

ORDINANCE NO. 054, SERIES 2022

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, KENTUCKY, AUTHORIZING THE ISSUANCE OF ITS INDUSTRIAL BUILDING REVENUE BONDS (VESTA DERBY OAKS PROJECT) IN ONE OR MORE SERIES OR SUBSERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$46,000,000 FOR THE PURPOSES OF (A) PAYING ALL OR A PORTION OF THE COSTS OF ACQUISITION, CONSTRUCTION, EQUIPPING, AND INSTALLATION OF 418 MULTI-FAMILY AFFORDABLE HOUSING UNITS AND THE SITES ON WHICH THEY ARE LOCATED, AND (B) PAYING COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE, LOAN AGREEMENT, BOND PLACEMENT AGREEMENT, LAND USE RESTRICTION AGREEMENT, TAX COMPLIANCE AGREEMENT, AND OTHER AGREEMENTS; AUTHORIZING AND APPROVING CERTAIN OTHER MATTERS, INCLUDING THE EXECUTION OF RELATED DOCUMENTS, IN CONNECTION WITH THE SALE AND ISSUANCE OF THE BONDS.

SPONSORED BY: COUNCIL MEMBER KEISHA DORSEY

WHEREAS, the Louisville/Jefferson County Metro Government (“Metro Government”) is a political subdivision of the Commonwealth of Kentucky (the “Commonwealth”) and is authorized by Sections 103.200 through 103.285 of the Kentucky Revised Statutes, as amended (the “Act”), to issue revenue bonds and to loan the proceeds thereof to third parties in order to finance costs of an “industrial building,” as defined in the Act; and

WHEREAS, PSG Vesta Derby Oaks LLC, a Delaware limited liability company (the “Borrower”), the sole member of which is Patriot Services Group, Inc., a Florida nonprofit corporation described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code, has applied for the financial assistance of Metro Government in the financing of the costs of the acquisition, construction, installation, and equipping of an approximate 418 multi-family affordable housing unit complex known as Vesta Derby Oaks, with a principal

address of 3237 Utah Avenue, Louisville, Kentucky, and including 1500 Oleanda Court, 1401, 1423 and 1500 Arcade Avenue, 1427, 1500 and 1503 ½ Earl Avenue, and 1501 Phyllis Street, Louisville Kentucky, together with the sites on which they are located (collectively, the “Project”); and

WHEREAS, the Project constitutes an “industrial building” as such term is defined in KRS Section 103.200(1)(o), consisting of industrial buildings to be used by an entity recognized by the Internal Revenue Service as an organization described in 26 U.S.C. Section 501(c)(3) in a manner related to or in furtherance of that entity’s exempt purposes where the use would also qualify for federally tax-exempt financing under the rules applicable to a qualified 501(c)(3) bond as defined in 26 U.S.C. Section 145; and

WHEREAS, the Legislative Council of the Louisville/Jefferson County Metro Government (the “Council”) has found and determined, and hereby finds and determines, that the economic development of the Metro Government and the Commonwealth of Kentucky will be promoted, conditions of unemployment will be relieved, and industry will be increased in the Commonwealth by the Project, and negotiations have been carried on between Metro Government and the Borrower in respect of the issuance by Metro Government of the Bonds (defined below) for the purpose of financing the acquisition, construction, equipping, and installation of such industrial building or buildings comprising the Project, and that such financing of the Project is authorized by, and will be consistent with and in furtherance of, the provisions of the Act; and

WHEREAS, the Borrower has requested Metro Government to issue its “Louisville/Jefferson County Metro Government, Kentucky, Industrial Building Revenue Bonds (Vesta Derby Oaks Project)” in one or more series or series in a maximum aggregate principal amount of \$46,000,000 (collectively, the “Bonds”) and to loan the proceeds of the Bonds to the Borrower pursuant to one or more loan agreements to (i) pay all or a portion of the costs of the Project; (ii) pay capitalized interest on the Bonds, if any, (iii) pay costs of credit enhancement for the Bonds, if any, and (iv) pay costs of issuance of the Bonds; and

WHEREAS, as an additional inducement for Metro to issue the Bonds for the Vesta Derby Oaks Project, Borrower has agreed to waive the right to seek any tax exemption from ad valorem property taxes on the Project to which it might otherwise be entitled to apply for under Section 170 of the Kentucky Constitution; and

WHEREAS, the Borrower has requested the sale of the Bonds to be made on a negotiated basis, and privately placed by Piper Sandler & Co. (the “Placement Agent”) pursuant to the Bond Placement Agreement”); and

WHEREAS, in order to accomplish the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, Metro Government considers it necessary and proper to (i) authorize the issuance of the Bonds for purposes set out above; (ii) authorize the execution and delivery of the Trust Indenture, the Loan Agreement, the Bond Placement Agreement, the Land Use Restriction Agreement, and the Tax Compliance Agreement hereinafter identified; and (iii) take other action in connection therewith.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“COUNCIL”) AS FOLLOWS:

SECTION I: The facts and recitations set out in the preamble of this Ordinance are adopted and incorporated as a part hereof, and the terms defined in the preamble shall have the same meanings when used herein.

SECTION II: Metro Government hereby finds and declares that the issuance of the Bonds from time to time for the purposes of (a) financing all or a portion of the costs of the Project; (b) paying capitalized interest on the Bonds, if any, (c) paying costs of credit enhancement for the Bonds, if any, and (d) paying costs of issuance of the Bonds will further the public purposes of the Act by financing costs incurred with respect to “industrial buildings” to be used by an entity recognized by the Internal Revenue Service as an organization described in 26 U.S.C. Section 501(c)(3) in a manner related to or in furtherance of that entity’s exempt purposes where the use would also qualify for federally tax-exempt financing under the rules applicable to a qualified 501(c)(3) bond as defined in 26 U.S.C. Section 145.

SECTION III: For the purposes set forth in the preamble hereto, there is hereby authorized and directed:

(a) the issuance, execution, sale, and delivery of the “Louisville/Jefferson County Metro Government, Kentucky, Industrial Building Revenue Bonds (Vesta Derby Oaks Project)” (the “Bonds”) in one or more series or subseries, as provided in the Trust Indenture and the Bond Placement Agreement hereinafter identified, subject to the following limitations (collectively, the “Limitations”): (i) the aggregate principal amount of the Bonds shall not exceed \$46,000,000; (ii) the final maturity of

any Bond shall not exceed thirty-five years from its dated date; (iii) the Bonds shall bear fixed interest rates which shall not exceed 12.0% per annum or a variable rate that shall not exceed the greater of 12% per annum or any published interest rate index plus a credit spread of 10%; (iv) the purchase price of any Bond (excluding any original issue discount) set forth in the Bond Placement Agreement shall equal at least 98% of the aggregate principal amount thereof; (v) the Bonds will be issuable in such denominations, shall be dated such dates, and shall be subject to redemption and/or tender on such dates and in such amounts, and the principal and interest thereon shall be payable on such dates and in such amounts, as shall be approved by an officer of Metro Government and specified in the respective Trust Indenture for such series of the Bonds; and (vi) interest on any series of the Bonds may be exempt or subject to taxation under the Internal Revenue Code of 1986, as amended (the "Code"), such tax treatment to be determined by the Borrower for such series and reflected in the Trust Indenture, Loan Agreement, Bond Placement Agreement, and Tax Compliance Agreement, if any, governing such series;

(b) the loan of the proceeds of the Bonds to the Borrower to (i) finance all or a portion of the costs of the Project; (ii) to pay capitalized interest on the Bonds during all or a period of the construction of the Project; (iii) pay the costs of credit enhancement for the Bonds; and (iv) pay costs of issuance of the Bonds, as provided in the Loan Agreement hereinafter identified;

(c) the execution and delivery on behalf of Metro Government of the Bond Documents hereinafter identified; and

(d) the execution and delivery on behalf of Metro Government of all customary papers, letters, documents, certificates, forms, or other instruments that may be required for the carrying out and effectuation of the authority conferred by this Ordinance and the Bond Documents or to evidence said authority, including closing certificates, financing statements, and other security documents.

SECTION IV: The Mayor and the Metro Council Clerk are hereby authorized and directed to execute and deliver on behalf of Metro Government the following documents (collectively, the “Bond Documents”), substantially in the respective forms previously submitted, reference to which is hereby made, with such changes therein as the officer(s) executing such documents on behalf of Metro Government shall approve and as shall be consistent with the Limitations, such approval to be conclusively evidenced by their execution and delivery thereof:

(a) A Bond Placement Agreement (the “Bond Placement Agreement”), by and among Metro Government, the Placement Agent, and the Borrower substantially in the form previously provided to Metro Government in connection with this Ordinance as Exhibit A (provided, however, that any other underwriting or banking firm designated by the Borrower and included in the Bond Buyer’s Municipal Marketplace (i.e., the “Red Book”) may, with the approval of the Mayor, be treated as the Placement Agent for purposes hereof);

(b) A Trust Indenture (the “Trust Indenture”), by and between Metro Government and The Bank of New York Mellon Trust Company, National Association, as bond trustee (the “Trustee”), substantially in the forms previously provided to Metro Government in connection with this Ordinance as Exhibit B;

(c) A Loan Agreement (the "Loan Agreement"), by and between Metro Government and the Borrower, substantially in the form previously provided to Metro Government in connection with this Ordinance as Exhibit C;

(d) A Land Use Restriction Agreement (the "Land Use Restriction Agreement"), by and between Metro Government, the Trustee, and the Borrower, substantially in the form previously provided to Metro Government in connection with this Ordinance as Exhibit D; and

(e) A Tax Compliance Agreement (the "Tax Compliance Agreement"), by and among Metro Government, the Borrower, and the Trustee, governing any series or combination of series of the Bonds for which interest accrued thereon is exempt from federal income taxation pursuant to the Code, substantially in the form previously provided to Metro Government in connection with this Ordinance as Exhibit E.

SECTION V: The Bonds shall be special and limited obligations of Metro Government and the principal of and any premium and the interest on the Bonds shall be equally and ratably payable solely from the Loan Payments under and as defined in the Loan Agreement, moneys in the Bond Fund established under the Trust Indenture. The Bonds shall be equally and ratably secured by the absolute and irrevocable assignment of Metro Government's interest in the Loan Payments under the Loan Agreement and the Bond Funds created under the Trust Indenture, and shall be secured by the Trust Indenture. To provide for such security and for the payment directly to the Trustee of the Loan Payments to be paid under the Loan Agreement, this Council authorizes, confirms, and approves the assignment to the

Trustee of all of Metro Government's interests in the Loan Payments and the Bond Funds and the assignment to the Trustee of all other rights of Metro Government under the Loan Agreement, except for the Unassigned Rights, all as provided in the Loan Agreement and Trust Indenture.

SECTION VI: No recourse under or upon any obligation, covenant, acceptance, or agreement contained in the Bond Documents, in the Bonds, under this Ordinance, or under any judgment obtained against Metro Government, or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any elected official, member, officer, employee, or agent, as such, past, present, or future, of Metro Government, the Commonwealth or any agency or political subdivision thereof, whether directly or through Metro Government, or otherwise, for the payment for or to Metro Government or any receiver thereof, or for or to any holder of any Bond, or otherwise, of any sum that may be due and unpaid by Metro Government on the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or constitution, or otherwise, of any such elected official, member, officer, employee, or agent, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to Metro Government or any receiver thereof, or for or to the owner or any holder of any Bond, or otherwise, of any sum that may remain due and unpaid on the Bonds, shall be deemed to be and is hereby expressly waived and released as a condition of and consideration for the execution and delivery of the Bond Documents, this Ordinance, and the issuance of the Bonds.

THE BONDS WILL NOT CONSTITUTE A GENERAL OBLIGATION, DEBT, OR BONDED INDEBTEDNESS OR LIABILITY OF METRO GOVERNMENT, THE COMMONWEALTH, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION OF THE COMMONWEALTH OR GIVE RISE TO A GENERAL OBLIGATION OR LIABILITY OF, OR A CHARGE AGAINST, THE GENERAL CREDIT OR TAXING POWERS OF METRO GOVERNMENT, THE COMMONWEALTH, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF, AND THE HOLDERS OR OWNERS THEREOF WILL NOT HAVE THE RIGHT TO HAVE TAXES OR EXCISES LEVIED BY METRO GOVERNMENT, THE COMMONWEALTH, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF FOR THE PAYMENT OF PRINCIPAL OF AND ANY PREMIUM AND INTEREST ON THE BONDS. METRO GOVERNMENT AND THE COMMONWEALTH SHALL NEVER BE REQUIRED TO PAY FROM THEIR OWN FUNDS ANY OBLIGATIONS DERIVING FROM THE ISSUANCE OF THE BONDS, OR ANY OTHER BONDS ISSUED FOR THE BENEFIT OF THE BORROWER, AND THE BONDS ARE DECLARED TO BE SPECIAL AND LIMITED OBLIGATIONS PAYABLE SOLELY AND ONLY FROM THE RECEIPTS DERIVED UNDER THE LOAN AGREEMENT AND THE TRUST ESTATES CREATED UNDER THE TRUST INDENTURE AS PROVIDED IN THE DOCUMENTS HEREIN APPROVED.

SECTION VII: It is acknowledged by Metro Government that at the time of sale of the Bonds pursuant to the Bond Placement Agreement as set out herein, the Borrower may desire to proceed with issuance of less than all of the Bonds contemplated by this Ordinance and as described in the Trust Indenture and

consequently may request Metro Government, acting through its Mayor and Metro Council Clerk, to execute the Bond Placement Agreement and other documents herein referred to for the sale and issuance of Bonds for less than the amount anticipated by this Ordinance. Accordingly, the execution by the Mayor or Metro Council Clerk on behalf of Metro Government of the Bond Placement Agreement and other documents herein referred to with regard to the sale of Bonds for any such lesser amount is specifically authorized and approved without further action by Metro Government, and to such extent this Ordinance shall be deemed to have been modified.

SECTION VIII: The issuance of the Bonds is conditioned upon the Borrower executing a written waiver of its right to seek any tax exemption from ad valorem property taxes on the Project to which it might otherwise be entitled to apply for under Section 170 of the Kentucky Constitution; such waiver to be in a form approved by Louisville Metro after review by the Jefferson County Attorney's Office.

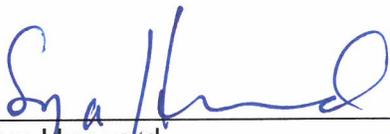
SECTION IX: The provisions of this Ordinance are severable and, if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this Ordinance.

SECTION X: The provisions of this Ordinance may be supplemented from time to time by ordinance or resolution of the Council.

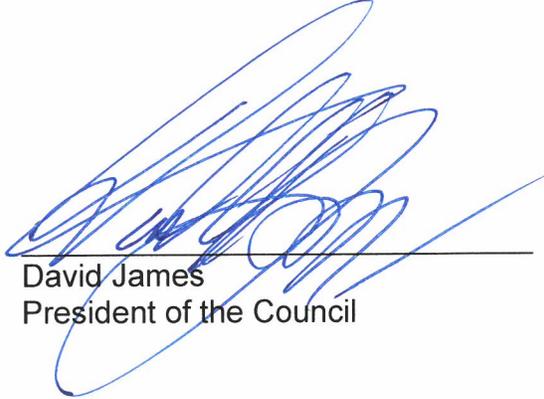
SECTION XI: To the extent that any ordinance, resolution, municipal order or part thereof is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall prevail and be given effect.

SECTION XII: This Ordinance shall become effective upon its passage and approval or otherwise becoming law.

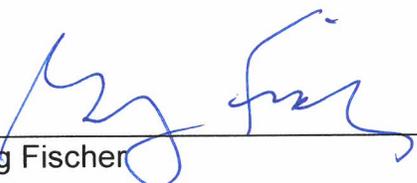
This Ordinance was given a first reading at a duly convened meeting of the Council, held on the 14th day of April, 2022, and given second reading an approval at a duly convened meeting of the Council held on the 28th, day of April, 2022.



Sonya Harward
Metro Council Clerk



David James
President of the Council



Greg Fischer
Mayor

5/04/2022

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney



By: M. Holliday Hopkins

O-138-22 Ordinance Regarding Industrial Revenue Bonds for Vesta Derby Oaks Project (If)

BOND PLACEMENT AGREEMENT

\$_[_____]

**Louisville/Jefferson County Metro Government
Industrial Building Revenue Bonds
(Vesta Derby Oaks Project)
Series 2022A**

\$_[_____]

**Louisville/Jefferson County Metro Government
Industrial Building Revenue Bonds
(Vesta Derby Oaks Project)
Taxable Series 2022B**

March __, 2022

Louisville/Jefferson County Metro Government
527 W. Jefferson Street
Louisville, KY 40202

PSG Vesta Derby Oaks LLC
c/o Patriot Services Group, Inc.
3948 S. Third Street, Suite 85
Jacksonville Beach, Florida 32250

Ladies and Gentlemen:

Piper Sandler & Co. (the “Placement Agent”), on its own behalf and not as your fiduciary or agent for you, and in its capacity as placement agent of the Bonds (as hereinafter defined), offers to enter into the following agreement (the “Bond Placement Agreement”) with the Louisville/Jefferson County Metro Government (the “Issuer”) and PSG Vesta Derby Oaks LLC, a limited liability company duly organized and in good standing under the laws of the State of Delaware (the “Borrower”), which, upon acceptance of this offer, will be binding upon the Issuer, the Borrower and the Placement Agent. This offer is made subject to the Issuer’s and the Borrower’s acceptance on or before 5:00 p.m., Eastern Time, today; if this offer is not timely accepted, it will thereafter be subject to withdrawal by the Placement Agent upon written notice delivered to the Issuer and the Borrower at any time prior to the acceptance hereof by the Issuer the Borrower. If and when accepted by the Issuer and the Borrower in writing, this Bond Placement Agreement shall constitute the agreement of the Placement Agent to purchase the Bonds on the terms and subject to the conditions herein set forth.

The above-captioned bonds are referred to herein as the “Bonds.” Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture or the Loan Agreement (as such terms are hereinafter defined). The Indenture, the Loan Agreement, the Regulatory Agreement, the Tax Agreement, the Bonds, and this Bond Placement Agreement, to the extent related to the Issuer, are hereinafter collectively referred to as the “Issuer Documents.” The Loan Agreement, the Regulatory Agreement, the Tax Agreement, the Indenture, the Note, the Mortgage,

and this Bond Placement Agreement, to the extent related to the Borrower, are hereinafter collectively referred to as the “Borrower Documents.” The Indenture, the Tax Agreement and the Regulatory Agreement, to the extent related to the Trustee, are hereinafter collectively referred to as the “Trustee Documents.” The Loan Agreement, the Regulatory Agreement, the Tax Agreement, the Indenture, the Note, the Bonds, the Mortgage, and this Bond Placement Agreement are hereinafter collectively referred to as the “Bond Documents.”

Section 1. Purchase and Sale of the Bonds.

Subject to the terms and conditions and in reliance on the representations and warranties herein set forth the Placement Agent hereby agrees, on a reasonable efforts basis, to facilitate the sale of the Bonds in a private placement to [_____], as the bond purchaser (the “Bond Purchaser”), at the purchase prices indicated in Schedule I hereto. Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that the Placement Agent is not acting as a fiduciary of the Issuer, the Bond Purchaser or the Borrower, but rather is acting solely in its capacity as Placement Agent.

The Bonds will mature on the dates and shall bear interest at the rates set forth on Schedule I hereto. The Bonds will be subject to optional and mandatory redemption as set forth in the Indenture. The Borrower agrees to pay the Placement Agent \$[_____] (which does not include Placement Agent’s Counsel fee) in connection with the successful placement of the Bonds (the “Placement Agent’s Fee”), in addition to the other expenses stipulated in Section 8 herein (together with the Placement Agent’s Fee, the “Fees”). The Fees are payable on the Closing Date. Payment of the Fees is solely the obligation of the Borrower.

The Bonds shall be as described in, and shall be issued pursuant to, an Indenture of Trust, dated as of March 1, 2022 (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (in such capacity, the “Trustee”). The Bonds shall be issued pursuant to an ordinance adopted by the Metro Council of the Issuer on [ORDINANCE DATE] (the “Bond Ordinance”) and the provisions of the laws of the Commonwealth of Kentucky, including Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (the “Act”).

To provide for its loan repayment obligations on the Bonds, the Borrower has entered into a Loan Agreement dated as of March 1, 2022, between the Issuer and the Borrower (the “Loan Agreement”) and has issued a Promissory Note (the “Note”) thereunder.

The proceeds of the Bonds will be used by the Issuer to provide funding for a loan (the “Loan”) to the Borrower. The Issuer, the Borrower, and the Trustee will enter into a Land Use Restriction Agreement (the “Regulatory Agreement”); and the Issuer, the Borrower and Patriot Services Group, Inc. (“PSG”) will enter into a [Tax Compliance Agreement] (the “Tax Agreement”) regarding the operation of the Facilities. The Bonds will be secured by a [MORTGAGE/DEED OF TRUST], executed by the Borrower in favor of the Trustee (collectively, the “Mortgage”) and other collateral pledged under the Indenture.

It shall be a condition (a) to the obligations of the Issuer to sell and deliver the Bonds to the Placement Agent, and (b) to the obligations of the Placement Agent with respect to the Bonds,

to purchase the Bonds and place the Bonds with the Bond Purchaser, that the entire aggregate principal amount of the Bonds to be sold and delivered by the Issuer in accordance with this Section 1 shall be sold and delivered simultaneously by the Issuer and be purchased, accepted and paid for simultaneously by the Placement Agent.

Section 2. Private Placement Memorandum.

The Borrower shall provide to the Placement Agent, at the Borrower's expense, the Private Placement Memorandum dated March __, 2022, related to the Bonds (the "Private Placement Memorandum") as soon as practicable following the execution and delivery of this Bond Placement Agreement, but in no event later than the Closing Date, in an amount of copies mutually agreed upon, together with all supplements and amendments thereto, signed on behalf of the Borrower. The Issuer hereby consents to the use of the Private Placement Memorandum by the Placement Agent and its delivery to the Bond Purchaser in conjunction with the placement of the Bonds.

Section 3. Representations of the Issuer.

The Issuer represents to, and agrees with, the Placement Agent and the Borrower as follows:

(a) The Issuer is a political subdivision organized and existing under the laws of the Commonwealth of Kentucky (the "State") and has full power and authority under the Act to adopt the Bond Ordinance, and to enter into and to perform its obligations under the Issuer Documents. The Issuer has taken all necessary action and has complied with all provisions of the Act required to make the Issuer Documents, when executed and delivered by the respective parties thereto, the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases.

(b) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has authorized the distribution of the Private Placement Memorandum and authorized and approved the execution and delivery of the Issuer Documents and the consummation by the Issuer of the transactions contemplated thereby.

(c) To the knowledge of the undersigned Mayor of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Issuer, seeking to restrain or enjoin the sale or issuance of the Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Bonds, in any way contesting the validity or enforceability of the Issuer Documents or the existence or powers of the Issuer relating to the authorization, issuance and sale of the Bonds.

(d) The statements and information contained in the Private Placement Memorandum under the captions “SHORT STATEMENT—The Issuer and the Series 2022 Bonds,” “THE ISSUER” and “LITIGATION—The Issuer” are true and correct in all material respects, and such information does not contain an untrue statement of a material fact or omit any statement of a material fact concerning the Issuer which is necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(e) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Placement Agent, at the expense of the Placement Agent or Borrower, as the Placement Agent may reasonably request in endeavoring (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Placement Agent may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Issuer be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(f) The execution and delivery by the Issuer of the Issuer Documents and compliance with the provisions on the Issuer’s part contained therein will not conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Issuer Documents.

The execution and delivery of this Bond Placement Agreement by the Issuer shall constitute a representation by the Issuer to the Placement Agent and the Borrower that the representations and agreements contained in this Section are true as of the date hereof; provided, however, that as to information furnished by the Borrower pursuant to this Bond Placement Agreement, the Issuer is relying solely on such information in making the Issuer’s representations and agreements, and as to all matters of law the Issuer is relying on the advice of Bond Counsel or other counsel to the Issuer; and provided further, that no member, officer, agent or employee of the governing body of the Issuer shall be individually liable for the breach of any representation, warranty or agreement contained herein.

Section 4. Representations, Warranties and Agreements of the Borrower.

The Borrower represents and warrants to, and agrees with, the Placement Agent and the Issuer as follows:

(a) The Borrower is duly organized and existing as a limited liability company under the laws of the State of Delaware, has full legal right, power and authority to own its

properties and to conduct its business as described in the Private Placement Memorandum and to enter into and to carry out and consummate the transactions contemplated by the Borrower Documents and the Private Placement Memorandum, and is duly qualified to do such business and is in good standing wherever such qualification and/or standing are required.

(b) PSG is the sole member of the Borrower, is duly formed and existing as a not-for-profit corporation under the laws of Florida, and is an organization described under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

(c) PSG has been determined to be and is exempt from federal income taxes under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code, and PSG is not a “private foundation” as defined in Section 509(a) of the Code. PSG has not impaired its status as an organization exempt from federal income taxation under the Code and PSG will not, either from and including the date hereof to and including Closing Date and thereafter, while any of the Bonds remain outstanding, impair its status as a “501(c)(3) organization” as that term is used in Section 145 of the Code, so as to affect adversely the validity or the federal tax-exempt status of interest on the Tax-Exempt Bonds (as such term is defined in the Indenture). There are no facts or circumstances presently existing which could cause such determination to be withdrawn or revoked. None of the proceeds of the sale of the Tax-Exempt Bonds will be used in “private business use” as defined in Section 141(b)(6) of the Code or for any “private loan financing” as defined in Section 141(c) of the Code. Neither the Borrower nor PSG has “unrelated business taxable income” as defined in Section 512 of the Code in an amount which could have a material adverse effect on PSG’s status as a 501(c)(3) organization or which, if such income were subject to federal income taxation, would have a material adverse effect on the Borrower’s or PSG’s condition, financial or otherwise.

(d) By all necessary action, the Borrower has duly authorized and adopted the Borrower Documents and approved the execution and delivery of the Borrower Documents, and the performance by the Borrower of the obligations in connection with the issuance of the Bonds on its part contained in the Borrower Documents and the consummation by it of all other transactions contemplated by the Indenture, the Private Placement Memorandum and the Borrower Documents in connection with the issuance of the Bonds.

(e) On the Closing Date, the Borrower Documents will constitute the valid, legal and binding obligations of the Borrower (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors’ rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(f) As of the date hereof, the Borrower is not in violation of, breach of or default under any applicable law of the State or of any state in which the Borrower is authorized

to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Bond Placement Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Borrower Documents, and compliance with the provisions on the Borrower's part contained therein, do not and will not conflict with or constitute on the part of the Borrower a violation or breach of or default under any law of the State or of any state in which the Borrower is authorized to do business or of the United States, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Borrower or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Borrower Documents) or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its property or assets is bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Bond Placement Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Borrower or under the terms of any such law, regulation or instrument, except as provided by the Bonds or the Borrower Documents.

(g) All consents, approvals, authorizations, and orders of or filings or registrations with any governmental authority, board, agency or commission of any state or of the United States having jurisdiction required in connection with, or the absence of which would materially adversely affect, the execution and delivery by the Borrower of the Borrower Documents or the performance by the Borrower of its obligations thereunder have been obtained or made and are in full force and effect or will be timely obtained.

(h) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Borrower has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the knowledge of the Borrower, threatened against the Borrower, affecting the existence of the Borrower or the titles of its officers executing this Bond Placement Agreement to their respective offices, affecting the transaction contemplated by the Private Placement Memorandum or the exclusion of interest on the Tax-Exempt Bonds from the gross income, for federal income tax purposes, of the owners of the Bonds, or contesting or affecting as to the Borrower the validity or enforceability of the Bonds, any Borrower Document or the execution and delivery or adoption by the Borrower of any Borrower Document, or in any way contesting or challenging the completeness or accuracy of the Private Placement Memorandum or the powers of the Borrower or its authority with respect to the Borrower Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the knowledge of the Borrower, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or

finding would materially adversely affect the Borrower's financial condition or operations or the validity of the authorization, execution, delivery or performance by the Borrower of any Borrower Document.

(i) The Borrower will furnish such information, execute such instruments and take such other action in cooperation with the Placement Agent as the Placement Agent may reasonably request in order (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Placement Agent may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts upon the reasonable request of the Placement Agent to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the Borrower shall not be required to register as a dealer or broker of securities or execute a general or special consent to service of process or qualify to do business in any jurisdiction where it is not now so subject.

(j) Any certificate signed by the Borrower and delivered to the Placement Agent or the Issuer pursuant to the Indenture or the Borrower Documents shall be deemed a representation and warranty by the Borrower to the Placement Agent and the Issuer as to the statements made therein as of the date thereof.

(k) The Borrower will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds under the Code.

(l) The Borrower shall honor all other covenants contained in the Borrower Documents.

(m) All permits, licenses and other authorizations necessary for the ownership, acquisition, rehabilitation, and equipping of the Facilities in the manner contemplated by the Private Placement Memorandum and the Borrower Documents have been obtained or will be obtained by the time required, and said ownership, acquisition, rehabilitation, and equipping are not in conflict with any zoning or similar ordinance applicable to the Facilities.

(n) The information in the Private Placement Memorandum, as of its date and the Closing Date (and including any supplements and amendments thereto), under the captions "SHORT STATEMENT—Facilities," "—Physical Condition of the Facilities," "—The Property Manager and the Management Agreement", "—Bondholders' Risks", "INTRODUCTION," "THE BORROWER AND PATRIOT SERVICES GROUP," "SOURCES AND USES OF FUNDS," "CERTAIN BONDHOLDERS' RISKS," "LITIGATION—The Borrower," APPENDIX A, and APPENDIX B does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The execution and delivery of this Bond Placement Agreement by the Borrower shall constitute a representation to the Placement Agent and the Issuer that the representations and warranties contained in this Section 4 are true as of the date hereof.

Section 5. Indemnification.

(a) To the fullest extent permitted by law, the Borrower agrees to pay, defend, protect, indemnify, save and hold harmless the Issuer and the Placement Agent, and each past, present and future member, officer, director, official, employee and agent of the Issuer and the Placement Agent, and each person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively referred to herein as the “Indemnified Parties”), against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees), causes of action (whether in contract, tort or otherwise), suits, claims, demands and judgments of any kind, character and nature (collectively referred to herein as the “Liabilities”) directly or indirectly arising from or in any way relating to (i) the Bonds, the Loan, the Loan Agreement, the Indenture, this Bond Placement Agreement or any document related to the Bonds (collectively, the “Transaction Documents”) or any transaction or agreement pertaining to the foregoing, or (ii) any untrue or misleading statement or alleged untrue or alleged misleading statement of a material fact provided by or on behalf of the Borrower contained in the Private Placement Memorandum except for information set forth under the headings “SHORT STATEMENT—The Issuer and the Series 2022 Bonds,” “THE ISSUER” and “LITIGATION – The Issuer” or caused by any omission or alleged omission by or on behalf of the Borrower from the Private Placement Memorandum (except the above-referenced sections of the Private Placement Memorandum) of any material fact necessary to be stated therein in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(b) This paragraph shall not apply to the Issuer or any affiliate, member, officer, director, official, supervisor, counsel, employee, attorney and agent past, present and future of the Issuer (collectively, the “Issuer Parties”). Any Indemnified Party shall notify the Borrower of the existence of any Liability to which this indemnification obligation would apply and shall give to the Borrower an opportunity to defend the same at the Borrower’s expense and with counsel satisfactory to the Indemnified Party, provided that the Indemnified Party shall at all times also have the right to fully participate in the defense. If there may be legal defenses available to the Indemnified Party that are in conflict with those available to the Borrower or if the Borrower shall, after this notice and within a period of time necessary to preserve any and all defenses to any claim asserted, fail to assume the defense or to employ counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower, provided that any compromise or settlement shall be entered into only with the consent of the Borrower.

This paragraph shall apply to the Issuer Parties. In case any claim shall be made or action brought against an Issuer Party for which indemnity may be sought against the

Borrower, as provided above, the Issuer Party shall promptly notify the Borrower in writing setting forth the particulars of such claim or action and the Borrower shall assume the defense thereof, including the retaining of counsel acceptable to the Issuer Party and the payment of all expenses. The Issuer Party shall have the right to retain separate counsel in any such action and to participate in the defense thereof but shall bear the fees and expenses of such counsel unless (i) the Borrower shall have specifically authorized the retaining of such counsel or (ii) the parties to such suit include the Issuer Party, and the Borrower and the Issuer Party have been advised by such counsel that one or more legal defenses may be available to it or them which may not be available to the Borrower, in which case the Borrower shall not be entitled to assume the defense of such suit notwithstanding its obligation to bear the fees and expenses of such counsel.

(c) Except with respect to the Issuer (including its past, present and future officers, directors, members, employees, counsel or agents), in order to provide for just and equitable contribution in circumstances in which the indemnity provided for in paragraph (b) of this section is for any reason held to be unavailable (other than a holding to the effect that the specific circumstances are not the subject of the indemnity), the Borrower and the Indemnified Party shall contribute proportionately to the aggregate Liabilities to which the Borrower and the Indemnified Party may be subject, so that the Indemnified Party is responsible for that portion represented by the percentage that the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds bear to the aggregate offering price of the Bonds, with the Borrower responsible for the balance; provided, however, that in no case shall the Indemnified Party be responsible for any amount in excess of the fees paid by the Borrower to the Indemnified Party in connection with the issuance and administration of the Bonds.

(d) The Indemnified Parties, other than the Issuer and the Placement Agent, shall be considered to be intended third party beneficiaries of this Bond Placement Agreement for purposes of indemnification and exculpation from liability, the provisions of which shall be in addition to all liability that the Borrower may otherwise have and shall survive any termination of this Bond Placement Agreement, the placement of the Bonds and the payment or provisions for payment of the Bonds.

(e) The indemnification hereunder shall be in addition to, and shall not limit, any indemnity granted by the Borrower pursuant to the Loan Agreement, the Regulatory Agreement or any other document.

(f) The indemnification obligations hereunder shall be limited as follows: (i) in the case of any Indemnified Party other than the Issuer and its related Indemnified Parties, they shall not be indemnified by the Borrower with respect to Liabilities caused by the gross negligence or willful misconduct of such party, and (ii) in the case of the Issuer and any related Indemnified Party, they shall not be indemnified by the Borrower with respect to Liabilities arising from their own bad faith, fraud or willful misconduct.

(g) Notwithstanding anything to the contrary contained in this Section 5, it is understood and agreed that nothing in this Section 5 or elsewhere in this Bond Placement Agreement shall be deemed or construed as a modification of or limitation on the rights of

the Issuer and the Issuer Indemnified Persons to indemnification from the Borrower under the indemnification provisions of the Loan Agreement AND THAT THE RELEASE AND INDEMNIFICATION OF THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS PROVIDED FOR IN SECTION 6.4 OF THE LOAN AGREEMENT SHALL APPLY TO THIS BOND PLACEMENT AGREEMENT AS IF FULLY SET FORTH HEREIN; THE BORROWER FURTHER ACKNOWLEDGES THAT SECTION 6.4 OF THE LOAN AGREEMENT PROVIDES THAT THE BORROWER SHALL RELEASE AND INDEMNIFY THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS AGAINST ITS OR THEIR OWN NEGLIGENCE OF ANY KIND, DEGREE OR DESCRIPTION.

Section 6. Closing.

Prior to 10:00 a.m., Eastern Time, on March __, 2022 (the “Closing Date”), or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Placement Agent, the Placement Agent shall cause to be deposited in immediately available funds with the Trustee pursuant to its wire instructions set forth in the Closing Memorandum the full purchase prices for the Bonds set forth in Schedule I hereto (the “Purchase Price”). Upon receipt by the Trustee, the Issuer shall apply the Purchase Price to the purchase of the Bonds.

At 11:00 a.m., Eastern time, on the Closing Date, or at such time on such earlier or later date as shall be agreed upon in writing by the Issuer, the Borrower and the Placement Agent, the Issuer shall direct the Trustee to deliver the Bonds to the Placement Agent through the facilities of The Depository Trust Company (“DTC”), New York, New York, pursuant to DTC’s procedures, in definitive form, duly executed and authenticated by the Trustee. Subject to the terms and conditions hereof, the Issuer shall deliver at the offices of Frost Brown Todd LLC (“Bond Counsel”) the other documents and instruments to be delivered pursuant to this Bond Placement Agreement (the “Closing Documents”) and the Placement Agent shall accept delivery of the Bonds and Closing Documents and pay the aggregate purchase price for the Bonds by wire transfer, to the Trustee immediately available federal funds, for the account of the Issuer or as the Issuer shall direct. As a condition precedent to such acceptance, the Placement Agent shall have received the Placement Agent’s Fee by wire transfer in immediately available federal funds to the order of the Placement Agent, in such manner as shall be agreed upon by the Borrower and the Placement Agent (but in no event shall such fee be netted against the purchase price of the Bonds). This delivery and payment is herein called the “Closing”.

In the event that the Closing has not occurred by 3:00 p.m., Eastern Time, on the Closing Date, the Issuer hereby instructs the Trustee to return the Purchase Price to the Placement Agent by wire transfer pursuant to instructions provided by the Placement Agent to the Trustee; provided that upon written notice to the Issuer, the Borrower and the Trustee, the Placement Agent may extend the foregoing deadline in its sole discretion.

Section 7. Closing Conditions.

The Placement Agent has entered into this Bond Placement Agreement in reliance upon representations, warranties and agreements of the Issuer and the Borrower contained herein, in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer and the Borrower

of their obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Placement Agent's obligations under this Bond Placement Agreement to purchase, accept delivery of and pay for the Bonds shall be subject to the performance by the Issuer and the Borrower of their respective obligations to be performed by them hereunder at or prior to the Closing, and to the accuracy of the representations and warranties of the Issuer and of the Borrower contained herein as of the date hereof and as of the Closing as if made on the Closing Date, and shall also be subject to the following additional conditions:

(a) At the time of the Closing, the Bond Ordinance shall have been duly approved and adopted by the Issuer and shall be in full force and effect and the Issuer Documents, the Borrower Documents, and the Trustee Documents shall have been duly authorized, executed and delivered, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Placement Agent and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such actions as, in the opinion of Bond Counsel and counsel for the Placement Agent, shall be necessary and appropriate in connection with the transactions contemplated hereby.

(b) The Placement Agent may terminate this Bond Placement Agreement by notification to the Issuer and the Borrower if at any time subsequent to the date hereof and at or prior to the Closing:

(i) Legislation with an effective date before the Closing Date shall have been enacted by the Congress, or recommended to the Congress for passage by the President of the United States of America or the Department of the Treasury of the United States or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (iii) an order, ruling, regulation (final, temporary, or proposed) or communication (including a press release) shall have been issued by the Department of the Treasury of the United States or the Internal Revenue Service or any other governmental agency, in each case referred to in clauses (i), (ii) and (iii), with the purpose or effect, directly or indirectly, of imposing federal income taxation upon interest to be received on obligations of the general character of the Tax-Exempt Bonds.

(ii) Legislation shall have been enacted or a decision by a court of the United States of America shall be rendered or any action taken by the Securities and Exchange Commission or any other governmental agency which, in the opinion of counsel to the Placement Agent, has the effect of requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933, as amended, or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or any event shall have occurred that, in the judgment of the Placement Agent makes untrue or incorrect any statement of a material fact contained in the Private Placement Memorandum or that, in the judgment of the Placement Agent should

be reflected therein in order to make the statements contained therein, in light of the circumstances under which they are made, not misleading, and the Private Placement Memorandum shall not have been supplemented or amended to reflect such event.

(iii) In the judgment of the Placement Agent, the marketability of the Bonds or the market price of the Bonds is adversely affected because: (A) additional material restrictions not in force as of this date shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, including, without limitation, the general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, or the establishment of minimum prices on either such exchange; (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Placement Agent; (C) a general banking moratorium shall have been established by federal, New York or the State's authorities; (D) a state, national or international calamity or crisis, or escalation thereof, in the financial markets or otherwise shall have occurred, or any conflict involving the armed forces of the United States of America shall have escalated to such a magnitude as to materially affect the ability of the Placement Agent to market the Bonds; (E) an amendment to the Constitution of the United States or the Constitution of the State shall have been ratified; (F) any federal or state legislation is proposed, introduced or enacted; (G) any decision of any federal or state court shall have been delivered; (H) any ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States, the Internal Revenue Service or other federal or State's authority shall have been issued or promulgated; or (i) any bill shall have been favorably reported out of committee in either House of the Congress of the United States, in any case affecting the tax status of the Borrower, PSG, or the Issuer, its property or income, its outstanding securities (including the Tax-Exempt Bonds), or the interest thereon, or any tax exemption granted or authorized by the Act; (ii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority or security for or the validity of the Bonds, or the existence or powers of the Issuer; (iii) legislation shall have been introduced in or enacted by the Legislature of the State with the purpose or effect, directly or indirectly, of imposing state income taxation upon interest to be received by any owners of the Bonds or that would, in the reasonable judgment of the Placement Agent, adversely affect an investment in or the security pledged for the Bonds; (iv) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission has been issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933, as amended, or of the Trust Indenture Act of 1939, as amended; or (v) in the Congress of the United States, legislation has been enacted or a bill has been favorably reported out of committee to either House, or a decision by a court of the United States of America is rendered, or a ruling, regulation,

proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made, to the effect that outstanding securities of the Issuer or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended, or the Trust Indenture Act of 1939, as amended.

