to or contemporaneously with the issuance of the Bonds, plus a transactional fee of \$\_\_\_\_\_.

The Corporation will also pay the following within 30 days after receipt of a bill therefor:

(a) The reasonable fees and expenses of the Authority in connection with and as provided in this Loan Agreement and the Bonds, such fees and expenses to be paid directly to the Authority or as otherwise directed in writing by the Authority;

(b) (i) The fees and expenses of the Bond Trustee and the Master Trustee and all other fiduciaries and agents serving under the Bond Indenture or Master Indenture (including reasonable attorneys' fees and expenses and any expenses in connection with any redemption of the Bonds) and (ii) all fees and expenses, including reasonable attorneys' fees and expenses, of the Bond Trustee for any extraordinary services rendered by it under the Bond Indenture. All such fees and expenses are to be paid directly to the Bond Trustee or the Master Trustee or other fiduciary or agent for its own account as and when such fees and expenses become due and payable; and

(c) All other reasonable fees and expenses incurred in connection with the issuance of the Bonds, including without limitation the fees and expenses of Sovereign Bank.

The Corporation shall also pay to the Authority, upon demand, amounts payable to the Owners of the Bonds with respect to which funds have been returned to the Corporation pursuant to Section 13.2 of the Bond Indenture. The provisions of this paragraph shall survive the termination of this Loan Agreement.

*Section 6.10 Obligation to Prepay Loan and Redeem Bonds upon a Determination of Taxability.* Should there occur a Determination of Taxability, the Corporation shall be required to make prepayments of the loan governed hereby in such manner and amount as will enable the Authority to redeem all of the Tax-Exempt Bonds then Outstanding, as provided in Section 5.3 of the Bond Indenture and agrees to pay to the Bond Trustee in connection therewith 100% of the principal or Accreted Value of all Tax-Exempt Bonds then Outstanding, plus interest accrued thereon to the date of redemption.

*Section 6.11 Assignment and Pledge of Authority's Rights; Obligations of 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 Series 2020 Obligations, including the right to receive payments hereunder and thereunder (except its Unassigned Rights, including without limitation, the right to receive payment of expenses, fees, indemnification and the rights to make determinations and receive notices as herein provided herein), and hereby directs the Corporation to make said payments directly to the Bond Trustee. The Corporation herewith assents to such assignment and pledge and shall make payments directly to the Bond Trustee without defense or set-off by reason of any dispute between the Corporation and the Authority or 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 and Accreted Value of 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 (a) will not suspend or discontinue any payments provided for in this Loan Agreement, (b) will perform all its other duties and responsibilities called for by this Loan Agreement and (c) will not terminate this Loan Agreement for any cause including any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Bond Financed Property, commercial frustration of purpose, any change in the laws of the United States or of the State or any political subdivision of either or any failure of the Authority to perform any of its agreements, whether express or implied, or any duty, liability or obligation arising from or connected with this Loan Agreement.

*Section 6.12 Corporation's Obligations Unconditional.* The Authority and the Corporation agree that the Corporation shall bear all risk of damage or destruction in whole or in part to its Property or any part thereof including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of such Property, or any manner or thing which for any reason interferes with, prevents or renders burdensome, the use or occupancy of such Property or the compliance by the Corporation with any of the terms of this Loan Agreement. In furtherance of the foregoing, but without limiting any of the other provisions of this Loan Agreement, the Corporation agrees that its obligations to pay the principal, Accreted Value,



premium, if any, and interest on the Series 2020 Obligations, to pay the other sums herein provided for and to perform and observe its other agreements contained herein shall be absolute and unconditional and that the Corporation shall not be entitled to any abatement or diminution thereof nor to any termination of this Loan Agreement for any reason whatsoever.