(iv) There shall have occurred any change that, in the reasonable judgment of the Placement Agent, makes unreasonable or unreliable any of the assumptions upon which: (i) yield on the Tax-Exempt Bonds for purposes of compliance with the Code, (ii) payment of debt service on the Bonds, or (iii) the basis for the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds, is predicated.

(v) The marketability of the Bonds or the market price thereof, in the opinion of the Placement Agent, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets or the Initial Bondholder is unable to settle and take delivery of the Bonds.

(vi) Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto.

(vii) Any amendment to the federal or the State's constitutions or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, or income securities (or interest thereon).

(viii) There shall have occurred since the date of this Bond Placement Agreement any materially adverse change in the affairs or financial condition of the Borrower.

(ix) Any action or event shall have transpired which has the purpose or effect, directly or indirectly, of materially adversely affecting the federal income tax consequences of any of the transactions contemplated in connection herewith or by the Private Placement Memorandum, including the tax-exempt status of PSG under Sections 501(a) and 501(c)(3) of the Code.

(x) Any fact or event shall exist or have existed that, in the Placement Agent's judgment, requires or has required an amendment of or supplement to the Private Placement Memorandum.

(c) At or prior to the Closing, the Placement Agent shall receive the following documents:

(i) approving opinions of Bond Counsel addressed to the Issuer, dated the Closing Date substantially in the forms attached to the Private Placement

Memorandum, and reliance letters of such counsel dated the Closing Date and addressed to the Placement Agent and the Trustee;

(ii) opinions or certificates, as the case may be, dated the Closing Date and addressed to the Placement Agent, the Trustee and to such other parties as may be appropriate, of

(A) Bond Counsel, in the form and substance acceptable to counsel to the Placement Agent and including exemption from registration under the Securities Act of 1933, as amended and exemption from qualification under the Trust Indenture Act of 1939, as amended;

(B) Borrower's Counsel, in form and substance satisfactory to the Placement Agent and Bond Counsel; and

(C) Issuer's Counsel, in form and substance satisfactory to the Placement Agent and Bond Counsel.

(d) The Placement Agent shall have received an opinion of its counsel in a form satisfactory to the Placement Agent.

(e) The Placement Agent shall have received certificates, dated the Closing Date, and signed on behalf of the Issuer, to the effect that the representations and warranties of the Issuer contained in this Bond Placement Agreement and the Issuer Documents are true and correct in all material respects on the date thereof with the same effect as if made on the date thereof; to the Issuer's knowledge, the information in the Private Placement Memorandum under the captions "SHORT STATEMENT—The Issuer and the Series 2022 Bonds," "THE ISSUER" and "LITIGATION—The Issuer" does not contain an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading; and that the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Bonds and the Issuer Documents on or prior to the date thereof.

(f) The Placement Agent shall have received a certificate of the Borrower, dated the Closing Date, that (A) each of the representations and warranties set forth in the Borrower Documents (including this Bond Placement Agreement) is true and correct in all material respects on the Closing Date with the same effect as if made on the Closing Date, (B) to the Borrower's knowledge, no event has occurred since the date of the Private Placement Memorandum to cause the information in the Private Placement Memorandum under the captions "SHORT STATEMENT—Facilities," "—Physical Condition of the Facilities," "—The Property Manager and the Management Agreement", "—Bondholders' Risks", "INTRODUCTION," "THE BORROWER AND PATRIOT SERVICES GROUP," "SOURCES AND USES OF FUNDS," "CERTAIN BONDHOLDERS' RISKS", "LITIGATION—The Borrower," APPENDIX A, and APPENDIX B to contain an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not

misleading, and (C) the Borrower has complied with all agreements and satisfied all the conditions on its part to be performed or satisfied under the Borrower Documents on or prior to the Closing Date.

(g) The Placement Agent shall have received counterpart originals or certified copies of each of the Issuer Documents, Borrower Documents and Trustee Documents.

(h) The Placement Agent and Bond Counsel shall have received the Tax Agreement, dated the Closing Date, with respect to the facts, estimates and circumstances and reasonable expectations pertaining to Section 148 of the Code to support the conclusion that, among other things, none of the Tax-Exempt Bonds will be an “arbitrage bond.”

(i) The Placement Agent and Bond Counsel shall have received evidence satisfactory to them to the effect that PSG is an organization as described in Section 501(c)(3) of the Code, that PSG is not a “private foundation” as that term is used in the Code and that the Borrower is a single member “disregarded entity” for federal income tax purposes.

(j) The Placement Agent shall have received a closing certificate from the Trustee in a form acceptable to counsel to the Placement Agent.

(k) The Placement Agent shall have received such agreements, certificates and opinions as requested by the Placement Agent to evidence the closing of the Bonds.

(l) The Placement Agent shall have received a pro forma mortgagee title insurance policy, dated effective as of the date of recording of the Mortgage, in form, scope and substance satisfactory to the Placement Agent, insuring the lien of the Mortgage in an amount equal to the initial face amount of the Bonds, subject only to such liens and encumbrances as the Placement Agent may approve.

(m) The Placement Agent shall have received evidence of the insurance required under the Loan Agreement.

(n) The Placement Agent shall have received an ALTA/NSPS Land Title Survey of the land and the Facilities by a surveyor approved by the Placement Agent, in form and substance acceptable to the Placement Agent.

(o) The Placement Agent shall have received evidence reasonably satisfactory to the Placement Agent that building permits have been provided or will be provided upon the payment of fees.

(p) The Placement Agent shall have received a budget detailing the costs of the proposed rehabilitation of the Facilities, and plans and specifications detailing the scope of such rehabilitation, all satisfactory to the Placement Agent.

(q) The Placement Agent shall have received copies of contracts with an architect and a general contractor or prime contractors, satisfactory to the Placement Agent, for the performance of the rehabilitation.

(r) The Placement Agent shall have received such additional legal opinions, certificates (including any certificates necessary or desirable in order to establish the exclusion of the interest on the Tax-Exempt Bonds from gross income for federal income tax purposes), instruments and other documents as the Placement Agent may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the Issuer's and the Borrower's representations herein and in the Private Placement Memorandum and the due performance or satisfaction by the Issuer and the Borrower on or prior to such date of all agreements then to be performed, and all conditions then to be satisfied by them.

If the obligations of the Placement Agent shall be terminated for any reason permitted by this Bond Placement Agreement, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.

Section 8. Expenses.

The Placement Agent shall be under no obligation to pay, and the Borrower hereby agrees to pay, all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (a) the costs of printing and preparation for printing or other reproduction for distribution and use in connection with the placement of the Bonds, such number of copies as the Placement Agent shall require of the Indenture, the Bond Ordinance, the Private Placement Memorandum, as well as any delivery costs incurred in connection with the distribution of the foregoing documents; (b) the cost of preparing the definitive Bonds; (c) the fees and disbursements of Bond Counsel in connection with the authorization and issuance of the Bonds; the fees and expenses of the Trustee and its counsel; the fees and expenses of the Issuer and its counsel; and the fees and disbursements of any other experts or consultants retained by the Issuer; (d) the Placement Agent's Fee as provided in Section 1 hereof and the fees and expenses of counsel to the Placement Agent; and (e) all other expenses in connection with the placement of the Bonds. The Borrower shall also pay for any expenses incurred by the Placement Agent which are incidental to implementing this Bond Placement Agreement and the issuance of the Bonds, and any other miscellaneous closing costs. The Borrower acknowledges it had an opportunity, in consultation with such advisors as it deemed appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

The Issuer shall not have any obligation to pay any fees, expenses or costs associated with or resulting from the issuance and delivery of the Bonds.

Section 9. Notices.

Any notice or other communication to be given to the Issuer or the Borrower at the respective addresses set forth on the first page hereof and any such notice or other communication to be given to the Placement Agent may be given by mailing the same to Piper Sandler & Co., 3424 Peachtree Road NE, Suite 2050, Atlanta, GA 30326, Attention: Cody Wilson.

Section 10. Parties in Interest.

This Bond Placement Agreement is made solely for the benefit of the Issuer, the Borrower and the Placement Agent (including any successor or assignees of the Placement Agent), and,

except as provided in Section 5 hereof, no other party or person shall acquire or have any right hereunder or by virtue hereof.

Section 11. Amendments.

This Bond Placement Agreement may not be amended without the written consent of the Issuer, the Borrower and the Placement Agent.

Section 12. Survival of Representations and Warranties.

The representations of the Issuer and the representations and warranties of the Borrower shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Placement Agent (or statements as to the results of such investigations) concerning such representations and statements of the Issuer and the Borrower and regardless of delivery of and payment for the Bonds.

Section 13. Execution in Counterparts.

This Bond Placement Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. No Prior Agreements.

This Bond Placement Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds for the Issuer.

Section 15. Effective Date.

This Bond Placement Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Issuer and the Borrower and shall be valid and enforceable as of the time of such acceptance.

Section 16. Governing Law.

This Bond Placement Agreement shall be governed by the internal laws of the Commonwealth of Kentucky without giving effect to the conflict of law principles of the Commonwealth of Kentucky.

All claims of whatever character arising out of this Bond Placement Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Jefferson County, Kentucky. By executing and delivering this Bond Placement Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non conveniens; and (iii) agrees not to seek removal of

such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the Commonwealth of Kentucky that may exist at the time of and in connection with such matter.

Section 17. Placement Agent Not Acting as Advisor or Fiduciary.

The Issuer and the Borrower each acknowledge and agree that (i) the placement of the Bonds pursuant to this Bond Placement Agreement is an arm's-length commercial transaction among the Issuer, the Borrower, and the Placement Agent, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Placement Agent is and has been acting solely as a principal and is not acting as the agent, advisor, municipal advisor or fiduciary of the Issuer or the Borrower, (iii) the Placement Agent has not assumed an advisory or fiduciary responsibility in favor of the Issuer or the Borrower with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or is currently providing other services to the Issuer or the Borrower on other matters) and the Placement Agent has no obligation to the Issuer or the Borrower with respect to the offering contemplated hereby except the obligations expressly set forth in this Bond Placement Agreement and (iv) the Issuer and the Borrower have consulted their own legal, financial and other advisors to the extent they deem appropriate.

Section 18. Concerning the Issuer.

The Placement Agent acknowledges that Issuer has not participated in the preparation of the Private Placement Memorandum and has made no independent investigation and has furnished no information contained in the Private Placement Memorandum, except the information contained under the headings "SHORT STATEMENT—The Issuer and the Series 2022 Bonds," "THE ISSUER" and "LITIGATION – The Issuer" (collectively, the "Issuer Portion") and that except for the Issuer Portion, the Issuer assumes no responsibility with respect to the sufficiency, accuracy, or completeness of any of the information contained in the Private Placement Memorandum or any other document used in connection with the offer and sale of the Bonds.

(Remainder of Page Intentionally Left Blank)

If the foregoing is in accordance with your understanding of the Bond Placement Agreement please sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement among the Issuer, the Borrower and the Placement Agent in accordance with its terms.

Very truly yours,

PIPER SANDLER & CO.

By: _____
Name: Cody Wilson
Title: Managing Director

(Placement Agent's Signature Page to the *Vesta Derby Oaks Project* Bond Placement Agreement)

ACCEPTED in _____, Kentucky at _____.m. Eastern Time this ____ day of March, 2022.

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT**

By: _____
Mayor Greg Fischer

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

(Issuer's Signature Page to the *Vesta Derby Oaks Project* Bond Placement Agreement)

PSG VESTA DERBY OAKS LLC,
a Delaware limited liability company

By: Patriot Services Group, Inc.,
a Florida not for profit corporation,
its Manager

By: _____
Frederick Wheat, Authorized Signatory

(Borrower's Signature Page to the *Vesta Derby Oaks Project* Bond Placement Agreement)

SCHEDULE I

\$_[_____]

**Louisville/Jefferson County Metro Government
Industrial Building Revenue Bonds
(Vesta Derby Oaks Project)
Series 2022A**

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
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\$_[_____]

**Louisville/Jefferson County Metro Government
Industrial Building Revenue Bonds
(Vesta Derby Oaks Project)
Taxable Series 2022B**

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
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FBT DRAFT 3/4/2022

TRUST INDENTURE

by and between

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

as Issuer

and

**THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL
ASSOCIATION**

as Trustee

Relating to

\$__,000,000

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)**

Consisting of

**\$__,000,000 Series 2022A
\$,000,000 Taxable Series 2022B**

Dated as of _____ 1, 2022

SECTION 3.03.	SPECIAL MANDATORY REDEMPTION.....	37
SECTION 3.04.	RESERVED.....	37
SECTION 3.05.	RESERVED.....	37
SECTION 3.06.	SELECTION OF BONDS TO BE REDEEMED.....	37
SECTION 3.07.	NOTICE OF REDEMPTION.....	37
SECTION 3.08.	PAYMENT OF REDEMPTION PRICE.....	38
SECTION 3.09.	NO PARTIAL REDEMPTION AFTER EVENT OF DEFAULT.....	38
SECTION 3.10.	EFFECT OF NOTICE OF REDEMPTION.....	38
ARTICLE IV	GENERAL COVENANTS.....	40
SECTION 4.01.	PAYMENT OF BONDS; NON-LIABILITY OF ISSUER; WAIVER OF PERSONAL LIABILITY.....	40
SECTION 4.02.	PERFORMANCE OF COVENANTS; ISSUER; DUE EXECUTION.....	41
SECTION 4.03.	INSTRUMENTS OF FURTHER ASSURANCE.....	41
SECTION 4.04.	RECORDING AND FILING; FURTHER INSTRUMENTS.....	41
SECTION 4.05.	TAX COVENANTS.....	42
SECTION 4.06.	NO DISPOSITION OF TRUST ESTATE, PROJECT OR PROJECT REVENUES.....	43
SECTION 4.07.	ACCESS TO BOOKS.....	43
SECTION 4.08.	TRUSTEE TO RETAIN INFORMATION.....	43
ARTICLE V	DEPOSIT OF BOND PROCEEDS; FUNDS AND ACCOUNTS; REVENUES.....	44
SECTION 5.01.	CREATION OF FUNDS AND ACCOUNTS.....	44
SECTION 5.02.	DEPOSIT OF PROCEEDS.....	44
SECTION 5.03.	DISBURSEMENTS FROM THE PROJECT FUND.....	45
SECTION 5.04.	REVENUE FUND.....	46
SECTION 5.05.	BOND FUND.....	47
SECTION 5.06.	DEBT SERVICE RESERVE FUND.....	48
SECTION 5.07.	REBATE FUND.....	49
SECTION 5.08.	OPERATING FUND.....	49
SECTION 5.09.	OPERATIONS AND MAINTENANCE RESERVE FUND.....	50
SECTION 5.10.	INSURANCE AND TAX ESCROW FUND.....	50
SECTION 5.11.	REPAIR AND REPLACEMENT FUND.....	51

SECTION 5.12.	ADMINISTRATION FUND	52
SECTION 5.13.	SURPLUS FUND	52
SECTION 5.14.	BONDS NOT PRESENTED FOR PAYMENT	53
SECTION 5.15.	MONEY HELD IN TRUST	53
SECTION 5.16.	PAYMENT TO THE BORROWER	53
SECTION 5.17.	DEPOSIT OF EXTRAORDINARY REVENUES.....	54
ARTICLE VI	INVESTMENTS.....	55
ARTICLE VII	DEFEASANCE.....	57
ARTICLE VIII	DEFAULTS AND REMEDIES	59
SECTION 8.01.	EVENTS OF DEFAULT.....	59
SECTION 8.02.	ACCELERATION; OTHER REMEDIES	59
SECTION 8.03.	RESTORATION TO FORMER POSITION.....	62
SECTION 8.04.	CURE BY HOLDERS.....	62
SECTION 8.05.	CONTROLLING HOLDERS' RIGHT TO DIRECT PROCEEDING	62
SECTION 8.06.	LIMITATION ON HOLDERS' RIGHT TO INSTITUTE PROCEEDINGS.....	62
SECTION 8.07.	NO IMPAIRMENT OF RIGHT TO ENFORCE PAYMENT	63
SECTION 8.08.	PROCEEDINGS BY TRUSTEE WITHOUT POSSESSION OF BONDS.....	63
SECTION 8.09.	NO REMEDY EXCLUSIVE.....	63
SECTION 8.10.	NO WAIVER OF REMEDIES.....	63
SECTION 8.11.	APPLICATION OF MONEY UPON EVENT OF DEFAULT	63
SECTION 8.12.	SEVERABILITY OF REMEDIES.....	65
SECTION 8.13.	NOTICE OF EVENT OF DEFAULT	65
SECTION 8.14.	COSTS AND EXPENSES.....	65
ARTICLE IX	TRUSTEE.....	66
SECTION 9.01.	ACCEPTANCE OF TRUSTS	66
SECTION 9.02.	NO RESPONSIBILITY FOR RECITALS.....	70
SECTION 9.03.	LIMITATIONS ON LIABILITY	70
SECTION 9.04.	COMPENSATION, EXPENSES AND ADVANCES.....	71
SECTION 9.05.	NOTICE OF EVENTS OF DEFAULT	71
SECTION 9.06.	ACTION BY TRUSTEE	71

SECTION 9.07.	GOOD FAITH RELIANCE	72
SECTION 9.08.	DEALINGS IN BONDS OR WITH THE ISSUER OR THE BORROWER.....	72
SECTION 9.09.	RESIGNATION OF TRUSTEE.....	72
SECTION 9.10.	REMOVAL OF TRUSTEE.....	72
SECTION 9.11.	APPOINTMENT OF SUCCESSOR TRUSTEE.....	73
SECTION 9.12.	QUALIFICATIONS OF TRUSTEE.....	73
SECTION 9.13.	INTENTIONALLY OMITTED	73
SECTION 9.14.	ACCEPTANCE OF TRUSTS BY SUCCESSOR TRUSTEE	73
SECTION 9.15.	SUCCESSOR BY MERGER OR CONSOLIDATION	74
SECTION 9.16.	INTERVENTION IN LITIGATION OF THE ISSUER	74
SECTION 9.17.	PAYING AGENT.....	74
SECTION 9.18.	QUALIFICATIONS OF PAYING AGENT; RESIGNATION; REMOVAL.....	74
SECTION 9.19.	SEVERAL CAPACITIES: DUTY TO COOPERATE	75
SECTION 9.20.	ADDITIONAL DUTIES	75
SECTION 9.21.	NOTICE TO INITIAL BONDHOLDER	75
SECTION 9.22.	COVENANTS RELATING TO THE TAX-EXEMPT BONDS.....	75
SECTION 9.23.	SURVIVAL	76
ARTICLE X	EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS.....	77
ARTICLE XI	MODIFICATION OF BOND DOCUMENTS.....	78
SECTION 11.01.	LIMITATIONS.....	78
SECTION 11.02.	SUPPLEMENTAL INDENTURES WITHOUT HOLDER CONSENT	78
SECTION 11.03.	SUPPLEMENTAL INDENTURES REQUIRING BENEFICIAL OWNERS' CONSENT.....	78
SECTION 11.04.	AMENDMENT OF BORROWER'S DOCUMENTS WITHOUT HOLDER CONSENT	80
SECTION 11.05.	AMENDMENT OF BORROWER' DOCUMENTS REQUIRING HOLDERS' CONSENT	80
SECTION 11.06.	PROCEDURES FOR AMENDMENTS.....	81
SECTION 11.07.	OPINIONS; CERTIFICATE	81
SECTION 11.08.	EFFECT OF AMENDMENTS; OTHER CONSENTS.....	81

ARTICLE XII	MISCELLANEOUS	83
SECTION 12.01.	SUCCESSORS OF THE ISSUER.....	83
SECTION 12.02.	PARTIES IN INTEREST	83
SECTION 12.03.	SEVERABILITY.....	83
SECTION 12.04.	NO PERSONAL LIABILITY	83
SECTION 12.05.	COUNTERPARTS	83
SECTION 12.06.	GOVERNING LAW.....	84
SECTION 12.07.	NOTICES.....	84
SECTION 12.08.	HOLIDAYS	85
EXHIBIT A – Form of Series 2022A Bonds.....		A-1
EXHIBIT B – Form of Series 2022B Bonds		B-1
EXHIBIT C – Form of Investor Letter		C-1

TRUST INDENTURE

THIS TRUST INDENTURE is made and entered into as of _____ 1, 2022, by and between the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT** (together with its successors and assigns, the “Issuer”), a political subdivision of the Commonwealth of Kentucky, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America and being qualified to accept and administer the trusts hereby created, as Trustee (the “Trustee”). All capitalized terms used in this Indenture and not otherwise defined herein have the meanings ascribed to them in Section 1.01 of this Indenture.

RECITALS:

WHEREAS, pursuant to the laws of the Commonwealth of Kentucky, including Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (“KRS”), the Issuer is authorized, among other things, (i) to assist in defraying the cost of all or a portion of the acquisition, construction, equipping, and installation of “industrial buildings,” as defined in KRS Section 103.200, located within and without the boundaries of the Issuer, as authorized by KRS Sections 103.200 to 103.285, inclusive (the “Act”), and (ii) to issue and sell its negotiable revenue bonds to provide all or a portion of the costs of such industrial buildings; and

WHEREAS, the Borrower (as more particularly defined herein) has applied for the financial assistance of the Issuer in the financing of the “Project” (as more particularly defined herein);

WHEREAS, the Project constitutes an “industrial building” as that term is defined in KRS Section 103.200(1)(o), consisting of industrial buildings to be used by an entity recognized by the Internal Revenue Service as an organization described in 26 U.S.C. Section 501(c)(3) in a manner related to or in furtherance of that entity’s exempt purposes where the use would also qualify for federally tax-exempt financing under the rules applicable to a qualified 501(c)(3) bond as defined in 26 U.S.C. Section 145;

WHEREAS, the Issuer has authorized the issuance of the “Series 2022 Bonds” (as more particularly defined herein), and has entered into an agreement with the Borrower, dated as of _____ 1, 2022 (the “Loan Agreement”) specifying the terms and conditions of a loan by the Issuer to the Borrower of the proceeds of the Series 2022 Bonds to provide for financing of the Project and of the payment by the Borrower to the Issuer of amounts sufficient for the payment of the principal of, premium, if any, or interest on the Series 2022 Bonds and costs incidental thereto;

WHEREAS, pursuant to and in accordance with the Act, the Issuer desires to provide funds to finance the acquisition, renovation, furnishing and equipping of the Project by issuing its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A (the “Series 2022A Bonds”) and its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B (the “Series 2022B Bonds”) in the combined aggregate principal amount of

\$ __,000,000 (collectively, the “Series 2022 Bonds” and, together with any Additional Bonds that may be issued hereunder, the “Bonds”) pursuant to this Indenture;

WHEREAS, the Issuer has determined that the purpose of the Act will be furthered by the issuance of the Series 2022 Bonds to assist with the acquisition, renovation, furnishing and equipping of the Project, and therefore the Issuer has agreed to issue the Series 2022 Bonds and lend the proceeds thereof to the Borrower (the “Loan”) and the Borrower has agreed to (i) apply the proceeds of the Loan to pay a portion of the costs of acquisition, renovation, furnishing and equipping of the Project, (ii) to pay a portion of the costs of issuance of the Series 2022 Bonds, (iii) make payments sufficient to pay the principal of and interest on the Bonds when due (whether at maturity, by redemption, acceleration or otherwise), and (iv) observe the other covenants and agreements and make the other payments set forth therein;

WHEREAS, the Borrower has delivered to the Issuer its promissory note dated the date of issuance of the Series 2022 Bonds in an original principal amount equal to the aggregate original principal amount of the Series 2022 Bonds (as amended, modified or supplemented from time to time, the “Note”) evidencing its obligation to repay the Loan, and the Issuer has made the Loan to the Borrower, subject to the terms and conditions of the Loan Agreement and this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Issuer, authenticated and delivered by the Trustee and duly issued as provided in this Indenture, the valid, binding and legal special limited obligations of the Issuer (except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws related to or affecting creditor’s rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against joint powers commissions or governmental units of the Commonwealth of Kentucky), and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

[Remainder of page intentionally left blank]

GRANTING CLAUSES

NOW, THEREFORE, the Issuer, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the Holders thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, does hereby bargain, sell, convey, mortgage, assign, pledge and grant, a security interest in the Trust Estate to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer hereinafter set forth, including all of the Issuer's right, title and interest in and to the following property:

GRANTING CLAUSE FIRST

Except for the Unassigned Rights, all right, title and interest of the Issuer in the Loan Agreement, the Note, the HAP Assignment, the Mortgage and the Land Use Restriction Agreement, including all extensions and renewals of the terms thereof, if any, including, but not limited to, Loan Payments made by the Borrower pursuant to the Loan Agreement and the present and continuing right to make claim for, collect, receive and receipt for any of the sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement, the Note, the HAP Assignment, the Mortgage and the Land Use Restriction Agreement, to bring actions and proceedings thereunder or for the enforcement thereof, and to do any and all things which the Issuer is or may become entitled to do under the Loan Agreement, the Note, the HAP Assignment, the Mortgage and the Land Use Restriction Agreement;

GRANTING CLAUSE SECOND

All money and securities and interest earnings from time to time held by the Trustee under the terms of this Indenture (except amounts on deposit in the Rebate Fund and except that money and securities on deposit in the Funds and Accounts established with respect to the Bonds shall be held solely for the Holders of the Bonds);

GRANTING CLAUSE THIRD

Except for the Unassigned Rights, any and all other property rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security for the payment of the Bonds, by the Issuer or any other person on its behalf or with its written consent, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof; and

GRANTING CLAUSE FOURTH

All the right, title, and interest of the Issuer in and to all proceeds (cash and noncash) of any or all of the foregoing, including, without limiting the generality of the foregoing, all

inventory, accounts, chattel paper, documents, equipment, instruments, farm products, consumer goods, and general intangibles constituting proceeds acquired with cash proceeds of any or all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, to the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds;

SUBJECT ONLY TO THE RIGHTS OF THE ISSUER TO APPLY AMOUNTS UNDER THE PROVISIONS OF THIS INDENTURE, THE PLEDGE AND ASSIGNMENT OF THE TRUST ESTATE HEREBY MADE SHALL IMMEDIATELY ATTACH THERETO AND SHALL BE EFFECTIVE, BINDING AND ENFORCEABLE FROM AND AFTER THE TIME OF THE DELIVERY BY THE TRUSTEE OF THE FIRST BONDS AUTHENTICATED AND DELIVERED UNDER THIS INDENTURE. THE SECURITY SO PLEDGED AND ANY ASSIGNMENT THEN OR THEREAFTER RECEIVED BY THE ISSUER SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE AND ASSIGNMENT AND THE LIEN OF SUCH PLEDGE AND ASSIGNMENT SHALL BE VALID AND BINDING AGAINST THE ISSUER, PURCHASERS THEREOF, CREDITORS AND ALL OTHER PARTIES IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF AND WITHOUT THE NEED FOR ANY PHYSICAL DELIVERY, RECORDATION, OR FURTHER ACT.

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds and as provided in Article VII hereof according to the true intent and meaning thereof, and shall cause the payments to be made as required under Article IV hereof, or shall provide, as permitted hereby, for the payment thereof in accordance with Article VII hereof, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall disburse or cause to be disbursed to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as provided in Article VII hereof, this Indenture and the rights hereby granted shall cease, terminate and be void.

THIS TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of the Trust Estate is to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective Holders, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.01. Definitions.

Unless the context otherwise requires, the following words and phrases shall, for all purposes of this Indenture and of the Loan Agreement and of any supplement or amendment hereto or thereto, have the following meanings:

“Account” or “Accounts” means any one or more, as the case may be, of the named and unnamed accounts established within any Fund.

“Act” means Sections 103.200 to 103.285 of the Kentucky Revised Statutes, as amended.

“Additional Bonds” means the additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 2.13 of this Indenture.

“Additional Loan Payments” means that portion of the Loan Payments described in subsection (b)(ii) of Section 3.2 of the Loan Agreement.

“Administration Expenses” means (a) the Ordinary Trustee’s Fees and Expenses and the Additional Loan Payments described in Section 3.2(b)(ii)(1) of the Loan Agreement, (b) the Dissemination Agent Fee, (c) the Rebate Analyst Fee, and (d) the Issuer’s Fees and Expenses.

“Administration Fund” means the trust fund by that name established pursuant to Section 5.01 hereof.

“Administrator” means the Administrator of each HAP Contract.

“Advanced Funds” has the meaning provided in Section 8.04 hereof.

“Affiliate” means any Person (a) directly or indirectly controlling, controlled by, or under common control with the Borrower; or (b) a majority of the members of the Directing Body of which are members of the Directing Body of such Person. For purposes of this definition, control means with respect to: (i) 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; (ii) 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 (iii) 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 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 directors of such

corporation (both of which groups will 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; or (C) any other entity, its governing body or board. For the purposes of this definition, all references to directors and members will be deemed to include all entities performing the function of directors or members however denominated.

"Amend" or "Amendment," as used in Article XI hereof, refer to any amendment, modification, alteration or supplement to any Bond Document, or any waiver of any provision thereof.

"Annual Debt Service" means, for any period of a calendar year, the amount of the scheduled principal and interest payment required with respect to all Outstanding Bonds, or all Outstanding Bonds of one or more Series, as applicable, for such period.

"Annual Evaluation Date" means each December 31, commencing December 31, 2022.

"Architect" means any architect that provided design, architecture or other service to the Borrower.

"Audited Financial Statements" means the financial statements prepared for each Fiscal Year for the Project prepared in accordance with generally accepted accounting principles and examined by a Certified Public Accountant.

"Authorized Denominations" means \$100,000 and integral multiples of \$5,000 in excess thereof.

"Available Money" means (a) money held by the Trustee under this Indenture for a period of at least 123 days and not commingled with any money so held for less than said period and during which period no petition in bankruptcy was filed by or against, and no receivership, insolvency, assignment for the benefit of creditors or other similar proceedings has been commenced by or against, the Issuer or the Borrower, unless such petition or proceeding was dismissed and all applicable appeal periods have expired without an appeal having been filed, (b) Project Revenues held by the Trustee (c) investment income derived from the investment of money described in clauses (a) and (b), (d) proceeds of obligations issued to refund the Bonds, or (e) any money with respect to which an opinion of Bond Counsel or nationally recognized bankruptcy counsel has been received by the Trustee to the effect that payments by the Trustee in respect of the Bonds, as provided in this Indenture, derived from such money should not constitute transfers avoidable under 11 U.S.C. § 547(b) and recoverable from the Holders under 11 U.S.C. § 550(a) should the Issuer or the Borrower be the debtor in a case under Title 11 of the United States Code, as amended.

"Basic Loan Payments" means that portion of the Loan Payments described in Subsection 3.2(b)(i) of the Loan Agreement.

"Beneficial Owner" means a Person owning a Beneficial Ownership Interest in the Bonds, as evidenced to the satisfaction of the Trustee.

“Beneficial Ownership Interest” means the right to receive payments and notices with respect to the Bonds held in a book-entry system.

“Bond Counsel” means (a) Frost Brown Todd LLC or (b) any Independent Counsel of nationally recognized standing in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, obligations issued by states and political subdivisions, familiar with the transactions contemplated under this Indenture appointed by the Borrower and reasonably acceptable to the Issuer.

“Bond Documents” means this Indenture and the Borrower’s Documents.

“Bond Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Bond Obligation” means the then outstanding principal amount of the Bonds.

“Bond Payment Date” means any Interest Payment Date, any Principal Payment Date and any other date on which the principal of, premium, if any, or interest on the Bonds is to be paid to the Holders thereof, whether upon redemption, at maturity or upon acceleration of maturity of the Bonds.

“Bond Placement Agreement” means the Bond Placement Agreement dated as of March ____, 2022 by and among the Placement Agent, the Borrower and the Issuer.

“Bond Ordinance” the ordinance of the Metro Council of the Issuer authorizing the issuance of the Series 2022 Bonds.

“Bond Year” means the period from and including the date of issuance of the Series 2022 Bonds through December 31, 2022, and thereafter each year beginning on January 1 and ending on the earlier of the following December 31, as applicable, or the maturity of the Series 2022 Bonds (whether by redemption, acceleration or otherwise).

“Bonds” means collectively the Series 2022 Bonds and any Additional Bonds.

“Borrower” means PSG Vesta Derby Oaks LLC, a limited liability company organized and existing under the laws of the State of Delaware, and its authorized successors and assigns.

“Borrower’s Documents” means, collectively, the Loan Agreement, the Mortgage, the Note, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Tax Agreement, the HAP Contract, the HAP Assignment, the Management Agreement, and the Collateral Assignment of Management Agreement, the Bond Placement Agreement, the Private Placement Memorandum, together with all other documents or instruments executed by the Borrower evidencing or securing the Borrower’s obligations under the Loan Agreement, in each case as originally executed or as it may thereafter be amended or supplemented in accordance with its respective terms.

“Borrower’s Representative” means each person at the time designated to act on behalf of the Borrower, by written certificate furnished to the Issuer and the Trustee on behalf of the Borrower, containing the specimen signature of such person and any designated alternates.

“Budget” means the budget described in Section 6.9 of the Loan Agreement.

“Business Day” means any day other than a (a) Saturday, (b) Sunday, (c) day on which banking institutions in (i) any city in which the designated corporate trust or principal operations offices of the Trustee (such city being initially Jacksonville, Florida) are located, (ii) the Commonwealth of Kentucky or (iii) the City of New York, New York, are authorized or obligated by law or executive order to be closed, or (d) day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means, the trust account by that name within the Bond Fund pursuant to Section 5.01 hereof.

“Certified Public Accountant” means any Person who is Independent, appointed by the Borrower, actively engaged in the business of public accounting and duly licensed as a certified public accountant under the applicable laws of the relevant state.

“Clearing Agency” means any clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record Beneficial Ownership Interests in the Bonds, and to effect transfers of book-entry interests of the Bonds in book-entry form, which initially shall be The Depository Trust Company.

“Closing Date” means the date of initial issuance and delivery of the Series 2022 Bonds.

“Code” means the Internal Revenue Code of 1986, the applicable regulations (whether proposed, temporary or final) under that Code or the statutory predecessor of that Code, and any amendments of, or successor provisions to, the foregoing and any official rulings, announcements, notices and procedures regarding any of the foregoing. Unless otherwise indicated, reference to a Section of the Code means that Section of the Code, including such applicable regulations, rulings, announcements, notices and procedures.

“Collateral Assignment of Management Agreement” means the Collateral Assignment of Management Agreement dated its date of execution, between the Borrower and the Trustee and consented to by the Manager for the Project and as it may thereafter to be amended or supplemented from time to time in accordance with its terms.

“Compliance Certificate” means a certificate of a Borrower’s Representative stating that, as of the date of such certificate, the Borrower is in compliance with all requirements of the Borrower’s Documents.

“Condemnation Award” means the total condemnation proceeds paid by the condemner as a result of condemnation or eminent domain proceedings with respect to all or any part of the Project or of any settlement or compromise of such proceedings.

“Consultant” means a Person who is Independent, appointed by the Borrower, and who is nationally recognized as being expert as to matters for which its certificate or advice is required or contemplated.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of _____ 1, 2022 between the Borrower and the Dissemination Agent, as in effect on the Closing Date and as it may thereafter be amended or supplemented from time to time in accordance with its terms.

“Controlled Group” means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the “controlling entity”) directly controls another entity (the “controlled entity”), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial: (a) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or (b) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

“Controlling Holders” means, as of any date, in the case of consent or direction to be given hereunder, the Holders of the majority in aggregate principal amount of the then Outstanding Bonds.

“Costs of Issuance” means all fees, costs and expenses payable or reimbursable directly or indirectly by the Borrower and related to the authorization, issuance and sale of the Bonds.

“Costs of Issuance Account” means the account by that name in the Project Fund created pursuant to Section 5.01 hereof.

“Costs of the Project” means those costs and expenses in connection with the acquisition, rehabilitation, furnishing, and equipping of the Project permitted by the Act to be paid or reimbursed from Bond proceeds including, but not limited to, the following:

(a) payment of (i) the cost of the preparation of plans and specifications (including any preliminary study or planning of the Project, the renovations to the Project or any aspect thereof), (ii) the cost of acquisition, construction and rehabilitation of the Project and all acquisition, construction, rehabilitation and installation expenses required to provide utility services or other facilities and all real or personal properties deemed necessary in connection with the Project (including development, architectural, engineering, and supervisory services with respect to any of the foregoing and premium on any surety bond), and (iii) interest on the Bonds during the rehabilitation of the Project, and (iv) any other costs and expenses relating to the Project;

(b) payment of the purchase price of the Project, improvements thereon, and the Equipment, and any fixtures to be incorporated into the Project, including all costs incident thereto, payment of consulting and development fees payable to the Borrower or others, and payment for the miscellaneous expenses incidental to any of the foregoing items;

(c) payment to the Trustee, as such payments become due, of the reasonable fees and expenses of the Trustee, including attorneys’ fees, other than its initial fee (as Trustee, bond registrar, and paying agent) and of any paying agent properly incurred under this Indenture that may become due during the rehabilitation and equipping of the Project;

(d) to such extent as they are not paid by a contractor for rehabilitation or installation with respect to any part of the Project, payment of the premiums on all insurance required to be taken out and maintained during the period of rehabilitation and equipping of the Project;

(e) payment of the taxes, assessments, and other charges, if any, that may become payable during the period of construction or rehabilitation of the Project;

(f) payment of expenses incurred in seeking to enforce any remedy against any contractor or subcontractor in respect of any default under a contract relating to the Project;

(g) payment of the fees or out-of-pocket expenses of the Borrower, if any, including, but not limited to, architectural, engineering, and supervisory services with respect to the Project;

(h) payment of the fees or out-of-pocket expenses, if any, of those providing services with respect to the Project, including, but not limited to, architectural, engineering, and supervisory services;

(i) payment to the Borrower of such amounts, if any, as are necessary to reimburse the Borrower in full for all advances and payments made by it for any of the items set forth in (a) through (h) above; and

(j) payment of any other costs and expenses relating to the Project that would constitute a “cost” or “expense” permitted to be paid by the Issuer under the Act.

“Counsel” means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not unsatisfactory to the Issuer.

“Coverage Test” means that the Debt Service Coverage Ratio for the relevant period was equal to or greater than 1.15 to 1 on all Outstanding Bonds.

“Dated Date” means the date of issuance and delivery of the Bonds.

“Debt Service” means the principal and redemption price of and interest due on the Bonds on any given Interest Payment Date.

“Debt Service Coverage Ratio” means, for any period, the ratio obtained by dividing Net Income Available for Debt Service for such period by the Annual Debt Service for such period, expressed as a percentage or a ratio, in each case, as calculated by the Borrower and certified to the Trustee in writing and supported by the Audited Financial Statements described in Section 6.8 of the Loan Agreement.

“Debt Service Requirements” means for a specified period: (a) amounts needed to pay scheduled payments of principal of the Bonds during such period; (b) amounts needed to pay interest on the Bonds payable during such period; and (c) to the extent not duplicative of (a) or (b) above, amounts paid during such period to restore the amounts on deposit in the Debt Service Reserve Fund to the Debt Service Reserve Requirement.

“Debt Service Reserve Fund” means the trust fund of that name created with respect to the Series 2022 Bonds pursuant to Section 5.01 hereof.

“Debt Service Reserve Requirement” means, with respect to the Series 2022A Bonds, the amount of \$[_____] (approximately the Maximum Annual Debt Service on the Series 2022A Bonds) and, with respect to the Series 2022B Bonds, the amount of \$[_____] (approximately the Maximum Annual Debt Service on the Series 2022B Bonds); provided, however, that the foregoing amounts shall be reduced, at the written direction of the Borrower, on a pro-rata basis to the extent of any reduction in Annual Debt Service on the aggregate principal amount of the Series 2022A Bonds Outstanding or the Series 2022B Bonds Outstanding, as applicable, if any Series 2022 Bonds are redeemed.

“Default” under the Loan Agreement means any of the events described in Section 7.1 of the Loan Agreement.

“Default Rate” with respect to the Loan and Bonds means the interest rate on the applicable Loan or the applicable Series of Bonds plus 2% per annum, and with respect to any other amounts due means 10% per annum, but in no case in excess of the Maximum Rate.

“Designated Office” means, when referring to the Trustee or any Paying Agent, the office where the Trustee or Paying Agent, as applicable, maintains its designated corporate trust department, which as of the date of this Indenture, shall be the address provided in Section 12.07 hereof.

“Dissemination Agent” means The Bank of New York Mellon Trust Company, National Association, or any successor thereto, acting as Dissemination Agent under the Continuing Disclosure Agreement.

“Dissemination Agent Fee” means the fee payable to the Dissemination Agent in an annual amount set forth in the then current Budget payable semi-annually in advance on the Closing Date (pro-rated to the initial Interest Payment Date) and on each Interest Payment Date thereafter; provided such fee shall not exceed \$1,000 annually as compensation for its services and expenses in performing its obligations under the Continuing Disclosure Agreement.

“Eligible Tenants” means, with respect to the dwelling units in the Project covered by the respective HAP Contract, persons who qualify for housing assistance under Section 8 of the United States Housing Act of 1937, as amended, in accordance with published standards of HUD and who qualify for housing assistance at the Project pursuant to the respective HAP Contract.

“Environmental Laws” means Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), Public Law No. 96-510, 94 Stat. 1613; the Resource Conservation and Recovery Act (“RCRA”), the National Environmental Policy Act of 1969, as amended (42 U.S.C. § 4321 et seq.); the Solid Waste Disposal Act (42 U.S.C. §§ 6901 et seq.); the Hazardous Material Transportation Act, as amended (49 U.S.C. §§ 1801 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. §§ 136 et seq.); RCRA; the Toxic Substance Control Act, as amended (15 U.S.C. §§ 2601 et seq.); the Clean Water Act; the Clean Air Act, as amended (42 U.S.C. §§ 7401 et seq.); the Federal Water Pollution Control Act, as amended (33 U.S.C. §§ 1251 et seq.); the Federal Coastal Zone Management Act, as amended

(16 U.S.C. §§ 1451 et seq.); the Occupational Safety and Health Act, as amended (29 U.S.C. §§ 651 et seq.); the Safe Drinking Water Act, as amended (42 U.S.C. §§ 300(f) et seq.); and any other federal, state, or local law, statute, ordinance, and regulation, now or hereafter in effect, and in each case as amended or supplemented from time to time, and any applicable judicial or administrative interpretation thereof, including, without limitation, any applicable judicial or administrative order, consent decree, or judgment applicable to the Project relating to the regulation and protection of human health and safety and/or the environment and natural resources (including, without limitation, ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species, and/or vegetation), including all amendments to such Acts, and any and all regulations promulgated thereunder, and all analogous local or state counterparts or equivalents, and any transfer of ownership notification or approval statutes, and any federal, state or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any petroleum, petroleum byproduct (including but not limited to, crude oil, diesel oil, fuel oil, gasoline, lubrication oil, oil refuse, oil mixed with other waste, oil sludge, and all other liquid hydrocarbons, regardless of specific gravity) natural or synthetic gas, products and/or hazardous substance or material, toxic or dangerous waste, substance or material, pollutant or contaminant, as may now or at any time hereafter be in effect.

“Equipment” means the equipment, machinery, furnishings and other personal property located on the Project and all replacements, substitutions, and additions thereto.

“Event of Default” means any occurrence or event specified in Section 8.01 hereof.

“Extraordinary Trustee’s Fees and Expenses” means the fees, expenses and disbursements payable to the Trustee and Paying Agent pursuant to Section 9.04 hereof during any Fiscal Year in excess of Ordinary Trustee’s Fees and Expenses, including but not limited to, reasonable counsel fees and expenses, reasonable fees of other third party professionals, and any costs of sending notices pursuant to the terms and conditions of the Bond Documents, including but not limited to, Section 3.06 hereof.

“Favorable Opinion of Bond Counsel” means, with respect to any action the taking of which requires such an opinion, an opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that such action will not, in and of itself, cause interest on the Tax-Exempt Bonds to be includible in gross income for federal income tax purposes (subject to the inclusion of any exceptions contained in the opinion delivered upon the original issuance of the Tax-Exempt Bonds).

“Fiduciary” means the Trustee and any Paying Agent.

“Fiscal Year” means a period of 12 consecutive months ending on December 31, except that the first Fiscal Year shall begin on the Closing Date and end on December 31, 2022.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns.

“Force Majeure” means (a) the following: acts of nature; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the

United States of America or of the Commonwealth of Kentucky or of any of their subdivisions, departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; floods; explosions, but only to the extent that any such cause or event is not within the control of the Borrower; and (b) any other cause or event not reasonably within the control of the Borrower.

“Fund” or “Funds” means any one or more, as the case may be, of the separate trust funds created and established in Article V of this Indenture.

“GAAP” means generally accepted accounting principles consistently applied.

“Governing Body” means (a), with respect to the Issuer, the Metro Council of the Issuer, or any governing body that succeeds to the functions of the Metro Council of the Issuer, and (b) with respect to a Borrower, the Board of Directors of the Sole Member.

“Government Obligations” means direct obligations of, and obligations the principal of and interest on which are unconditionally guaranteed as to timely payment by, the United States of America.

“HAP Assignment” means each Assignment and Pledge of Housing Assistance Payments Contract and Payments, dated as of the date of this Indenture, between the Borrower and the Trustee, as in effect on the Closing Date and as it may thereafter be supplemented or amended, pledging and assigning to the Trustee certain rights and interests under the respective HAP Contract.

“HAP Contract” means each Housing Assistance Payments Renewal Contract (Multi-year Term) relating to the Project, as amended, renewed, and supplemented and assigned to the respective Borrower.

“HAP Payments” means those monies payable under each HAP Contract with respect to the Project.

“Hazardous Substances” means any petroleum or petroleum products and their by-products, flammable explosives, radioactive materials, toxic chemicals and substances, radon, asbestos in any form that is or could become friable, urea formaldehyde foam insulation and polychlorinated biphenyls (PCB), asbestos-containing materials (ACMs), lead-containing or lead-based paint (LBP), radon, medical waste and other bio-hazardous materials and any chemicals, pollutants, materials or substances defined as or included in the definition of “hazardous substances” as defined pursuant to the federal Comprehensive Environmental Response, Compensation and Liability Act, “regulated substances” within the meaning of subtitle I of the federal Resource Conservation and Recovery Act and words of similar import under applicable Environmental Laws.

“Holder” or “Bondholder” means the Person or Persons in whose name any Bond is registered on the registration records for the Bonds maintained by the Trustee as registrar.

“HUD” means the United States Department of Housing and Urban Development and its successors and assigns.

“Imposition” has the meaning given such term in Section 4.9 of the Loan Agreement.

“Indebtedness” means (a) all indebtedness, whether or not represented by bonds, debentures, notes or other securities, for the repayment of money borrowed, (b) all deferred indebtedness for the payment of the purchase price of properties or assets purchased, (c) all guaranties, endorsements (other than endorsements in the ordinary course of business), assumptions, and other contingent obligations in respect of, or to purchase or to otherwise acquire, indebtedness of others, (d) all indebtedness secured by a mortgage, or secured by a pledge, security interest, or lien existing on property owned which is subject to a mortgage, pledge, security interest, or lien, whether or not the indebtedness secured thereby has been assumed, (e) all capitalized lease obligations, (f) all unfunded amounts under a loan agreement, letter of credit, or other credit facility for which such Person would be liable, if such amounts were advanced under the credit facility, (g) all amounts required to be paid by the Borrower as a guaranteed payment to partners or members or a preferred or special dividend, including any mandatory redemption of shares or interests, (h) all unfunded pension funds, or welfare or pension benefit plans or liabilities, and (i) all obligations (calculated on a net basis) of the Borrower under derivatives in the form of interest rate swaps, credit default swaps, total rate of return swaps, caps, floors, collars and other interest hedge agreements, in each case whether the Borrower is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations the Borrower otherwise assure a creditor against loss; provided, however, that for the purpose of computing Indebtedness, there will be excluded any particular Indebtedness if, upon or prior to the maturity thereof, there has been deposited with the proper depository in trust the necessary funds (or Government Obligations not callable or pre-payable by the Issuer thereof) for the payment, redemption, or satisfaction of such Indebtedness, and thereafter such funds and such Government Obligations so deposited will not be included in any computation of the assets of the Borrower and the income derived from such funds and such direct obligations of the United States of America so deposited will not be included in any computation of the income of the Borrower.

“Indenture” means this Trust Indenture, as in effect on the Closing Date and as it may thereafter be amended or supplemented from time to time in accordance with Article XI hereof.

“Independent” means, with respect to Counsel or any Consultant, a person who is not a member of the Governing Body of the Issuer or the Borrower and is not an officer or employee of the Issuer or the Borrower and which is not a partnership, corporation or association having a partner, director, officer, member or substantial stockholder who is a member of the Governing Body of the Issuer or the Borrower or who is an officer or employee of the Issuer or the Borrower; provided, however, that the fact that such person is retained regularly by or transacts business with the Issuer shall not make such person an employee within the meaning of this definition.

“Initial Bondholder” means _____.

“Insurance and Tax Escrow Fund” means the trust fund by that name established pursuant to Section 5.01 hereof.

“Insurance Consultant” means a Consultant having the skill and expertise necessary to evaluate the insurance needs of affordable multifamily rental housing and which may be a broker or agent with which the Borrower or the Issuer transacts business and approved by the Initial Holder.

“Insurance Proceeds” means the total proceeds of insurance paid by an insurance company under the policies of property insurance required to be procured by the Borrower pursuant to the Loan Agreement.

“Insurance Policies” means any insurance policy obtained by the Borrower or the Trustee pursuant to Article V of the Loan Agreement.

“Interest Account” means, the trust account by that name in the Bond Fund created with respect to the Bonds pursuant to Section 5.01 hereof.

“Interest Payment Date” means each June 1 and December 1, commencing June 1, 2022, until the final Principal Payment Date of the Bonds.

“Interest Period” for any Bonds means initially the period from the Dated Date to but not including the first Interest Payment Date and thereafter the period from and including each Interest Payment Date to but not including the next Interest Payment Date or other date on which interest is required to be paid on such Bonds.

“Interest Requirement” for any Bonds means an amount equal to the interest that would be due and payable on such Bonds on the Interest Payment Date next succeeding the date of determination (assuming that no principal of such Bonds is paid or redeemed between such date and the next succeeding Interest Payment Date) multiplied by a fraction the numerator of which is one and the denominator of which is the number of whole calendar months in the Interest Period in which such date occurs.

“Investment Securities” means any of the following obligations or securities, to the extent permitted by applicable law:

- (a) Government Obligations;
- (b) An interest in any trust or fund that invests solely in Government Obligations or repurchase agreements with respect to Government Obligations;
- (c) Commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from the Rating Agency, from which a rating is available in the highest investment category granted thereby;
- (d) Repurchase and reverse repurchase agreements with a provider whose long-term rating is at least “A” by the Rating Agency, which agreement is collateralized with Government Obligations, including those of the Trustee or any of its affiliates;
- (e) Investment in money market mutual funds having a rating in the highest investment category granted thereby from the Rating Agency, including, without limitation any

mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or sub-custodian, notwithstanding that (A) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (B) the Trustee collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (C) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; and

(f) Demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances of depository institutions, including the Trustee or any of its affiliates which are either (a) rated in the “AA” long-term ratings category or higher by the Rating Agency or (b) are fully insured (and within the limits of insurance provided by) the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

“Issuer” means the Louisville/Jefferson County Metro Government, and its successors and assigns.

“Issuer Annual Fee” means the Issuer’s annual administration fee determined and payable in the amounts and at the times specified in Section 3.2 of the Loan Agreement.

“Issuer Indemnified Person” means, collectively, (i) the Issuer and (ii) each and all of the Issuer’s respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, Issuer Representatives, attorneys, contractors, subcontractors, agents and advisers (including counsel and financial advisors) and each of their respective heirs, successors and assigns.

“Issuer Representative” means any officer, director or other person designated by resolution of the Metro Council of the Issuer (whether such resolution is adopted in connection with the issuance of the Bonds or otherwise) or by the Issuer’s Bylaws as an “Authorized Signatory” empowered to, among other things, execute and deliver on behalf of the Issuer this Indenture, the Bond Documents to which it is a party and the Bonds.

“Issuer’s Fees and Expenses” means the fees and expenses, if any, payable to or incurred by the Issuer under any of the Bond Documents, and including, but not limited to, the Issuer Annual Fee and any fees and expenses of counsel to the Issuer, the Liabilities described in Section 6.4 of the Loan Agreement and the Additional Loan Payments described in Section 3.2(b)(ii)(2) – (5) of the Loan Agreement.

“Land Use Restriction Agreement” means each Land Use Restriction Agreement, each dated as of the date of issuance of the Bonds, among the Issuer, the Borrower, and the Trustee, as in effect on the Closing Date and as it may thereafter be amended and supplemented from time to time in accordance with its terms.

“Loan” means the loan evidenced by the Note from the Borrower to the Trustee, financed by the Issuer with proceeds of the Series 2022 Bonds in the aggregate principal amount of \$___,000,000.

“Loan Agreement” means the Loan Agreement of even date herewith among the Issuer and the Borrower, as in effect on the Closing Date and as it may thereafter be amended and supplemented from time to time in accordance with its terms.

“Loan Payments” means, collectively, the “Basic Loan Payments” and the “Additional Loan Payments.”

“Mail” means either (a) first class mail by the United States Postal Service, postage prepaid, to the Holders at their respective addresses which appear on the registration books of the Paying Agent on the date of mailing, or (b) actual delivery to the Holders or their representatives evidenced by receipt signed by such Holders or their representatives.

“Management Agreement” means the Management Agreement, each dated as of _____ 1, 2022, between the Borrower and the Manager, or any substitute agreement providing for the management, maintenance and operation of the Project, in each case as it may be amended and supplemented from time to time.

“Management Consultant” means a Consultant possessing significant management consulting experience in matters pertaining to owning and operating affordable multifamily residential rental housing facilities similar to the Project and approved by the Initial Holder.

“Management Fee” means any and all compensation payable to the Manager under and pursuant to the Management Agreement.

“Manager” means initially Patriot Services Group, Inc., a Florida nonprofit corporation, or any subsequent property manager under any Management Agreement which subsequent manager satisfies the requirements of Section 4.7 of the Loan Agreement as manager of the Project.

“Material Adverse Effect” means (a) a material adverse change in the financial condition of the Borrower or the Project; or (b) any event or occurrence of whatever nature which would materially and adversely affect (i) the validity or enforceability of or Borrower’s ability to perform their obligations under the Loan Agreement or any other Borrower’s Documents; (ii) the validity or enforceability of Holders’ or the Trustee’s security interests in the security pledged hereunder or (iii) the rights and remedies of the Trustee under the Borrower’s Documents.

“Maximum Annual Debt Service” means as of any date of calculation the highest principal and interest requirements with respect to all Outstanding Bonds of the applicable Series for any succeeding Fiscal Year, but excluding the period ending on the final Principal Payment Date of the Bonds.

“Maximum Rate” means the least of (i) 12% per annum, and (ii) the maximum non-usurious interest rate permitted by applicable law, and (iii) the not to exceed interest rate stated in the Bond Ordinance.

“Modifications” means modifications, repairs, renewals, improvements, replacements, alterations, additions, enlargements, or expansions in, on, or to the Project (other than routine repair or maintenance), including any and all machinery, furnishings, and equipment therefor.

“Moody’s” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

“Mortgage” means the Mortgage, Assignment of Rents and Security Agreement, from the Borrower in favor of the Trustee, collectively and jointly and severally securing the repayment of the Loan and the Note and certain additional amounts due and owing under the Loan Agreement, as in effect on the Closing Date and as they may thereafter be amended and supplemented from time to time in accordance with their terms.

“Mortgaged Property” means the real property and all improvements thereon on which the Project is located which are subject to the lien of the Mortgage and this Indenture, as more specifically described in Exhibit A to the Mortgage.

“Needs Assessment Analysis” means the analysis and report required as set forth in Section 4.12 of the Loan Agreement.

“Net Income Available for Debt Service” means, for any period of determination thereof, Project Revenues for such period, plus all interest earnings on money held in Funds and Accounts which are transferred to the Revenue Fund pursuant to Article VI hereof, plus any Unrestricted Contributions, minus (a) total Operating Expenses incurred on a GAAP basis by the Borrower for such period, (b) all required deposits to the Insurance and Tax Escrow Fund and the Repair and Replacement Fund for such period, (c) any profits or losses which would be regarded as extraordinary items under generally accepted accounting principles, (d) gain or loss on the extinguishment of Indebtedness, (e) restricted contributions, (f) proceeds of Additional Bonds and any other Permitted Indebtedness, (g) Net Proceeds of any Insurance Proceeds or Condemnation Award and (h) the proceeds of any sale, transfer or other disposition of all or any portion of the Project by the Borrower.

“Net Proceeds,” when used with respect to any Insurance Proceeds or Condemnation Award, means the gross proceeds from such Insurance Proceeds or Condemnation Award, less all expenses (including reasonable attorneys’ fees of the Borrower or the Trustee and any extraordinary fees and expenses of the Trustee) incurred in the realization thereof.

“Note” means the note executed by the Borrower in favor of the Issuer on behalf of the Holders evidencing the Loan of the proceeds of the Series 2022 Bonds and endorsed to the Trustee.

“Notes” means the Note and any promissory note issued in connection with Additional Bonds.

“Operating Expenses” means, for any period, cash expenses paid or accrued in connection with the operation, maintenance and current repair of the Project (determined on a cash basis) during such period including without limitation, the costs of any utilities necessary to operate the Project, advertising and promotion costs, payroll expenses, any Rebate Amount to the extent that it is not paid from the Rebate Fund, the Management Fee, administrative and legal expenses of the Borrower relating to the Project, labor, executive compensation, the cost of materials and supplies used for current operations of the Project, taxes and charges for accumulation of appropriate reserves for current expenses not annually recurrent but which are

such as may reasonably be expected to be incurred in connection with the Project and in accordance with sound accounting practice. “Operating Expenses” does not include (a) Debt Service Requirements, (b) any loss or expense resulting from or related to any extraordinary and nonrecurring items, (c) any losses or expenses related to the sale of assets, the proceeds of which sale are not included in Project Revenues pursuant to clause (b) of the definition thereof, (d) expenses paid from operational reserves, (e) the Administration Expenses (f) Extraordinary Trustee’s Fees and Expenses, (g) any Rebate Amount to the extent that it is paid from the Rebate Fund, (h) any allowance for depreciation or replacements of capital assets of the Project or amortization of financing costs, or (i) disbursements from the Surplus Fund.

“Operating Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Operating Requirement” means all Operating Expenses, exclusive of amounts to be deposited to or payable from the Administration Fund, the Insurance and Tax Escrow Fund or the Repair and Replacement Fund projected to be payable in such month in accordance with the Budget.

“Operations and Maintenance Reserve Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Ordinary Trustee’s Fees and Expenses” means those fees, expenses and disbursements for the services normally rendered by, and the expenses incurred in the ordinary course of business of, the Trustee and Paying Agent incurred in connection with their duties under this Indenture payable annually in advance on the Closing Date and on each June 1.

“Organizational Documents” means the documents under which the Borrower and the Sole Member, as applicable, is organized and governed, including its Articles of Organization, Operating Agreement or Bylaws, respectively, as such documents are in effect on the Closing Date and as they may be thereafter amended or supplemented from time to time in accordance with their terms.

“Outstanding” or “outstanding” with respect to Bonds means, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except: (a) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee or Paying Agent on or prior to such date for cancellation; (b) Bonds deemed to be paid in accordance with Article VII of this Indenture; and (c) Bonds in lieu of which other Bonds have been authenticated under Section 2.08 or 2.09 hereof.

“Paying Agent” means the Trustee or any successor or additional Paying Agent appointed hereunder that satisfies the requirements of Section 9.18 hereof.

“Permitted Encumbrances” means, with respect to the Project, the Mortgage and (a) the lien of current real property taxes (if any), ground rents, water charges, sewer rents and assessments not yet due and payable, (b) covenants, conditions and restrictions, rights of way, easements and other matters of public record, none of which, individually or in the aggregate, materially interferes with the current use of the Project or the security intended to be provided by the Mortgage, or with the Borrower’s ability to pay its obligations when they become due or

materially and adversely affects the value of the Project, (c) the Land Use Restriction Agreement, and (d) the exceptions (general and specific) set forth in the Title Policy or appearing of record, none of which, individually or in the aggregate, materially interferes with the current use of the Project or the security intended to be provided by the Mortgage or with the Borrower's ability to pay its obligations when they become due or materially and adversely affects the value of the Project.

"Permitted Indebtedness" means (a) payment and other liabilities payable under the Loan Agreement or the Note, (b) liabilities of the Borrower under the Mortgage, and (c) Indebtedness of the Borrower allowed pursuant to Section 6.12 of the Loan Agreement incurred in the ordinary course of business.

"Person" or "person" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization, a governmental body, any other political subdivision, municipality or authority or any other group or entity.

"Placement Agent" means Piper Sandler & Co., and its successors and assigns.

"Principal Account" means, the trust account by that name within the Bond Fund pursuant to Section 5.01 hereof.

"Principal Payment Date" means each maturity date of the Bonds and any date for special mandatory redemption of the Bonds pursuant to Section 3.03 hereof.

"Private Placement Memorandum" means the Private Placement Memorandum delivered to the Initial Bondholder on the Dated Date pursuant to which the Series 2022 Bonds are marketed and sold.

"Project" means the Project, together with the improvements constructed thereon, consisting of four residential rental facilities and related support facilities, including all buildings, structures and improvements now or hereafter constructed thereon, and all fixtures, machinery, equipment, furniture, furnishings and other personal property hereafter attached to, located in, or used in connection with any such structures, buildings or improvements, and all additions, substitutions and replacements thereto, whether now owned or hereafter acquired. The term "Project" does not include property owned by Persons other than the Borrower, including the Manager, the Sole Member or residents of the Project.

"Project Fund" means the trust fund by that name created pursuant to Section 5.01 hereof.

"Property Operating Account" means, any demand deposit bank accounts maintained by a Borrower pursuant to Section 4.3 of the Loan Agreement on which a Borrower or its authorized agent writes checks to pay Operating Expenses.

"Project Revenues" means for any period, all cash operating and nonoperating revenues of the Project, including rental payments, HAP Payments and Unrestricted Contributions, less (a) any extraordinary and nonrecurring items (including any real property tax refunds), (b) income derived from the sale of assets not in the ordinary course of business which is permitted under

the Bond Documents, (c) security, cleaning or similar deposits of tenants until applied or forfeited, (d) Net Proceeds of Insurance Proceeds or Condemnation Awards and (e) any amount disbursed to the Borrower from the Surplus Fund, but including as Project Revenues (i) any such Net Proceeds resulting from business interruption insurance or other insurance or condemnation proceeds retained by the Borrower and (ii) amounts received by the Borrower or the Trustee pursuant to any payment guaranty, operating guaranty or similar agreement with respect to the Project.

“Rating Agency” means S&P, Moody’s or Fitch, or any other nationally recognized rating agency if such agency currently has a rating in effect with respect to any Series of the Bonds.

“Rebate Analyst” means a Certified Public Accountant, financial analyst, law firm or Bond Counsel, or any firm of the foregoing, or a financial institution (which may include the Trustee) experienced in making the arbitrage and rebate calculations required pursuant to Section 148 of the Code and retained by the Borrower to make the computations and give the directions required pursuant to the Tax Agreement.

“Rebate Analyst Fee” means a fee paid for each rebate calculation (which are to be made every fifth year, if required).

“Rebate Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Record Date” means the fifteenth day (whether or not a Business Day) of the calendar month preceding any applicable Interest Payment Date.

“Related Person” means any member of the same Controlled Group as the Issuer or the Borrower.

“Repair and Replacement Fund” means the trust fund by that name established pursuant to Section 5.01 hereof.

“Replacement Reserve Requirement” means an amount equal to the greater of (a) \$300 per unit in the Project per year or (b) the amount required by the HAP Contract, as increased pursuant to any Needs Assessment Analysis required by Section 4.12 of the Loan Agreement.

“Responsible Officer,” when used with respect to the Trustee, means any corporate trust officer or assistant corporate trust officer or any other officer of the Trustee within its corporate trust department customarily performing functions similar to those performed by any of the above designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of such person’s knowledge of and familiarity with the particular subject.

“Restoration” means the restoration, replacement, repair or rebuilding of the Project (or any portion thereof) as a result of an event for which Condemnation Awards or Insurance Proceeds are received with respect to the Project (or any portion thereof), as provided in Section 5.3 of the Loan Agreement.

“Restoration Plans” has the meaning provided in Section 5.3 of the Loan Agreement.

“Revenue Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“S&P” means S&P Global Ratings, its successors and assigns.

“Series” means any series of Bonds issued pursuant to this Indenture.

“Series 2022 Bonds” means the Series 2022A Bonds and the Series 2022B Bonds.

“Series 2022A Bonds” means \$___,000,000 aggregate principal amount of the Issuer’s Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A.

“Series 2022B Bonds” means \$_,000,000 aggregate principal amount of the Issuer’s Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B.

“Short-Term Indebtedness” means any Indebtedness maturing not more than 365 days after it is incurred or which is payable on demand, except for any such Indebtedness which is renewable or extendable at the sole option of the debtor to a date more than 365 days after it is incurred, or any such Indebtedness which, although payable within 365 days, constitutes payments required to be made on account of Indebtedness expressed to mature more than 365 days after it was incurred.

“Project” means the real property on which the Project is located.

“Sole Member” means Patriot Services Group, Inc., a Florida not for profit corporation described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code, as Sole Member and Manager of the Borrower, and its successors and assigns.

“Special Redemption Account” means each trust account by that name within the Bond Fund created with respect to a Series of Bonds pursuant to Section 5.01 hereof.

“Supplemental Indenture” means any Amendment to this Indenture entered into in accordance with Article XI hereof.

“Surplus Cash” means the amount on deposit in the Surplus Fund that may be distributed to the Borrower pursuant to Section 5.13(b) hereof.

“Surplus Fund” means the trust fund by that name created pursuant to Section 5.01 hereof.

“Tax Agreement” means the Tax Compliance Agreement dated as of March ___, 2022, executed by the Issuer, the Borrower and the Sole Member, as in effect on the Closing Date and as the same may be supplemented or amended from time to time in accordance with its terms, together with any other tax compliance agreement or certificate as may be executed and delivered in connection with the issuance of additional Tax-Exempt Bonds.

“Tax-Exempt Bonds” means the Series 2022A Bonds and any Additional Bonds that as originally issued are the subject of an opinion of Bond Counsel to the effect that the interest thereon is excluded from the gross income of the Holders thereof for federal income tax purposes.

“Taxable Bonds” means the Series 2022B Bonds.

“Test Period” means the Fiscal Year ending on an Annual Evaluation Date.

“Title Policies” means title insurance in the form of an ALTA mortgagee’s title policies issued by a title insurance company acceptable to the Placement Agent in the face amount of at least the principal amount of Series 2022 Bonds insuring that the Trustee has a first priority valid lien in the Mortgaged Property subject only to Permitted Encumbrances.

“Trust Estate” means the property conveyed to the Trustee hereunder, including all of the Issuer’s right, title and interest in and to the property described in the Granting Clauses hereof.

“Trustee” means The Bank of New York Mellon Trust Company, National Association, or any successors or assigns hereunder.

“Trustee Indemnified Persons” means the Trustee and its officers, directors, employees and agents.

“Unassigned Rights” means the rights of the Issuer under Section 1.04 of this Indenture and Sections 3.2(b)(ii) of the Loan Agreement, the last paragraph of section 3.2 of the Loan Agreement, and Sections, 6.4, 6.11, 7.5 and 9.16 of the Loan Agreement and, to the extent not expressly provided in said sections (or in any other sections hereof or thereof) the Issuer’s rights thereunder and under this Indenture to (i) inspect books and records; (ii) give or receive notices, approvals, consents, requests, and other communications; (iii) receive payment or reimbursement for expenses, including without limitation Additional Loan Payments and the Issuer’s Fees and Expenses; (iv) immunity from and limitation of liability; (v) indemnification by the Borrower or any other Person; and (vi) to enforce, in its own name and on its own behalf, those provisions hereof and of the Loan Agreement and any other document, instrument or agreement entered into with respect to the Bonds that provides generally for the foregoing enumerated rights or any similar rights of the Issuer or any Issuer Indemnified Person. For avoidance of doubt, the “Unassigned Rights” referenced in clauses (iv), (v) and (vi), above, shall be interpreted broadly to encompass (but not be limited to) the rights of the Issuer Indemnified Persons to immunity from and limitation of liability and indemnification by the Borrower as provided in the Loan Agreement and the right of any such Issuer Indemnified Person to enforce such rights in his, her or its own name.

“Unrestricted Contributions” means contributions to the Borrower that are not restricted in any way that would prevent their application to the payment of Debt Service on Indebtedness of the Borrower.

Section 1.02. Rules of Construction.

In this Indenture, unless the context otherwise requires:

(a) The singular form of any word used herein, including the terms defined in Section 1.01, shall include the plural, and vice versa, unless the context otherwise requires. The use herein of a pronoun of any gender shall include correlative words of the other genders.

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

(c) The table of contents and the headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect, of this Indenture.

(d) The parties acknowledge that the Issuer, the Trustee, the Borrower, and their respective counsel have participated in the drafting of this Indenture and the other Bond Documents to which the Issuer is a party. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Indenture or any of the other Bond Documents to which the Issuer is a party or any amendment or supplement or exhibit hereto or thereto.

(e) References to the Tax-Exempt Bonds as “tax-exempt” or to the “tax-exempt status” of the Tax-Exempt Bonds, refer to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code, irrespective of such forms of taxation as alternative minimum tax, environmental tax, or branch profits tax on foreign corporations, as is consistent with the approach taken in Section 59(i) of the Code.

Section 1.03. Content of Certificates and Opinions.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture or the Loan Agreement shall include (a) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Notwithstanding the preceding paragraph, whenever any certificate or opinion is required by the terms of this Indenture to be given by the Issuer on its own behalf, any such certificate or opinion may be made or given by an Issuer Representative (and in no event individually) and

may be based (i) insofar as it relates to factual matters, upon a certificate of or representation by the Trustee or the Borrower; and (ii) insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by Counsel or an accountant, in each case under clause (i) and (ii) without further investigation or inquiry by such Issuer Representative or otherwise on behalf of the Issuer.

Section 1.04. Issuer's Performance.

None of the provisions of this Indenture shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Indenture, the Loan Agreement, and any and every Bond executed, authenticated and delivered under the Indenture; provided, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been directed to do so in writing by the Borrower, the Trustee or the Holders having authority to so direct; (ii) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the Issuer's reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument have been paid or will be paid or reimbursed to the Issuer; and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer. In complying with any provision herein or in the Loan Agreement, including but not limited to any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) (i) on the faithful performance by the Trustee or the Borrower, as the case may be, of their respective obligations hereunder and under the Loan Agreement and (ii) upon any written certification or opinion furnished to the Issuer by the Trustee or the Borrower, as the case may be. In acting, or in refraining from acting under this Indenture or the Loan Agreement, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the Loan Agreement that it reasonably believes to be unlawful or in contravention of the Loan Agreement or this Indenture.

[End of Article I]

ARTICLE II

THE SERIES 2022 BONDS

Section 2.01. Issuer for and Issuance of Series 2022 Bonds; Interest on the Series 2022 Bonds.

There is hereby authorized under this Indenture the issuance of the Series 2022A Bonds. The Series 2022A Bonds shall be issued in the aggregate principal amount of \$____,000,000, shall bear interest at the rate of _____%.

There is hereby authorized under this Indenture the issuance of the Series 2022B Bonds. The Series 2022B Bonds shall be issued in the aggregate principal amount of \$____,000,000, shall bear interest at the rate of _____%.

The total combined aggregate principal amount of Series 2022 Bonds that may be issued and Outstanding hereunder is expressly limited to \$____,000,000, except as provided in Section 2.08 hereof. The Series 2022 Bonds are designated “Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A,” and “Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B.” No Bonds may be issued under the provisions of this Indenture except in accordance with this Article.

The Bonds shall be issuable only as fully registered Bonds without coupons, in Authorized Denominations. The Bonds of each Series shall be numbered “AR-1” or “BR-1,” consecutively upward, as applicable.

The Bonds shall be dated the Dated Date. The Bonds shall bear interest, payable on each Interest Payment Date, from the Interest Payment Date preceding the date of authentication thereof, unless the date of such authentication shall be after a Record Date, in which case they shall bear interest from the next succeeding Interest Payment Date succeeding the Record Date; provided that if, as shown by the records of the Paying Agent, interest on the Bonds shall be in default, Bonds shall bear interest from the date to which interest has been paid in full on the Bonds, or if no interest has been paid on the Bonds, from their Dated Date. Bonds authenticated on or before the first Record Date following the Closing Date shall bear interest from the Dated Date.

The principal of and premium, if any, on the Bonds shall be payable, when due, in lawful money of the United States of America at the Designated Office of the Trustee upon presentation and surrender of the Bonds. Payment of interest on the Bonds shall be made on each Interest Payment Date to the Holder thereof as of the Record Date, by check or draft mailed by the Trustee on such Interest Payment Date to the Holder at its address as it appears on the registration books maintained by or on behalf of the Trustee or at such other address as is furnished to the Trustee in writing by such Holder prior to such Record Date. Payment of interest on any Bonds may, upon written request to the Trustee of any Holder of Bonds in an aggregate principal amount of at least \$100,000, be transmitted by wire transfer of immediately available funds on the Interest Payment Date to such Holder to the bank account number at a bank located

within the continental United States on file with the Trustee as of the Record Date. Any such wire transfer request shall continue in force until revoked in writing by such Holder to the Trustee, and to be effective as to any interest payment such revocation must be received by the Trustee prior to the applicable Record Date.

Section 2.02. Interest on Bonds.

Interest accrued on the Bonds during each Interest Period shall be paid on the following Interest Payment Date. Interest on the Bonds shall be computed on the basis of a 360-day year comprised of twelve 30-day months. Notwithstanding any provision hereof to the contrary, interest on the Bonds (whether taxable or Default interest) shall never exceed the Maximum Rate.

Section 2.03. Execution.

The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of an Issuer Representative and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Issuer.

The facsimile, electronic or digital signature of any Issuer Representative shall be deemed to be the legal equivalent of a manual signature on specified documents or on all documents and valid and binding for all purposes. If any Issuer Representative whose signature, countersignature or attestation appears on a Bond or Bond Document ceases to be an officer or director before delivery of the Bonds, his or her signature, countersignature or attestation appearing on the Bonds and any Bond Document is valid and sufficient for all purposes to the same extent as if he or she had remained in office until delivery of the Bonds.

Section 2.04. Non Impairment.

Nothing in this Indenture shall be deemed or construed to limit, impair or affect in any way the Issuer's (or any Issuer Indemnified Person's) right to enforce the Unassigned Rights, regardless of whether there is then existing an Event of Default (including, without limitation, a payment default), or any action based thereon or occasioned by an Event of Default or alleged Event of Default, regardless of any waiver or forbearance granted by the Trustee or any Holder in respect thereof. Any Default or Event of Default in respect of the Unassigned Rights may only be waived with the Issuer's written consent.

Section 2.05. Authentication.

No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the forms included in *Exhibits A and B* hereto shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by a Responsible Officer, but it shall not be necessary that the same Responsible Officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.06. Form of Bonds.

The Series 2022 Bonds shall be substantially in the forms set forth in *Exhibit A* and *Exhibit B*, respectively, hereto with such variations, omissions and insertions as are permitted or required by this Indenture.

Section 2.07. Delivery of Series 2022 Bonds.

Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Series 2022 Bonds to the Trustee, and the Trustee shall authenticate the Series 2022 Bonds and shall deliver them to the original purchasers thereof as directed by the Issuer in the request described in (c) below.

Prior to the delivery of any of the Series 2022 Bonds against payment therefor, the Trustee shall have received the following:

- (a) A copy, duly certified by an Issuer Representative, of the Bond Ordinance of the Issuer authorizing the issuance of the Series 2022 Bonds and the execution and delivery of this Indenture;
- (b) Original executed counterparts of this Indenture, the Loan Agreement, the Mortgage, the Note, the Land Use Restriction Agreement, the HAP Assignment, the Tax Agreement, the Management Agreement, and the Continuing Disclosure Agreement;
- (c) A request and authorization to the Trustee on behalf of the Issuer and signed by an Issuer Representative to authenticate and deliver the Series 2022 Bonds as set forth therein;
- (d) Receipt of the Title Policies or a commitment to issue the Title Policies, in form and substance acceptable to the Placement Agent;
- (e) Evidence of insurance coverage required by Section 5.1 of the Loan Agreement;
- (f) Opinions of Counsel to the Issuer in form and substance satisfactory to the Placement Agent and Bond Counsel;
- (g) Opinion of Counsel to the Borrower in form and substance satisfactory to the Placement Agent, Bond Counsel, the Trustee and the Issuer, and addressed thereto; and
- (h) An approving opinion of Bond Counsel addressed to the Issuer, the Placement Agent and the Trustee.

Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate and deliver a new Bond of the same Series and of like date,

maturity and denomination as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and, in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity for the Issuer and the Trustee satisfactory to the Trustee, in its sole discretion. In the event any such Bond shall be about to mature or have matured or been called for redemption, instead of issuing a duplicate Bond, the Issuer may pay the same without surrender thereof. The Issuer and the Trustee may charge the Holder of such Bond their reasonable fees and expenses incurred pursuant to this Section.

All duplicate Bonds issued and authenticated pursuant to this Section 2.08 shall constitute original, contractual obligations of the Issuer to the extent provided in this Indenture (whether or not lost, stolen or destroyed Bonds be at any time found by anyone) and shall be entitled to equal and proportionate rights and benefits hereunder as all other Outstanding Bonds issued hereunder.

Section 2.09. Registration and Transfer of Bonds; Persons Treated as Holders.

The Trustee shall keep books for the registration and for the transfer of the Bonds as provided in this Indenture. At reasonable times and under reasonable regulations established by the Trustee and subject to applicable law providing to the contrary, such list may be inspected and copied by the Issuer, the Borrower or the Holders of \$1,000,000 or more in aggregate Bond Obligation, or a designated representative of such Holders.

Promptly following surrender for transfer of any Bond at its Designated Office, the Trustee shall enter the name and address of the transferee upon the registration books of the Issuer and shall deliver to the transferee a new fully authenticated and registered Bond or Bonds in the name of the transferee, such new Bond or Bonds of the same Series, of Authorized Denominations and of the same maturity and for the aggregate principal amount which the new Holder is entitled to receive. In addition, promptly following surrender of any Bond at the Designated Office of the Trustee, duly endorsed in blank, such Bond may at the option of the Holder thereof, be exchanged for a Bond or Bonds of the same Series in an equal aggregate principal amount of Authorized Denominations and of the same form and tenor of the Bond being exchanged.

All Bonds presented for transfer, exchange, redemption or payment shall (if so required by the Issuer or the Trustee) be accompanied by a written instrument or instruments of transfer, in form and with guaranty of signature as set forth in the form of Bond of the applicable Series or as may be satisfactory to the Trustee, duly executed by the Holder.

The Trustee also may require payment from the Holder of a sum sufficient to cover any tax or other governmental fee or charge that may be imposed in relation thereto. Such taxes, fees and charges shall be paid before any such new Bond shall be delivered. The cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Borrower.

The Issuer and the Trustee shall not be required (a) to issue or register the transfer of any Bonds during any period beginning on a Record Date with respect thereto and ending at the close

of business on the Business Day preceding the next Interest Payment Date or (b) to transfer any Bonds selected, called or being called for redemption in whole or in part.

Bonds delivered upon any transfer as provided herein, or as provided in Section 2.08 hereof, shall be valid special limited obligations of the Issuer payable solely from the Trust Estate, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Issuer, the Borrower and the Trustee shall treat the person in whose name a Bond is registered on the registration books maintained by the Trustee 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.

Section 2.10. Cancellation of Bonds.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, upon payment of the principal amount thereof and interest thereon, for replacement pursuant to Section 2.08 hereof, for transfer or exchange pursuant to Section 2.09 hereof or otherwise, the Trustee shall cancel and destroy the Bond it has received in accordance with its retention policy then in effect.

Section 2.11. Temporary Bonds.

Pending preparation of definitive Bonds, there may be executed, and upon request of the Issuer, the Trustee shall authenticate and deliver, in lieu of definitive Bonds and subject to the same limitations and conditions, temporary typewritten, printed, engraved or lithographed bonds, in the form of registered Bonds without coupons in Authorized Denominations, substantially in the respective forms of *Exhibits A* and *B* hereto.

If temporary Bonds shall be issued, the Issuer shall cause the definitive Bonds to be prepared and to be executed, authenticated and delivered to the Trustee not later than 14 days following the delivery or reissuance of such temporary Bonds, and the Trustee, upon presentation to it at its Designated Office of any temporary Bond, shall cancel the same and deliver in exchange therefor at the place designated by the Holder, without charge to the Holder, a definitive Bond or Bonds of the same Series in an equal aggregate principal amount, of the same maturity and bearing interest at the same rate or rates as the temporary Bond surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds of such Series to be issued and authenticated hereunder.

Section 2.12. Book-Entry Form.

Notwithstanding anything herein to the contrary, the Series 2022 Bonds shall initially be issued as typewritten bonds and held in book-entry form on the books of the Clearing Agency. The Issuer and any Fiduciary may, in connection herewith, do or perform or cause to be done or performed any acts or things not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to accomplish or recognize such book-entry form Bonds.

(a) So long as the Bonds remain and are held in book-entry form on the books of a Clearing Agency, then (1) any such Bond may be registered upon the books kept by the Trustee in the name of such Clearing Agency, or any nominee thereof, including CEDE & Co., as nominee of The Depository Trust Company; (2) the Clearing Agency in whose name such Bonds are so registered shall be, and the Issuer and any Fiduciary may deem and treat such Clearing Agency as, the absolute owner and holder of such Bond for all purposes of this Indenture, including, without limitation, the receiving of payment of the principal of, premium, if any, and interest on such Bond and the receiving of notice and giving of consent; (3) neither the Issuer nor any Fiduciary shall have any responsibility or obligation hereunder to any direct or indirect participant, within the meaning of Section 17A of the Securities Exchange Act of 1934, as amended, of such Clearing Agency, or any person on behalf of which, or otherwise in respect of which, any such participant holds any interest in any Bond, including, without limitation, any responsibility or obligation hereunder to maintain accurate records of any interest in any Bond or any responsibility or obligation hereunder with respect to the receiving of payment of principal, premium, if any, or interest on any Bond, the receiving of notice or the giving of consent; and (4) the Clearing Agency is not required to present any Bond called for partial redemption prior to receiving payment so long as the Trustee and the Clearing Agency have agreed to the method for noting such partial redemption.