*Section 6.13 Exchange of Bonds.* In the event the Act or the Authority created thereunder is determined to be unconstitutional under the laws of the State or under the laws of the United States of America, and as a result thereof, the Bonds issued by the Authority are declared to be invalid and unenforceable, and if as a result thereof the obligation of the Corporation to make payments on the Series 2020 Obligations pledged under the Bond Indenture is determined to be unenforceable, then the Corporation agrees that it will issue its own bonds (the interest on which may not be exempt from federal income tax) in exchange for the Bonds, principal amount for principal amount or Accreted Value amount for Accreted Value amount, having the same rate or rates of interest, maturity, redemption provisions and prepayment provisions as are then applicable to the Bonds being exchanged. The bonds to be issued by the Corporation will be issued under an indenture having substantially the same terms and provisions as the Bond Indenture, this Loan Agreement and the Master Indenture, and such bonds of the Corporation shall be issued thereunder in exchange for the Bonds surrendered by the holders thereof. Notice of any such exchange shall be given as provided for redemption of the Bonds under the Bond Indenture and the expenses of such exchange, including the printing of the bonds and other reasonable expenses in connection therewith, shall be borne by the Corporation.

## **ARTICLE VII**

### **COVENANTS RELATING TO THE USE AND OPERATION OF THE BOND FINANCED PROPERTY**

*Section 7.1 Use of the Facilities.* The Corporation will use the Bond Financed Property primarily as and for health care facilities and related activities and only in furtherance of the lawful corporate purposes of the Corporation; will use the Bond Financed Property as a “project” within the meaning of the Act; and agrees to operate all its Property on a nondiscriminatory basis.

The Corporation agrees that it will not permit any of the Bond Financed Property to be used (i) by any Person in an “unrelated trade or business” (as defined in Section 513(a) of the Code) of the Corporation (without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code) or (ii) by any Person who is not a Tax-Exempt Organization, in either case in such manner or to such extent as would result in the loss of tax exemption of interest on the Bonds otherwise afforded under Section 103(a) of the Code.

The Corporation further agrees that it will not use or permit to be used any of the Bond Financed Property (i) primarily for sectarian instruction or study or as a place of devotional activities or religious worship or as a facility used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, nuns, rabbis or other similar persons in the field of religion or (ii) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the

Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Illinois and decisions of the Supreme Court of the State interpreting the same.

The Corporation agrees that during the term of this Loan Agreement the Authority, the Bond Trustee and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Project. The provisions of this paragraph and the immediately preceding paragraph shall remain in full force and effect notwithstanding the payment of the Bonds and the Series 2020 Obligations pledged under the Bond Indenture and this Loan Agreement unless the Corporation delivers to the Authority and the Bond Trustee an Opinion of Bond Counsel to the effect that the failure to comply with such paragraphs will not adversely affect the validity of the Bonds or any exemption from federal income tax to which the interest on the Bonds would otherwise be entitled.

*Section 7.2 Rates and Charges.* The Corporation covenants and agrees to operate its existing Facilities primarily as revenue producing healthcare related facilities or as facilities related thereto or for any other lawful purpose or activity permitted by the Act, and to operate all of its Property on a nondiscriminatory basis, to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from such Property together with other available funds sufficient to pay promptly all expenses of operation, maintenance and repair of such Property, all amounts owing on the Series 2020 Obligations and to pay all other payments required to be made by the Corporation hereunder and under the Master Indenture to the extent permitted by law. The Corporation further covenants and agrees that it will, from time to time as often as necessary, 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. This Section shall not be construed to prohibit the Corporation from serving indigent patients to the extent required for it to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Corporation from satisfying the other requirements of this Section.

*Section 7.3 No Warranty by Authority.* THE CORPORATION RECOGNIZES THAT THE AUTHORITY HAS NOT MADE AN INSPECTION OF THE BOND FINANCED PROPERTY OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, CONDITION, WORKMANSHIP, OR FITNESS, SUITABILITY OR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF. THE CORPORATION FURTHER RECOGNIZES THAT THE AUTHORITY HAS NO TITLE OR INTEREST TO ANY PART OF THE BOND FINANCED PROPERTY AND THAT THE AUTHORITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE CORPORATION'S TITLE THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE CORPORATION. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE BOND FINANCED PROPERTY OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A