(b) If either (a) the Issuer receives notice from the Clearing Agency which is currently the registered owner of the Bonds to the effect that such Clearing Agency is unable or unwilling to discharge its responsibility as a Clearing Agency for the Bonds or, (b) the Issuer elects with the prior written consent of the Borrower to discontinue its use of such Clearing Agency as a Clearing Agency and the Issuer fails to establish a securities depository/book-entry system relationship with another Clearing Agency, then the Issuer and any Fiduciary each shall do or perform or cause to be done or performed all acts or things, not adverse to the rights of the holders of the Bonds, as are necessary or appropriate to discontinue use of such Clearing Agency as a Clearing Agency for the Bonds and to transfer the ownership of each of the Bonds to such person or persons, including any other Clearing Agency, as the holder of the Bonds may direct in accordance with this Indenture. Any expenses of such discontinuance and transfer, including expenses of printing new certificates to evidence the Bonds, shall be paid by the Borrower.

(c) So long as the Bonds remain and are held in book-entry form on the books of a Clearing Agency, the Trustee shall be entitled to request and rely upon a certificate or other written representation from the Clearing Agency or any participant or indirect participant with respect to the identity of any Holders as of a record date selected by the Trustee. For purposes of determining whether the consent, advice, direction or demand of an owner of a Bond has been obtained, the Trustee shall be entitled to treat the Holders as the owner or Beneficial Owner of such Bonds and any consent, request, direction, approval, objection or other instrument of such Holder may be obtained in the same fashion described in Article X hereof.

The book-entry system may also be discontinued with respect to the Bonds, at the direction of the Issuer or the Borrower, and at the Borrower's expense, and the Issuer and the

Trustee will cause the delivery of Bond certificates to such Beneficial Owners of the Bonds, registered in the names of such Beneficial Owners as are specified to the Trustee by the Clearing Agency in writing.

When the book-entry system is not in effect, all references herein to the Clearing Agency will be of no further force or effect.

Section 2.13. Additional Bonds.

So long as no Event of Default has then occurred and is continuing, the Issuer at the request of a Borrower's Representative may, but shall not be required to (in the Issuer's sole and exclusive discretion), issue Additional Bonds for the purpose of (i) financing the costs of making such Modifications as the Borrower may deem necessary or desirable, (ii) financing the cost of completing any Modifications, (iii) refunding any Bonds, and (iv) in each such case, paying the costs of the issuance and sale of the Additional Bonds, paying capitalized or funded interest and such other costs reasonably related to the financing as shall be agreed upon by the Borrower and the Issuer. The terms of such Additional Bonds, the purchase price to be paid therefor, and manner in which the proceeds therefrom are to be disbursed shall be determined by the Borrower and the sale of any Additional Bonds shall be the sole responsibility of the Borrower. The Borrower, the Trustee and the Issuer shall enter into an amendment to the Loan Agreement to provide for additional Basic Loan Payments in an amount at least sufficient to pay principal of, premium, if any, and interest on the Additional Bonds when due and to provide for any additional terms or changes to the Loan Agreement required because of such Additional Bonds. The Issuer and the Trustee shall enter into such amendments or supplements to this Indenture as are required to effect the issuance of the Additional Bonds. An amount equal to any increase in the Debt Service Reserve Requirement attributable to issuance of the Additional Bonds shall be deposited in the applicable account of the Debt Service Reserve Fund at the time of delivery of the Additional Bonds.

As a condition for the issuance of Additional Bonds, the Initial Bondholder shall consent in writing to the issuance of Additional Bonds. In addition, the Initial Bondholder shall have the first option to buy the Additional Bonds at an interest rate calculated based on a spread similar to the spread on the Series 2022 Bonds.

Section 2.14. Delivery of Additional Bonds.

Upon the execution and delivery in each instance of an appropriate indenture supplemental hereto, the Issuer shall execute and deliver to the Trustee and the Trustee shall register and authenticate Additional Bonds and deliver them to the purchaser or purchasers as may be directed by the Issuer, as hereinafter in this Section 2.14 provided. Prior to the delivery by the Trustee of any such Additional Bonds, there shall be filed with the Trustee:

- (a) a valid and effective amendment to the Loan Agreement, pursuant to Section 11.04 hereof, providing for the inclusion within the Project of any real estate and interests therein and any buildings, structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds and providing for an adjustment to in the Basic Loan Payment

obligations of the Borrower to cover the Annual Debt Service of all the Bonds that will be Outstanding after the issuance of the Additional Bonds, which shall be evidenced by a promissory note of the Borrower, and providing any other changes in connection with the issuance of Additional Bonds;

(b) a valid and effective supplemental indenture providing for the issuance of such new series of Additional Bonds and securing such Additional Bonds by the lien and security interest of the Trust Estate;

(c) a valid and effective amendment to the Mortgage subjecting to the lien of the Mortgage any and all real estate and interests therein and any buildings, structures, facilities, and related property acquired by purchase or construction from proceeds of such Additional Bonds and assigning and pledging to the Issuer and the Trustee the Borrower's interest in the leases, rents, issues, profits, revenues, income, receipts, money, royalties, rights and benefits thereof and therefrom and granting a security interest to the Trustee, as assignee of the Issuer, in the Borrower's interest in the machinery, equipment, and related property acquired by purchase or construction from the proceeds of the Additional Bonds, in any inventory then or thereafter located at the real estate or interests therein and any buildings, structures, facilities, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds, and in the accounts, documents, chattel paper, instruments, and general intangibles arising in any manner from the Borrower's operation of any real estate or interests therein and any buildings, structures, facilities, machinery, equipment, and related property to be acquired by purchase or construction from the proceeds of the Additional Bonds;

(d) a copy, duly certified by an Issuer Representative, of a resolution of the Governing Body of the Issuer theretofore adopted and approved authorizing the execution and delivery of the supplemental indenture, amendment to the Loan Agreement, promissory note, and issuance of the Additional Bonds;

(e) a request and authorization to the Trustee on behalf of the Issuer, signed by an Issuer Representative or such other officers of the Issuer as are designated by the Governing Body of the Issuer, to authenticate and deliver the Additional Bonds to the purchaser or purchasers therein identified upon payment to the Trustee, for the account of the Issuer, of a specified sum plus any accrued interest; the proceeds of the Additional Bonds shall be paid over to the Trustee and deposited to the credit of the Project Fund or to such other funds as are provided and created by the supplemental indenture;

(f) a certificate signed by the Borrower's Representative to the effect that no Event of Default under this Indenture or any Borrower's Document has then occurred and is continuing;

(g) certification from the Borrower and proforma calculations demonstrating that all Coverage Tests will continue to be satisfied after giving effect to the issuance of the Additional Bonds;

(h) a Favorable Opinion of Bond Counsel with respect to the Outstanding Tax-Exempt Bonds and, if issued as Tax-Exempt Bonds, an opinion of Bond Counsel, addressed to the Issuer and the Trustee to the effect that all the conditions precedent in this Indenture to the issuance of such Additional Bonds have been satisfied, including the obtaining of original executed counterparts of the applicable Tax Agreement;

(i) the items required by Section 2.13 of this Indenture;

(j) an endorsement of the Title Policies, which endorsement includes any additional real property made subject to the Mortgage and increases the face amount of the policy to an amount equal to the principal amount of the Outstanding Bonds and the Additional Bonds;

(k) to the extent any unrated Additional Bonds are issued, a qualified investor letter satisfactory to the Issuer and its counsel; and

(l) evidence of the consent of the Initial Bondholder to the issuance of the Additional Bonds; and

(m) such other documents as the Trustee may require to evidence compliance with any of the Bond Documents.

Section 2.15. Reserved.

Section 2.16. Reserved

Section 2.17. Restrictions on Initial Ownership and Subsequent Transfer.

The Series 2022 Bonds may only be sold or transferred in Authorized Denominations to “Qualified Institutional Buyers” as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), “Accredited Investors” as described in Rule 501 of Regulation D under the Securities Act or a trust or custodial arrangement in which all of the beneficial owners are either Qualified Institutional Buyers or Accredited Investors. Each Beneficial Owner of a Series 2022 Bond shall provide an investor letter substantially in the form attached hereto as Exhibit C. No investor letter shall be required to be delivered in connection with subsequent transfers of the Series 2022 Bonds.

[End of Article II]

ARTICLE III

REDEMPTION OR PURCHASE OF SERIES 2022A BONDS

Section 3.01. Mandatory Redemption of Series 2022 Bonds.

Series 2022 Bonds shall be called for redemption (a) in whole or in part in the event the Project or any portion thereof is damaged or destroyed or taken in a condemnation proceeding and Net Proceeds resulting therefrom are to be applied to the payment of the Note as provided in Section 5.3 of the Loan Agreement, which Net Proceeds are to be used to redeem Series 2022 Bonds at the election of the Borrower made pursuant to Section 5.3 of the Loan Agreement, (b) in whole in the event the Borrower exercises its option to terminate the Loan Agreement pursuant to Section 8.1(c) (and cause all of the Series 2022 Bonds to be redeemed as provided in this Article III), (c) in whole or in part from proceeds of the Title Policies pursuant to Section 3.10 of the Loan Agreement, (d) in whole or in part, at the earliest practicable date, in the event that the Borrower exercises its option under 8.1(d) of the Loan Agreement in regards to the continued operation of the Project, or (e) in whole in the event the Borrower is required to prepay the Loan following a “Default” under the Loan Agreement.

If called for redemption at any time pursuant to (a) through (e) above, the Series 2022 Bonds of a Series to be redeemed shall be subject to redemption by the Issuer (in accordance with the provisions of Section 3.06 hereof) prior to maturity, in whole at any time or (in the case of redemption pursuant to clause (a), (c) or (d) above) in part at any time (less than all of such Series 2022 Bonds to be selected in accordance with the provisions of Section 3.05 hereof) at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date; such redemption date, to be a date determined by the Borrower and in the case of redemption pursuant to (e) above, to be the earliest practicable date, following acceleration of amounts due under the Loan.

Section 3.02. Optional Redemption of Series 2022 Bonds.

Subject to the requirements set forth herein, Series 2022 Bonds are subject to optional redemption prior to maturity by the Issuer, at the written direction of the Borrower to the Trustee, in whole or in part at any time, on the respective dates at the respective redemption prices set forth below, expressed as a percentage of the outstanding principal amount thereof plus accrued interest to the date of redemption:

<u>Redemption Date</u>	<u>Redemption Price</u>
<i>(on or after until next stated date)</i>	
_____ 1, 20__	_____ %
_____ 1, 20__	_____ %
_____ 1, 20__	_____ %
_____ 1, 20__	_____ %

The Borrower shall give the Trustee written notice of optional redemption not more than 60 days and not less than 45 days prior to the redemption date in accordance with the applicable provisions of the Loan Agreement and, upon delivery of such written notice, the Issuer shall be deemed, without the necessity of any action on the Issuer’s part, to have exercised its option to

redeem the Series 2022 Bonds under this Section 3.02. A copy of such notice shall be provided to the Issuer, but failure or delay in providing such copy to the Issuer shall not affect the validity of such notice or redemption.

Money used to pay premium, if any, on the Series 2022 Bonds to be redeemed must constitute Available Money.

Section 3.03. Special Mandatory Redemption.

(a) The Series 2022 Bonds will be subject to special mandatory redemption, in whole or in part, June 1, 2023 and each June 1 thereafter, from amounts transferred from the Surplus Fund (provided that the amount thereof at least equals an Authorized Denomination) at a Redemption Price of 100% of the principal amounts thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption; provided that no Tax-Exempt Bonds will be redeemed pursuant to special mandatory redemption until no Taxable Bonds remain Outstanding.

Section 3.04. Reserved.

Section 3.05. Reserved

Section 3.06. Selection of Bonds to Be Redeemed.

Bonds may be redeemed only in Authorized Denominations. If less than all of the Bonds are being redeemed: (a) the principal amount and Series of the Bonds to be redeemed shall be designated by a Borrower's Representative in writing to the Trustee and (b) the particular Bonds of the Series or portions thereof to be redeemed shall be selected by DTC or any successor depository in accordance with its procedures, or, if the book-entry system is discontinued, by the Trustee by lot, in such manner as the Trustee in its discretion may deem proper. If it is determined that less than all of the principal amount represented by any Bond is to be called for redemption, then, following notice of intention to redeem such principal amount, the Holder thereof shall surrender such Bond to the Trustee on or before the applicable redemption date for (i) payment on the redemption date to such Holder of the redemption price of the amount called for redemption and (ii) delivery to such Holder of a new Bond or Bonds of such Series in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, which shall be an Authorized Denomination. A new Bond of such Series representing the unredeemed balance of such Bond shall be issued to the Holder thereof, without charge therefor. If the Holder of any Bond or integral multiple of the Authorized Denomination selected for redemption shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall, nevertheless, become due and payable on the date fixed for redemption to the extent of the amount called for redemption (and to that extent only), and interest shall cease to accrue from the date fixed for redemption.

Section 3.07. Notice of Redemption.

(a) In the event any of the Bonds are called for redemption and notice thereof has been given by the Borrower to the Trustee pursuant to the applicable provisions of the Loan Agreement, the Trustee shall give notice, in the name of the Issuer, of the redemption of such

Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Designated Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, to be so redeemed, (ii) state any condition to such redemption, including but not limited to a statement that redemption is conditional upon receipt by the Trustee of sufficient moneys to redeem the Bonds, including any redemption premium and (iii) state that on the redemption date, and upon satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by Mail to the Holders of the Bonds to be redeemed, at least 30 days but no more than 60 days prior to the date fixed for redemption. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of the Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

(b) Any notice mailed as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Holders receive the notice.

(c) Failure by the Trustee to give notice pursuant to this Section shall not affect the sufficiency of the proceedings for redemption. Failure of the Trustee to give notice to a Holder or any defect in such notice shall not affect the validity of the proceedings for redemption of the Bonds or any Holder to whom notice shall have been properly given. The Trustee may give any other or additional redemption notice as it deems necessary or desirable, but it is not obligated to give or provide any additional notice or information.

(d) Any Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VII hereof shall cease to bear interest on the specified redemption date.

Section 3.08. Payment of Redemption Price.

For the redemption of any of the Bonds of a Series, the Trustee shall cause to be deposited in the applicable Special Redemption Account of the Bond Fund, whether out of Project Revenues or any other money constituting the Trust Estate, including Net Proceeds of any Insurance Proceeds or Condemnation Awards available for such purpose pursuant to Article VIII of the Loan Agreement, or otherwise, an amount sufficient to pay the principal of, premium, if any, and interest to become due on the date fixed for such redemption. The obligation of the Trustee to cause any such deposit to be made hereunder shall be reduced by the amount of money in such Special Redemption Account available for and used on such redemption date for payment of the principal of, premium, if any, and accrued interest on the Bonds to be redeemed.

Section 3.09. No Partial Redemption After Event of Default.

Anything herein to the contrary notwithstanding, if there has occurred and is continuing an Event of Default described in Section 8.01(a) or (b) hereof, there shall be no redemption of less than all of the Bonds Outstanding.

Section 3.10. Effect of Notice of Redemption.

If notice of redemption has been given in the manner provided in this Article, and money for the redemption is held by the Trustee for that purpose, the Bonds so called for redemption shall become due and payable on the redemption date, and interest thereon shall cease to accrue on such date; and such Bonds shall thereafter no longer be entitled to any security or benefit under this Indenture except to receive payment of the redemption price thereof.

If any Bond called for redemption shall not be so paid on the redemption date upon proper surrender of the Bond for redemption, the redemption price and, to the extent lawful, interest thereon shall, until paid, bear interest from the redemption date at the rate borne by the Bond immediately before the redemption date.

Notwithstanding the foregoing, with respect to optional redemptions only, if the Trustee does not have funds in its possession on the redemption date sufficient to pay the redemption price (including interest accruing to the redemption date) of all of the Bonds to be optionally redeemed for any reason (including, but not limited to, failure to issue any refunding obligations intended for such purpose on or prior to the redemption date), then the purported optional redemption and such notice of redemption shall be void. Such event shall not constitute an Event of Default hereunder.

[End of Article III]

ARTICLE IV

GENERAL COVENANTS

Section 4.01. Payment of Bonds; Non-Liability of Issuer; Waiver of Personal Liability.

(a) The Issuer covenants that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, provided that the principal, premium, if any, and interest on the Bonds are payable by the Issuer solely from the Trust Estate, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer other than the Trust Estate.

(b) The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Indenture, the Bonds or the Loan Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

(c) The Trustee hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the Trust Estate, and hereby agrees that if such amounts shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then the Trustee shall give notice to the Borrower in accordance with Article VIII of this Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest, or costs incidental thereto including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

(d) The Bonds are special limited obligations of the Issuer payable solely from the Trust Estate and, except from such source, none of the Issuer, any Issuer Indemnified Person, the Commonwealth of Kentucky or any political subdivision or any agency thereof or any political subdivision approving the issuance of the Bonds shall be obligated to pay the principal of, premium, if any, or interest thereon or any costs incidental thereto. The Bonds are not a debt of the Commonwealth of Kentucky and do not, directly, indirectly or contingently, obligate in any manner the Commonwealth of Kentucky or any political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds to levy any tax or to make any appropriation for payment of the principal of, premium, if any, or interest on, the Bonds or any costs incidental thereto. Neither the faith and credit nor the taxing power of the Commonwealth of Kentucky, the Issuer or any political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer or any Issuer

Indemnified Person, shall be pledged to the payment of the principal of, premium, if any, or interest on, the Bonds or any costs incidental thereto..

(e) Notwithstanding anything to the contrary in this Indenture or the Loan Agreement, the Issuer shall have no obligation to and instead the Trustee, in accordance with this Indenture or the Loan Agreement (as applicable), shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under this Indenture and the Loan Agreement (other than the Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under the Loan Agreement.

(f) No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the Loan Agreement or any claim based thereon or be subject to any personal liability or accountability by reason of the execution and delivery of this Indenture, the Bonds or the Loan Agreement.

Section 4.02. Performance of Covenants; Issuer; Due Execution.

Subject to Section 1.04 hereof, the Issuer covenants that it will faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions to be performed by the Issuer contained in this Indenture and the other Bond Documents to which the Issuer is a party, in any and every Bond executed, authenticated and delivered hereunder and in all of its proceedings pertaining hereto. The Issuer is duly authorized under the laws of the Commonwealth of Kentucky, including particularly the Act, to adopt the ordinance authorizing the issuance of the Bonds, to execute this Indenture and to pledge the amounts hereby pledged in the manner and to the extent herein set forth. The Issuer further covenants that all action on its part for the issuance of the Bonds and the execution and delivery of the Bond Documents to which the Issuer is a party have been duly and effectively taken, and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable obligations of the Issuer according to the terms thereof and hereof.

Section 4.03. Instruments of Further Assurance.

Subject to Section 1.04 hereof, the Issuer covenants that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may require for the better assuring, transferring, pledging, assigning and confirming to the Trustee all and singular the rights assigned hereby and the amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds. Subject to Section 1.04 hereof, the Issuer covenants and agrees that, except as herein and in the Mortgage provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Trust Estate.

Section 4.04. Recording and Filing; Further Instruments.

(a) The Borrower shall cause to be recorded or filed, at the Borrower's expense, all necessary initial financing statements, related to this Indenture, the Land Use Restriction

Agreement and the Mortgage and all supplements hereto and thereto, and such other documents as may be necessary to be kept and filed in such manner and in such places as may be required by law in order to perfect, preserve and protect fully the security of the Holders and the rights of the Trustee hereunder. The Trustee shall file, at the Borrower's expense, all necessary continuation statements to continue in effect such financing statements, copies of which are provided to the Trustee. At the written request of the Trustee, the Borrower shall provide evidence to the Trustee that all necessary filings required by this paragraph have been made.

(b) Subject to Section 1.04 hereof, the Issuer shall (or shall cause the Borrower to, in each case at the expense of the Borrower), upon the reasonable request of the Trustee, from time to time execute and deliver such further instruments and take such further action as may be reasonable and as may be required to effectuate the purposes of this Indenture or any provision hereof.

Section 4.05. Tax Covenants.

Subject to Section 1.04, the Issuer shall not knowingly use or permit the use of any proceeds of Bonds and shall not knowingly use or permit the use of the Project Revenues in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Tax-Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise affect, the exclusion of interest on the Tax-Exempt Bonds from gross income of the recipients thereof for federal income tax purposes.

Subject to Section 1.04, the Issuer shall at all times do and perform all acts and things permitted by law and necessary or desirable to assure that interest paid by the Issuer on the Tax-Exempt Bonds shall, for federal income tax purposes, be excluded from the gross income of the recipients thereof. In furtherance of this covenant, the Issuer, the Sole Member and the Borrower shall execute, deliver and perform the Tax Agreement, which is by this reference incorporated herein and made a part hereof as if set forth herein in full, and by its acceptance of this Indenture, the Trustee acknowledges receipt of the Tax Agreement and acknowledges its incorporation herein by reference.

Notwithstanding any provision of this Indenture, the Land Use Restriction Agreement or the Loan Agreement to the contrary, unless otherwise specifically agreed in the Tax Agreement or in a separate written agreement, neither the Trustee nor the Issuer shall be liable or responsible for any calculation or determination which may be required in connection with, or for the purpose of complying with, Section 148 of the Code, or any successor statute or any regulation, ruling or other judicial or administrative interpretation thereof, including, without limitation, the calculation of amounts required to be paid to the United States of America or the determination of the maximum amount which may be invested in nonpurpose obligations having a yield higher than the yield on the Bonds, and the Trustee shall not be liable or responsible for monitoring the compliance by the Borrower or the Issuer with any of the requirements of Section 148 of the Code or any applicable regulation, ruling or other judicial or administrative interpretation thereof, or any other provision of the Tax Agreement, except as specifically provided in the Tax Agreement.

Section 4.06. No Disposition of Trust Estate, Project or Project Revenues.

Except as permitted by this Indenture (including specifically in connection with the discharge of the lien of this Indenture in accordance with Article VII hereof), the Issuer shall not sell, lease, pledge, assign or otherwise encumber or dispose of its interest in the Trust Estate. Except as described in the Loan Agreement and the Mortgage, the Issuer and the Trustee will not, and will not permit the Borrower to, sell, lease, pledge, assign or otherwise encumber or dispose of the Project or Project Revenues.

Section 4.07. Access to Books.

All books and documents in the possession of the Issuer or the Trustee relating to the Project, the Project Revenues and the Trust Estate shall at all reasonable times be open to inspection by the Trustee, the Issuer, the Borrower and the Holders of at least \$100,000 of the Bonds.

Section 4.08. Trustee To Retain Information.

So long as any of the Bonds shall be outstanding, and thereafter so long as any right or obligation of the Issuer, the Trustee or the Borrower hereunder or under the Loan Agreement shall survive, the Trustee shall retain all certificates, requisitions, financial statements and other written information furnished to it by or on behalf of the Borrower or any other person under the Loan Agreement and any other agreement or instrument pertaining to the Bonds and shall make such documentation available to the Issuer, the Borrower, or any Holder for review after reasonable written notice during regular business hours at the Designated Office of the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such copying and handling charges as the Trustee may impose.

[End of Article IV]

ARTICLE V

DEPOSIT OF BOND PROCEEDS; FUNDS AND ACCOUNTS; REVENUES

Section 5.01. Creation of Funds and Accounts.

There are hereby created by the Issuer and ordered established the following Funds and Accounts to be held by the Trustee:

- (a) A Bond Fund and therein (i) a Principal Account, (ii) an Interest Account, (iii) a Capitalized Interest Account (and within said account a sub account for the Tax-Exempt Bonds and a sub account for the Taxable Bonds) and (iv) a Special Redemption Account;
- (b) A Debt Service Reserve Fund and therein (i) a Tax-Exempt Bond Account and a (ii) Taxable Bond Account;
- (c) A Project Fund and therein a Costs of Issuance Account;
- (d) A Revenue Fund;
- (e) A Rebate Fund;
- (f) An Operating Fund;
- (g) An Operations and Maintenance Reserve Fund;
- (h) An Insurance and Tax Escrow Fund;
- (i) A Repair and Replacement Fund;
- (j) An Administration Fund; and
- (k) A Surplus Fund.

Section 5.02. Deposit of Proceeds.

Upon initial execution and delivery of the Bonds, the proceeds of the Bonds and other funds contributed by the Borrower shall be deposited as follows:

- (a) \$_____ received from the sale of the Series 2022A Bonds shall be deposited in the Project Fund;
- (b) \$_____ received from the sale of the Series 2022B Bonds shall be deposited in the Project Fund;
- (c) \$_____ received from the sale of the Series 2022B Bonds shall be deposited in the Costs of Issuance Account of the Project Fund;

(d) \$_____ received from the sale of the Series 2022A Bonds shall be deposited in the Costs of Issuance Account of the Project Fund;

(e) \$_____ representing an equity contribution from the Borrower shall be deposited in the Costs of Issuance Account of the Project Fund;

(f) \$_____ received from the sale of the Series 2022B Bonds shall be deposited in the Operations and Maintenance Reserve Fund;

(g) \$_____ received from the sale of the Series 2022A Bonds shall be deposited in the Tax-Exempt Account of the Debt Service Reserve Fund;

(h) \$_____ received from the sale of the Series 2022B Bonds shall be deposited in the Taxable Account of the Debt Service Reserve Fund; and

(i) \$_____ received from the sale of the Series 2022A Bonds shall be deposited into the Tax-Exempt Bonds Capitalized Interest Account of the Bond Fund.

(j) \$_____ received from the sale of the Series 2022B Bonds shall be deposited into the Taxable Bonds Capitalized Interest Account of the Bond Fund.

Section 5.03. Disbursements from the Project Fund.

(a) The Trustee shall disburse money in the Costs of Issuance Account in the Project Fund to pay the Costs of Issuance upon receipt of a written requisition of the Borrower or a closing memorandum prepared by the Placement Agent and signed by the Borrower or a closing statement to the Trustee which states (i) that such amount is to be paid to persons, firms or corporations identified therein, and (ii) that such amount is properly payable as a Cost of Issuance hereunder. On the six month anniversary of the Closing Date, the Trustee shall pay any remaining balance in the Costs of Issuance Account to the Project Fund.

(b) Omitted.

(c) Amounts on deposit in the Project Fund shall be applied to payment of Costs of the Project by disbursement thereof in accordance with one or more requisitions of the Borrower to the Trustee within 30 days of receipt of such requisition substantially in the form set forth as Exhibit B to the Loan Agreement or a closing memorandum prepared by the Placement Agent and signed by the Borrower. For purposes of complying with the requirements of this Section 5.03, the Trustee may conclusively rely and shall be protected in acting or refraining upon the form of requisition of the Borrower or in connection with an initial disbursement on the Dated Date, a closing memorandum, which may be submitted by facsimile or email (pdf format). The Trustee shall not be bound to make an investigation into the facts or matters stated in any form of requisition of the Borrower or a closing memorandum. The Trustee shall not be responsible for determining whether the funds on hand in the Project Fund are sufficient to complete the Costs of the Project. The Trustee shall not be responsible for collecting lien waivers.

(d) Net Proceeds of any Insurance Proceeds or Condemnation Awards deposited in the Project Fund pursuant to Section 5.4 of the Loan Agreement shall be applied as provided in Section 5.3 and 5.4 of the Loan Agreement.

(e) Any amounts remaining in the Project Fund on the date that is three (3) years from the Closing Date (in the case of original and investment proceeds of the Series 2022 Bonds, or the date of deposit of such amounts into the Project Fund, in the case of other amounts) shall be deposited in the Interest Account of the Bond Fund and applied to debt service of the Tax-Exempt Bonds only, unless otherwise required or permitted by the Tax Agreement.

Section 5.04. Revenue Fund.

(a) There shall be deposited in the Revenue Fund (i) all Loan Payments and other amounts paid to the Trustee under the Loan Agreement (other than prepayments required to redeem Bonds pursuant to Sections 3.01 or 3.02 hereof, which shall be deposited in the related Special Redemption Account), (ii) all other amounts required to be so deposited pursuant to the terms hereof or of the Tax Agreement, including investment earnings to the extent provided in Article VI, (iii) any amounts derived from the Loan Agreement or the Mortgage to be applied to payment of amounts intended to be paid from the Revenue Fund, (iv) all Project Revenues, and (v) such other money as is delivered to the Trustee by or on behalf of the Issuer or the Borrower with written directions for deposit of such money in the Revenue Fund.

(b) Money on deposit in the Revenue Fund shall be disbursed on the 15th day of each month in the following order of priority:

(1) To the Operating Fund, an amount equal to such month's Operating Requirement, as provided in the Budget, together with such additional Operating Expenses as may be requested in writing by a Borrower's Representative pursuant to and after satisfaction of the conditions specified in Section 4.3 of the Loan Agreement, which amount shall then automatically be transferred by the Trustee to the Property Operating Account each month, pursuant to a standing wire instruction provided by Borrower's Representative to the Trustee, without the need for further authorization or direction from Borrower's Representative to the Trustee;

(2) Subject to Section 5.10 hereof, for transfer to the Insurance and Tax Escrow Fund, an amount equal to such month's pro rata portion of the amount budgeted by the Borrower for the current year for annual premiums for insurance required to be maintained pursuant to the Loan Agreement and for Impositions, or other charges for governmental services for the current year, as provided in the Budget, provided that distribution by the Trustee to the Insurance and Tax Escrow Fund in respect of the first date or dates on which premiums for insurance and taxes or other payments described above are payable will be made in amounts equal to the respective quotients obtained by dividing the sum of (i) the amount of such premiums and (ii) the amount of such taxes or other charges, by the respective number of months, including the month of computation, to and including the month prior to the month in which such premiums or taxes are payable;

(3) To the Interest Account, the Interest Requirement for the Bonds for that calendar month, together with an amount equal to any unfunded Interest Requirement for the Bonds for any prior month and, at the written direction of a Borrower's Representative;

(4) To the applicable Account of the Debt Service Reserve Fund, the amount, if any, required to be paid into such Account of the Debt Service Reserve Fund pursuant to the Loan Agreement to restore the amount on deposit therein to the Debt Service Reserve Requirement;

(5) Subject to the provisions of Section 5.12 hereof, for transfer to the Administration Fund, an amount equal to such month's pro rata portion of the Administration Expenses scheduled to be due and payable on or before the next succeeding Interest Payment Date;

(6) Subject to the provisions of Section 5.11 hereof, for transfer to the Repair and Replacement Fund, commencing with the month of January 1, 2023, an amount equal to one-twelfth of the Replacement Reserve Requirement until the Replacement Reserve Requirement is met;

(7) To the Rebate Fund, to the extent of any deposit required to be made thereto pursuant to the Tax Agreement; and

(8) To the Surplus Fund, all remaining amounts.

In the event that, for any month, there are insufficient funds in the Revenue Fund to fund any one or more of the uses set forth in clauses (1) through (9) above, the amount not funded in such month due to such insufficiency of revenues shall be added to the amount to be funded in subsequent months under the same clause until such amount has been in fact funded. If funds in the Revenue Fund are insufficient to fund the uses in clause (5) above, then the Borrower shall pay any shortfalls in the payment of Administration Expenses as they become due. Failure to deposit sufficient Project Revenues to make the deposits described above shall not, in itself, constitute an Event of Default hereunder.

Section 5.05. Bond Fund.

(a) There shall be deposited into the Principal Account of the Bond Fund (i) money transferred from the Surplus Fund pursuant to Section 5.13 hereof in respect of principal payable on the Bonds, and (ii) any other amounts deposited with the Trustee with written directions from the Borrower's Representative to deposit the same in the Principal Account of the Bond Fund.

(b) There shall be deposited into the Interest Account of the Bond Fund (i) all accrued interest, if any, on the sale and delivery of the Bonds; (ii) money transferred to such Interest Account from the Revenue Fund pursuant to Section 5.04 hereof; (iii) money transferred from the Surplus Fund, the Repair and Replacement Fund, the Operations and Maintenance Reserve Fund and Debt Service Reserve Fund pursuant to Section 5.05(f) hereof in respect of interest payable on the Bonds; and (iv) any other amounts deposited with the Trustee with written

directions from the Borrower's Representative to deposit the same in the applicable Interest Account of the Bond Fund.

(c) There shall be deposited in the applicable Special Redemption Account of the Bond Fund (i) any Net Proceeds of Insurance Proceeds or Condemnation Award to be transferred to a Special Redemption Account pursuant to Section 5.17 hereof; and (ii) all other payments made by or on behalf of the Issuer with respect to the redemption of Bonds pursuant to Section 3.01 or 3.02 hereof. Amounts on deposit in each Special Redemption Account shall be used to pay the redemption price of Bonds of the related Series being redeemed.

(d) Except as otherwise provided herein, money in the Principal Account shall be used for the payment of principal of the Bonds as the same shall become due and payable on any Principal Payment Date.

(e) Except as otherwise provided herein, money in the Interest Account shall be used for the payment of interest on the Bonds as the same becomes due and payable on any Bond Payment Date. Prior to utilizing any funds in the Interest Account to pay interest on the Tax-Exempt Bonds, the Trustee shall first apply funds in the Tax-Exempt subaccount of Capitalized Interest Account to pay interest only on the Tax-Exempt Bonds. No funds in the Tax-Exempt subaccount of the Capitalized Interest Account shall be used to pay interest on the Taxable Bonds.

(f) If on any Interest Payment Date, the amount on deposit in the Interest Account is insufficient to make the payments or deposits described in (b) above, the Trustee shall make up any such shortfall by transferring amounts from the following Funds in the following order:

- (1) The Surplus Fund; and
- (2) the Repair and Replacement Fund; and
- (3) the Operations and Maintenance Reserve Fund; and
- (4) the respective Debt Service Reserve Account.

(g) Any balance in the Principal Account and the Interest Account of the Bond Fund on each Interest Payment Date after making the transfers required above in this Section 5.05 shall be transferred to the Revenue Fund.

Section 5.06. Debt Service Reserve Fund

(a) There shall be deposited in the applicable Account of the Debt Service Reserve Fund (i) all money transferred to such Account pursuant to Section 5.02 hereof, (ii) money transferred from the Revenue Fund pursuant to Section 5.04 hereof, and (iii) any other money received by the Trustee with directions from such party to deposit the same in such Account. If the amount on deposit in any Account of the Debt Service Reserve Fund is less than the Debt Service Reserve Requirement for the corresponding Series of Bonds, the Borrower is required to pay the Trustee the amount of such deficiency to the extent of available Project Revenues and in accordance with the operation of the Revenue Fund.

(b) Amounts on deposit in the applicable Account of the Debt Service Reserve Fund shall be used to make the payments required pursuant to Section 5.04(b)(1), after the transfer of any amounts from the Surplus Fund, the Repair and Replacement Fund or the Operations and Maintenance Reserve Fund pursuant to Section 5.05(f) hereof, if the amounts on deposit in the Revenue Fund are insufficient therefor on any respective Bond Payment Date.

(c) Amounts on deposit in the applicable Accounts of the Debt Service Reserve Fund shall be transferred to the Principal Account of the Bond Fund at the written direction of the Borrower's Representative for the purpose of paying the last maturing principal of the Bonds on a Principal Payment Date or, if all of a series of the Bonds are being redeemed, to the Special Redemption Account of the Bond Fund for redemption of Bonds.

(d) If the Debt Service Reserve Requirement for a Series of Bonds is reduced or eliminated in accordance with the definition thereof, the amounts on deposit in the corresponding Account of such Debt Service Reserve Fund in excess of the Debt Service Reserve Requirement for such Series of Bonds shall, at the written direction of a Borrower's Representative delivered to the Trustee, be either (i) transferred to the Special Redemption Account to be used to redeem Bonds pursuant to Section 3.02 hereof, (ii) transferred to the Principal or Interest Account to pay the principal of and/or interest on the Bonds as it becomes due, or (iii) if no Bonds remain outstanding, either transferred to the Revenue Fund and applied as provided in Section 5.04 hereof, or used for any other purpose directed in writing by a Borrower's Representative, which, in the opinion of a Favorable Opinion of Bond Counsel delivered to the Issuer and the Trustee, complies with the Act and will not adversely affect the exclusion from gross income of the recipients thereof of the interest on the Tax-Exempt Bonds for federal income tax purposes.

(e) All interest income derived from the investment of amounts on deposit in an Account of the Debt Service Reserve Fund shall be retained in the such Account until the amount on deposit therein shall be equal to the Debt Service Reserve Requirement for such corresponding Series of Bonds.

(f) Monies in the Tax-Exempt Bond Account of the Debt Service Reserve Fund can only be used to pay debt service on the Tax-Exempt Bonds and monies in the Taxable Bond Account of the Debt Service Reserve Fund can only be used to pay debt service on the Taxable Bonds.

Section 5.07. Rebate Fund.

Amounts shall be deposited in the Rebate Fund and shall be applied as provided in the Tax Agreement.

Section 5.08. Operating Fund.

The Trustee shall deposit in the Operating Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof, (ii) any other monies received by the Trustee for deposit in the Operating Fund and (iii) any other amounts required to be deposited into the Operating Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with written instructions to deposit the same therein.

Except when an Event of Default under Section 8.01(a) or 8.01(b) of this Indenture or a Default under the Loan Agreement has occurred and is continuing, the Trustee shall transfer amounts deposited in the Operating Fund to the Property Operating Account promptly following such deposits in accordance with the Budget and written instructions delivered by the Borrower's Representative.

If an Event of Default under this Indenture has occurred and is continuing, the Trustee shall, if so directed by the Controlling Holders in accordance with Section 8.05 hereof, not make such transfers to the Property Operating Account, in which case (i) the Borrower will not be entitled to request withdrawals from funds on deposit in the Operating Fund, and (ii) the Trustee, if directed by the Controlling Holders, may determine to pay Operating Expenses of the Project directly, without receipt of direction from a Borrower's Representative and in such event is to rely on the latest annual Budget prepared by the Borrower in connection with the Project.

Section 5.09. Operations and Maintenance Reserve Fund.

The Trustee shall deposit in the Operations and Maintenance Reserve Fund (i) monies received by the Trustee for deposit in the Operations and Maintenance Reserve Fund; (ii) pursuant to Section 5.02 hereof and (iii) any other amounts delivered to the Trustee with instructions to deposit the same therein.

Amounts on deposit in the Operations and Maintenance Reserve Fund shall be used to pay (i) maintenance and repair costs to the Project which are not capital expenditures payable from the Repair and Replacement Fund, (ii) Operating Expenses in excess of amounts specified in the Budget, (iii) certain costs of repair and replacement in accordance with Section 5.11(b) hereof, (iv) shortfalls in the Interest Account in accordance with Section 5.05(f) hereof and (v) with the consent of the Controlling Holders, for any other legal purposes. The Trustee shall disburse money in the Operations and Maintenance Reserve Fund upon receipt of a written direction of the Borrower's Representative which states the purpose for such disbursement and the persons to which such amounts are to be paid. All interest income derived from the investment of amounts on deposit in the Operations and Maintenance Reserve Fund shall remain on deposit in the Operations and Maintenance Reserve Fund and shall be used for the purposes set forth in this Section 5.09.

Section 5.10. Insurance and Tax Escrow Fund.

(a) The Trustee shall deposit in the Insurance and Tax Escrow Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof and (ii) any other amounts required to be deposited into the Insurance and Tax Escrow Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with instructions to deposit the same therein. Amounts in the Insurance and Tax Escrow Fund shall be disbursed by the Trustee as provided herein, upon delivery by a Borrower's Representative to the Trustee of a requisition, substantially in the form attached as **Exhibit B-2** to the Loan Agreement. Money on deposit in the Insurance and Tax Escrow Fund shall be disbursed by the Trustee to the Borrower to pay, or as reimbursement for the payment of, taxes, assessments, and insurance premiums with respect to the Project, as hereinafter provided. Excess amounts in the Insurance and Tax Escrow Fund may be disbursed by the Trustee to the Revenue Fund if, on or

after any Annual Evaluation Date, the Trustee receives a certificate signed by the Borrower's Representative stating that actual costs taxes, assessments, and insurance premiums with respect to the Project are below the amounts set forth in the latest Budget previously provided to the Trustee.

(b) Upon presentation to the Trustee by a Borrower's Representative of a requisition accompanied by copies of bills or statements for the payment of such taxes, assessments, and premiums with respect to the Project, when due, the Trustee will, not more frequently than once a month, pay to the Borrower to provide for the payment of, or as reimbursement for the payment of, such taxes, assessments and premiums with respect to the applicable Project, from money then on deposit in the Insurance and Tax Escrow Fund. If the total amount on deposit in the Insurance and Tax Escrow Fund shall not be sufficient to pay to or to pay or reimburse the Borrower in full for the payment of such taxes, assessments and premiums, then the Borrower shall pay the excess amount of such taxes, assessments and premiums directly.

Section 5.11. Repair and Replacement Fund.

(a) The Trustee shall deposit into the Repair and Replacement Fund (i) money transferred from the Revenue Fund in the amounts and on the dates described in Section 5.04 hereof and (ii) any other amounts required to be deposited into the Repair and Replacement Fund hereunder or under the Loan Agreement or the Mortgage and delivered to the Trustee with instructions to deposit the same therein. Amounts in the Repair and Replacement Fund shall be disbursed by the Trustee as provided herein upon delivery by a Borrower's Representative to the Trustee of a requisition substantially in the form attached as **Exhibit B-2** to the Loan Agreement. The Trustee shall apply money on deposit in the Repair and Replacement Fund upon request of a Borrower's Representative, but no more frequently than once a month, to pay to or to reimburse the Borrower for paying the cost of replacements or items of extraordinary maintenance or repair which, in the judgment of Borrower or in accordance with the most recent Needs Assessment Analysis, may be required to keep a respective Project in sound condition, including but not limited to, replacement of appliances, major floor covering replacement, replacement or repair of any roof or other structural component of the Project, maintenance (including painting) to exterior surfaces and major repairs to or replacements of heating, air conditioning, plumbing and electrical systems, landscaping, storm water drainage, repairs to common area amenities and any other extraordinary costs required for the repair or replacement of a Project not properly payable from the Operations and Maintenance Reserve Fund or the Revenue Fund but in any case only if there are no funds available in the Project Fund for such purpose.

(b) Upon presentation to the Trustee by a Borrower's Representative of a requisition accompanied by a summary of the amount for which payment or reimbursement is sought and, for requests for a particular line item of disbursement in excess of \$25,000, copies of bills or statements for the payment of the costs of such repair and replacement (provided that the Trustee shall have no duty or obligation to review or approve such bills or statements), the Trustee will pay to the Borrower the amount of such repair and replacement costs from money then on deposit in the Repair and Replacement Fund, provided no Event of Default shall then exist hereunder. If the total amount on deposit in the Repair and Replacement Fund shall not be sufficient to pay all of such repair and replacement costs when they shall become due, then funds in the Operations and Maintenance Reserve Fund may be disbursed until exhausted, then the

Borrower shall pay the excess amount of such costs directly (which Borrower's monies may be reimbursed from monies available in the Repair and Replacement Fund at a later date when they become available).

(c) The monies in the Repair and Replacement Fund will also be used to remedy any deficiency in the Bond Fund on any Interest Payment Date after exhaustion of the Surplus Fund, without any prior consents, as provided in Section hereto 5.05(f).

Section 5.12. Administration Fund.

The Trustee shall deposit in the Administration Fund (i) money transferred from the Revenue Fund pursuant to Section 5.04 hereof, and (ii) any other amounts required to be deposited in the Administration Fund hereunder or under the Loan Agreement or the Mortgage with written instructions to deposit the same therein. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Administration Expenses then due automatically to the parties due such payment upon presentation of an invoice for payment from such requesting party without any approval of the Borrower. The Trustee shall disburse amounts in the Administration Fund necessary for payment of Extraordinary Trustee's Fees and Expenses upon presentation of an invoice for payment from the Trustee approved by the Borrower, which approval shall not be unreasonably withheld and which shall not be required in the event an Event of Default under the Indenture has occurred and is then continuing.

Section 5.13. Surplus Fund.

(a) The Trustee shall deposit, into the Surplus Fund, amounts provided in Section 5.04(b)(9) hereof and any other amounts delivered to it with written instructions to deposit the same in the Surplus Fund. Money in the Surplus Fund shall be applied each month or annually as applicable, when needed, for the following purposes and in the following manner:

(i) transferred to the Interest Account to pay interest on the Bonds to the extent amounts on deposit in such Interest Account are insufficient therefor

(ii) annually, on each May 1 for payment on June 1, (i) the Trustee shall immediately transfer 80% of the total amount on deposit in the Surplus Fund, plus an amount such that the transfer equals an Authorized Denomination, to the Principal Account of the Bond Fund to pay principal of the Series 2022 Bonds, commencing with June 1, 2023 to and through June 1, 2025, (ii), the Trustee shall immediately transfer 60% of the total amount on deposit in the Surplus Fund, plus an amount such that the transfer equals an Authorized Denomination, to the Principal Account of the Bond Fund, to pay principal of the Series 2022 Bonds, commencing with June 1, 2026 to and through June 1, 2027 and (iii) the Trustee shall immediately transfer 50% of the total amount on deposit in the Surplus Fund, plus an amount such that the transfer equals an Authorized Denomination, to the Principal Account of the Bond Fund, to pay principal of the Series 2022 Bonds, commencing with June 1, 2028 to June 1, 2036;

(iii) transferred to the Revenue Fund to the extent of any deficiency in the amounts needed to fully make all transfers from the Revenue Fund pursuant to Section 5.04 hereof (other than to the Surplus Fund);

(iv) transferred to or upon the direction of the Borrower's Representative for deposit into a Property Operating Account for the payment of Operating Expenses when the Borrower's Representative certifies to the Trustee that there are not sufficient money in the Operating Fund or a Property Operating Account to pay Operating Expenses; and

(v) pay any unpaid and due Administrative Expenses.

(b) If, on each May 1, the Trustee receives a certificate signed by the Borrower's Representative in the form of Exhibit C to the Loan Agreement stating that the Borrower has satisfied the Coverage Test for the Fiscal Year ending on the Annual Evaluation Date that occurred immediately prior to May 1, upon which the Trustee may conclusively rely, no Event of Default, or event which with the passage of time or the giving of notice or both would constitute an Event of Default, has occurred and is continuing, and no deficiency exists in any other funds, then within two Business Days after written request by the Borrower's Representative to the Trustee, the Trustee shall, after the transfer made pursuant to Section 5.13(a)(i) hereof, disburse all remaining cash in the Surplus Fund to the Borrower in the amount to the Borrower as indicated in such request.

(c) Notwithstanding anything to the contrary herein, the Trustee shall not make disbursements to the Borrower pursuant to Section 5.13(b) hereof unless the Trustee has received the financial reports and certificates then due as set forth in Section 6.8 of the Loan Agreement.

Section 5.14. Bonds Not Presented for Payment.

In the event any Bonds shall not be presented for payment when the principal thereof becomes due on any Bond Payment Date, if money sufficient to pay such Bonds are held by the Trustee, the Trustee shall segregate and hold such money in trust, without liability for interest thereon, for the benefit of Holders of such Bonds who shall, except as provided in Section 5.15, thereafter be restricted exclusively to such funds for the satisfaction of any claim of whatever nature on their part under this Indenture or relating to said Bonds.

Section 5.15. Money Held in Trust.

All money required to be deposited with or paid to the Trustee for deposit into any Fund or Account (other than the Rebate Fund) and all money withdrawn from the Bond Fund and held by the Trustee shall be held by the Trustee, in trust, and such money (other than money held pursuant to Section 5.07 hereof) shall, while so held, constitute part of the Trust Estate and be subject to the lien hereof. Money held in an Account in the Bond Fund shall constitute a separate trust fund for the Holders of the related Series and shall not constitute property of the Issuer or the Borrower.

Section 5.16. Payment to the Borrower.

After the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Holders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with Article VII hereof, and after payment in full of all Administration Expenses and all fees, expenses and other amounts payable to the Trustee and the Issuer pursuant to any provision

hereof shall have been paid in full, any money remaining in the Funds and Accounts hereunder shall be paid or transferred to the Borrower upon the written request of a Borrower's Representative; provided that amounts on deposit in the Rebate Fund shall be retained therein to the extent required by the Tax Agreement.

Section 5.17. Deposit of Extraordinary Revenues.

(a) Any money representing Net Proceeds of Insurance Proceeds or Condemnation Awards upon damage to, destruction of or governmental taking of the Project and deposited with the Trustee pursuant to the Loan Agreement shall be deposited by the Trustee in the Project Fund.

(b) At the direction of the Borrower's Representative, the Trustee shall disburse such money in the Project Fund as provided in Section 5.3 and 5.4 of the Loan Agreement to enable a Borrower to undertake a restoration of a Project if such restoration is permitted under the Loan Agreement and by law; provided that, if a Borrower exercises or is deemed to exercise its option to apply such money to the payment of the Note or the conditions of Sections 5.3 and 5.4 of the Loan Agreement are not satisfied, or an excess of such money exists after restoration of a Project, such money shall be transferred by the Trustee to the applicable Special Redemption Account of the Bond Fund and applied to redeem or prepay the Bonds pursuant to Article III hereof, in a principal amount equal to the amount so transferred or the next lowest Authorized Denomination of the Bonds.

(c) Title insurance proceeds shall be used to remedy any title defect resulting in the payment thereof or deposited in the Bond Fund for use in redeeming Bonds pursuant to Article III hereof.

(d) The proceeds of any rental loss, use and occupancy or business interruption insurance shall be deposited in the Revenue Fund.

[End of Article V]

ARTICLE VI

INVESTMENTS

Money in all Funds and Accounts established hereunder shall, at the written direction of the Borrower's Representative at least two Business Days before the making of such investment (any oral direction to be promptly confirmed in writing), be invested and reinvested by the Trustee in Investment Securities. Subject to the further provisions of this Article, such investments shall be made by the Trustee as directed and designated by the Borrower's Representative in a certificate of Borrower's Representative. As long as no Event of Default shall have occurred and be continuing, the Borrower's Representative shall have the right to designate the investments to be sold and otherwise to direct the Trustee in the sale or conversion to cash of the investments made with the money in any Fund or Account. The Borrower will not direct that any investment be made of any funds which would violate the covenants set forth in Section 4.05 hereof. Unless otherwise confirmed in writing, an account statement delivered by the Trustee to the Borrower's Representative shall be deemed written confirmation by the Borrower that the investment transactions identified therein accurately reflect the investment directions given to the Trustee by the Borrower, unless the Borrower's Representative notifies the Trustee in writing to the contrary within 30 days after the date of such statement. Moneys held as part of any fund or account for which no written direction for investment has been given to the Trustee shall remain uninvested.

Money in any Fund or Account shall be invested in Investment Securities with respect to which payments of principal thereof and interest thereon are scheduled to be paid or are otherwise payable (including Investment Securities payable at the option of the holder) on any Interest Payment Date.

The Trustee may make any and all such investments through its own banking, trust or investment department or through any affiliate. All income attributable to money deposited in any Fund or Account created hereunder shall be credited to the Revenue Fund, except that income on money (a) in the Project Fund shall be credited to the Project Fund, (b) in the Rebate Fund shall be credited to the Rebate Fund (c) in the Operations and Maintenance Reserve Fund shall be credited to the Operations and Maintenance Reserve Fund to the extent provided in Section 5.09 hereof and (d) in an account of the Debt Service Reserve Fund shall be credited to such account to the extent provided in Section 5.06(e) hereof. Any net loss realized and resulting from any such investment shall be charged to the particular fund or account for whose account such investment was made. The Trustee is authorized and directed to sell and reduce to cash funds a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make any withdrawal therefrom as required under this Indenture. The Trustee shall not be liable for any depreciation of the value of any investment made pursuant to this Article VI or for any loss resulting from any such investment on the redemption, sale and maturity thereof.

Investment Securities held in any account under the Debt Service Reserve Fund shall be valued at cost on each Interest Payment Date.

The Trustee shall at all times maintain accurate records of deposits into each Fund and Account and the sources of such deposits and such records shall be made available to the Borrower upon reasonable written request.

[End of Article VI]

ARTICLE VII

DEFEASANCE

If the Issuer shall pay or cause to be paid to the Holder of any Bond the principal of, premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond, or any portion of such Bond in any Authorized Denomination thereof, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Indenture. If the Issuer shall pay or cause to be paid the principal of, premium, if any, and interest due and payable on all Outstanding Bonds, and thereafter to become due and payable thereon, and shall pay or cause to be paid all other sums payable hereunder by the Issuer, including all fees, compensation and expenses of the Trustee and receipt by the Trustee of an opinion of Counsel that all conditions precedent have been complied with, then the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease, terminate and become void and the Trustee shall release or cause to be released the Trust Estate, the Mortgage and any other documents securing the Bonds or execute such documents as are prepared and delivered to it by or on behalf of the Issuer or the Borrower so as to permit the Trust Estate, the Mortgage and such other documents to be released.

Any Bond shall be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the principal of and premium, if any, on such Bond, plus interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for by any irrevocable deposit with the Trustee in trust and irrevocably set aside exclusively for such payment of, (A) funds sufficient to make such payment and/or (B) Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of sufficient money to make such payment, and (b) all fees, compensation and expenses of the Trustee pertaining to the Bond with respect to which such deposit is made accrued and to accrue until final payment of the Bonds, whether at maturity or upon redemption, shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such funds or Government Obligations.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of such Bond as aforesaid until (a) the Issuer or the Borrower's Representative, on behalf of the Issuer, shall have given the Trustee, in form satisfactory to the Trustee, irrevocable written instructions to notify, as soon as practicable, the Holders in accordance with Section 3.06 hereof, that the deposit required by (a)(ii) above has been made with the Trustee and that said Bond is deemed to have been paid in accordance with this Article VII and stating the maturity or redemption date upon which money is to be available for the payment of the redemption price of said Bond, plus interest thereon to the due date thereof; or (b) the maturity of such Bond. In addition to the foregoing, no deposit described in clause (a)(ii) of the immediately preceding paragraph shall be deemed a payment of said Bond until the Borrower has delivered to the Trustee (i) a report of an Independent Certified Public Accountant verifying the sufficiency of the amounts, if any, described in (a)(ii) above to

insure payment of such Bond, and (ii) a Favorable Opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that such deposit will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the gross income of the recipients thereof for federal income tax purposes.

[End of Article VII]

ARTICLE VIII

DEFAULTS AND REMEDIES

Section 8.01. Events of Default.

Each of the following events shall constitute an “Event of Default” hereunder with respect to the Bonds:

(a) a failure to pay the principal of or premium, if any, on any of the Bonds when the same shall become due and payable at maturity or upon redemption;

(b) a failure to pay an installment of interest on any of the Bonds when the same shall become due and payable;

(c) a failure by the Issuer to observe and perform any other covenant, condition, agreement or provision (other than as specified in subparagraphs (a) and (b) of this Section) contained in the Bonds or in this Indenture on the part of the Issuer to be observed or performed with respect to the Bonds, which failure shall continue for a period of thirty (30) days after written notice is provided by the Trustee specifying such failure and requesting that it be remedied, shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Controlling Holders, unless the Trustee, or the Trustee and Holders which requested such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Issuer within such period and is being diligently pursued; provided, further that in no event shall such period be extended for more than 180 days after the date of giving of notice of such failure without the consent of the Controlling Holders; or

(d) the occurrence of a “Default” under the Loan Agreement or an “Event of Default” under the Mortgage.

Section 8.02. Acceleration; Other Remedies.

Upon the occurrence and continuance of an Event of Default, the Trustee, subject to the provisions of Section 8.04 hereof, may, and at the written request of the Controlling Holders (or in the case of an Event of Default under Section 8.01(c), unanimous written request of the Holders of the Bond) shall, by written notice to the Issuer and the Borrower, declare the Bonds to be immediately due and payable, whereupon such Bonds shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding, and the Trustee shall give notice thereof to the Issuer and shall give notice thereof by Mail to Holders the Bonds.

(a) The provisions of the preceding paragraph are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the money due shall have been

obtained or entered as hereinafter provided, (i) the Issuer shall, but only from the Trust Estate, deposit with the Trustee a sum sufficient to pay all matured installments of interest on all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest on such principal on the Default Rate) and such amount as shall be sufficient to pay Extraordinary Trustee's Fees and Expenses, and (ii) all Events of Default hereunder with respect to the Bonds other than nonpayment of the principal of such Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, upon the written consent of the Controlling Holders provided to the Trustee, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Issuer, and shall give notice thereof by Mail to all Holders of Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(b) Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written direction of the Controlling Holders and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust, perform any or all of the following:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Holders under this Indenture or the applicable Bonds, including without limitation requiring the Issuer or the Borrower to carry out any agreements with or for the benefit of the Holders and to perform its or their duties under the Act, the Loan Agreement, the Mortgage, the Land Use Restriction Agreement and this Indenture, provided that any such remedy may be taken only to the extent permitted under the applicable provisions of the Loan Agreement, the Mortgage, the Land Use Restriction Agreement or this Indenture, as the case may be;

(ii) bring suit upon the Bonds;

(iii) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of Bonds;

(iv) foreclose the Mortgage;

(v) file proofs of claim in any bankruptcy or insolvency proceedings related to the Issuer, the Borrower or the Project, necessary or appropriate to protect the interests of the Trustee or the Holders of the Bonds;

(vi) exercise any rights and remedies with respect to the Trust Estate as may be available to a secured party under the Uniform Commercial Code in effect in the applicable state;

(vii) prohibit the Borrower from withdrawing moneys from any Funds or Accounts (except the Rebate Fund) without the Controlling Holders' written consent;

(viii) request that a court of competent jurisdiction appoint, to the extent permitted by law, a receiver or receivers of the Project and the Project Revenues and other assets pledged under this Indenture, and the income, revenues, profits and use thereof, it being the intent hereof that, to the extent permitted by law, the Trustee shall be entitled to appointment of such a receiver as a matter of right;

(ix) commence foreclosure of the security interests granted under any Borrower's Document, whether by the Uniform Commercial Code, private sale, judicial foreclosure or otherwise;

(x) take such actions as may be required to enforce all rights of the Trustee or the Holders under any Borrower's Documents, including without limitation any right to terminate or cause the termination of a Borrower's Document, or

(xi) transfer moneys from any Funds or Accounts (other than amounts necessary to pay Operating Expenses and moneys in the Rebate Fund), to the Bond Fund and cause the transfer of amounts on deposit in the Operating Accounts to the Revenue Fund.

(c) Notwithstanding anything herein to the contrary, neither the Holders of the Bonds nor the Trustee acting on behalf of the Holders of the Bonds shall have any right, and hereby waive any right, to institute a proceeding under the Bankruptcy Code seeking to adjudge the Issuer or the Borrower insolvent or a bankrupt or seeking a reorganization of the Issuer or the Borrower.

Upon instituting any such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Project and other assets pledged under this Indenture or the Mortgage, pending resolution of such proceeding. The Trustee shall have the right to decline to follow any direction of any Bondholder that in the sole discretion of the Trustee would be unjustly prejudicial to the Trustee, that would expose the Trustee to unreasonable liability or financial exposure or that is not in accordance with law or the provisions of this Indenture. The Trustee shall be entitled to rely without further investigation or inquiry upon any written direction given by the Controlling Holders, and shall not be responsible for the propriety of or be liable for the consequences of following any such direction. Notwithstanding anything to the contrary contained herein, the Trustee shall not be required to foreclose the Mortgage or bid on behalf of the Holders at any foreclosure sale (a) if, in the Trustee's sole discretion, such action would subject the Trustee to personal liability for the cost of investigation, removal and/or remedial activity with respect to Hazardous Substances, (b) if the presence of any Hazardous Substances on the property subject to the Mortgage results in such property having no or nominal value or (c) if as a result of any such action, the Trustee would be considered to hold title to or to be a "mortgagee-in-possession," "owner" or "operator" of the Project within the meaning of the Comprehensive Environmental Responsibility Cleanup and Liability Act of 1980, as amended, unless the Trustee has previously determined, based on a report prepared by an environmental audit consultant acceptable to the Trustee, that (i) the Project is in compliance with applicable environment laws and (ii) there are not circumstances present at the Project relating to the use, management or disposal of any Hazardous Substances for which investigation, testing,

monitoring, containment, clean-up or remediation could be required under any federal, state or local law or regulation. It is acknowledged and agreed that the Trustee has no authority to manage, own or operate the Project, or any portion thereof, except as necessary to exercise remedies upon an Event of Default.

Section 8.03. Restoration to Former Position.

In the event that any proceeding taken by the Trustee to enforce any rights under this Indenture shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Issuer, the Trustee and the Holders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Section 8.04. Cure by Holders.

Any Holder of Bonds may, but shall not be obligated to, cure an Event of Default under this Indenture, including the advancing of funds (“Advanced Funds”) to the Trustee for payments required under this Indenture, or to indemnify the Trustee under Sections 9.04 and 9.06 hereof. Any Advanced Funds are to be applied by the Trustee in accordance with the instructions of the Holder providing the same; provided, however, that such Holder shall not have a right or interest in the Advanced Funds that is superior to any right or interest any other party has under this Indenture.

Section 8.05. Controlling Holders’ Right To Direct Proceeding.

Anything in this Indenture to the contrary notwithstanding, the Controlling Holders shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Indenture or exercising any trust or power conferred on the Trustee by this Indenture.

Section 8.06. Limitation on Holders’ Right To Institute Proceedings.

Unless otherwise provided for in this Indenture, no Holder shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also the Controlling Holders shall have made written request of the Trustee to do so after the right to institute said suit, action or proceeding under Section 8.02 hereof shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and the Trustee shall not have complied with such request within a reasonable time. No one or more of the Holders of the Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Holders of Bonds. Notwithstanding anything to the contrary, the furnishing of indemnity to the Trustee as provided in Section 9.06 hereof is hereby declared in every such case, at the option of the Trustee, to be a condition precedent to the institution of said suit, action or proceeding by the Trustee.

Section 8.07. No Impairment of Right To Enforce Payment.

Notwithstanding any other provision in this Indenture, the right of any Holder of a Bond to receive payment of the principal of and interest on such Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective date, shall not be impaired or affected without the consent of such Holder.

Section 8.08. Proceedings by Trustee Without Possession of Bonds.

All rights of action under this Indenture or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Holders of Bonds, subject to the provisions of this Indenture.

Section 8.09. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Trustee or to Holders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or now or hereafter existing at law or in equity or by statute; provided, however, that any conditions set forth herein to the taking of any remedy to enforce the provisions of this Indenture or the Bonds shall also be conditions to seeking any remedies under any of the foregoing pursuant to this Section.

Section 8.10. No Waiver of Remedies.

No delay or omission of the Trustee or of any Holder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article to the Trustee and to the Holders, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 8.11. Application of Money Upon Event of Default.

(a) If an Event of Default occurs with respect to the Bonds, any money held in any Fund or Account hereunder (excluding the Rebate Fund) or received by any receiver or by the Trustee, by any receiver or by any Holder pursuant to any right given or action taken under the provisions of this Article, after payment of (i) the fees, expenses, liabilities or advances payable to or incurred or made by the Trustee, the Issuer, the Issuer Indemnified Persons (including, without limitation, indemnification and all other payments due to the Issuer and any Issuer Indemnified Person in respect of Unassigned Rights; provided, that payment of amounts due to the Issuer or the Issuer Indemnified Persons under this Section 8.11 shall not absolve the Borrower from liability therefor except to the extent of the amounts received from the Trustee) or any Holder, (ii) the costs and expenses of the proceedings resulting in the collection of such money, and (iii) Operating Expenses of the Project as determined to be appropriate by the Trustee (and the Trustee may, in its discretion, rely on the direction of the Controlling Holders or the latest Budget to make such determination), shall be deposited in the Revenue Fund; and all money so deposited in the Revenue Fund during the continuance of an Event of Default (other

than money for the payment of Bonds which have matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default) shall be applied (except as otherwise provided in Section 5.05 hereof with respect to money deposited in a Bond Fund Account for the benefit of the Holders of the Bonds) as follows:

(i) Unless the principal of all the Bonds shall have been declared due and payable, all such money shall be applied (A) first, together with any amounts on deposit in the applicable Account of the Debt Service Reserve Fund, to the payment to the persons entitled thereto of all installments of interest then due on the Bonds, with interest on overdue installments, if lawful, at the Default Rate, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment of interest on the Bonds on a parity and pro rata basis, and (B) second, together with any amounts on deposit in the applicable Account of the Debt Service Reserve Fund, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Indenture) with interest on such Bonds at the Default Rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have been declared due and payable, all such moneys shall be applied: to the payment of the principal and interest then due and unpaid upon the Bonds, with interest on overdue interest and principal, as aforesaid at the Default Rate, if lawful, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article, then, subject to the provisions of clause (ii) of this Section 8.11(a) which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the money shall be applied in accordance with the provisions of clause (i) of this Section 8.11(a).

(b) Whenever money is to be applied pursuant to the provisions of this Section, such money shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such money and of the fixing

of any such date by Mail to all Holders of the Bonds and shall not be required to make payment to any Holder of a Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 8.12. Severability of Remedies.

It is the purpose and intention of this Article to provide rights and remedies to the Trustee and the Holders which may be lawfully granted under the provisions of the Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the Holders shall be entitled, as above set forth, to every other right and remedy provided in this Indenture and by law.

Section 8.13. Notice of Event of Default.

If an Event of Default occurs and continues for five (5) Business Days after the Trustee has received written notice of the same as provided in Section 9.05 hereof, then the Trustee shall give notice thereof by Mail to the Holders, the Borrower, and the Issuer.

Section 8.14. Costs and Expenses.

When the Trustee or the Issuer incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

[End of Article VIII]

ARTICLE IX

TRUSTEE

Section 9.01. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform such trusts, but only upon and subject to the following express terms and conditions set forth in this Article IX:

(a) The Trustee, before 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 Indenture and no implied covenants or obligations shall be read into this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may buy, sell, own and deal in any of the Bonds secured hereby with the same rights which it would have were it not the Trustee.

(b) The Trustee shall not withhold unreasonably its consent, approval or action to any reasonable written request of the Issuer, provided that any such consent, approval or action is permitted by this Indenture. Any action taken by the Trustee pursuant to this Indenture upon the written 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 Holders of the same Bond and upon Bonds, issued in exchange therefor or in place thereof.

(c) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by an Issuer Representative or a Borrower's Representative as sufficient evidence of the facts therein contained, and before the occurrence of a default of which the Trustee has notice as provided in Section 9.05 hereof, 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, secure further evidence, but shall not be bound to secure the same. The Trustee may accept a certificate signed on behalf of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

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

(e) At any and all reasonable times the 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 herein conveyed, including all books, papers and records of the Issuer or the Borrower pertaining to the revenues and receipts relating to the Project or the Bonds, and to take such memoranda from and in regard thereto as may be desired.

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

(g) The Trustee shall not be under any duty or obligation to perform any act that would cause it to incur any expense or liability or to institute or defend any suit in respect of this Indenture or to advance any of its own money, unless it is provided with indemnification, to the extent permitted by law, to its satisfaction for the reimbursement of all expenses to which it may be put and to protect it against all liability, except all liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(h) The Trustee shall not be required to enter, take possession of or take any other action with respect to the Project or the Project thereof unless it shall have first received assurances and indemnity satisfactory to the Trustee that, the Trustee will not be subject to liability for, among other things, the existence of, or contamination by environmentally hazardous substances or other discharges, emissions or releases with respect to the Project or the Project thereof.

(i) The Trustee shall have no responsibility, opinion or liability with respect to any information, statements or recitals in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(j) The Trustee's rights to immunities and protection from liability hereunder and its rights to payment of its fees and expenses shall survive its resignation or removal and final payment or defeasance of the Bonds.

(k) The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Borrower, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur. The Trustee may rely on any certification provided by the Borrower pursuant to Section 5.5 of the Loan Agreement with respect to satisfaction of the insurance requirements of the Loan Agreement and the Mortgage, and shall have no responsibility for assuring compliance with such insurance requirements, but shall notify the Issuer, and the Borrower if it has not received the certification required by said Section 5.5 of the Loan Agreement.

(l) All money received by the Trustee need not be segregated except to the extent required by law or this Indenture.

(m) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, and shall be

entitled to advice of counsel concerning all matters of the trusts hereof and the actions or duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney who may be the attorney or attorneys for the Issuer or the Borrower.

(n) Reserved

(o) The Trustee shall provide to the Issuer copies of written notices it has received or produced with respect to any Event of Default, the occurrence of any casualty or material damage or loss or any condemnation proceedings concerning the Project, the resignation or removal of the Trustee and the appointment of a successor trustee, or any amendments or supplements to this Indenture or the Loan Agreement.

(p) The Trustee shall not be liable for any action taken or omitted by the Trustee at the direction of the Controlling Holders as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(q) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct of, or affecting the liability of, or affording protection to the Trustee shall be subject to the provisions of this Section 9.01.

(r) The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer and the Borrower shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer and the Borrower elect to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee acts upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Borrower agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(s) The Trustee acknowledges that the Issuer's sole source of money to repay the Bonds will be provided by the Trust Estate, and hereby agrees that if such amounts shall ever prove insufficient to pay all principal, premium, if any and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then the Trustee shall give notice to the Borrower in accordance with Article VIII of this Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of (or redemption price) or

interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Borrower, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

(t) The Trustee may consult with counsel, and the advice of such counsel or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Trustee hereunder and in reliance thereon.

(u) The Trustee shall not be accountable for the use or application by the Borrower of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Indenture or for the use and application of money received by any paying agent.

(v) The Trustee shall be protected in acting and relying upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of independent counsel), affidavit, letter, telegram, or other paper or document appearing to have been signed or sent by the proper person or persons.

(w) Before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

(x) In no event shall the Trustee be liable for incidental, indirect, punitive, special or consequential loss or damages whatsoever (including, but not limited to, loss of profit) in connection with or arising from this Indenture, irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(y) In the event that any assets held hereunder shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting such assets, the Trustee is hereby expressly authorized, in its sole discretion, to respond as it deems appropriate or to comply with all writs, orders or decrees so entered or issued, or which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction. In the event that the Trustee obeys or complies with any such writ, order or decree it shall not be liable to any of the parties or to any other person, firm or corporation, should, by reason of such compliance notwithstanding, such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

(z) The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

(aa) Neither the Trustee nor any of its directors, officers, employees, agents or affiliates shall be responsible for nor have any duty to monitor the performance or any action of the Issuer, or any of its directors, members, officers, agents, affiliates or employee, nor shall it have any liability in connection with the malfeasance or nonfeasance by such party. The Trustee may assume performance by all Persons of their respective obligations. The Trustee shall have no enforcement or notification obligations relating to breaches of representations or warranties of any other Person.

(bb) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(cc) All references in this Article IX to the term “Indenture” shall be deemed to include all of the “Bond Documents.”

(dd) The Trustee’s immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee’s officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee’s right to compensation, shall survive the Trustee’s resignation or removal, the discharge of this Indenture, and final payment of the Bonds.

(ee) The Trustee shall transfer any Additional Loan Payments promptly upon receipt thereof from the Borrower and in accordance with the operation of the Revenue Fund, to the Issuer at the address specified herein for notice to the Issuer or as otherwise directed by the Issuer; except that payments of the Issuer Annual Fee shall be remitted to the Issuer at the times specified in the Loan Agreement.

Section 9.02. No Responsibility for Recitals.

The recitals, statements and representations contained in this Indenture or in the Bonds, save only the Trustee’s authentication upon the Bonds, shall be taken and construed as made by and on the part of the Issuer, and not by the Trustee, and the Trustee does not assume, nor shall it have, any responsibility or obligation for the correctness of any thereof.

Section 9.03. Limitations on Liability.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of them hereunder by or through attorneys, agents, receivers or employees selected by them, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder and to obtain the opinion of Counsel acceptable to the Trustee prior to taking action hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers or employees as is deemed necessary in connection with the performance of the Trustee's duties under this Indenture, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent or employee selected by it. The Trustee may act upon the advice of any attorney and the Trustee shall not be responsible for any loss or damage from any action or non-action taken upon such opinion or advice. Without limitation, the Trustee shall be entitled to the benefit of the foregoing sentence with respect to the delegation to the Trustee's duties hereunder with respect to payment of principal, premium, if any, or interest on, or redemption of, the Bonds, the authentication and delivery thereof, and exchange and transfer thereof. The Trustee shall not be answerable for the exercise of any discretion or power under this Indenture or for anything whatsoever in connection with the trust created hereby, except only for its own negligence or willful misconduct.

Section 9.04. Compensation, Expenses and Advances.

The Trustee shall be entitled to reasonable compensation for its services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for its actual out-of-pocket expenses (including counsel fees and expenses and any fees, expenses, payments, indemnification reserves or other security which may be incurred in connection with the appointment or designation of a separate trustee for all or part of the Bonds) reasonably incurred in connection therewith, except as a result of its own negligence or willful misconduct. The Issuer agrees that it will, but solely from the Trust Estate as provided herein, pay to the Trustee such compensation and reimbursement of expenses and advances. The Trustee shall have, in addition to any other rights hereunder, a lien and claim, for the payment of its compensation and the reimbursement of its expenses and any advances made by it, as provided in this Section, upon the money which is on deposit in the appropriate funds and accounts created herein, subject to the requirements hereof for other applications of such funds and accounts, and the Trustee may withdraw the same from such funds and accounts when the same become due and payable, to the extent available for such purpose.

Section 9.05. Notice of Events of Default.

The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Indenture, other than an Event of Default under clause (a) or (b) of Section 8.01 hereof, unless a Responsible Officer of the Trustee shall have received actual knowledge or shall have been specifically notified in writing of such default or Event of Default by the Issuer, the Borrower or by the Holders of at least 25% of the Bond Obligation. The Trustee may, however, at any time, in its discretion, and shall, upon the request of at least 25% of the Bond Obligation, require of the Borrower full information and advice as to the performance of any of the covenants, conditions and agreements contained herein.

Section 9.06. Action by Trustee.

The Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, and if such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and, shall not affect any discretion or power given by any provisions of this Indenture to the Holders or to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Holders, or without such security or indemnity.

Section 9.07. Good Faith Reliance.

The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith, reasonably exercised, upon any resolution, notice, telex or facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall appear to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Indenture or the other Bond Documents, or upon the written opinion of any attorney, engineer, accountant or other expert reasonably believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to the qualification of such person or any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Section 9.08. Dealings in Bonds or with the Issuer or the Borrower.

The Trustee may buy, sell, own, hold and deal in any of the Bonds issued hereunder, and may join in any action which any Holder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the Borrower, and may act as depositary, trustee or agent for any committee or body of Holders secured hereby or other obligations of the Issuer or the Borrower as freely as if it did not act in any capacity hereunder.

Section 9.09. Resignation of Trustee.

The Trustee may resign and be discharged of the trusts created by this Indenture by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the Issuer and the Borrower, and by giving notice of such resignation by Mail, not less than 15 days prior to such resignation date, to all Holders. Such resignation shall only take effect on the day a successor Trustee shall have been appointed as hereinafter provided.

Section 9.10. Removal of Trustee.

The Trustee may be removed at any time by the Borrower or by the Controlling Holders by filing with the Trustee so removed, and with the Issuer an instrument or instruments in writing appointing a successor, executed by a Borrower's Representative if the Trustee has been

removed by the Borrower (and notice thereof given by Mail to the Holders and the Issuer), or executed by said Holders of Bonds if the Trustee was removed by said Holders; provided that the Borrower may not remove the Trustee if an Event of Default has occurred and is continuing hereunder or a Default has occurred and is continuing under the Loan Agreement, and provided, further, that the Borrower may not at any time remove a Trustee appointed by the Controlling Holders.

Section 9.11. Appointment of Successor Trustee.

If at any time the Trustee shall resign, be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason become incapable of acting, then a vacancy shall forthwith and ipso facto exist in the office of Trustee and the Borrower, with written notice to the Issuer, shall promptly appoint a successor Trustee; provided, however, that, if the Trustee is removed by the Controlling Holders in accordance with Section 9.10 hereof, then any successor Trustee shall be appointed by the Controlling Holders. Any such appointment shall be made by a written instrument executed by a Borrower's Representative or by the Controlling Holders, as applicable. Copies of such instrument shall be promptly delivered by the Borrower to the predecessor Trustee and to the Trustee so appointed. The successor Trustee shall give notice of such appointment by Mail, at least once within 30 days of such appointment, to all Holders.

If, in a proper case, no appointment of a successor Trustee shall be made pursuant to the preceding paragraph within 60 days after the receipt by the Issuer and the Borrower of the Trustee's notice of resignation given pursuant to Section 9.09 or of removal of the Trustee pursuant to Section 9.10, the retiring Trustee, at the expense of the Borrower, or any Holder may apply to any court of competent jurisdiction to appoint a successor Trustee. The court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any new Trustee so appointed as presented in this Section 9.11 shall immediately and without further act be superseded by a Trustee appointed in the manner above provided.

The Trustee shall not be responsible or liable for the acts or omissions of any successor Trustee, nor shall it be responsible or liable for any costs of appointment or transition of such successor Trustee.

Section 9.12. Qualifications of Trustee.

The Trustee and every successor Trustee, if any, (a) shall be a bank or trust company duly organized under the laws of the United States or any state thereof authorized by law to perform all the duties imposed upon it by this Indenture, (b) shall at the time of appointment have trust assets under management of at least \$500,000,000, (c) shall be permitted under applicable law to perform the duties of Trustee and (d) shall be acceptable to the Issuer.

Section 9.13. Intentionally Omitted.

Section 9.14. Acceptance of Trusts by Successor Trustee.

Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of the Trustee and the payment of the predecessor Trustee's fees and expenses hereunder, such predecessor Trustee and the Issuer shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 9.04 hereof, such predecessor Trustee shall pay over to the successor Trustee all money and other assets at the time held by it hereunder, and such predecessor Trustee shall assign its beneficial interest in the Mortgage to the successor Trustee and record said assignment in the same manner as the Mortgage were recorded.

Section 9.15. Successor by Merger or Consolidation.

Any entity into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which any Trustee hereunder shall be a party, or any entity succeeding to the business of the Trustee, or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such entity meets the qualifications contained in Sections 9.12 or 9.18 hereof, as appropriate, shall be a successor Trustee under this Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Indenture to the contrary notwithstanding.

Section 9.16. Intervention in Litigation of the Issuer.

In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the Holders, the Trustee, if permitted by the court having jurisdiction in the premises, may intervene and shall intervene, upon receipt of indemnity satisfactory to it, at the written request of Holders of at least a majority of the Bond Obligation.

Section 9.17. Paying Agent.

The Issuer hereby appoints the Trustee as the Paying Agent for the Bonds.

Section 9.18. Qualifications of Paying Agent; Resignation; Removal.

Any Paying Agent (a) shall be a bank or trust company, duly organized under the laws of the United States of America or any state thereof authorized by law to perform all the duties imposed upon it by this Indenture, (b) shall at the time of appointment have trust assets under management of at least \$500,000,000, (c) shall be permitted under applicable law to perform the duties of Paying Agent, and (d) shall be acceptable to the Issuer. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days' notice to the Issuer, the Borrower and the Trustee. The Paying Agent may be removed at any time at the direction of the Borrower or the Controlling Holders, with written notice to the Issuer, by an instrument signed by the Borrower or such Holders, as applicable, and filed with the Paying Agent and the Trustee. In the event of the resignation or removal of any

Paying Agent, such Paying Agent shall pay over, assign and deliver any money held by it in such capacity to its successor or, if there be no successor, to the Trustee. Successor Paying Agents shall be appointed in accordance with the provisions of Section 9.11 hereof.

Section 9.19. Several Capacities: Duty To Cooperate.

Anything in this Indenture to the contrary notwithstanding, the same entity must serve hereunder as the Trustee and the Paying Agent.

Section 9.20. Additional Duties.

Notwithstanding any provisions hereof to the contrary, the Trustee shall have the following duties:

(a) On or before the 10th day of each month, the Trustee shall generate and provide monthly reports to the Borrower of all moneys received and expended by it under this Indenture for the previous month on an individual account basis. Upon request therefor, the Issuer shall be entitled to copies of reports from the Trustee. The Trustee has no duty or obligation to review or monitor the Borrower's compliance with, or implementation of, any provision of this Indenture in connection with the generation of such reports;

(b) Subject to Article III hereof, the Trustee shall continue to perform its function hereunder without regard to the insufficiency of payment of its fees, provided that nothing herein shall negate the Trustee's right to compensation and indemnification hereunder and as provided in the Loan Agreement; and

(c) The Trustee shall provide to the Placement Agent upon its request a list of the names and addresses of the registered Holders of all Bonds then outstanding at the sole cost and expense of the Placement Agent or, if the Bonds are held in book-entry form, the special position report (or similar list of Beneficial Owners) from the Clearing Agency.

Section 9.21. Notice to Initial Bondholder.

The Trustee shall notify the Initial Bondholder of (a) the occurrence of an Event of Default or a Default of which the Trustee has actual notice, (b) the occurrence of any monetary or other material default under the Loan of which the Trustee has notice, (c) any change in the identity of the Trustee, (d) any amendments, modifications, or changes to this Indenture, the Loan Agreement, the HAP Contract or the Bonds, including any extension of principal or modification of interest or redemption premium due on any of the Bonds, in each case only in the event the Trustee has actual notice, (e) any draws on the Debt Service Reserve Fund, (f) any damage, destruction or condemnation of the Project of which the Trustee has actual knowledge, (g) any change or proposed change in the structure or identity of the Issuer or the Borrower of which the Trustee has actual knowledge, (h) the initiation of any foreclosure action taken with respect to the Project by or on the Trustee's behalf, (i) any unscheduled reduction in HAP Payments, (j) any notifications of proposed terminations of the HAP Contract or reduction in HAP Payments, (k) any partial prepayment of the Loan or the giving of notice of the call for

redemption of any Bonds, (l) any change in the investment of funds subject to the lien of this Indenture other than in Investment Securities, (m) any defeasance of the Bonds hereunder, or (n) any change in the Manager or Managers of which its Trustee has actual knowledge.