PORTION THEREOF, WHETHER PATENT OR LATENT, THE AUTHORITY SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION 7.3 HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE AUTHORITY, EXPRESS OR IMPLIED, WITH RESPECT TO THE BOND FINANCED PROPERTY OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OF THE STATE OF ILLINOIS OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

*Section 7.4 Compliance with Laws.* The Corporation shall, through the term of this Loan Agreement and at no expense to the Authority, promptly comply or cause compliance with all applicable laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Project or to the repair and alteration thereof, or to the use or manner of use of the Bond Financed Property, including, but not limited to, the Americans with Disabilities Act, Illinois Accessibility Code, all Federal, State and local environmental, health and safety laws, rules, regulations and orders applicable to or pertaining to the Bond Financed Property, Federal Worker Adjustment and Retraining Notification Act and Illinois Prevailing Wage Act.

## **ARTICLE VIII**

### **PARTICULAR COVENANTS OF THE CORPORATION**

*Section 8.1 Maintenance of Corporate Existence and Status.* Notwithstanding the provisions of Section 414 of the Master Indenture, the Corporation agrees that as long as any Bonds are outstanding it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it.

The Corporation further agrees that it will not act or fail to act in any other manner which would adversely affect any exemption from federal income taxation of the interest earned by the owners of the Tax-Exempt Bonds to which such Bonds would otherwise be entitled.

*Section 8.2 Consent to Assignment of Loan Agreement Rights, the Series 2020 Obligations.* The Corporation agrees that this Loan Agreement, the Series 2020 Obligations and payments to be made thereunder and thereon (excluding Unassigned Rights), shall be assigned and pledged to secure the payment of the Bonds and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority thereunder may be protected and enforced in conformity with the Bond Indenture and may be assigned by the Authority to the Bond Trustee as additional security for the Bonds, other than Unassigned Rights.

*Section 8.3 Maintenance; Recording.*

(a) The Corporation shall, at its own expense, take all necessary action to maintain and preserve the liens and security interest of the Loan Agreement and the

Master Indenture so long as any principal, Accreted Value, premium, if any, or interest on the Bonds remains unpaid.

(b) The Corporation shall, forthwith after the execution and delivery of the Loan Agreement and the Master Indenture and thereafter from time to time, cause the Loan Agreement and the Master Indenture, including any amendments thereof and supplements thereto, and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect (i) the lien and security interest thereof upon and the title of the Corporation to the Project and (ii) the lien and security interest therein granted to the Bond Trustee or owner of the Bonds to the rights, if any, of the Authority assigned under the Loan Agreement and the Master Indenture, 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 necessary for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, 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 the Loan Agreement and the Master Indenture and such instruments of further assurance.

(c) Neither the Authority nor the Bond Trustee shall have any responsibility for the preparation, filing or recording of any instrument, document or financing statement or for the maintenance of any security interest intended to be perfected thereby. The Authority agrees to execute such instruments provided to it by the Corporation as may be reasonably necessary in connection with any such filing or recording.

(d) Notwithstanding the foregoing, the Bond Trustee may, in its discretion, file in such office or offices as the Bond Trustee deems necessary or desirable such financing and continuation statements and amendments thereof or supplements thereto, and such other documents as the Bond Trustee may from time to time require to perfect, preserve and protect the security interest of the Bond Trustee in the Trust Estate and the Series 2020 Obligations. The Corporation hereby authorizes and appoints the Bond Trustee as its attorney-in-fact to make any such filing.

*Section 8.4 Financial Statements, Etc.* The Corporation covenants that it will keep proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the Corporation in accordance with generally accepted principles of accounting consistently applied (except as stated in the notes thereto), and will furnish the materials and notices required to be delivered to the Master Trustee under Section 415 of the Master Indenture to the Authority, to the Bond Trustee and to any requesting holder or holders of \$500,000 or more in aggregate principal amount and/or Accreted Value of the Outstanding Bonds; provided, however, that the Corporation shall deliver only the items set forth in Section 415(b)(v) and (vi) of the Master

Indenture to the Authority unless the Authority requests receipt of any other items required to be delivered pursuant to Section 415 of the Master Indenture.

*Section 8.5 Indemnity.*

(a) The Corporation shall pay, and shall protect, indemnify and save the Authority and Bond Trustee and its respective past, present and future members, officers, directors, employees, agents, successor, assigns and any other person, if any, who “controls” the Authority or Bond Trustee, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended (the Authority, the Bond Trustee and the other listed persons collectively referred to as the “*Indemnified Persons*”), harmless from and against any and all liabilities, losses, damages, taxes penalties, costs and expenses (including attorneys’ fees and expenses of the Authority and Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) the use, financing, non-use, condition or occupancy of the Bond Financed Property, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any portion of the Bond Financed Property including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with the Bond Financed Property or used in connection therewith but that are not the result of the gross negligence of the Authority or Bond Trustee;

(ii) a violation of any agreement, warranty, covenant or condition of this Loan Agreement or any other agreement executed in connection with this Loan Agreement;

(iii) a violation of any contract, agreement or restriction by the Corporation relating to the Bond Financed Property;

(iv) a violation of any law, ordinance, rules, regulation or court order affecting the Project or the ownership, occupancy or use thereof or the Bonds or use of the proceeds thereof; and

(v) with respect to the Authority only, the acceptance or administration of the Bond Indenture, including without limitation the enforcement of any remedies under the Bond Indenture and related documents.

(b) In case any claim shall be made or any action shall be brought against one or more of the Indemnified Persons in respect of which indemnity can be sought against the Corporation pursuant to any of the preceding paragraphs, the Indemnified Party seeking indemnity shall promptly notify the Corporation, in writing, and the Corporation shall promptly assume the defense thereof, including the employment of counsel chosen by the Corporation and approved by the Authority or Bond Trustee, or both (provided, that such approval by the Authority or Bond Trustee shall not be unreasonably withheld),

the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Corporation or that the defense of such Indemnified Person should be handled by separate counsel, the Corporation shall not have the right to assume the defense of such Indemnified Person, but the Corporation shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and provided also that, if the Corporation shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Authority or Bond Trustee within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Person shall be paid by the Corporation. Notwithstanding the foregoing, any one or more of the Indemnified Persons shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless the employment of such counsel has been specifically authorized by the Corporation or unless the provisions of the immediately preceding sentence are applicable. The Corporation shall not be liable for any settlement of any such action affected without the consent of the Corporation, but if settled with the consent of the Corporation or if there be a final judgment for the plaintiff in any such action with or without consent, the Corporation agrees to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

(c) The Corporation shall also indemnify the Authority, Bond Trustee and such Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Corporation under this Loan Agreement or any related agreement, (ii) taking any action requested by the Corporation, (iii) taking any action required by this Loan Agreement or any related agreement, or (iv) taking any action considered necessary by the Authority and which is authorized by this Loan Agreement or any related agreement. If the Authority is to take any action under this Loan Agreement or any other instrument executed in connection herewith for the benefit of the Corporation, it will do so if and only if (i) the Authority is a necessary party to any such action or proceeding, and (ii) the Authority has received specific written direction from the Corporation, as required hereunder or under any other instrument executed in connection herewith, as to the action to be taken by the Authority.

(d) All amounts payable to the Authority under this Section shall be deemed to be fees and expenses payable to the Authority for the purposes of the provisions hereof and of the Bond Indenture dealing with assignment of the Authority's rights hereunder. The Authority and its members, officers, agents, employees and their successors and assigns shall not be liable to the Corporation for any reason.

(e) Any provision of this Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or State law or regulation or resolution of the Authority and (ii) enforce any rights accorded

to the Authority by Federal or State law or regulation of the Authority, and nothing in this Agreement shall be construed as an express or implied waiver thereof.

(f) In addition to the foregoing, the Corporation shall enter into the Escrow Agreement prior to or simultaneously with the issuance of the Bonds.

*Section 8.6 Licensure.* The Corporation warrants that its Facilities have all material state and local licenses required for the operation thereof. The Corporation shall obtain and maintain, or cause to be obtained and maintained, all such licenses required for the operation of its Facilities and shall use its best efforts to obtain and maintain, or cause to be obtained and maintained, such licensure, so long as it is in the best interests of the Corporation and the Bondholders.