Section 9.22. Covenants Relating to the Tax-Exempt Bonds.

(a) Notwithstanding any provision of this Indenture or the Loan Agreement to the contrary, the Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with Section 148 or any applicable Treasury regulation (the “Arbitrage Rules”), including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of the Arbitrage Rules, the maximum amount which may be invested in “nonpurpose obligations” as defined in the Code and the fair market value of any investment made under this Indenture, it being understood and agreed that the sole obligation of the Trustee with respect to investments of funds hereunder shall be to invest the money received by the Trustee pursuant to the written instructions of the Borrower given in accordance with the provisions of this Indenture. The Trustee shall have no responsibility for determining whether or not any investment made pursuant to the written direction of the Borrower or any of the instructions received by the Trustee under this Indenture comply with the requirements of the Arbitrage Rules and shall have no responsibility for monitoring the obligations of the Borrower or the Issuer for compliance with the provisions of this Indenture with respect to the Arbitrage Rules.

(b) Notwithstanding anything contained in this Indenture, or in any other instrument to the contrary, the Trustee shall not be under any duty to evaluate, verify or otherwise independently confirm the compliance of any instruction it receives from the Borrower, the Issuer, Bond Counsel or any rebate analyst for compliance with the requirements of Sections 103(a) or 148 of the Code or any applicable provisions of this Indenture.

Section 9.23. Survival.

(a) The rights of the Trustee to payment under this Indenture shall survive the Trustee’s resignation or removal, the discharge of this Indenture and defeasance of the Bonds.

(b) Notwithstanding anything in this Indenture or any of the Bond Documents to the contrary, the rights, protections, indemnities and immunities afforded to the Trustee hereunder shall survive the resignation or removal of any such party and the payment in full or defeasance of the Bonds.

[End of Article IX]

ARTICLE X

EXECUTION OF INSTRUMENTS BY HOLDERS AND PROOF OF OWNERSHIP OF BONDS

Any request, direction, consent or other instrument in writing required or permitted by this Indenture to be signed or executed by Holders or on their behalf by an attorney-in-fact may be in any number of concurrent instruments of similar tenor and may be signed or executed by Holders in person or by an agent or attorney-in-fact appointed by an instrument in writing or as provided in the Bonds. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

(b) The ownership of Bonds shall be proved by the registration books kept under the provisions of Section 2.09 hereof.

Nothing contained in this Article shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of matters herein stated which it may deem necessary or sufficient. Any request, consent of, or assignment by any Holder shall bind every future Holder of the same Bond or any Bond or Bonds issued in lieu thereof in respect of anything done by the Trustee or the Issuer in pursuance of such request or consent.

[End of Article X]

ARTICLE XI

MODIFICATION OF BOND DOCUMENTS

Section 11.01. Limitations.

Neither this Indenture nor any of the Borrower's Documents shall be amended in any respect subsequent to the Closing Date except as provided in and in accordance with and subject to the provisions of this Article. Notwithstanding any provisions of this Article, the Tax Agreement and the Land Use Restriction Agreement may be amended pursuant to the provisions thereof, and the Tax Agreement and the Land Use Restriction Agreement shall be amended to the extent required by such documents.

Section 11.02. Supplemental Indentures Without Holder Consent.

The Issuer and the Trustee may, from time to time and at any time, without the consent of any Holder, enter into Supplemental Indentures as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Indenture;
- (b) to add to the covenants and agreements of the Issuer in this Indenture other covenants and agreements, or to surrender any right or power reserved or conferred upon the Issuer if such surrender shall not, in the judgment of the Trustee, materially adversely affect the interests of the Holders, the Trustee being authorized to rely on an opinion of Counsel with respect thereto;
- (c) to confirm, as further assurance, any pledge of or lien on the Loan Agreement or of any other money, securities or funds subject to the lien of this Indenture;
- (d) to comply with the requirements of the Trust Indenture Act of 1939, as from time to time amended;
- (e) to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, as set forth in a Favorable Opinion of Bond Counsel;
- (f) Reserved;
- (g) to provide for any amendment specifically authorized or required by any provision of this Indenture;
- (h) in connection with any Additional Bonds; or
- (i) with respect to any other Amendment which does not have a material adverse effect on the Holders of the Bonds.

Section 11.03. Supplemental Indentures Requiring Beneficial Owners' Consent.

Except for any Supplemental Indenture entered into pursuant to Section 11.02 hereof, subject to the terms and provisions contained in this Section and not otherwise, Beneficial Owners of not less than a majority of the Bond Obligation affected thereby shall have the right from time to time to consent to and approve the execution and delivery by the Issuer and the Trustee of any Supplemental Indenture deemed necessary or desirable by the Issuer for the purposes of modifying, altering, amending, supplementing or rescinding, any of the terms or provisions contained in this Indenture; provided, however, that, unless approved in writing by all Beneficial Owners of Bonds affected thereby, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Bond or a reduction in the principal amount or redemption price of any Outstanding Bond or the rate of interest borne thereon (ii) the creation of a claim or lien upon, or a pledge of, the Trust Estate ranking prior to or on a parity with the claim, lien or pledge created by this Indenture, or (iii) a reduction in the aggregate amount of the Bond Obligation the consent of the Beneficial Owners of which is required for any such Supplemental Indenture or which is required, under Section 11.05 hereof, for any modification, alteration, amendment or supplement to any Borrower's Documents, and provided further that if the Supplemental Indenture subjects additional property to the lien of this Indenture the Trustee shall have been provided with an opinion of Counsel that such Supplemental Indenture is duly authorized in accordance with the terms.

If, at any time, the Issuer and the Trustee propose to enter into any such Supplemental Indenture for any of the purposes specified in this Section, the Trustee shall, subject to Section 11.07 and upon being satisfactorily indemnified with respect to expenses by the Borrower, cause notice of the proposed execution of such Supplemental Indenture to be mailed, postage prepaid, to all Beneficial Owners affected thereby. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Designated Trust Office of the Trustee for inspection by all Beneficial Owners affected thereby. If, within 60 days or such longer period as shall be prescribed by the Trustee following the mailing of such notice, the Beneficial Owners of not less than a majority of the Bond Obligation affected thereby at the time of execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Holder 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 Trustee or the Issuer 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 is permitted and provided, this Indenture shall be deemed to be and shall be modified and amended in accordance therewith. The Trustee and the Issuer may rely upon an opinion of Bond Counsel as conclusive evidence that the execution and delivery of a Supplemental Indenture has been effected in compliance with the provisions of this Article.

Anything herein to the contrary notwithstanding, so long as no Default under the Loan Agreement with respect to the Borrower has occurred and is continuing, a Supplemental Indenture under this Article shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture to be mailed by certified or registered mail to the Borrower at least 20 days prior to the proposed date of execution and delivery of any Supplemental Indenture.

Section 11.04. Amendment of Borrower’s Documents Without Holder Consent.

Without the consent of but with notice to the Holders, the Trustee may consent to any Amendment of any Borrower’s Document from time to time as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in such Borrower’s Document;
- (b) to add to the covenants and agreements of the Issuer or the Borrower in such document other covenants and agreements, or to surrender any right or power reserved or conferred upon the Issuer or the Borrower, if such surrender shall not, in the judgment of the Trustee, materially adversely affect the interests of the Holders, the Trustee being authorized to rely on an opinion of Counsel with respect thereto;
- (c) to confirm, as further assurance, any lien on or pledge of the Project or the revenues therefrom or of any other property, money, securities or funds subject to the Mortgage or any other security for the Loan Agreement;
- (d) to preserve the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, as set forth in an opinion of Bond Counsel;
- (e) Reserved;
- (f) to provide for any amendment specifically authorized or required by any provision of any Borrower’s Document;
- (g) in connection with any Additional Bonds; or
- (h) with respect to any other Amendment which does not have a material adverse effect on the Holders of the Bonds.

Section 11.05. Amendment of Borrower’s Documents Requiring Holders’ Consent.

Except in the case of Amendments referred to in Section 11.04 hereof, the Issuer and the Trustee shall not enter into, and shall not consent to, any amendment of the Borrower’s Documents without the written approval or consent of the Beneficial Owners of the Bonds then Outstanding, given and procured as provided in Section 11.03 hereof; provided that the foregoing will not permit or be construed as permitting any change referred to in Section 11.03(i) (substituting for such purpose the word “Note” for the word “Bond”) without the consent of all Beneficial Owners given and obtained in the manner set forth in Section 11.03 hereof. If at any time the Issuer requests the consent of the Trustee to any such proposed modification, alteration, amendment or supplement, the Trustee will cause notice thereof to be given in the same manner as provided by Section 11.06 hereof with respect to Supplemental Indentures. Such notice will briefly set forth the nature of such proposed modification, alteration, amendment or supplement and will state that copies of the instrument embodying the same are on file at the Designated Office of the Trustee for inspection by all Beneficial Owners. The Issuer and the Trustee may enter into, or may consent to, any such proposed modification, alteration, amendment or

supplement subject to the same conditions and with the same effect as provided in Section 11.03 hereof with respect to Supplemental Indentures.

Section 11.06. Procedures for Amendments.

If at any time the Trustee shall be requested to enter into any Supplemental Indenture pursuant to Section 11.03 or to consent to any Amendment pursuant to Section 11.05, the Trustee shall cause notice of the proposed Supplemental Indenture or other amendment to be given by Mail to all Beneficial Owners. Such notice shall set forth with particularity the nature of the proposed Supplemental Indenture or other amendment and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Holders. Within 2 months after the date of the first giving of such notice, the Issuer and the Trustee may enter into such Supplemental Indenture or the Trustee may consent to such Amendment in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Beneficial Owners and (ii) the opinion of Bond Counsel required by Section 11.07 hereof.

If Beneficial Owners of not less than the amount of Bond Obligation required by Section 11.03 or 11.05, as applicable, shall have consented to and approved the execution and delivery thereof as herein provided, no Beneficial Owners shall have any right to object to the execution and delivery of such Supplemental Indenture or other Amendment, or 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 and delivery thereof, or to enjoin or restrain the Issuer or the Trustee from executing and delivering or consenting to the same or from taking or permitting any action pursuant to the provisions thereof.

Section 11.07. Opinions; Certificate.

The Trustee shall not enter into or consent to any Amendment of any provision of any Bond Document unless there shall have been delivered to the Issuer and the Trustee an opinion of Bond Counsel stating that such Amendment is authorized or permitted by the applicable Bond Documents and such Amendment will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from the gross income of the recipients thereof for federal income tax purposes. In addition, the Trustee (i) may obtain, and shall be protected in relying on, an opinion of Counsel to the effect that such Amendment is authorized or permitted by this Indenture and complies with the terms hereof; and (ii) may require, as a condition to entering into or consenting to any such Amendment, a Compliance Certificate from the Borrower.

Section 11.08. Effect of Amendments; Other Consents.

Upon the execution and delivery of any Supplemental Indenture or any Amendment to a Borrower's Document pursuant to the provisions of this Article, this Indenture or such Borrower's Document shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under the Bond Documents of the Issuer, the Trustee, the Borrower and all Beneficial Owners shall thereafter be determined, exercised and enforced under the Bond Documents subject in all respects to such modifications and amendments.

Notwithstanding anything herein to the contrary, (i) the Trustee shall not be required to enter into or consent to any Amendment of any Bond Document which, in the sole judgment of the Trustee, might adversely affect the rights, obligations, powers, privileges, indemnities, immunities or other security provided the Trustee herein or therein; and (ii) except as otherwise required hereby, the Trustee shall not enter into or consent to any Amendment of any Bond Document which affects the rights or obligations of the Borrower or the Issuer unless the Borrower or the Issuer enters into or consents to such Amendment.

[End of Article XI]

ARTICLE XII

MISCELLANEOUS

Section 12.01. Successors of the Issuer.

In the event of the dissolution or transfer of functions of the Issuer, all the covenants, stipulations, promises and agreements in this Indenture contained, by or on behalf of, or for the benefit of, the Issuer, shall bind or inure to the benefit of the successors of the Issuer from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Issuer shall be transferred; subject however, to the application of Section 66.0304(12) of the Act.

Section 12.02. Parties in Interest.

Except as herein otherwise specifically provided, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the Issuer, the Borrower, the Trustee and the Holders any right, remedy or claim under or by reason of this Indenture, this Indenture being intended to be for the sole and exclusive benefit of the Issuer, the Borrower, the Trustee and the Holders. Notwithstanding the foregoing, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including without limitation, their rights to immunity, indemnification and lack of pecuniary liability) each Issuer Indemnified Person and each Trustee Indemnified Person is a third-party beneficiary of this Indenture and the Loan Agreement entitled to enforce such rights in his, her, its or their own name. This Indenture and the exhibits hereto set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

Section 12.03. Severability.

In case any one or more of the provisions of this Indenture or of any Borrower's Document or of the Bonds shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Indenture, such Borrower's Document or such Bonds, and this Indenture, the Borrower's Documents and the Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

Section 12.04. No Personal Liability.

No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any Issuer Indemnified Person in his or her individual capacity, and no Issuer Indemnified Person executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 12.05. Counterparts.

This Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Indenture.

Section 12.06. Governing Law.

This Indenture shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to its conflicts of laws provisions. All claims of whatever character arising out of this Indenture or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Jefferson County, Kentucky. By executing and delivering this Indenture, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or governmental units of the Commonwealth of Kentucky that may exist at the time of and in connection with such matter. Each of the parties hereto hereby waives the right to trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Indenture.

Section 12.07. Notices.

Except as otherwise provided in this Indenture, all notices, certificates, requests, requisitions or other communications by the Issuer, the Borrower or the Trustee pursuant to this Indenture shall be in writing and shall be sufficiently given and shall be deemed given when mailed by overnight delivery by a nationally recognized service provider (such as Federal Express or United Parcel Service) registered mail, postage prepaid, or by facsimile transmission which produces receipt of transmission, addressed as follows:

To the Issuer: Louisville/Jefferson County Metro Government
527 W. Jefferson Street
Louisville, KY 40202
Attention: Office of the Mayor
Email: _____
Facsimile: _____

To the Trustee: The Bank of New York Mellon Trust Company,
National Association
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Sheila S. Papelbon
Email: Sheila.papelbon@bnymellon.com

To the Borrower: Patriot Services Group
10151 Deerwood Park Blvd, Bldg 200, Suite 250
Jacksonville, FL 32256
Attention: Rick Wheat

Email: rick.wheat@patriotservices.org

With a copy to:

Lippes Mathias LLP
10151 Deerwood Park Blvd, Bldg 300, Suite 300
Jacksonville, FL 32256
Attention: Christopher A. Walker
Email: cwalker@lippes.com

To the Manager:

Patriot Services Group, Inc.
At the address provided by the Borrower

To the Placement Agent:

Piper Sandler & Co.
3424 Peachtree Road NE
Suite 2050
Atlanta, GA 30326
Email: cody.wilson@psc.com

A copy of any communication given by or to the Borrower shall also be sent, as provided above, to the Manager at the address designated by the Manager in writing to each of the parties listed above. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder or under the Loan Agreement.

The Trustee agrees to accept and act upon instructions or directions pursuant to the Bond Documents sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Person sending such instructions or directions shall provide to the Trustee an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Borrower, the Issuer or any Person elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Trustee has offered the Borrower and the Issuer commercially reasonable security procedures with respect to such instructions and the Borrower and the Issuer have chosen not to avail themselves of such procedures. The Borrower and the Issuer agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 12.08. Holidays.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture or any of the other Bond Documents, shall not be a Business Day, such payment may, unless otherwise provided in this Indenture, 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 Indenture or any of the other Bond Documents, and no interest shall accrue for the period after such nominal date.

[End of Article XII]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed by an Issuer Representative, and the Trustee has caused this Indenture to be executed on its behalf by its duly authorized officer, all as of the day and year first above written.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Signature Page to *Vesta Derby Oaks Project* Trust Indenture]

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

By: _____
[Name]
[Title]

[Signature Page to *Vesta Derby Oaks Project* Trust Indenture]

EXHIBIT A

[FORM OF SERIES 2022A BOND]

NOTICE: Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

AR-1

\$ __,000,000

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)
SERIES 2022A**

Maturity Date:	Dated Date:	Interest Rate:	CUSIP No.:
_____, 20__	March __, 2022	_____%	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: [_____] AND 00/100 DOLLARS (\$ __,000,000)

The LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (together with its successors and assigns, the “Issuer”), a political subdivision of the Commonwealth of Kentucky, for value received, promises to pay, subject to the provisions hereof and of the Indenture, to the Registered Owner named above on the Maturity Date specified above, or upon earlier redemption as described herein, the Principal Amount shown above and to pay interest on the unpaid principal amount hereof at the Interest Rate specified above until payment of the principal or redemption price hereof has been made. Interest on this Bond is payable on each ____ 1 and _____ 1, commencing _____ 1, 2022 (each such date being hereinafter referred to as an “Interest Payment Date”) and on any other date on which payment of principal of this Bond is due. Interest hereon will be computed on the basis of a 360-day year of twelve 30-day months.

THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE COMMONWEALTH OF KENTUCKY, INCLUDING PARTICULARLY SECTIONS 103.200 TO 103.285, INCLUSIVE, OF THE KENTUCKY REVISED STATUTES, AS AMENDED.

THE SERIES 2022A BONDS MAY ONLY BE SOLD OR TRANSFERRED IN AUTHORIZED DENOMINATIONS TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), “ACCREDITED INVESTORS” AS DESCRIBED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OR A TRUST OR CUSTODIAL

ARRANGEMENT IN WHICH ALL OF THE BENEFICIAL OWNERS ARE EITHER QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS. EACH BENEFICIAL OWNER OF A SERIES 2022A BOND SHALL PROVIDE AN INVESTOR LETTER SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT C. NO INVESTOR LETTER SHALL BE REQUIRED TO BE DELIVERED IN CONNECTION WITH SUBSEQUENT TRANSFERS OF THE SERIES 2022A BONDS.

Any term used herein as a defined term but not defined herein shall be as defined in the Indenture.

This Bond is payable in lawful money of the United States of America. The principal of and premium, if any, on this Bond is payable at the Designated Office of the Trustee, initially in Dallas, Texas, upon presentation and surrender of this Bond.

This Bond is one of a duly authorized issue of revenue bonds of the Issuer, aggregating \$__,000,000 in principal amount, designated as “Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A” (the “Series 2022A Bonds”). Simultaneously with the issuance of the Series 2022A Bonds, the Issuer is issuing \$__,000,000 aggregate principal amount of its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B (the “Series 2022B Bonds”), as more fully set forth in the Indenture (the Series 2022A Bonds and the Series 2022B Bonds are collectively referred to as the “Bonds,” and each as a “Series”). The Bonds are issued pursuant to a Trust Indenture dated as of _____ 1, 2022 (as amended and supplemented from time to time, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”).

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY ISSUER INDEMNIFIED PERSON (AS DEFINED IN THE INDENTURE), THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR ANY COSTS INCIDENTAL HERETO. THIS BOND IS NOT A DEBT OF THE COMMONWEALTH OF KENTUCKY AND DOES NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR ANY COSTS INCIDENTAL HERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF KENTUCKY, THE ISSUER OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND, NOR THE FAITH AND CREDIT OF THE ISSUER OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL HERETO.

Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, the terms upon which the Bonds are issued, a description of the property and interests pledged for the payment of the Bonds, the relative claims of the various Series of Bonds against such property and interests, the terms upon which such property and interest are pledged and the terms and conditions upon which the Bonds will be deemed to be paid, at or prior to maturity or redemption of the Bonds, if any, upon the making of provision for the payment thereof in the manner set forth in the Indenture. The terms and provisions contained in the Indenture are hereby incorporated herein by reference and the Holder of this Bond, by purchase hereof, assents to all of such terms and provisions.

The Bonds are being issued for the purpose of providing financing for the acquisition, renovation, furnishing and equipping of residential rental housing facilities as described in the Indenture (the "Project") and to pay costs in connection with the issuance of the Bonds. The proceeds of the Bonds are being used by the Issuer to finance a loan ("Loan") by the Issuer to PSG Vesta Derby Oaks LLC (the "Borrower"), pursuant to a Loan Agreement dated as of _____ 1, 2022 (as amended and supplemented from time to time, the "Loan Agreement") among the Issuer, and the Borrower. Pursuant to the Loan Agreement, the Borrower is obligated to make payments sufficient to pay principal of, premium, if any, and interest on the Bonds, which obligation is evidenced by a promissory note (the "Note"). The liability of the Borrower under the Loan Agreement is limited as provided therein.

The Loan is secured by a mortgage lien on and security interest on the Project (the "Mortgage").

The Bonds are subject to optional and special mandatory redemption as provided for in the Indenture.

Reference is hereby made to the Indenture and the Loan Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Borrower, the Trustee and the Holders of the Bonds, the terms upon which this Bond is issued, and the terms and conditions upon which this Bond will be deemed to be paid, at or prior to maturity or prepayment of this Bond, upon the making of provision for the payment hereof in the manner set forth in the Indenture, to all of the terms and conditions of which the Holder of this Bond hereby assents. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture and the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the Commonwealth of Kentucky to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Bond, do exist, have happened and have been performed in regular and due form as required by law.

Neither the members of the Governing Body of the Issuer nor any person executing this Bond shall be personally liable on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Bond will not be entitled to any security or benefit under the Indenture, or be valid or become obligatory for any purpose, until the Trustee has authenticated this Bond by the execution of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of an Issuer Representative, and has caused its seal or a facsimile thereof to be reproduced hereon.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Signature Page of Series 2022A Bond]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Indenture referred to herein.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee**

By: _____
[Name]
[Title]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a
member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this Assignment
must correspond with the name as it
appears on the face of the within Bond in
every particular, without alteration or
enlargement or any change whatsoever.

EXHIBIT B

[FORM OF SERIES 2022B BOND]

NOTICE: Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

BR-1

\$_,000,000

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)
TAXABLE SERIES 2022B**

Maturity Date:	Dated Date:	Interest Rate:	CUSIP No.:
_____, 20__	March __, 2022	_____%	_____

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: [_____] AND 00/100 DOLLARS (\$_,000,000)

The LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (together with its successors and assigns, the “Issuer”), a political subdivision of the Commonwealth of Kentucky, for value received, promises to pay, subject to the provisions hereof and of the Indenture, to the Registered Owner named above on the Maturity Date specified above, or upon earlier redemption as described herein, the Principal Amount shown above and to pay interest on the unpaid principal amount hereof at the Interest Rate specified above until payment of the principal or redemption price hereof has been made. Interest on this Bond is payable on each ____ 1 and _____ 1, commencing _____1, 2022 (each such date being hereinafter referred to as an “Interest Payment Date”) and on any other date on which payment of principal of this Bond is due. Interest hereon will be computed on the basis of a 360-day year of twelve 30-day months.

THIS BOND HAS BEEN AUTHORIZED AND ISSUED PURSUANT TO THE LAWS OF THE COMMONWEALTH OF KENTUCKY, INCLUDING PARTICULARLY SECTIONS 103.200 TO 103.285, INCLUSIVE, OF THE KENTUCKY REVISED STATUTES, AS AMENDED.

THE SERIES 2022B BONDS MAY ONLY BE SOLD OR TRANSFERRED IN AUTHORIZED DENOMINATIONS TO “QUALIFIED INSTITUTIONAL BUYERS” AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), “ACCREDITED INVESTORS” AS DESCRIBED IN RULE 501 OF REGULATION D UNDER THE SECURITIES ACT OR A TRUST OR CUSTODIAL

ARRANGEMENT IN WHICH ALL OF THE BENEFICIAL OWNERS ARE EITHER QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS. EACH BENEFICIAL OWNER OF A SERIES 2022B BOND SHALL PROVIDE AN INVESTOR LETTER SUBSTANTIALLY IN THE FORM ATTACHED HERETO AS EXHIBIT C. NO INVESTOR LETTER SHALL BE REQUIRED TO BE DELIVERED IN CONNECTION WITH SUBSEQUENT TRANSFERS OF THE SERIES 2022B BONDS.

Any term used herein as a defined term but not defined herein shall be as defined in the Indenture.

This Bond is payable in lawful money of the United States of America. The principal of and premium, if any, on this Bond is payable at the Designated Office of the Trustee, initially in Dallas, Texas, presentation and surrender of this Bond.

This Bond is one of a duly authorized issue of revenue bonds of the Issuer, aggregating \$__,000,000 in principal amount, designated as “Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B” (the “Series 2022B Bonds”). Simultaneously with the issuance of the Series 2022B Bonds, the Issuer is issuing \$__,000,000 aggregate principal amount of its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A (the “Series 2022A Bonds”). The Series 2022A Bonds and the Series 2022B Bonds are collectively referred to as the “Bonds,” and each as a “Series.” The Bonds are issued pursuant to a Trust Indenture dated as of _____ 1, 2022 (as amended and supplemented from time to time, the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”).

THIS BOND IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE AND, EXCEPT FROM SUCH SOURCE, NONE OF THE ISSUER, ANY ISSUER INDEMNIFIED PERSON (AS DEFINED IN THE INDENTURE), THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE BONDS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR ANY COSTS INCIDENTAL HERETO. THIS BOND IS NOT A DEBT OF THE COMMONWEALTH OF KENTUCKY AND DOES NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR ANY COSTS INCIDENTAL HERETO. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF KENTUCKY, THE ISSUER OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OR ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THIS BOND, NOR THE FAITH AND CREDIT OF THE ISSUER OR ANY ISSUER INDEMNIFIED PERSON, SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS BOND OR ANY COSTS INCIDENTAL HERETO.

Reference is hereby made to the Indenture for a description of the rights, duties and obligations of the Issuer, the Trustee and the Holders of the Bonds, the terms upon which the Bonds are issued, a description of the property and interests pledged for the payment of the Bonds, the relative claims of the various Series of Bonds against such property and interests, the terms upon which such property and interest are pledged and the terms and conditions upon which the Bonds will be deemed to be paid, at or prior to maturity or redemption of the Bonds, if any, upon the making of provision for the payment thereof in the manner set forth in the Indenture. The terms and provisions contained in the Indenture are hereby incorporated herein by reference and the Holder of this Bond, by purchase hereof, assents to all of such terms and provisions.

The Bonds are being issued for the purpose of providing financing for the acquisition, renovation, furnishing and equipping of residential rental housing facilities as described in the Indenture (the "Project") and to pay costs in connection with the issuance of the Bonds. The proceeds of the Bonds are being used by the Issuer to finance a loan ("Loan") by the Issuer to PSG Vesta Derby Oaks LLC (the "Borrower"), pursuant to a Loan Agreement dated as of _____ 1, 2022 (as amended and supplemented from time to time, the "Loan Agreement") among the Issuer, and the Borrower. Pursuant to the Loan Agreement, the Borrower is obligated to make payments sufficient to pay principal of, premium, if any, and interest on the Bonds, which obligation is evidenced by a promissory note (the "Note"). The liability of the Borrower under the Loan Agreement is limited as provided therein.

The Loan is secured by a mortgage lien on and security interest in the Project (the "Mortgage").

The Bonds are subject to optional and special mandatory redemption as provided for in the Indenture.

Reference is hereby made to the Indenture and the Loan Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Borrower, the Trustee and the Holders of the Bonds, the terms upon which this Bond is issued, and the terms and conditions upon which this Bond will be deemed to be paid, at or prior to maturity or prepayment of this Bond, upon the making of provision for the payment hereof in the manner set forth in the Indenture, to all of the terms and conditions of which the Holder of this Bond hereby assents. The Holder of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Indenture and the Loan Agreement.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the Commonwealth of Kentucky to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Indenture and the issuance of this Bond, do exist, have happened and have been performed in regular and due form as required by law.

Neither the members of the Governing Body of the Issuer nor any person executing this Bond shall be personally liable on this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

This Bond will not be entitled to any security or benefit under the Indenture, or be valid or become obligatory for any purpose, until the Trustee has authenticated this Bond by the execution of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of an Issuer Representative, and has caused its seal or a facsimile thereof to be reproduced hereon.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Signature Page of Series 2022B Bond]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Indenture referred to herein.

Date of Authentication: _____

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, NATIONAL
ASSOCIATION**, as Trustee

By: _____

[Name]

[Title]

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please print or typewrite Name and Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a
member firm of the New York Stock
Exchange or a commercial bank or trust
company.

NOTICE: The signature to this Assignment
must correspond with the name as it
appears on the face of the within Bond in
every particular, without alteration or
enlargement or any change whatsoever.

EXHIBIT C

FORM OF INVESTOR LETTER

March __, 2022

Louisville/Jefferson County Metro Government
Louisville, Kentucky

The Bank of New York Mellon Trust Company, National Association
Jacksonville, Florida

Piper Sandler & Co.
Atlanta, Georgia

Re: \$__,000,000 Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds
(Vesta Derby Oaks Project) Series 2022A and
\$__,000,000 Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds
(Vesta Derby Oaks Project) Taxable Series 2022B

Ladies and Gentlemen:

The undersigned (“Investor”) is purchasing the above-captioned bonds (the “Series 2022 Bonds”) issued by the Louisville/Jefferson County Metro Government (the “Issuer”) pursuant to that certain Indenture of Trust, dated as of _____ 1, 2022 (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”), and that certain Loan Agreement, dated as of _____ 1, 2022 (the “Loan Agreement”), between the Issuer and PSG VESTA DERBY OAKS LLC, a Delaware limited liability company (the “Borrower”). Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture of Trust or the Master Indenture.

Investor has been informed that the Issuer will not sell or permit any Series 2022 Bonds to be sold to Investor unless Investor makes the representations, warranties and covenants herein and authorizes the Issuer, the Placement Agent and the Trustee to rely thereon and such representations, warranties and covenants are made by the Investor AS AN INDUCEMENT to the sale of the Series 2022 Bonds to Investor.

In connection with the sale of the Series 2022 Bonds to Investor, Investor hereby makes the following representations upon which you are authorized to rely:

1. Investor has received and read the Private Placement Memorandum dated _____, 2022 and has received and reviewed copies of (i) the Loan Agreement; (ii) the Indenture; (iii) the Borrower Documents; and (iv) such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Series 2022 Bonds that Investor deems necessary and appropriate in its independent evaluation to purchase the Series 2022 Bonds, including, but not limited all third party reports, including financial statements, property condition assessments and environmental reports.
2. The Investor is a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act of 1933, as amended (the “1933 Act”).

3. The Purchaser has sufficient knowledge and experience in financial and business matters with respect to the evaluation of residential real estate developments such as the Project to be able to evaluate the risk and merits of the investment represented by the Bonds. We are able to bear the economic risks of such investment.
4. Investor further understands that due to available exemptions from the registration requirements thereof the Series 2022 Bonds (i) have not been registered under the 1933 Act and (ii) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (iii) will not be listed in any stock or other securities exchange, (iv) will not carry a rating from any rating service, and (v) will be delivered in a form which may not be readily marketable.
5. Investor is aware that any sale of the Series 2022 Bonds may be made only to Qualified Institutional Buyers and Investor agrees to abide by such transfer restrictions as set forth in the Indenture.
6. Investor understands that the Bonds involve a high degree of risk and has (i) carefully read the Private Placement Memorandum and the other documents identified in Paragraph 1 above, (ii) understands the risks described therein, including the information relating to the Borrower, the Project and the Series 2022 Bonds and (iii) has independently evaluated the factors associated with its investment decision to purchase the Series 2022 Bonds. In addition, the Investor acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Borrower and the Project as it requested and deemed necessary to make its independent decision to purchase the Series 2022 Bonds and has had the opportunity to ask questions and receive answers concerning the Borrower, the Facilities, the Series 2022 Bonds and the security therefor so that it has been able to make its decision to purchase the Series 2022 Bonds. The undersigned has sought and received its own independent accounting, legal, and tax advice as it has considered necessary to making an informed investment decision to purchase the Series 2022 Bonds. Investor acknowledges that it has not relied upon the Issuer, Bond Counsel or the Placement Agent for any information in connection with the Investor’s purchase of the Series 2022 Bonds.
7. Investor has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Series 2022 Bonds and is capable of and has made its own investigation in connection with its decision to purchase the Series 2022 Bonds.
8. Investor understands that it may be required to bear the risks of this investment in the Series 2022 Bonds for an indefinite time, since any sale prior to maturity may not be possible.
9. The Series 2022 Bonds are a financially suitable investment for Investor consistent with Investor’s investment needs and objectives.
10. Investor acknowledges that the Series 2022 Bonds are special limited obligations of the Issuer payable solely from the Trust Estate and the Issuer shall not be directly or indirectly or contingently or morally obligated to use any other moneys or assets of the Issuer for all or any portion of the principal of and interest on the Series 2022 Bonds.

11. Investor agrees to indemnify and hold harmless the Placement Agent and each Issuer Indemnified Person with respect to any claim asserted against the Placement Agent or any such Issuer Indemnified Person that is based upon Investor's breach of representation, warranty or agreement herein.
12. Investor is purchasing the Series 2022 Bonds with a present view to distribute, transfer, or resell, and in such regard shall require that the end initial investor deliver an Investor Letter substantially in the form of this Investor Letter, which shall include a representation that such end initial investor is purchasing the Series 2022 Bonds for not more than one account for investment and not with a present view to distribution, transfer, or resale thereof, provided that the disposition of the Series 2022 Bonds shall at all times be within the sole control of such investor, within the constraints referenced herein.
13. Investor has authority to purchase the Series 2022 Bonds and to execute this letter and any other instruments and documents required to be executed by the Investor in connection with the purchase of the Series 2022 Bonds.

[Signatures to follow]

The undersigned has hereunto set their hand as of the day and year first above written.

FRANKLIN ADVISORS, INC.,
as Investment Manager for the Bond Purchasers

By: _____
Name:
Title:

0149946.0753850 4864-6443-1116v5

LOAN AGREEMENT

by and among

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

as Issuer

and

PSG VESTA DERBY OAKS LLC

as Borrower

Relating to

\$ __,000,000

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)**

Consisting of

**\$ __,000,000 Series 2022A
\$ __,000,000 Taxable Series 2022B**

Dated as of _____, 1 2022

The interest of the Louisville/Jefferson County Metro Government in this Loan Agreement (except for the Unassigned Rights) has been assigned to The Bank of New York Mellon Trust Company, National Association (the "Trustee") under the Trust Indenture of even date herewith, and is subject to the security interest of the Trustee.

SECTION 4.2	DISBURSEMENT OF PROJECT FUND	22
SECTION 4.3	OPERATING EXPENSES	22
SECTION 4.4	RATE COVENANT; COVERAGE	23
SECTION 4.5	FAILURE TO MEET RATE COVENANT; RETENTION OF MANAGEMENT CONSULTANT	24
SECTION 4.6	MAINTENANCE AND MODIFICATION OF PROJECT; REMOVAL OF EQUIPMENT.....	24
SECTION 4.7	MANAGEMENT OF THE PROJECT.....	27
SECTION 4.8	FORBEARANCE AND SUBORDINATION OF FEES	27
SECTION 4.9	TAXES AND IMPOSITIONS.....	28
SECTION 4.10	UTILITIES.....	29
SECTION 4.11	HAZARDOUS WASTE COVENANT	29
SECTION 4.12	NEEDS ASSESSMENT ANALYSIS	30
SECTION 4.13	REPLACEMENT OF MANAGER	31
SECTION 4.14	APPOINTMENT OF SUCCESSOR MANAGER.....	31
SECTION 4.15	HAP CONTRACT	31
ARTICLE V	INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS.....	33
SECTION 5.1	REQUIRED INSURANCE	33
SECTION 5.2	DELIVERY OF INSURANCE POLICIES; PAYMENT OF PREMIUMS.....	34
SECTION 5.3	INSURANCE PROCEEDS; CASUALTY AND CONDEMNATION.....	35
SECTION 5.4	DISBURSEMENT OF INSURANCE PROCEEDS AND CONDEMNATION AWARDS.....	38
SECTION 5.5	REPORT OF INSURANCE CONSULTANT; INSURANCE COMMERCIALY UNAVAILABLE	39
SECTION 5.6	OBLIGATION TO CONTINUE PAYMENTS.....	39
SECTION 5.7	INSUFFICIENCY OF NET PROCEEDS	40
SECTION 5.8	COOPERATION OF ISSUER AND TRUSTEE	40
ARTICLE VI	OTHER AGREEMENTS	41
SECTION 6.1	RESERVED	41
SECTION 6.2	ASSIGNMENT, SELLING AND LEASING	41
SECTION 6.3	CONTINUED EXISTENCE	42
SECTION 6.4	INDEMNIFICATION.....	43

SECTION 6.5	RECORDING AND FILING	45
SECTION 6.6	NONRECOURSE TO REPRESENTATIVES OF ISSUER	45
SECTION 6.7	AMENDMENT OF BORROWER’S DOCUMENTS	46
SECTION 6.8	FINANCIAL STATEMENTS AND REPORTS.....	46
SECTION 6.9	BUDGET	47
SECTION 6.10	NOTICES OF CERTAIN EVENTS.....	48
SECTION 6.11	INSPECTION OF PROJECT BOOKS; RIGHT OF ACCESS	48
SECTION 6.12	OTHER INDEBTEDNESS	48
SECTION 6.13	ADVANCES BY TRUSTEE.....	48
SECTION 6.14	CONTINUING DISCLOSURE.....	49
SECTION 6.15	RELATED PARTY TRANSACTIONS.....	49
SECTION 6.16	PURCHASE OF TAX-EXEMPT BONDS	49
SECTION 6.17	RELEASE OF CERTAIN LAND AND SUBORDINATION; GRANTING OF EASEMENTS	49
ARTICLE VII	DEFAULTS AND REMEDIES	52
SECTION 7.1	DEFAULTS	52
SECTION 7.2	NOTICE OF DEFAULT: OPPORTUNITY TO CURE.....	53
SECTION 7.3	REMEDIES.....	54
SECTION 7.4	NO REMEDY EXCLUSIVE.....	55
SECTION 7.5	ATTORNEY’S FEES AND EXPENSES.....	55
SECTION 7.6	NO ADDITIONAL WAIVER IMPLIED BY ONE WAIVER	56
SECTION 7.7	ISSUER’S RIGHTS NOT IMPAIRED	56
ARTICLE VIII	OPTIONS TO TERMINATE AGREEMENT.....	57
SECTION 8.1	GRANT OF OPTION TO TERMINATE.....	57
SECTION 8.2	EXERCISE OF OPTION TO TERMINATE	57
ARTICLE IX	MISCELLANEOUS	59
SECTION 9.1	CONFIDENTIAL INFORMATION	59
SECTION 9.2	ENTIRE AGREEMENT.....	59
SECTION 9.3	NOTICES.....	59
SECTION 9.4	ASSIGNMENTS.....	59
SECTION 9.5	SEVERABILITY	59
SECTION 9.6	EXECUTION OF COUNTERPARTS	59
SECTION 9.7	RIGHTS OF TRUSTEE	60

SECTION 9.8	AMENDMENTS, CHANGES AND MODIFICATIONS	60
SECTION 9.9	GOVERNING LAW.....	60
SECTION 9.10	TERM OF AGREEMENT.....	60
SECTION 9.11	NO LIABILITY OF ISSUER INDEMNIFIED PERSONS	60
SECTION 9.12	RECEIPT OF AND COMPLIANCE WITH INDENTURE	61
SECTION 9.13	USURY; TOTAL INTEREST	61
SECTION 9.14	SURVIVAL	61
SECTION 9.15	TAX AGREEMENT CONTROLS.....	62
SECTION 9.16	ISSUER’S PERFORMANCE.....	62
SECTION 9.17	NO OBLIGATION TO ENFORCE ASSIGNED RIGHTS	63
SECTION 9.18	THIRD PARTY BENEFICIARIES.....	63
SECTION 9.19	PATRIOT ACT.....	63
SECTION 9.20	SECURITY ADVICE WAIVER.....	63
EXHIBIT A	Description of the Project and Property Description	A-1
EXHIBIT B-1	Form of Requisition (from Project Fund)	B-1-1
EXHIBIT B-2	Form of Requisition (from Funds other than Project Fund)	B-2-1
EXHIBIT C	Form of Release Certificate	C-1
EXHIBIT D	Form of Multifamily Promissory Note	D-1
EXHIBIT E	Form of Disbursement Request for Operating Expenses.....	E-1

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of _____, 1 2022 (this “Loan Agreement”), is by and among the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT** (together with its successors and assigns, the “Issuer”), a political subdivision of the Commonwealth of Kentucky and **PSG VESTA DERBY OAKS LLC**, a Delaware limited liability company (the “Borrower”), the sole member of which is Patriot Services Group, Inc., a Florida nonprofit corporation (the “Sole Member”) described in Section 501(c)(3) of the Code (as defined in the Indenture described below) and exempt from federal income taxation under Section 501(a) of the Code, and its successors and assigns.