*Section 8.7 Transfer of Assets.* The Corporation covenants and agrees that it will not sell, lease or otherwise dispose of any Property except as permitted by Section 418 of the Master Indenture. The provisions of the Master Indenture notwithstanding, the Corporation covenants and agrees it will not sell, lease or otherwise dispose, directly or indirectly, in whole or in part, any portion of the Bond Financed Property unless the conditions set forth in Section [\_\_\_\_] of the Tax Exemption Agreement are satisfied.

*Section 8.8 Notice Regarding Bankruptcy Petitions, Event of Default or Potential Default.* The Corporation agrees to notify the Bond Trustee and the Authority in writing prior to any filing by it of a petition in bankruptcy and to notify the Bond Trustee and the Authority immediately by telephone and in writing as soon as reasonably practicable when it obtains knowledge that a petition in bankruptcy has been filed against the Corporation or any other Member or of the occurrence of an event of default or potential default under this Loan Agreement or of any other development, financial or otherwise, which is expected to materially adversely affect the ability of the Corporation to perform its obligations.

*Section 8.9 Maintenance of Status as Member of the Obligated Group.* The Corporation covenants and agrees that as long as any Bonds remain outstanding under the Bond Indenture, it will remain a Member of the Obligated Group.

*Section 8.10 Discharge of Orders, Etc.* The Corporation covenants to cause any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture to be discharged, vacated, bonded or stayed within 90 days after such filing (which 90-day period shall be extended for so long as the Corporation is contesting such process in good faith), but, notwithstanding the foregoing, in any event not later than five days prior to any proposed execution or enforcement with respect to such filing or any transfer of moneys or investments pursuant to such filing.

*Section 8.11 Annual Certificate.* For each year that the Loan Agreement remains in effect, the Corporation shall furnish to the Authority and the Bond Trustee on or before January 31 of each succeeding year, a certificate of the Corporation, signed by authorized officer, stating that (i) the Corporation has made a review of its activities during the preceding calendar year for the purpose of determining whether or not the Corporation has complied with all of the terms,

provisions and conditions of this Loan Agreement, (ii) the Corporation has kept, observed, performed and fulfilled each and every covenant, provision and condition of this Loan Agreement on its part to be performed, and (iii) the Corporation is not in default in the performance or observance of any of the covenants, provisions or conditions hereof, or if the Corporation shall be in default, such certificate shall specify all such defaults and the nature thereof.

*Section 8.12 Maintenance and Repair; Insurance.* The Corporation shall maintain the Bond Financed Property in a safe and sound operating condition, making, from time to time, all needed material repairs thereto and shall maintain reasonable amounts of insurance coverage with respect to its Property, including the Bond Financed Property, and shall pay all costs of such maintenance, repair and insurance as required by Sections 406 and 407 of the Master Indenture.

## **ARTICLE IX**

### **EVENTS OF DEFAULT AND REMEDIES THEREFOR**

*Section 9.1 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 any installment of principal or Accreted Value of, or premium or interest on, any Series 2020 Obligation or any other payment required by Sections 6.1 or 6.2 hereof when the same shall become due and payable, whether upon a scheduled monthly payment date, upon a scheduled Interest Payment Date, at maturity, upon any date fixed for prepayment or by acceleration or otherwise; or

(b) failure by the Corporation to perform or comply with any of the covenants, conditions or provisions hereof or of the Tax Exemption Agreement and failure to remedy such default within 30 days after notice thereof from the Authority to the Corporation; provided, however, that if failure to comply with or perform such covenants, conditions or provisions cannot be remedied within 30 days, but can be remedied, no Event of Default shall be deemed to have occurred or to exist if the Authority, in its sole discretion, shall consent to an additional cure period for the remediation of such failure and the Corporation diligently pursues such corrective action and complies with or performs such covenants, conditions or provisions within such additional cure period; or

(c) any representation or warranty made by the Corporation herein or in any statement or certificate furnished to the Authority or the Bond Trustee or the purchaser of any Bonds in connection with the delivery of the Bonds or furnished by the Corporation pursuant hereto shall prove untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 60 days after notice thereof to the Corporation by the Authority or the Bond Trustee; or

(d) any “Event of Default” shall occur under the Master Indenture which would permit the acceleration of any Obligation; or



(e) the Corporation shall admit insolvency or bankruptcy or its inability to pay its debts as they mature, or shall generally not pay its debts as such debts become due, or shall make an assignment for the benefit of creditors or apply for or consent to the appointment of a trustee, custodian or receiver for the Corporation or for the major part of its Property; or

(f) a trustee, custodian or receiver shall be appointed for the Corporation or for the major part of its Property and shall not be discharged within 60 days after such appointment; or

(g) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors shall be instituted by or against the Corporation (other than bankruptcy proceedings instituted by the Corporation against third parties) and, if instituted against the Corporation, shall be allowed against the Corporation, shall be consented to or shall not be dismissed, stayed or otherwise nullified within 60 days after such institution; or

(h) payment of any installment of principal or Accreted Value of, or premium or interest on, any Bond shall not be made when the same shall become due and payable under the provisions of the Bond Indenture; or

(i) failure of the Corporation to comply with or perform its obligations pursuant to Section 8.10 hereof; or

(j) there shall be a draw upon any account of the Debt Service Reserve Fund to make up a deficiency in any account of the Interest Fund and/or the Bond Sinking Fund.

Whenever any Event of Default shall have occurred and be continuing hereunder:

I. *Acceleration of Maturity; Waiver of Event of Default and Rescission of Acceleration.* The Authority may at its discretion, by written notice to the Corporation, request that the Master Trustee declare the principal and Accreted Value of the Series 2020 Obligations (if not then due and payable) to be due and payable immediately and such principal and Accreted Value shall thereupon become immediately due and payable as if all of the sums of money payable thereunder were originally stipulated to be paid on such accelerated payment date, anything in the Series 2020 Obligations or in this Loan Agreement to the contrary notwithstanding. The Authority shall request that the Master Trustee declare the principal and Accreted Value of the Series 2020 Obligations due and payable immediately upon the occurrence of any of the defaults described in (a), (e), (f), (g) or (h) above. This provision, however, is subject to the condition that if, at any time after the principal and Accreted Value of any of the Series 2020 Obligations shall have been so declared and become due and payable, all arrears of interest, if any, upon the Series 2020 Obligations and the expenses of the Authority shall be paid by the Corporation, and every other default in the observance or performance of any covenant, condition or agreement in the Series 2020 Obligations or in this Loan Agreement contained shall be made good, or be secured, to the satisfaction of the Authority, or provision

deemed by the Authority to be adequate shall be made therefor, then and in every such case the Authority, by written notice to the Corporation and the Obligated Group Representative, may waive the Event of Default by reason of which the principal and Accreted Value of the Series 2020 Obligations shall have been so declared and become due and payable and may rescind and annul such declaration and its consequences; provided, however, that there shall not be waived any Event of Default in the payment of the principal or Accreted Value payable on the Bonds when due, whether by mandatory or optional redemption or at the date of maturity specified therein; and provided, further, that no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon. The Authority may, by written notice to the Master Trustee, request that it declare the principal and Accreted Value of the Series 2020 Obligations (if not then due and payable) to be due and payable immediately, subject to the provisions of Section 511 of the Master Indenture regarding waiver of events of default, anything in the Series 2020 Obligations or in this Loan Agreement contained to the contrary notwithstanding.

II. *Right to Bring Suit, Etc.* The Authority, personally or by attorney, may in its discretion, proceed to protect and enforce its rights by pursuing any available remedy, including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in the Series 2020 Obligations, in this Loan Agreement or in the Master Indenture, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority shall deem most effectual to collect the payments then due and thereafter to become due on the Series 2020 Obligations, to enforce performance and observance of any obligation, agreement or covenant of the Corporation hereunder, under the Series 2020 Obligations or under the Master Indenture or to protect and enforce any of the Authority's rights or duties hereunder or thereunder.