RECITALS:

WHEREAS, the Borrower has applied for financial assistance of the Issuer in financing the “Project” (as more particularly defined herein);

WHEREAS, pursuant to the laws of the Commonwealth of Kentucky, including Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (“KRS”), the Issuer is authorized, among other things, (i) to assist in defraying the cost of all or a portion of the acquisition, construction, equipping, and installation of “industrial buildings,” as defined in KRS Section 103.200, located within and without the boundaries of the Issuer, as authorized by KRS Sections 103.200 to 103.285, inclusive (the “Act”);

WHEREAS, the Borrower has requested the assistance of the Issuer to finance the acquisition, renovation, furnishing and equipping of a multifamily rental housing development (the “Project”), which Project constitutes an “industrial building” as that term is defined in KRS Section 103.200(1)(o), consisting of industrial buildings to be used by an entity recognized by the Internal Revenue Service as an organization described in 26 U.S.C. Section 501(c)(3) in a manner related to or in furtherance of that entity’s exempt purposes where the use would also qualify for federally tax-exempt financing under the rules applicable to a qualified 501(c)(3) bond as defined in 26 U.S.C. Section 145; and

WHEREAS, in order to provide such assistance, the Issuer has provided for the issuance of the Series 2022 Bonds, pursuant to a Trust Indenture dated the date hereof (the “Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”), all as identified in the Indenture; and

WHEREAS, under and pursuant to this Loan Agreement, the Issuer will lend the proceeds of the Series 2022 Bonds to the Borrower and the Borrower is obligated to make loan payments in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2022 Bonds; and

WHEREAS, in order to evidence the obligation to make loan payments sufficient to pay the principal of, premium, if applicable, and interest on the Series 2022 Bonds pursuant to this Loan Agreement, the Borrower has agreed to execute and deliver to the Trustee its promissory note in an original principal amount equal to the aggregate principal amount of the Series 2022 Bonds, in substantially the form attached hereto as *Exhibit D* (the “Note”);

NOW, THEREFORE, for and in consideration of the mutual agreements hereinafter contained, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

[Remainder of page intentionally left blank]

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions.

All capitalized terms used herein and defined in the Indenture shall have the meanings ascribed to them in the Indenture.

Section 1.2 Rules of Construction.

In this Loan Agreement, unless the context otherwise requires:

(a) The singular form of any word used herein, including the terms defined in Section 1.01 of the Indenture, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders.

(b) Unless otherwise specified, references to Articles, Sections and other subdivisions of this Loan Agreement are to the designated Articles, Sections and other subdivisions of this Loan Agreement as originally executed. The words “hereof,” “herein,” “hereunder” and words of similar import refer to this Loan Agreement as a whole.

(c) The headings or titles of the several articles and sections, and the table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of the provisions hereof.

(d) The parties acknowledge that each party to this Loan Agreement and their respective counsel have participated in the drafting and revision of this Loan Agreement and the other Bond Documents. Accordingly, the parties agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Loan Agreement, any of the other Bond Documents or any amendment or supplement or exhibit hereto or thereto.

[End of Article I]

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations and Covenants of the Issuer.

The Issuer represents and covenants that:

(a) The Issuer is a political subdivision of the Commonwealth of Kentucky; and has full power and authority under the Act to adopt the Bond Resolution, to enter into and to perform its obligations under the Bond Documents to which it is a party; and when executed and delivered by the respective parties thereto, the Bond Documents to which it is a party will constitute the legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitation on legal remedies against governmental units of the Commonwealth of Kentucky.

(b) By official action of the Issuer prior to or concurrently herewith, the Issuer has authorized and approved the execution and delivery of the Bond Documents to which it is a party and the consummation by the Issuer of the transactions contemplated thereby.

(c) To the knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending against the Issuer seeking to restrain or enjoin the sale or issuance of the Series 2022 Bonds, or in any way contesting or affecting any proceedings of the Issuer taken concerning the sale thereof, the pledge or application of any moneys or security provided for the payment of the Series 2022 Bonds, in any way contesting the validity or enforceability of the Bond Documents to which it is a party or contesting in any way the existence or powers of the Issuer relating to the authorization, issuance and sale of the Series 2022 Bonds.

(d) The execution and delivery by the Issuer of the Bond Documents to which it is a party and compliance with the provisions on the Issuer's part contained therein will not (i) conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Issuer under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Bond Documents.

Section 2.2 Representations and Covenants of the Borrower.

The Borrower hereby represents and covenants as set forth in subsections (a) – (z) of this Section 2.2. The Borrower’s representations and warranties are made as of the date of this Loan Agreement and as of the date of delivery of the Series 2022 Bonds to the initial purchasers and survive the issuance of the Series 2022 Bonds. The Borrower’s representations and warranties remain operative and in full force and effect regardless of the issuance of the Series 2022 Bonds, and regardless of any investigations by or on behalf of the Issuer or the results thereof.

(a) The Borrower is a limited liability company, is in good standing in the State of Delaware, as applicable, and is duly qualified to transact business in the Commonwealth of Kentucky, is not in violation of any provision of its operating agreement, has power to enter into the Borrower’s Documents and has duly authorized the execution, delivery and performance of this Loan Agreement and the other Borrower’s Documents. The person(s) executing this Loan Agreement and the other Borrower’s Documents on behalf of the Borrower are fully authorized to execute the same. The Borrower’s Documents have been duly authorized, executed and delivered by the Borrower. The officers of the Borrower executing the Borrower’s Documents are duly and properly in office and fully authorized to execute the same.

(b) (i) This Loan Agreement and the other Borrower’s Documents, when assigned to the Trustee pursuant to the Indenture, will constitute the legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance with their terms, including by the Trustee for the benefit of the Holders of the Series 2022 Bonds, and (ii) the Unassigned Rights constitute the legal, valid, and binding agreements of the Borrower enforceable against the Borrower (A) by the Issuer in its own right, or (B) in the case of the rights of any Issuer Indemnified Person (including, without limitation, the right of such Issuer Indemnified Person to indemnification and immunity from liability), by such Issuer Indemnified Person in his, her or its own right in accordance with their respective terms.

(c) The execution and delivery of this Loan Agreement and other Borrower’s Documents, the consummation of the transactions herein and therein contemplated and, the fulfillment of or compliance with the terms and conditions thereof do not conflict with or result in a breach of the terms, conditions, or provisions of the Borrower’s organizational documents or any restriction or any agreement or instrument to which the Borrower is now a party or by which the Borrower is bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Borrower under the terms of any instrument or agreement. The Borrower agrees to fully and faithfully comply with and perform its obligations under the terms and conditions of the Borrower’s Documents.

(d) No consent or approval of any trustee or holder of any indebtedness of the Borrower or any guarantor of indebtedness of or other provider of credit or liquidity to the Borrower, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state securities or “blue sky” laws) is necessary in connection with the execution and delivery of the Borrower’s Documents, or the consummation of any transaction herein or therein

contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(e) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Borrower, after reasonable investigation, threatened, against or affecting the Borrower or the assets, properties or operations of the Borrower which, if determined adversely to the Borrower or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, the Bond Documents or the Borrower's Documents, or upon the financial condition, assets, properties or operations of the Borrower, and the Borrower is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by Bond Documents or the Borrower's Documents, or the financial condition, assets, properties or operations of the Borrower. All tax returns (federal, state and local) required to be filed by or on behalf of the Borrower have been filed, and all taxes shown thereon to be due, including interest and penalties have been timely paid.

(f) There (i) is no completed, pending or, to the knowledge of the Borrower, threatened bankruptcy, reorganization, receivership, insolvency or like proceeding, whether voluntary or involuntary, affecting the Project, the Borrower or any member of the Borrower, and (ii) has been no assertion or exercise of jurisdiction over the Project, the Borrower or any member of the Borrower by any court empowered to exercise bankruptcy powers.

(g) Each Project (i) constitutes one or more separate tax parcels, (ii) conforms in all material respects with all applicable zoning, planning, building and environmental laws, ordinances and regulations of governmental authorities having jurisdiction over a Project and (iii) has available to it all necessary utilities.

(h) The Borrower will not take or permit to be taken any action which would have the effect, directly or indirectly, of subjecting interest on any of the Tax-Exempt Bonds to federal income taxation. The representations and certifications contained in the Tax Agreement executed by the Borrower on the Dated Date are true and correct, and are incorporated by reference herein.

(i) The Borrower will cause the Project to be acquired, renovated, furnished, equipped and operated in accordance with the laws, rulings, regulations and ordinances of the respective state and the departments, agencies and political subdivisions thereof in which the Project is located. The Borrower has obtained or will cause to be obtained all requisite approvals of such state and of other federal, state, regional and local governmental bodies for the acquisition, rehabilitation, equipping and operation of the Project, including all approvals essential to the transactions contemplated by this Loan

Agreement and the other Borrower's Documents and any other documents contemplated hereby or thereby. The Borrower has acquired good fee simple title to the Project.

(j) The Borrower agrees to fully and faithfully perform all the duties and obligations which the Issuer has covenanted and agreed in the Indenture to cause the Borrower to perform and any duties and obligations which the Borrower or the Issuer is required by the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Issuer which by its nature cannot be delegated or assigned.

(k) The Borrower agrees to provide to the Issuer all information requested by the Issuer as may be necessary to enable the Issuer to complete and file all forms and reports required by the laws of the Commonwealth of Kentucky and the Code in connection with the Project and the Series 2022 Bonds.

(l) The Borrower acknowledges, represents and warrants that it understands the nature and structure of the transactions relating to the financing of the Project; that it is familiar with the provisions of all of the documents and instruments relating to such financing to which it or the Issuer is a party or of which it is a beneficiary; that it understands the risks inherent in such transactions, including without limitation the risk of loss of the Project; and that it has not relied on the Issuer for any guidance or expertise in analyzing the financial or other consequences of such financing transactions or otherwise relied on the Issuer in any manner except to issue the Series 2022 Bonds in order to provide funds to lend to the Borrower.

(m) The Borrower represents that the Sole Member, which is the sole member of the Borrower, is an organization described in Section 501(c)(3) of the Code. The Borrower represent that the Sole Member has received a determination from the Internal Revenue Service to the effect that it is described in Section 501(c)(3) of the Code, that such determination has not been modified, limited or revoked, that the Sole Member was and is in compliance with all terms, conditions, and limitations, if any, contained in such determination material applicable to it, that the facts and circumstances which form the basis of such determination as represented to the Internal Revenue Service continue substantially to exist, including, specifically, with regard to financing the acquisition, rehabilitation, equipping and financing of additional renovations of the Project, and that the Sole Member is exempt from federal income taxation under Section 501(a) because it is an organization described in Section 501(c)(3) of the Code. The Borrower agrees that it shall not perform any acts or enter into any agreement which shall adversely affect the Sole Member's federal income tax status nor shall either carry on or permit to be carried on at the Project or permit the Project to be used in or for any trade or business or by any person if such activity would generate unrelated trade or business income that would adversely affect the federal income tax status of interest on the Tax-Exempt Bonds or if such activity would adversely affect the Sole Member's federal income tax status under Section 501(c)(3) of the Code.

(n) The Borrower is a limited liability company and was and will continue to be organized for the sole purpose of owning and operating the Project, has been and will continue to be treated as an entity that is not separate from the Sole Member for federal

income tax purposes, has not and will not engage in any business transaction unrelated to the ownership and operation of its respective Project, and has not and will not have any other material assets than those related to its respective Project.

(o) The Borrower has no material financial obligation or known contingent liabilities under any indenture, mortgage, deed of trust, loan agreement, or other agreement or instrument to which the Borrower is a party or by which the Borrower or the Project are otherwise bound, other than obligations under the Mortgages and the other Borrower's Documents.

(p) To the Borrower's knowledge, the Project comply in all material respects with all applicable Environmental Laws.

(q) To the Borrower's knowledge, the Project is not located in a flood hazard area as defined by the Federal Insurance Administration.

(r) There is no proceeding threatened or pending for the total or partial condemnation, appropriation, or recapture of any material portion of the Project that would materially affect the Borrower's performance under the Borrower's Documents, or the use, value, or operation of the Project.

(s) To the Borrower's knowledge, the Borrower does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(t) All security deposits collected in connection with the Project will be held (i) in accordance with all applicable laws and (ii) in segregated eligible accounts.

(u) The Project (i) has not suffered any damage that would materially and adversely affect the use or value of the Project as security for the Loan and (ii) is in good repair and condition so as not to materially and adversely affect the use or value of the Project as security for the Loan.

(v) The Project is, as of the Closing Date, or will be within 12 months of the Closing Date, in compliance with all requirements of the Land Use Restriction Agreement. The Borrower intends to cause the residential units in the Project to be rented or available for rental on a basis which satisfies the requirements of the Land Use Restriction Agreement, including all applicable requirements of the Act and the Code. All leases for units in the Project will comply with all applicable laws and the Land Use Restriction Agreement. The Project meets the requirements of this Loan Agreement, and the Land Use Restriction Agreement with respect to residential rental housing.

(w) No written information, exhibit or report furnished to the Issuer by the Borrower in its application for financing or by the Borrower or its representatives in connection with the negotiation of this Loan Agreement or the Borrower's Documents, regardless of whether the Issuer is a party thereto (including, without limitation, any financial statements, whether audited or unaudited, and any other financial information provided in connection therewith) contains any untrue statement of a material fact or

omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that the representation and warranty in this subsection is made only to the Issuer and may not be relied upon by any other Person.

(x) The Permitted Encumbrances do not and will not materially and adversely affect (1) the ability of the Borrower to pay in full the principal and interest on the Note in a timely manner or (2) the use of the Project for the use currently being made thereof, the operation of the Project as currently being operated or the value of the Project.

(y) The Project has adequate rights of access to public ways and are served by utilities, including, without limitation, adequate water, sewer, electricity, gas, telephone, sanitary sewer, and storm drain facilities. All public utilities necessary to the continued use and enjoyment of the Project as presently used and enjoyed are located in the public right-of-way abutting the Project, and all such utilities are connected so as to serve the Project without passing over other property. All roads necessary for the full utilization of the Project for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities or are the subject of access easements for the benefit of the Project.

(z) Except as disclosed in the Title Policies, there are no pending or, to the knowledge of the Borrower, proposed special or other assessments for public improvements or otherwise affecting the Project, nor, to the knowledge of the Borrower, are there any contemplated improvements to the Project that may result in such special or other assessments.

Section 2.3 Reorganization or Reconstitution; Substitution of Sole Member.

The Borrower may reorganize or reconstitute by substituting its Sole Member with another organization described in Section 501(c)(3) of the Code at any time without the consent of the Holders of the Bonds so long as no Event of Default shall have occurred and then be existing or result from any such substitution. Prior to such reorganization or reconstitution, the affected Borrower shall comply or cause compliance with the following conditions and deliver evidence of satisfaction of such conditions to the Trustee: (i) the resulting entity shall assume all of the obligations of the affected Borrower under the Bond Documents and counsel to the Borrower shall deliver enforceability opinions as to such documents against such resulting Borrower in form and substance substantially similar to the enforceability opinions delivered on the Closing Date, (ii) the Borrower shall cause the Title Policy applicable to its Project to be amended or endorsed in the name of the new entity, if applicable, (iii) the Borrower shall cause the applicable Mortgage, Land Use Restriction Agreement, UCC Financing Statement and other security documents that have been recorded in the applicable jurisdiction to be amended and re-recorded to reflect the change in corporate organization in the same or similar manner as the applicable Mortgage, Land Use Restriction and UCC Financing Statements and other security documents, (iv) the Borrower shall cause the substituting sole member to provide evidence of all corporate approvals necessary to effect the reorganization, (v) the Borrower shall secure an opinion of Bond Counsel that such reorganization does not adversely affect the tax-exempt status of the Tax-Exempt Bonds, (vi) the Borrower shall file or cause the Dissemination Agent to file a

notice of such reorganization or reconstitution with EMMA (as such term as defined in the Continuing Disclosure Agreement) and (vii) the Borrower shall file with the Trustee and the Issuer a certificate certifying that (A) the substituting sole member has received a determination from the Internal Revenue Service to the effect that it is described in Section 501(c)(3) of the Code, (B) that such determination has not been modified, limited or revoked, that the substituting sole member was and is in compliance with all terms, conditions, and limitations, if any, contained in such determination material applicable to it, (C) that the facts and circumstances which form the basis of such determination as represented to the Internal Revenue Service continue substantially to exist, including, specifically, with regard to financing the acquisition, rehabilitation, equipping and financing of additional renovations of the relevant Project, and (D) that the substituting sole member is exempt from federal income taxation under Section 501(a) because it is an organization described in Section 501(c)(3) of the Code. In addition, the Borrower shall pay or cause to be paid all of the costs, fees and expenses associated with the reorganization or reconstitution, including but not limited to, the costs associated with the matters described in this Section.

Section 2.4 Special Arbitrage Certifications.

The Issuer covenants not to knowingly cause or direct any money on deposit in any Fund or Account under the Indenture to be used in a manner which would cause the Tax-Exempt Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code, and the Borrower certifies and covenants to and for the benefit of the Issuer and the Holders that so long as there are any Tax-Exempt Bonds Outstanding, money on deposit in any Fund or Account under the Indenture in connection with the Tax-Exempt Bonds, whether such money was derived from the proceeds of the sale of the Tax-Exempt Bonds or from any other source, will not be used in a manner which will cause the Tax-Exempt Bonds to be classified as “arbitrage bonds” within the meaning of Section 148 of the Code. In furtherance of this covenant, the Issuer, the Sole Member and the Borrower have entered into the Tax Agreement and covenant to comply with all of the terms and conditions thereof.

Section 2.5 Tax Exempt Status of Tax-Exempt Bonds.

The Borrower hereby represents, warrants and agrees that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipients thereof of the interest on the Tax-Exempt Bonds for federal income tax purposes and, if it should take or permit, or omit to take or cause to be taken, any such action, the Borrower shall take or cause to be taken all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. In furtherance of this covenant, the Issuer, the Sole Member and the Borrower have entered into the Tax Agreement and covenant to comply with all of the terms and conditions thereof.

Section 2.6 Land Use Restriction Agreement.

In order to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation and to assure compliance with the Act and certain additional requirements of the Issuer, the Borrower hereby agrees that it shall, concurrently with or before the execution and delivery of the Bonds, execute and deliver and

cause to be recorded the Land Use Restriction Agreement with respect to the Project. The Borrower shall comply with the terms of the Land Use Restriction Agreement. The Borrower agrees to cause any amendments to the Land Use Restriction Agreement to be recorded in the appropriate official public records.

Section 2.7 Special Purpose Entity Covenants.

The Borrower agrees as follows:

- (a) To maintain books and records separate from any other person or entity.
- (b) To maintain its accounts separate from any other person or entity.
- (c) Not to commingle its assets with those of any other entity.
- (d) To conduct its own business in its own name.
- (e) To maintain separate financial statements.
- (f) To pay its own liabilities out of its own funds, unless those activities are joint and/or overlapping activities, then Project funds will be used, such as insurance premiums.
- (g) To observe all material business organization formalities.
- (h) Except in connection with the Note and this Loan Agreement, not to guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of others.
- (i) Not to acquire obligations of its partners, members or shareholders.
- (j) To allocate fairly and reasonably any overhead for shared office space.
- (k) To use separate stationery, invoices and checks.
- (l) Except in connection with the Note and this Loan Agreement, not to pledge its assets for the benefit of any other entity or make any loans or advances to any entity.
- (m) To hold itself out as a separate entity.
- (n) To correct any known misunderstanding regarding its separate identity.
- (o) To maintain adequate funds, as it determines in its sole discretion, in light of its contemplated business operations;
- (p) Not to acquire or own any property other than the Mortgaged Property, and property that is necessary for or incidental to the operation of the Project and proceeds therefrom;

(q) Not to engage in any business or activity other than (i) to acquire, own, develop, hold for investment, manage, operate, lease, sell, exchange, finance, dispose of and otherwise realize the economic benefit from the Project and (ii) to engage in such other lawful activities as are necessary, appropriate, convenient or incidental to the foregoing purpose;

(r) Except in connection with the Note and this Loan Agreement, not to enter into or become a party to any transaction with any affiliate, except in the ordinary course of business and on terms which are no less favorable to such affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party;

(s) Not to engage in a non-exempt prohibited transaction described in Section 406 of ERISA or Section 4975 of the Internal Revenue Code;

(t) To maintain its assets and liabilities in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets or liabilities from those of any other Person;

(u) Not to make any contributions, payments or distributions, or transfer any assets to any other Person in violation of the Bond Documents; and

(v) Not to (i) liquidate or dissolve, in whole or in part; or (ii) consolidate, merge or enter into any form of consolidation with or into any other Person, nor, except as required or permitted by the Bond Documents, convey, transfer or lease its assets substantially as an entirety to any Person nor permit any Person to consolidate, merge or enter into any form of consolidation with or into itself.

[End of Article II]

ARTICLE III

ISSUANCE OF BONDS; LOAN TO BORROWER; RELATED OBLIGATIONS

Section 3.1 Issuance of Series 2022 Bonds; Deposit of Proceeds.

To provide funds to assist the Borrower in financing the acquisition, renovation, furnishing and equipping of the Project, the Issuer, concurrently with the execution and delivery of this Loan Agreement, and upon satisfaction of the conditions to the delivery of the Series 2022 Bonds set forth in Section 2.07 of the Indenture, will issue, sell and deliver the Series 2022 Bonds and will deposit the proceeds of the Series 2022 Bonds with the Trustee in accordance with Section 5.02 of the Indenture.

The Bonds will be issued pursuant to the Indenture in the aggregate principal amount, will bear interest, will mature and will be subject to redemption as set forth therein. The Borrower hereby approves the terms and conditions of the Indenture and the Bonds, and the terms and conditions under which the Bonds will be issued, sold and delivered and will comply with those provisions of the Indenture that contemplate action by the Borrower, all as if the Borrower was a party to the Indenture.

Section 3.2 The Loan; Basic Loan Payments; and Additional Payments.

(a) The Loan. The Issuer agrees, upon the terms and conditions herein, to lend to the Borrower the proceeds received by the Issuer from the sale of the Series 2022 Bonds by causing such proceeds to be deposited with the Trustee for disposition as provided in the Indenture. The obligation of the Issuer to make the Loan shall be deemed fully discharged upon the deposit of the proceeds of the Series 2022 Bonds with the Trustee. The Loan shall be evidenced by the Note.

(b) Deposit of Project Revenues; Loan Payments; Basic Loan Payments; and Additional Loan Payments. The Borrower shall cause all Project Revenues to be deposited with the Trustee for deposit into the Revenue Fund, within three Business Days of receipt by the Borrower or the Manager. In addition, the Borrower shall instruct the Administrator or other appropriate party to deposit the revenues generated pursuant to the HAP Contract to be wired directly from the Administrator to the Trustee for deposit into the Revenue Fund. The Project Revenues shall be used to pay the Basic Loan Payments and the Additional Loan Payments, as provided in this Section 3.2(b), in such lawful money of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. The Borrower hereby grants to the Issuer a lien on and security interest in all of its right, title and interest in and to the Project Revenues, and all money, securities, and obligations held for the credit of the Revenue Fund, as security for payment of the Basic Loan Payments and the Additional Loan Payments. The Borrower acknowledges and consents to the assignment by the Issuer of such security interest in the Project Revenues and all money, securities, and obligations held for the credit of the Revenue Fund to the Trustee as security for the Bonds.

(i) Basic Loan Payments. The Project Revenues shall be used to pay, as Basic Loan Payments, the following amounts:

(1) on or before the 12th day of each month, commencing _____ 12, 2022, until such time as the principal of and the premium, if any, and interest on, the Bonds shall have been paid in full, or provisions made for such full payment in accordance with the provisions of the Indenture, to the Trustee for deposit in the Interest Account in the Bond Fund provided for in the Indenture, a sum equal to the Interest Requirement on then Outstanding Bonds for such month; and

(2) Reserved.

The monthly installments of Basic Loan Payments described in (1) and (2) above payable by the Borrower under this Loan Agreement shall in any event be equal in the aggregate to an amount that, with other funds in the respective Accounts in the Bond Fund then available for the payment of principal and interest on the Bonds, shall be sufficient to provide for the payment in full of the interest on, premium, if any, and principal on the Bonds as they become due and payable.

Except as otherwise provided in the Indenture, the Project Revenues shall also be used to pay, as Basic Loan Payments, to the Trustee for deposit in the Bond Fund, such amounts as shall, together with any other money available therefor, be sufficient to pay all amounts, if any, required to redeem each Series of Bonds pursuant to the provisions of Article III of the Indenture as and when they become subject to redemption pursuant thereto, together with any related redemption premium associated therewith, with all such payments to be made by the Borrower to the Trustee, for deposit into the Bond Fund Accounts on or before the date such money is required by said provisions of the Indenture.

(ii) Additional Loan Payments. The Project Revenues shall be used to timely pay, in addition to the Basic Loan Payments, the following costs and expenses (to the extent such costs and expenses are not paid from the proceeds of the sale of the Bonds), which are the Additional Loan Payments:

(1) amounts required to be deposited in the Operating Fund sufficient to pay the Operating Expenses of the Project, as provided for in the Budget and in the Indenture;

(2) all taxes and assessments of any type or character charged to the Issuer or to the Trustee affecting the amount available to the Issuer or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, that the Borrower shall have the right to protest any such taxes or assessments and to require the Issuer or the Trustee, at the Borrower's expense, to protest and contest any such taxes or assessments levied upon them and that the Borrower shall have the right to withhold payment of any such taxes or assessments pending disposition of any

such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Trustee;

(3) any amounts required to be deposited in the Debt Service Reserve Fund in order to satisfy the Debt Service Reserve Requirement pursuant to the Indenture; and should funds be withdrawn from the Debt Service Reserve Fund, the Borrower shall restore the difference between the amount on deposit in the Debt Service Reserve Fund and the Debt Service Reserve Requirement from the next available deposits of Project Revenues and other deposits to the Revenue Fund made in accordance with the Indenture;

(4) the Ordinary Trustee's Fees and Expenses and Extraordinary Trustee's Fees and Expenses, and all other fees and other costs of the Trustee, including without limitation, reasonable fees and expenses of counsel to the Trustee, payable to the Trustee for services or indemnity under the Indenture and the Borrower's Documents (including services in connection with the administration and enforcement thereof and compliance therewith);

(5) the reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Loan Agreement, the Borrower's Documents or the Indenture, including, but not limited to, any audit or inquiry by the Internal Revenue Service or any other governmental body;

(6) the Issuer Annual Fee and the reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with this Loan Agreement, the Borrower's Documents, the Bonds or the Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this Loan Agreement, the Borrower's Documents, the Bonds or the Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Borrower, its properties, assets or operations or otherwise in connection with the administration of this Loan Agreement and the Borrower's Documents;

(7) amounts sufficient to maintain balances in the Repair and Replacement Fund and the Insurance and Tax Escrow Fund, equal to the amounts required pursuant to the Indenture;

(8) all fees and expenses of the Rebate Analyst to provide the rebate calculations required under the Tax Agreement, and if a deposit is required to be made to the Rebate Fund as a result of any calculation made pursuant to the Tax Agreement, the Borrower shall cause to be paid from Project Revenues the amount of such deposit in accordance with the terms of the Indenture;

(9) the Dissemination Agent Fee payable in accordance with and as provided under the Indenture and Continuing Disclosure Agreement; and

(10) the costs and expenses associated with any audit of the Tax-Exempt Bonds by the Internal Revenue Service.

Such Additional Loan Payments shall be paid out of the Administration Fund as set forth in the Indenture or be billed to the Borrower by the Issuer or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Borrower within thirty (30) days after receipt of the bill by the Borrower. Notwithstanding the foregoing, the Issuer may, but shall not be required to, submit a bill to the Borrower for payment of the Issuer Annual Fee. Such Issuer Annual Fee shall be paid in semiannual installments on the six (6)-month anniversary of the Closing Date and subsequently on the same day every sixth (6th) month thereafter. The amount of each semiannual payment shall be determined by multiplying (i) the principal amount of Bonds Outstanding as of the last day of the calendar month preceding the installment payment due date by (ii) 0.03% by (iii) one half (1/2).

Any invoice furnished to the Borrower by the Issuer or the Trustee pursuant to this Section 3.2 shall be deemed to constitute a written notice under Section 7.2 sufficient to cause the 30-day period specified in said Section 7.2 to commence

(iii) Revenue Fund. As security for its obligations to make the payments required in subsections (i) and (ii) above, the Borrower shall pay (or cause the Manager or HUD to pay) all Project Revenues from the Project to the Trustee for deposit in the Revenue Fund in accordance with the first paragraph of this Section 3.2(b).

(iv) Miscellaneous. In the event the Borrower shall fail to pay, or fail to cause to be paid, any Loan Payments as required by this Section 3.2(b) (except to the extent amounts due under Section 3.2(b) are paid from amounts on deposit in the Debt Service Reserve Fund, Repair and Replacement Fund or the Surplus Fund), the payment not paid shall continue as an obligation hereunder of the Borrower until the unpaid amount shall have been fully paid, and the Borrower shall pay, or cause to be paid, the same with interest thereon from the date of non-payment until the date so paid at the Default Rate. The requirement that interest be paid at the Default Rate shall be in addition to and not in lieu of any other remedy that may exist for the failure of the Borrower to make the payments required in this Section 3.2.

The Borrower shall pay, or cause to be paid, in accordance with the terms of this Section 3.2, the Loan Payments without any further notice thereof.

The Borrower shall be permitted to distribute, free and clear of any and all liens or encumbrances on, or right to recovery of, such funds hereunder, to the Sole Member or any other Person any funds properly disbursed to the Borrower from the Surplus Fund subject to the terms and provisions of the Indenture.

In addition to and without in any way limiting its obligations to pay and indemnify the Issuer and the Issuer Indemnified Persons against fees, costs and charges arising out of or in connection with this Loan Agreement, the Borrower's Documents, the Bonds or the Indenture the Borrower shall pay, upon the closing of the issuance of the Bonds and as a condition thereto: (i) to the Issuer, the Issuer's issuance fee in the amount of \$_____ less, if applicable, any application fee heretofore paid by the Borrower to the Issuer; and (ii) attorney's fees incurred by the Issuer in connection with the issuance of the Bonds.

Section 3.3 Obligations Unconditional.

The obligations of the Borrower to make the payments required in Section 3.2 and other Sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer or the Trustee of any obligation to the Borrower whether hereunder or otherwise, or out of any Indebtedness or liability at any time owing to the Borrower by the Issuer or the Trustee. Until such time as the principal of, premium, if any, and interest on the Bonds, and any costs incidental thereto, shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Borrower (a) will not suspend or discontinue any payments provided for in Section 3.2 hereof, (b) will perform and observe all other agreements contained in this Loan Agreement, and (c) except as provided in Article VIII hereof, will not terminate this Loan Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Borrower to complete the acquisition, renovation, furnishing and equipping of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the Commonwealth of Kentucky or any political subdivision of either or any failure of the Issuer or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement or otherwise.

Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained, and in the event the Issuer or the Trustee fails to perform any such agreement on its part, the Borrower may institute such action against the Issuer or the Trustee as the Borrower may deem necessary to compel performance so long as such action does not abrogate the obligations of the Borrower contained in the first sentence of this Section. The Borrower may, at its own cost and expense and in its name with proper notice to the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems reasonably necessary in order to secure or protect the Borrower's right of possession, occupancy and use of the Project, and in such event the Issuer hereby agrees to cooperate fully with the Borrower, at the Borrower's sole cost and expense.

The Borrower's obligations under this Loan Agreement and the other Borrower's Documents shall be a general obligation of the Borrower.

Section 3.4 Assignment of Issuer's Rights.

As security for the payment of the Bonds, the Issuer in the Indenture assigns to the Trustee certain of the Issuer's rights under this Loan Agreement, including the right to receive payments hereunder (except for any deposits to the Rebate Fund and the Unassigned Rights), and the Borrower hereby assents to such assignment and agrees to make payments directly to the Trustee, without defense or set off by reason of any dispute between the Borrower and the Issuer or the Trustee. By virtue of such assignment and certain obligations of the Borrower to the Trustee, the Issuer shall have no obligation to, and instead the Trustee shall have the right without further direction from the Issuer, to enforce the obligations of the Borrower hereunder (except for the Unassigned Rights), subject to the limitations hereof, including the limitations in Section 3.3.

Section 3.5 Amounts Remaining in Funds.

It is agreed by the parties hereto that after (a) payment in full of the Bonds, or provision for such payment having been made as provided in the Indenture, (b) payment of all reasonable fees, charges and expenses of the Trustee in accordance with the terms of the Indenture, and (c) payment of all other amounts required to be paid under this Loan Agreement and the Indenture, any amounts remaining in the Funds and Accounts held by the Trustee under the Indenture, subject to the application of money in the Rebate Fund as provided in the Tax Agreement, shall be applied by the Trustee as provided in Section 5.16 of the Indenture. The Issuer shall have no claim to such amounts.

Section 3.6 Borrower Required To Pay if Project Fund Insufficient.

In the event the money in the Project Fund available for payment of the amounts described in Section 5.03 of the Indenture is insufficient to pay such amounts in full, the Borrower agrees to pay such insufficiency. The Issuer does not make any warranty, either express or implied, that the money which will be paid into the Project Fund and which, under the provisions of this Loan Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Borrower agrees that if, after exhaustion of the money in the Project Fund, the Borrower pays any portion of such Costs of the Project pursuant to the provisions of this Section, it will not be entitled to any reimbursement therefor from the Issuer or from the Trustee or from the Holders of any of the Bonds, nor will it be entitled to any diminution of the loan payments payable under Section 3.2 hereof. The obligation of the Borrower to complete the acquisition and renovation of the Project will survive any termination of this Loan Agreement.

Section 3.7 Security for Payments Under the Bonds.

Contemporaneously with the issuance of the Series 2022 Bonds, as security for the payment of the Bonds, the Issuer will execute and deliver the Indenture, under the terms of which all of the right, title, interest, and remedies of the Issuer in this Loan Agreement (except the Unassigned Rights), the Note, the HAP Assignment, the Land Use Restriction Agreement and the Mortgages (if any), together with all revenues and amounts to be received and all property to be held by the Issuer thereunder, will be assigned and will be the subject of a grant of a security interest to the Trustee and will be pledged as security for, among other things, the payment of the Bonds. The Borrower hereby consents to such assignment and grant of a security

interest and hereby agrees that its obligations to make all payments under this Loan Agreement will be absolute and will not be subject to any defense, except payment, or to any right of setoff, counterclaim, or recoupment arising out of any breach by the Issuer of any obligation to the Borrower, whether hereunder or otherwise, or arising out of any Indebtedness or liability at any time owing to the Borrower by the Issuer. The Borrower further agrees that all Basic Loan Payments required to be made under this Loan Agreement will be paid directly to the Trustee for the account of the Issuer. The Trustee will have all rights and remedies herein accorded to the Issuer (except for the Unassigned Rights), but shall not have assumed any obligation of the Issuer hereunder or under any of the Bond Documents, and any reference herein to the Issuer will be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the Bondholders are deemed to be and are third party beneficiaries of the representations, covenants, and agreements of the Borrower (but not any obligation of the Issuer) herein contained. Pursuant to the Indenture, the lien on the real property included in the Project and the security interest in the personal property included in the Project granted to the Issuer (if any) pursuant to the Mortgages will be assigned to the Trustee as security for the payment of the Bonds.

The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto, except from the Trust Estate. Neither the faith and credit nor the taxing power of the Commonwealth of Kentucky or any other political subdivision or agency thereof or any political subdivision approving the issuance of the Bonds, nor the faith and credit of the Issuer, is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or any costs incidental thereto. The Issuer has no taxing power. The Issuer shall not be directly, indirectly, contingently or otherwise liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Loan Agreement, the Bonds or the Indenture, except only to the extent amounts are received for the payment thereof from the Borrower under this Loan Agreement, and except as may result solely from the Issuer's own willful misconduct.

The Borrower hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds is the Trust Estate, and hereby agrees that if the payments to be made under this Loan Agreement shall ever prove insufficient to pay all principal, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise) or any costs incidental thereto, then upon notice or demand from the Trustee, the Borrower shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest when due, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Trustee, the Issuer or any third party, subject to any right of reimbursement from the Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 3.8 Reserved.

Section 3.9 Warranty of Title.

The Borrower warrants that (a) it has acquired, or simultaneously with the issuance of the Series 2022 Bonds will acquire, good and indefeasible fee simple title to the Mortgaged Property, (b) the Borrower is or will be the legal owner of all real and personal property included

in the Project and (c) the Project is and will be free from all adverse claims, security interests, and encumbrances, other than Permitted Encumbrances.

Section 3.10 Title Insurance.

The Borrower, prior to or simultaneously with the issuance of the Series 2022 Bonds, will furnish the Title Policies to the Trustee and the Placement Agent. The Borrower will furnish within the time limit specified in any binder an original of the Title Policies to the Trustee. The mortgagee's title policies will insure that the Trustee has a valid lien on the real property described in Exhibit A to the Mortgages subject only to Permitted Encumbrances. There will be deleted from the Title Policies the standard exceptions for discrepancies, encroachments, overlaps, conflicts in boundary lines, servitudes, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the Mortgaged Property, for mechanics' and materialmen's liens, or for rights or claims of parties in possession and easements or claims of easements not shown by the public records. The Title Policies will contain the standard zoning endorsement and will not contain an exception for matters shown by a current survey. In lieu of the standard zoning endorsement, the Borrower may provide an opinion of Independent Counsel to the effect that the Project is properly zoned or evidence of proper zoning from appropriate government officials. Any Net Proceeds payable either to the Trustee or the Borrower under the Title Policies will be subject to the lien of the Indenture, and held by the Trustee in the Project Fund, and, at the Borrower's written direction, will be either (a) used to acquire or construct replacement or substitute property for that to which title has been lost, provided that the Borrower receives prior written consent from the Trustee and a Favorable Opinion of Bond Counsel that such action will not affect the excludability of interest from income of the Tax-Exempt Bonds, or (b) used to redeem Bonds pursuant to Section 3.01 of the Indenture. Any proceeds of the Title Policies remaining after the Bonds are no longer Outstanding will be paid to the Borrower. The Trustee has no duty to review the Title Policies to determine the sufficiency thereof.

Section 3.11 Borrower's Covenants Regarding Title.

The Borrower agrees, at its sole expense, to protect, preserve, and defend its interest in the Project and its title thereto, to appear and defend such interest and title in any action or proceeding affecting or purporting to affect the Project, the liens of the Mortgages thereon, or any of the rights of the Trustee thereunder, and to pay on demand all costs and expenses reasonably incurred by the Trustee in or in connection with any such action or proceeding, including reasonable attorneys' fees, whether any such action or proceeding progresses to judgment and whether brought by or against the Trustee. The Trustee will be reimbursed for any such costs and expenses in accordance with the provisions of Section 6.13 hereof. If the Borrower does not take the action contemplated herein, the Trustee or the Issuer may, but will not be under any obligation to, appear or intervene in any such action or proceeding and retain counsel therein and defend the same or otherwise take such action therein as it may be advised and may settle or compromise the same and, in that behalf and for any of such purposes, may expend and advance such sums of money as it may deem necessary, and such sums will be an advance payable in accordance with Section 6.13 hereof.

[End of Article III]

ARTICLE IV

THE PROJECT

Section 4.1 Acquisition of the Project.

The Borrower's interest in any land, buildings and equipment acquired with the proceeds of the Bonds or amounts deposited in the Project Fund shall be a part of the Project, shall belong to and be the property of the Borrower, and shall be subject to this Loan Agreement.

The Borrower agrees that it will acquire the Project immediately upon issuance of the Bonds, substantially in accordance with the descriptions set forth in *Exhibit A* hereto, and the Borrower agrees to use its best efforts to cause the acquisition of the Project to be completed as of the Closing Date and rehabilitation and equipping of the Project to be completed as soon as practicable and with all reasonable dispatch following the Closing Date.

Section 4.2 Disbursement of Project Fund.

Amounts in the Project Fund shall be disbursed by the Trustee as provided in the Indenture, upon delivery by the Borrower to the Trustee of a requisition, substantially in the form attached hereto as *Exhibit B*, executed by a Borrower's Representative setting forth the nature of the amounts to be paid and the name of the payee and certifying that the amounts being paid are Costs of the Project. The execution of each requisition submitted for disbursements by the Borrower shall constitute the certification, warranty, and agreement of the Borrower as follows:

- (a) the Project is free and clear of all liens and encumbrances except Permitted Encumbrances;
- (b) all evidence, statements, and other writings required to be furnished under the terms of this Loan Agreement and the Indenture are true and omit no material fact, the omission of which may make them misleading;
- (c) all monies previously disbursed from the Project Fund with respect to the particular Project have been used solely to pay for Costs of the Project, and the Borrower has written evidence to support this item of warranty;
- (d) none of the items for which payment is requested have formed the basis for any payment previously made from the Project Fund; and
- (e) all bills for labor, materials, and fixtures used, or on hand and to be used, in the rehabilitation or equipping of the Project has been paid.

Section 4.3 Operating Expenses.

The Borrower agrees to pay when due all Operating Expenses. The Borrower agrees to review and approve invoices for Operating Expenses on a timely basis. The Borrower's Representative and the Manager shall be entitled to request in writing, in the form attached hereto as *Exhibit E*, the disbursement from the Operating Fund of the monthly Operating

Requirements by the Trustee to fund the costs of operating the Project. For purpose of complying with such request, the Trustee may conclusively rely and shall be protected in acting or refraining for acting upon the request of the Borrower or the Manager, which may be submitted by facsimile or e-mail (.pdf format). The Trustee shall not be bound to make an investigation into the facts or matters stated in any such request.