*Section 9.2 Application of Proceeds from Exercise of Remedies.* The proceeds or avails resulting from the exercise of any such remedies, together with any other sums which then may be held by the Authority under this Loan Agreement, whether under the provisions of this Article or otherwise, and which are available for such application shall be applied as provided in the Bond Indenture.

*Section 9.3 Remedies Cumulative; Delay or Omission Not a Waiver.* No remedy herein conferred upon or reserved to the Authority or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement and the Bond Indenture, now or hereafter existing, at law or in equity or by statute. No delay or omission to exercise any right or power and accruing upon any Event of Default hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

*Section 9.4 Waiver of Extension, Appraisal, Stay, Laws.* To the extent permitted by law, the Corporation shall not, during the continuance of any Event of Default hereunder, insist upon or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Loan Agreement; nor claim, take or insist upon

any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisement of any of the Corporation's Property prior to any sale or sales thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by any state or territory, or otherwise, to redeem the Property so sold or any part thereof; and the Corporation hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Authority, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted.

*Section 9.5 Remedies Subject to Provisions of Law.* All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable under the provisions of any applicable law.

*Section 9.6 Default by the Authority - Limited Liability.* 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 this Loan Agreement, the Series 2020 Obligations, 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. The Authority shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Corporation if an Event of Default shall occur hereunder.

## **ARTICLE X**

### **SUPPLEMENTS AND AMENDMENTS TO THIS LOAN AGREEMENT**

*Section 10.1 Supplements and Amendments to this Loan Agreement.* Subject to the terms, conditions and provisions of Article X of the Bond Indenture, the Corporation and Authority, with the consent of the Bond Trustee, may from time to time enter into such supplements and amendments to this Loan Agreement. An executed copy of any of the foregoing amendments, changes or modification shall be filed with the Bond Trustee. The Bond Trustee may grant such waivers of compliance by the Corporation with provisions of this Loan Agreement as the Bond Trustee may deem necessary or desirable to effectuate the purposes or intent hereof and which, in the opinion of the Bond Trustee, do not have a material adverse effect upon the interests of the Bondholders, provided that the Bond Trustee shall file with the

Authority any and all such waivers granted by the Bond Trustee within three Business Days thereof.

## **ARTICLE XI**

### **DEFEASANCE**

*Section 11.1 Defeasance.* If the Corporation shall pay and discharge or provide, in a manner satisfactory to the Authority, for the payment and discharge of the whole amount of the principal and Accreted Value of, premium, if any, and interest on the Series 2020 Obligations and shall pay or cause to be paid all other sums payable hereunder and under the Bond Indenture, or shall make arrangements satisfactory to the Authority for such payment and discharge, then and in that case all property, rights and interest hereby conveyed or assigned or pledged shall revert to the Corporation, and the estate, 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 its cost and expense, shall execute and deliver to the Corporation a proper instrument or proper instruments acknowledging the satisfaction and termination of this Loan Agreement and shall convey, assign and transfer or cause to be conveyed, assigned or transferred, and shall deliver or cause to be delivered, to the Corporation, all Property, including money, then held by the Authority other than moneys deposited with the Bond Trustee for the payment of the principal and Accreted Value of, premium, if any, or interest on the Series 2020 Obligations, together with such Series 2020 Obligations marked paid or cancelled.

The Corporation agrees to pay all costs of the Authority, its advisors and counsel in connection with any advance refunding of the Bonds, including, without limitation the cost of having a bond rating reassigned to any Bonds which are to be advance refunded, if such rating is requested by the Corporation. The Corporation also agrees that prior to advance refunding the Bonds it will make available to any Rating Agency which is maintaining a rating on the Bonds to be refunded such information as any such Rating Agency may require to reassign a bond rating to any Bonds which are to be advance refunded.

## **ARTICLE XII**

### **MISCELLANEOUS PROVISIONS**

*Section 12.1 Payment of Expenses of Issuance of Bonds.* The Corporation agrees to be liable and pay for any commitment and other financing costs, recording expenses, trustee's acceptance fees, title insurance costs, legal fees, printing expenses and other fees and fair and customary expenses incurred or to be incurred by or on behalf of the Authority in connection with or as an incident to the issuance and sale of the Bonds.

*Section 12.2 Loan Agreement for Benefit of Parties Hereto.* Nothing in this Loan Agreement, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto, their successors and assigns and the holders of the Series 2020 Obligations any right, remedy or claim under or by reason of this Loan Agreement or any covenant, condition or stipulation hereof; and the covenants, stipulations and agreements

in this Loan Agreement contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns and the holders of the Series 2020 Obligations.

*Section 12.3 Severability.* In case any one or more of the provisions contained in this Loan Agreement or in any Series 2020 Obligation shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

*Section 12.4 Notices.* Unless otherwise specifically provided herein, any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when the same is: (i) deposited in the United States mail and sent by first class mail, postage prepaid, or (ii) delivered, in each case to the parties at the addresses set forth below or at such other address as a party may designate by notice to the other parties:

To the Authority:

Illinois Finance Authority  
Two Prudential Plaza  
180 N. Stetson Avenue, Suite 2555  
Chicago, Illinois 60601  
Attention: Executive Director

with a copy to:

Illinois Finance Authority  
Two Prudential Plaza  
180 N. Stetson Avenue, Suite 2555  
Chicago, Illinois 60601  
Attention: General Counsel

To the Corporation:

Clare Oaks  
801 West Bartlett Road  
Bartlett, Illinois 60103-4401  
Attention: President  
Telephone: (630) 837-4061  
Telecopy: (630) 837-0052

To the Bond Trustee:

To the Master Trustee:

*Section 12.5 Successors and Assigns.* Whenever in this Loan Agreement any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to

be included and all the covenants, promises and agreements in this Loan Agreement contained by or on behalf of the Corporation, or by or on behalf of the Authority, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

*Section 12.6 Counterparts.* 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.

*Section 12.7 Governing Law.* This Loan Agreement shall be governed exclusively by and construed in accordance with the internal laws of the State of Illinois applicable to contracts to be wholly performed therein.

*Section 12.8 Limited Recourse to the Authority.* The obligations of the Authority with the respect to the Bonds and under this Loan Agreement are special, limited obligations of the Authority, payable solely out of the revenues and income derived under this Loan Agreement and the Series 2020 Obligations and as otherwise provided under this Loan Agreement and the Bond Indenture. The obligations of the Authority hereunder shall not be deemed to constitute an indebtedness or an obligation of the Authority, the State of Illinois or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against the credit or general taxing powers, if any, of any of them. The Authority does not have the power to levy taxes for any purposes whatsoever. Neither the Authority nor any member, director, officer, employee or agent of the Authority nor any person executing the Bonds shall be liable personally for the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds. No recourse shall be had for the payment of the principal and Accreted Value 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 this Loan 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 and this Loan Agreement and the issuance of the Bonds.

*Section 12.9 Term of this Loan Agreement.* This Loan Agreement shall be in full force and effect from the date hereof, and shall continue in effect until the payment in full of all principal and Accreted Value of, premium, if any, and interest on the Bonds, or provision for the payment thereof shall have been made pursuant to Article XI of the Bond Indenture; all fees, charges, indemnities and expenses of the Authority, Bond Trustee and Bond Registrar have been fully paid or provision made for such payment (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); and all other amounts due hereunder and under the obligations pledged under the Bond Indenture have been duly paid or provision made for such payment. All representations, certifications and covenants by the Corporation as to the indemnification of various parties and the payment of fees and expenses of

the Authority as described in Section 8.5 hereof, and all matters affecting the tax-exempt status of the Bonds shall survive the termination of this Loan Agreement.

*Section 12.10 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.

IN WITNESS WHEREOF, the Corporation and the Authority have caused this Loan Agreement to be executed in their respective corporate names, all as of the date first above written.

CLARE OAKS

By: \_\_\_\_\_  
President

ILLINOIS FINANCE AUTHORITY

By: \_\_\_\_\_  
Executive Director

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