The Borrower shall establish and maintain a Property Operating Account in a federally insured financial institution. Money provided to the Borrower from the Operating Fund pursuant to Section 5.08 of the Indenture shall be held in the Borrower's Property Operating Account and used by the Borrower or the Manager to pay Operating Expenses. On each Interest Payment Date, amounts on deposit in the Borrower's Property Operating Account in excess of the amount needed to pay or be reserved to pay actual Operating Expenses of a Project shall be transferred by the Borrower to the Trustee for deposit in the Revenue Fund. Any balance in any Property Operating Account at such time that transfers from the accounts within the Operating Fund to the Property Operating Account are not permitted pursuant to Section 5.08 of the Indenture shall be promptly transferred by the Borrower to the Trustee for deposit in the Operating Fund.

If actual Operating Expenses for a Project and other actual disbursements with respect to such Project in any month exceed amounts budgeted therefor for that month, the Borrower's Representative or the Manager may requisition from the Surplus Fund the amount of such excess in the manner provided in the Indenture. For purpose of complying with such request, the Trustee may conclusively rely and shall be protected in acting or refraining for acting upon the request of the Borrower or the Manager, which may be submitted by facsimile or e-mail (.pdf format). The Trustee shall not be bound to make an investigation into the facts or matters stated in any such request. However, if there are two such requests by the Borrower or the Manager in any fiscal quarter that are in excess of 10% of the amounts budgeted therefor in any month, then (i) the Borrower must notify the Trustee, the Initial Holder and the Placement Agent; and (ii) the Borrower must prepare or cause the Manager to prepare a summary report that describes the reasons for the additional expenses and the circumstances surrounding the additional expenses.

If the Borrower ascertains that the actual expenses with respect to a Project in any month will continue to exceed amounts budgeted therefor for that month, then the Borrower will prepare or cause the Manager to prepare a revised Budget for that particular Project for the upcoming 12-month period which reflects the actual Operating Expenses in connection with such Project.

Section 4.4 Rate Covenant; Coverage.

The Borrower shall fix, charge and collect, or cause to be fixed, charged and collected rents, fees and charges in connection with the operation and maintenance of the Project such that for each Fiscal Year, beginning with the Fiscal Year ending December 31, 2023, the Debt Service Coverage Ratio will not be less than the Coverage Test, determined as of the end of each such Fiscal Year based on and supported by Audited Financial Statements. Notwithstanding the foregoing, if the Debt Service Coverage Ratio is less than 1.00 to 1.00 on the Bonds for any such Fiscal Year, such failure shall constitute a Default hereunder.

Section 4.5 Failure To Meet Rate Covenant; Retention of Management Consultant.

If the Coverage Test in any Fiscal Year beginning on or after January 1, 2023, as set forth in the certificate delivered pursuant to Section 6.8(a) hereof, is not satisfied, the Borrower shall retain a Management Consultant. Payment of the fees of the Management Consultant shall be deemed an Operating Expense. The Management Consultant shall prepare recommendations with respect to the operations of the Project and the sufficiency of the rates, fees and charges imposed by the Borrower.

The Management Consultant's report shall (a) include the projection of the Project Revenues, Operating Expenses and Net Income Available for Debt Service on a quarterly basis for not less than the next two Fiscal Years, and (b) make such recommendations to the Borrower as the Management Consultant believes are appropriate to enable the Borrower to increase the Debt Service Coverage Ratio to satisfy the Coverage Test for the current calendar year and the next two Fiscal Years. If, in the judgment of the Management Consultant, it is not possible for the Borrower to meet such requirements, the report of the Management Consultant shall so indicate and shall project the Debt Service Coverage Ratio which could be achieved if the recommendations of the Management Consultant are followed. Continuous retention of a Management Consultant during the years that are the subject of the Management Consultant's report shall not be required, however, if a Borrower Representative delivers a certificate to the Trustee, within 45 days after the end of each calendar quarter, setting forth the actual results for such quarter (which may be based on unaudited financial statements) and such results show that the Coverage Test as projected by the Management Consultant is being met. The Borrower shall, to the extent lawful and feasible and consistent with the preservation of the Sole Member's 501(c)(3) status and compliance with the Land Use Restriction Agreement, follow the recommendations of the Management Consultant.

So long as the Debt Service Coverage Ratio is equal to or greater than 1.00 to 1.00 for any Fiscal Year, failure of the Borrower to satisfy the Coverage Test covenant constitutes a Default under this Loan Agreement only if (a) the Borrower fails to engage the Management Consultant or, (b) the Borrower fails to implement the Management Consultant's reasonable recommendations, to the extent possible and to the extent consistent with the charitable mission of the Sole Member, as required by this Loan Agreement.

Section 4.6 Maintenance and Modification of Project; Removal of Equipment.

The Borrower agrees that during the term of this Loan Agreement it will at its own expense (i) keep the Project in a safe condition, (ii) keep the buildings and all other improvements forming a part of the Project in good repair and in good operating condition, making from time to time, subject to the provisions of this Section 4.6, all necessary and proper repairs thereto and renewals and replacements thereof, including external and structural repairs, renewals, and replacements, and (iii) use the Equipment in the regular course of its business only, within the normal capacity of the Equipment, without abuse, and in a manner contemplated by the manufacturer thereof, and cause the Equipment to be maintained in accordance with the manufacturer's then currently published standard maintenance contract and recommendations. The Borrower may, also at its own expense, from time to time make any Modifications to the

Project it may deem desirable for its business purposes that do not, in the opinion of an Independent Architect filed with the Trustee, adversely affect the operation or value of the Project, and provided further, that such Modifications shall not cause the Debt Service Coverage Ratio to fall below the required Coverage Test for any Series of Bonds. Modifications to the Project so made by the Borrower will be on the Mortgaged Property, will become a part of the Project, and will become subject to the lien of the Mortgages. Any contract for such Modifications (other than any modifications made to the Project with the proceeds of the Bonds) which is in an amount in excess of \$500,000 will be made only by a contractor who furnishes performance and labor and material payment bonds in the full amount of such contract, made by the contractor thereunder as the principal and a surety company or companies rated "A" or higher by A. M. Best & Company, Inc. Such bonds must name the Borrower, the Issuer, and the Trustee as obligees, and all Net Proceeds received under such bonds will be paid over to the Trustee and deposited in the Project Fund to be applied to the completion of the Modifications. Such money held by the Trustee in the Project Fund will be invested from time to time, as provided in Article VI of the Indenture.

The Borrower will execute a conditional assignment directing the Architect who has prepared any plans and specifications for any Modifications to make available to the Trustee a complete set of the plans and specifications, which assignment will be effective only upon an Event of a Default hereunder by the Borrower. Each construction contract executed by the Borrower for construction of any Modifications must contain a provision that, or by separate agreement such contractors must agree that, upon an Event of Default by the Borrower hereunder, such contracts with the contractors and/or subcontractors will be deemed assigned to the Trustee should the Trustee so direct and in which case the Trustee will be responsible for the carrying out of all the terms and conditions thereof in place of the Borrower in such contracts. The Borrower covenants to include such conditional assignments in all contracts and subcontracts executed for work to be performed on the Mortgaged Property.

The Borrower further agrees that at all times during the construction of Modifications (other than any modifications made to the Project with the proceeds of the Bonds) which cost in excess of \$100,000 (other than any modifications made to the Project with the proceeds of the Bonds), the construction contract for such Modifications must be on a "fixed" or "guaranteed maximum price" basis and the Borrower must maintain or cause to be maintained in full force and effect Builder's Risk-Completed Value Form insurance to the full insurable value of such Modifications. The Borrower will not permit any mechanics' or materialmen's or other statutory liens to be perfected or remain against the Project for labor or materials furnished in connection with any Modifications so made by the Borrower, provided that it will not constitute an Event of Default hereunder upon such lien being filed, if the Borrower notifies promptly the Trustee, in writing, of any such liens, and the Borrower in good faith and in accordance with applicable law contests promptly such liens in the same manner as is provided for the contest of Impositions in Section 4.9 hereof; and in such event the Borrower may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

The Borrower will not do or permit others under its control to do any work in or about the Project or related to any repair, rebuilding, restoration, replacement, alteration of, or addition to the Project, or any part thereof, unless the Borrower has first procured and paid for all requisite municipal and other governmental permits and authorizations. All such work must be done in a

good and workmanlike manner and in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under the provisions of Article V hereof.

If no Event of Default under this Loan Agreement has happened and is continuing, in any instance where the Borrower in its discretion determines that any items of Equipment or parts thereof have become inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary, the Borrower may remove such items of Equipment or parts thereof from the Mortgaged Property and sell, trade in, exchange, or otherwise dispose of them (as a whole or in part) without any responsibility or accountability to the Issuer therefor, provided that the Borrower will:

(a) Substitute and install anywhere in a Project items of replacement equipment or related property having equal or greater value or utility (but not necessarily having the same function) in the operation of a Project for the purpose for which it is intended, provided such removal and substitution will not impair the nature of such Project, all of which replacement equipment or related property will be free of all liens, security interests, and encumbrances (other than Permitted Encumbrances), will become subject to the security interest of a Mortgage, and will be held by the Borrower on the same terms and conditions as the items originally constituting Equipment, or

(b) In the case of: (i) the sale of any such Equipment, (ii) the trade-in of such Equipment for other machinery, furnishings, equipment, or related property not to become part of the Equipment and subject to the security interest of a Mortgage, or (iii) any other disposition thereof, the Borrower will pay to the Trustee the proceeds of such sale or disposition or an amount equal to the credit received upon such trade-in for deposit into the applicable Special Redemption Account of the Bond Fund. In the case of the sale, trade-in, or other disposition of any such Equipment to the Borrower, or an Affiliate, the Borrower will pay to the Trustee an amount equal to the greater of the amounts and credits received therefor or the fair market value thereof at the time of such sale, trade-in, or other disposition (as certified by the Borrower, with evidence of the basis therefor) for deposit into the applicable Special Redemption Account of the Bond Fund.

Except to the extent that amounts are deposited into the Bond Fund as provided in the preceding subsection (b), the removal from a Project of any portion of the Equipment pursuant to the provisions of this Section will not entitle the Borrower to any abatement or diminution of the Basic Loan Payments payable under Section 3.2 hereof.

If prior to such removal and disposition of items of Equipment from the buildings and the Mortgaged Property, the Borrower has acquired and installed machinery, furnishings, equipment, or related property with its own funds which become part of the Equipment and subject to the security interest of the Indenture or Mortgage and which have equal or greater utility, but not necessarily the same functions, as the Equipment to be removed, the Borrower may take credit to the extent of the amount so spent by it against the requirement that it either substitute and install other machinery and equipment having equal or greater value or that it make payment to the Trustee for deposit into the applicable Special Redemption Account of the Bond Fund.

The Borrower will promptly provide written notice to the Trustee regarding each such removal, substitution, sale, or other disposition referred to in this Section and will pay to the Trustee such amounts as are required by the provisions of this Section to be paid promptly into the Bond Fund after the sale, trade-in, or other disposition requiring such payment; provided, that no such report and payment need be made until the amount to be paid into the applicable Special Redemption Account of the Bond Fund on account of all such sales, trade-ins, or other dispositions not previously reported in the aggregate has a value of at least \$50,000. All amounts deposited in the Bond Fund pursuant to this Section 4.6 will be used to redeem Bonds pursuant to Section 3.02 of the Indenture on the earliest date Bonds can be redeemed at par. The Borrower will not remove, or permit the removal of, any of the Equipment from the buildings or Mortgaged Property except in accordance with the provisions of this Section 4.6. The Trustee is not responsible for verifying or validating any amounts received pursuant to this Section 4.6.

Section 4.7 Management of the Project.

The Borrower shall initially retain the Manager identified in the Indenture to provide management services with respect to the Project pursuant to the Management Agreement. No Person shall be engaged by the Borrower as the Manager unless such Person or a principal officer (or in the case of a limited liability company, manager) thereof (a) shall have at least 5 years of demonstrated experience in the management and leasing, including having (or in the case of such an officer or manager, overseeing) not less than 1,500 units under management subject to restrictions similar to those contained in the Land Use Restriction Agreement and (b) have its employees bonded for not less than the \$500,000 as required by Section 5.1(h) hereof. Any replacement or substitute Manager shall be subject to the approval of the Controlling Holders. The Borrower shall instruct the Manager that all Project Revenues collected by the Manager shall be remitted to the Trustee not later than three Business Days following receipt thereof. In the event any Management Agreement is terminated, the Borrower shall manage such Project itself until such time as it can engage a qualified successor Manager to manage such Project in accordance with the provisions of this Section. The Borrower shall so engage a successor Manager on the earliest practicable date. Any successor Management Agreement shall have substantially the same terms, and fee structure as the Management Agreement originally entered into with the Manager identified in the Indenture, and shall be subject to the provision of Section 4.8 hereof regarding forbearance of fees. Prior to entering into a contract with any successor Manager, the Borrower must first deliver to the Trustee (i) a Favorable Opinion of Bond Counsel regarding the proposed Management Agreement and (ii) a certificate of the proposed successor manager stating that it has reviewed, understands, and will comply with the restrictions contained in a Land Use Restriction Agreement and the Indenture.

Section 4.8 Forbearance and Subordination of Fees.

The Borrower hereby agrees that it, any member of the Borrower, the Sole Member, and any Manager which is an Affiliate of the Borrower, shall forbear from taking any management, administration, development or other fees, or any portions thereof, in the event and to the extent that money in the Revenue Fund are insufficient in any month to make all current and deferred deposits (other than deposits to the Surplus Fund) provided in the Indenture, and that the payment of such fees be made and in accordance with Section 5.04 of the Indenture. The

Borrower agrees that any Management Agreement entered into with respect to a Project during the term of this Loan Agreement shall be subject to this Section.

Section 4.9 Taxes and Impositions.

Subject to paragraph (c) of this Section 4.9, the Borrower agrees to pay, prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Project, or become due and payable, and which create, may create or appear to create a lien upon the Project, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and non-governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, the Borrower may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. Payments made by the Trustee on behalf of the Borrower from funds held under the Indenture in the Insurance and Tax Escrow Fund shall, to the extent of such payments, discharge the Borrower's obligations hereunder.

(a) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Project in lieu of or in addition to the Impositions payable by the Project pursuant to subparagraph (a) hereof or (ii) a license fee, tax or assessment imposed on the Trustee and measured by or based, in whole or in part, upon the amount of the outstanding Note, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions," as defined in subparagraph (a) hereof, and the Borrower shall pay and discharge the same as herein provided with respect to the payment of Impositions.

(b) Subject to the applicable state law provisions, the Borrower shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending the Borrower's covenant to pay any such Imposition at the time and in the manner provided in this Section 4.9, unless the Borrower has given prior written notice to the Trustee of the Borrower's intent to so contest or object to an Imposition, and unless, at the Trustee's sole option, (i) the Borrower shall demonstrate to the Trustee's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Project, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings; (ii) the Borrower shall furnish a good and sufficient bond or surety as requested by and satisfactory to the Trustee; or (iii) the Borrower shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(c) The Borrower agrees to cause all bills, statements or other documents relating to Impositions to be sent or mailed directly to the Trustee. Upon receipt of such bills, statements or other documents, and provided there are sufficient funds on account in the Insurance and Tax Escrow Fund, the Trustee shall, so long as no Event of Default

has occurred, pay such amounts as may be due thereunder out of the Insurance and Tax Escrow Fund, and if necessary, the Surplus Fund. If any time and for any reason the funds so deposited are or will be insufficient to pay such amounts as may then or subsequently be due, the Trustee shall notify the Borrower, and the Borrower shall immediately deposit an amount equal to such deficiency with, or as directed by, the Trustee. If the Borrower fails to deposit sums sufficient to fully pay such Impositions at least 30 days before delinquency thereof, the Trustee may, at the Trustee's election, but without any obligation to do so, advance any amounts required to make up the deficiency, which advances, if any, shall be secured by the Mortgages and shall be repayable to the Trustee as herein elsewhere provided.

(d) The Borrower covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the related Project as a single lien.

Section 4.10 Utilities.

The Borrower shall pay, or cause to be paid, when due, all utility charges which are incurred for the benefit of the Project or which may become a charge or lien against the Project for gas, electricity, water or sewer services furnished to the Project and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Project or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 4.11 Hazardous Waste Covenant.

In addition to and without limitation of all other representations, warranties and covenants made by the Borrower under this Loan Agreement, the Borrower further represents, warrants and covenants that the Borrower will not use Hazardous Substances on, from or affecting the Project in any manner which violates Environmental Laws. Without limiting the foregoing, the Borrower shall not cause or permit the Project or any part thereof to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance with all Environmental Laws, nor shall the Borrower cause or knowingly permit, as a result of any intentional act or omission on the part of the Borrower or any tenant or subtenant, a release of Hazardous Substances onto the Project. The Borrower shall comply with and require compliance by all tenants and subtenants with all Environmental Laws and shall obtain and comply with, and require that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. The Borrower shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other action required by a governmental authority under any applicable Environmental Law to clean up and remove all Hazardous Substances on, from or affecting the Project in accordance with all applicable federal, state and local laws, ordinances, rules and regulations. The Borrower shall defend, indemnify and hold harmless the Issuer, the Placement Agent, and the Trustee from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (a) the presence, disposal, release or threatened release of any Hazardous Substances which are on or from the

Project which affect the soil, water, vegetation, buildings, personal property, persons, animals or otherwise, (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Substances on or from the Project, and/or (c) any violation of laws, orders, regulations, requirements or demands of government authorities, or written requirements of the Issuer and the Trustee, which are based upon or in any way related to such Hazardous Substances, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses. In the event any Project is foreclosed upon, or a deed in lieu of foreclosure is tendered, the Borrower shall deliver the Project in a manner and condition that shall conform with all applicable federal, state and local laws, ordinances, rules or regulations affecting the Project. The provisions of this paragraph shall be in addition to, and not in limitation of, any and all other obligations and liabilities the Borrower may have to the Issuer, the Placement Agent and the Trustee at common law or under the Bond Documents (including, without limitation, indemnification under Section 6.4 of this Loan Agreement), and shall survive the termination of this Loan Agreement and defeasance of the Bonds.

The indemnifications and protections set forth in this Section shall be extended to any of the respective directors, officers, employees, agents and persons under the control or supervision of the Issuer, the Trustee and the Placement Agent, respectively.

Anything to the contrary in this Loan Agreement notwithstanding, the covenants of the Borrower contained in this Section shall remain in full force and effect after the termination of this Loan Agreement and the defeasance of the Bonds until the later of (a) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought and (b) payment in full or the satisfaction of such claim or cause of action and of all expense and charges incurred by the Issuer, the Placement Agent or the Trustee relating to the enforcement of the provisions herein specified.

For the purposes of this Section, the Borrower shall not be deemed an employee, agent or servant of the Issuer or person under the Issuer's control or supervision.

Section 4.12 Needs Assessment Analysis.

The Borrower will contract for a Needs Assessment Analysis to be prepared with respect to each Project every 5 years from the date of this Loan Agreement and then will submit copies of the report to the Trustee. The Needs Assessment Analysis must be conducted and prepared by a consulting engineer that, in the objective and reasonable opinion of the Borrower, is experienced in conducting needs assessment analysis for multifamily residential rental projects. Each Needs Assessment Analysis shall identify the major maintenance requirements (including the replacement of machinery and appliances), for the next 5 years and the estimated costs thereof and include recommendations for any adjustments to (a) the monthly amount to be deposited to the Repair and Replacement Fund and (b) the Replacement Reserve Requirement. The Borrower shall revise the Replacement Reserve Requirement (and advise the Trustee in writing of the revised Replacement Reserve Requirement) based on the recommendation of the consulting engineer and the Borrower shall promptly implement any recommendations contained in each Needs Assessment Analysis to the maximum extent practicable.

Section 4.13 Replacement of Manager.

Upon the occurrence and during the continuance of any Event of Default or a Default, the Controlling Holders may direct the Borrower to replace the then existing Manager by written notice given to the Trustee and the Borrower. Upon receipt of such notice, the Borrower shall terminate the existing Manager and appoint a successor Manager in accordance with Section 4.14 hereof.

Section 4.14 Appointment of Successor Manager.

(a) If at any time Borrower appoints an independent management company or any successor thereto to manage all or a substantial portion of the Project (a “Successor Manager”), the Borrower will obtain the prior consent of the Controlling Holders to such Successor Manager as set forth in Section 4.14(b) below.

(b) Prior to engaging a Successor Manager as required under the provisions of this Loan Agreement, the Borrower will notify the Trustee in writing of such proposed engagement. The Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Bonds Outstanding under the Indenture of such proposed engagement. Such notice (which shall be provided by the Borrower Representative) shall (i) include the name of the proposed Successor Manager, (ii) state the reason that the Successor Manager is being engaged, (iii) state the date of a conference call, to be held no later than five Business Days thereafter, between the Borrower Representative and the Holders wherein the Borrower Representative shall describe the process that was undertaken for the selection of the proposed Successor Manager and the reasons for the recommendation of that particular Successor Manager and (iv) solicit the consent of each Holder to the engagement of the proposed Successor Manager, which consents shall be delivered to the Trustee. If the Controlling Holders consent to such engagement, then the Borrower may engage such Successor Manager.

Section 4.15 HAP Contract.

(a) The Borrower agrees to (i) comply with the terms and provisions of the HAP Contract; (ii) allow all renewal options of the HAP Contract to go into effect automatically as provided therein and waive the right to cancel the HAP Contract to the extent necessary to keep the HAP Contract in force for the term of the HAP Contract; (iii) apply promptly for “Special Additional Adjustments” of “Contract Rents” under the HAP Contract to the extent that the Borrower incurs increased actual and necessary expenses of operating and maintaining the Project and is entitled to such adjustments; (iv) not consent to a modification or amendment of the HAP Contract (other than an amendment to increase rents) without the prior written approval of the Trustee (any such approval to be granted if such modification or amendment does not, in the judgment of the Trustee in reliance on an opinion of counsel, impair the security for the Bonds); (v) operate the units in the Project that are subject to the HAP Contract exclusively for Eligible Tenants, and in compliance with all HUD rules and regulations which are or may become applicable to the Project; and (vi) use its best efforts to keep the units in the Project which are covered by the HAP Contract occupied by Eligible Tenants in order to avoid any reduction in the HAP Payments under the HAP Contract. The Borrower further covenants that it

will take all actions necessary to maintain, assign and seek extensions of the HAP Contract including, but not limited to, any actions necessary to assign and assume the HAP Contract in the event of a voluntary or involuntary (e.g., trustee sale, foreclosure sale and deed in lieu of foreclosure) transfer of the Project. To this end, the Borrower agrees to assign and affirm in writing the HAP Contract in form satisfactory to HUD simultaneously with any such transfer and to immediately furnish to the Trustee a copy of such written assignment and assumption.

(b) The Borrower covenants to submit appropriate forms to the counterparty to the HAP Contract by the twentieth day of each month requesting HAP Payments pursuant to the HAP Contract for the next calendar month and the Trustee agrees to cooperate with the Borrower's requests in this regard. The Borrower will direct that such payments be made directly to the Trustee, and the Trustee will deposit such payments into the Revenue Fund. The Borrower will furnish a copy of each request to the Trustee at the time it is submitted.

(c) The Borrower covenants to seek all available renewal options under the terms of the HAP Contract.

(d) The Borrower represents and warrants that:

(i) The Borrower has no HUD enforcement actions outstanding (as defined by Section 516 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 ("MAHRA")).

(ii) Except as already disclosed to Placement Agent and Initial Bondholder, the Borrower will notify the Trustee of the results of any HUD REAC inspection within 10 days of receipt of results.

(iii) The Borrower will notify the Trustee of the results of annual OCAF (or budget based if used as a substitute) rent level adjustment within 10 days of receipt of rent level adjustments from HUD.

(iv) The Borrower will notify the Trustee of any HUD disciplinary enforcement actions against them not cured within 30 days.

(v) The Borrower will notify the Trustee upon the submission of an application for a HUD Section 8 Renewal contract or extension of the existing HAP Contract within 10 days of such submission.

(vi) The Borrower will notify the Trustee of the receipt of notices from HUD regarding the decision of HUD to renew or not to renew the HAP Contract within 10 days of such receipt.

[End of Article IV]

ARTICLE V

INSURANCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 5.1 Required Insurance.

The Borrower shall procure and maintain continuously in effect during the term of this Loan Agreement policies of insurance with respect to the Project insuring against such hazards and risks and in such amounts as are customary for a prudent owner of properties comparable to those comprising the Project. Without limiting the generality of the foregoing, the Borrower shall maintain the following insurance with one or more reputable insurance companies meeting the requirements set forth in section 5.2 hereof with respect to each Project:

(a) insurance against loss or damage to the Project by fire and any of the risks covered by insurance of the type now known as “fire and extended coverage” in an aggregate amount not less than the greater of (i) the full replacement cost of the Project and or (ii) the outstanding principal amount of the Bonds, and with a deductible from the loss payable for any casualty; the policies of insurance carried in accordance with this paragraph (a) shall contain the “Replacement Cost Endorsement;”

(b) business interruption or loss of rent insurance in an aggregate amount equal to the greater of: (i) an amount equal to the maximum scheduled principal and interest payments on the Note during any twelve month period, or (ii) the aggregate gross amount of annual income projected (or, if greater, actual) for the Project based upon the projected (or, if greater, actual) occupancy of the Project; provided that such coverage shall be adjusted annually on each anniversary date of the policies to comply with the provisions of this Section 5.1(b);

(c) comprehensive general liability insurance (including coverage for elevators and escalators, if any, on the Project and, if any construction of new improvements occurs after execution of this Loan Agreement, completed operations coverage for two years after construction of any improvements has been completed) on an “occurrence basis” against claims for “personal injury,” including, without limitation, bodily injury, death or property damage occurring on, in or about the Project and the adjoining streets, sidewalks and passageways, such insurance to afford immediate minimum protection to a limit in no event less than \$1,000,000 with respect to personal injury or death to any one or more persons or damage to property;

(d) Reserved;

(e) during the course of any construction or repair of the Project, builder’s completed value risk insurance against “all risks of physical loss” during construction or repair, with deductibles as are common in similar policies obtained by prudent owners of property similar in use to the Project and located in the same areas in which the Project are located, in non-reporting form, at the Borrower’s option covering the total value of work performed and equipment, supplies and materials furnished; such policies of

insurance shall contain the “permission to occupy upon completion of work or occupancy” endorsement;

(f) Reserved;

(g) flood insurance if a Project is in an area identified as a special flood hazard area pursuant to the Flood Disaster Protection Act of 1973, as amended, or other applicable law, unless a Project has been removed from the area by application, with such insurance to be at least the amount available under the National Flood Insurance Act of 1968;

(h) Reserved; and

(i) such other insurance, in such amounts and against such hazards and risks, as is commonly obtained by prudent owners of property similar in use to the Project and located in the same area in which the Project is located, as determined by the Insurance Consultant.

All policies of insurance required by the terms of this Loan Agreement shall contain an endorsement or agreement by the insurer that any loss shall be payable in accordance with the terms of such policy, notwithstanding any act or negligence of the Borrower which might otherwise result in forfeiture of said insurance and the further agreement of the insurer waiving all rights of setoff, counterclaim or deductions against the Borrower.

Section 5.2 Delivery of Insurance Policies; Payment of Premiums.

All policies of insurance provided for in Section 5.1 shall be issued by companies licensed to do business in the state in which a Project is located. Such policies shall be at least in amounts as required by the provisions of this Loan Agreement. All policies of insurance shall name the Trustee as a named or an additional insured and shall have (i) attached thereto a lender’s loss payable endorsement for the benefit of the Trustee, which endorsement indicates that all insurance proceeds in excess of \$25,000 are payable directly to the Trustee and (ii) a clause in favor of the Trustee stating that there can be no changes, including modifications, amendments or cancellations, to the respective policy without 30 days written notice to the Trustee. The Borrower shall furnish the Trustee, on January 1 of each year, commencing January 1, 20__, a certificate stating that it is in compliance with Section 5.2. The Trustee makes no representation as to and shall have no responsibility for the sufficiency or accuracy of the insurance required by this article.

The Borrower shall not obtain (i) any umbrella or blanket liability or casualty insurance policy unless, in each case, the Trustee’s interest is included therein as provided in this Loan Agreement, or (ii) separate insurance concurrent in form or contributing in the event of loss with that required in Section 5.1 to be furnished by, or which may be reasonably required to be furnished by, the Borrower. Any blanket policy shall specifically allocate to the Project the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would separate policies insuring only the Project in compliance with the provisions of Section 5.1.

Prior to the expiration of each such policy, the Borrower shall furnish the Trustee with written evidence of the reissuance of the existing policy or the issuance of a new policy continuing insurance in force, as required by this Loan Agreement. All such policies shall contain a provision that such policies will not be canceled or materially amended in any manner, including without limitation, amended to reduce the scope or limits of coverage, without 20 days' prior written notice to the Trustee. In all cases, the Borrower shall immediately give notice to the Trustee of any notice received by the Borrower of any expiration, cancellation or modification of, or material reduction of coverage under, any such policy. The Borrower shall not consent to any material amendment to or the cancellation of any such policy.

In the event the Borrower fails to provide, maintain, keep in force or deliver and furnish to the Trustee the certificates of insurance required by this Loan Agreement or make the deposits required hereunder, the Trustee may, but is not required to do so, procure such insurance as provided for in Section 5.1, and the Borrower will immediately pay all premiums thereon promptly upon demand by the Trustee (to the extent such amounts are not paid from money in the Insurance and Tax Escrow Fund held under the Indenture), and, until such payment is made by the Borrower, the amount of all such premiums shall be secured by this Loan Agreement.

The Borrower shall deposit with the Trustee, in accordance with Sections 5.04 and 5.10 of the Indenture, amounts sufficient to pay when due estimated aggregate annual insurance premiums on all policies of insurance required by this Loan Agreement. Such amounts shall be disbursed as provided in the Indenture.

Upon occurrence of a Default, the Trustee shall apply, or cause to be applied, any sums or amounts received pursuant hereto, or as rents or income of the Project or otherwise required by Section 8.11 of the Indenture. The receipt, use or application of any such sums by the Trustee hereunder shall not be construed to affect any of the rights or powers of the Trustee under the terms of the Bond Documents or any of the obligations of the Borrower under the Bond Documents.

Section 5.3 Insurance Proceeds; Casualty and Condemnation.

(a) After the occurrence of any casualty or condemnation to the Project, or any part thereof, the Borrower shall give prompt written notice thereof to the Trustee and each insurer and promptly submit a claim to insurer for payment of insurance proceeds; the Borrower shall provide the Trustee with a copy of such claim.

(b) If, as a result of fire or other casualty, the Project, or any part thereof, is damaged or destroyed, or the Project, or any part thereof, shall be condemned or acquired for public use, and the Net Proceeds of Insurance Proceeds or Condemnation Awards received as a result of such event exceed \$100,000 per occurrence, the Borrower shall, within 30 days after receiving actual notice of such damage, destruction or condemnation and, after written notice to the Trustee elect to follow one of the two courses of action as set forth below:

(i) Alternative A: Repair and Restoration. If the Project (or portion thereof) can be repaired or restored to substantially the same condition as it existed prior to the event causing such damage or destruction, or the effect of the condemnation can be

relieved so that the status of the Project will be restored to substantially the same status as it existed prior to the event causing such condemnation, which repair or restoration in either case permits the Project's use in the manner contemplated by this Loan Agreement and for which the Project was originally constructed (the "Pre-Existing Condition"), then, subject to the satisfaction of the additional conditions set forth in the immediately following sentence, the Borrower may so repair and restore the Project (or portion thereof) and the Borrower shall deposit the Net Proceeds in the Project Fund, and upon receipt of instructions in writing from the Borrower, the Trustee shall, in accordance with the requirements of Section 5.4 hereof and Section 5.17 of the Indenture, apply the Net Proceeds to the payment or reimbursement of the costs of such Restoration as so instructed. Application of the Net Proceeds to the cost of Restoration of the Project shall be subject to the additional conditions that (i) no Event of Default then exists, (ii) the Net Proceeds together with all investment income earned or expected to be earned thereon and other proceeds deposited with the Trustee will be sufficient to restore the Project to its Pre-Existing Condition, (iii) the Borrower shall have received and approved, in its reasonable judgment, Restoration Plans (as defined below) with respect to the contemplated Restoration of the Project, together with a statement of an Independent architect that the Project can be restored to its Pre-Existing Condition in the time and for the cost specified in such plans and specifications and, in any event, not less than three years prior to the final maturity date of the Bonds, (iv) a Management Consultant shall have provided projections showing that the Project will meet the Coverage Test for each of the next three Fiscal Years after completion of Restoration of the Project, (v) the amounts available to it, including Insurance Proceeds, will be sufficient to pay the Debt Service Requirements on the Bonds during the period of restoration or repair of the Project and (vi) if more than 15% of any Project is damaged, destroyed or taken, the Borrower shall have furnished to the Trustee a guaranteed maximum or fixed price contract for the restoration or repair of the Project to the Pre-Existing Condition for an amount not in excess of the Insurance Proceeds together with all investment income earned or expected to be earned thereon (provided the Trustee shall have no obligation to review such contract and shall retain it solely as a repository for the holders of the Bonds). The Borrower may rely on the advice of architects, engineers, accountants, financial consultants, attorneys or other experts reasonably selected by it in the foregoing matters.

(ii) Alternative B: Prepayment of Basic Loan Payments; Redemption of Bonds. If Alternative A above is not available or chosen, the Borrower shall apply, or cause to be applied, the Net Proceeds of such Insurance Proceeds or Condemnation Awards to the redemption of a portion of the Bonds in accordance with Section 3.01 of the Indenture. The Borrower must choose Alternative B if (1) the casualty or condemnation occurs within one year before the final maturity of the Bonds, (2) the Restoration cannot be completed before the expiration of rental loss insurance or (3) the conditions set forth above for application of the Net Proceeds in accordance with Alternative A are not satisfied.

If such Net Proceeds are equal to or less than \$10,000 per occurrence, the Borrower shall use such funds to restore the Project, or any part thereof, without depositing them with the Trustee.

(c) Except as otherwise permitted pursuant to subsection (b) above, all Insurance Proceeds and Condemnation Awards with respect to the Project, or any part thereof, shall be paid to the Trustee, and each insurer is hereby authorized and directed to make payment for any such loss directly to the Trustee instead of payment to the Borrower. Any Insurance Proceeds and Condemnation Awards shall be applied as provided in this Section 5.3 and Section 5.17 of the Indenture. Damage or destruction of the Project, or any part thereof, shall not affect the lien of the Mortgages or the obligations of the Borrower hereunder, and the Trustee is authorized but shall not be obligated to compromise and settle all loss claims on said policies if not adjusted promptly by the Borrower.

(d) Notwithstanding the application of Insurance Proceeds or Condemnation Awards to the payment of a portion of the Note and corresponding redemption of the Bonds pursuant to the Indenture, any unpaid portion of the Basic Loan Payments shall remain in full force and effect, and the Borrower shall not be excused in the payment thereof. If any act or occurrence of any kind or nature on which insurance was not obtained or obtainable results in damage to or loss or destruction of the Project, or any part thereof, the Borrower shall give immediate notice thereof to the Trustee, and unless otherwise so instructed by the Trustee shall promptly, at the Borrower's sole cost and expense, whether or not the Insurance Proceeds or Condemnation Awards are adequate to cover such cost and expense, restore, repair, replace and rebuild the Project, or any part thereof, as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction, in accordance with plans and specifications, provided that such Restoration, repair, replacement and rebuilding is permitted by law.

(e) Except as provided below, nothing contained in this Loan Agreement shall be deemed to excuse the Borrower from repairing or maintaining the Project, as provided herein. The application or release by the Trustee of any Insurance Proceeds or Condemnation Awards shall not cure or waive any Default or notice of default under this Loan Agreement or invalidate any act done pursuant to such notice. If the Insurance Proceeds or Condemnation Awards are not applied to the Restoration of the Project, or any part thereof, the Borrower shall not be required to restore, rebuild, replace or repair the portion of the Project damaged or destroyed, and the failure to do so shall not constitute a Default under this Loan Agreement.

(f) The proceeds of any loss of rents insurance shall be deposited in the Revenue Fund under the Indenture and applied as therein provided.

Unless the Borrower exercises its option to apply the Insurance Proceeds or Condemnation Awards to the payment of the Bonds, which payment shall be made in accordance with the provisions of the Indenture, and so long as any Bonds shall be Outstanding and unpaid, and whether or not Insurance Proceeds or Condemnation Awards are sufficient or available therefor, the Borrower shall promptly commence and complete with all reasonable diligence the Restoration of the affected Project as nearly as possible to the same value and revenue producing capacity which existed immediately prior to such loss or damage in accordance with plans and specifications prepared by an Independent Architect and approved by HUD, so long as the related HAP Contract is in effect ("Restoration Plans"), and in compliance with all legal requirements. The Borrower shall pay all costs of such Restoration to the extent not paid from Net Proceeds of Insurance Proceeds or Condemnation Awards available therefor pursuant to this

Section 5.3. If such Restoration is not permitted by law, the Insurance Proceeds shall be applied to the payment of the Bonds.

Section 5.4 Disbursement of Insurance Proceeds and Condemnation Awards.

(a) All Net Proceeds of Insurance Proceeds and/or Condemnation Awards received by the Trustee, as provided in Section 5.3 hereof, shall be applied as provided in this Section.

(b) If no Default shall exist hereunder and if the Borrower has elected Restoration and such Restoration is permitted by law, all Net Proceeds shall be deposited in the Project Fund and disbursed in accordance with the provisions of Section 5.03 of the Indenture to pay or reimburse the Borrower for the payment of the costs, fees and expenses incurred for the Restoration of the Project as required under Section 5.3 hereof; provided that no distribution of Net Proceeds for Restoration shall be made until the Trustee shall have received the following:

(i) The Borrower's written plan for the Restoration Plans. Notwithstanding the foregoing, the Trustee has no duty to review such plan.

(ii) A certificate of the Borrower that the Project Revenues (including the proceeds of any loss of rent insurance and other funds irrevocably committed to the payment of such amounts) to be received during, and after completion of, the Restoration of the Project, or any part thereof, in accordance with the Restoration Plans, will be sufficient and available to make all payments and deposits when due hereunder, including without limitation to pay all principal, premium, if any, and interest on the Bonds when due, to make all required deposits into the Funds and Accounts required by Section 5.04 of the Indenture, to pay all other Operating Expenses of the Project, and to pay the debt service on any Indebtedness (other than the Bonds) then outstanding or to be incurred in connection with such Restoration. The Trustee has no obligation to ensure the sufficiency of Project Revenues to meet the obligation under this paragraph.

(iii) Construction schedules and budgets and independently verified estimates and other evidence (including, if required hereunder, stipulated sum or guaranteed maximum cost construction contracts) to establish the total amount of the costs, fees and expenses necessary to complete the Restoration of the Project in accordance with the approved Restoration Plans, and of the time period required to complete such Restoration. Notwithstanding the foregoing, the Trustee has no duty or obligation to review such schedules and budgets.

(iv) A certificate from an Independent Architect or contractor appointed by the Borrower upon which the Trustee may conclusively rely that the Net Proceeds available therefor together with funds deposited with the Trustee, or irrevocably committed by or on behalf of the Borrower, shall be sufficient to fully pay all costs, fees and expenses necessary for the Restoration of the Project in accordance with the approved Restoration Plans and all legal requirements, free and clear of all mechanic's liens and other liens or claims for lien which are not Permitted Encumbrances. Notwithstanding the foregoing, the Trustee has no duty or obligation to review such schedules and budgets.

(v) A waiver of any rights of subrogation from any insurer under any Insurance Policy which, at any time claims that no liability exists as to the Borrower or the owner or insured under such insurance policies.

(c) If, within 60 days after the receipt of such Net Proceeds, the Borrower shall fail to furnish sufficient funds and the other items required by paragraph (b) of this Section or if any other Default shall then exist or shall occur hereunder at any time (whether before or after the commencement of such Restoration) the Trustee may declare the entire principal balance of the Bonds or any portion thereof to be immediately due and payable and to avail itself of any and all remedies afforded hereunder upon a Default and whether or not the Bonds shall be so accelerated such Net Proceeds, or any portion thereof, then held by the Trustee or other depository hereunder may be applied as provided in the Indenture.

(d) No payment made prior to the final completion of the Restoration of the Project in accordance with the approved Restoration Plans shall exceed 90% of the value of the work performed from time to time, as such value shall be evidenced by an Independent Architect's or contractor's certificate to that effect, delivered to the Trustee, upon which the Trustee may conclusively rely; and at all times the undisbursed balance of such proceeds remaining in the hand of the Trustee or such other depository, together with funds deposited or irrevocably committed to the Trustee by or on behalf of the Borrower to pay the cost of such Restoration, shall be sufficient to pay the entire unpaid cost of the Restoration free and clear of all liens or claims for lien, other than any Permitted Encumbrances evidenced by an Independent Architect's or contractor's certificate to that effect, delivered to the Trustee, upon which the Trustee may conclusively rely.

(e) Any surplus which may remain out of such Net Proceeds after payment of all costs, fees and expenses (including expenses of the Trustee and its counsel, agents, experts or other consultants retained in connection with such Restoration) of such Restoration shall be applied to the redemption of Bonds as provided in Section 3.01 of the Indenture.

Section 5.5 Report of Insurance Consultant; Insurance Commercially Unavailable.

(a) The insurance required to be maintained pursuant to this Article V shall be subject to the annual review of the Insurance Consultant, and the Borrower agrees that it will follow any recommendations of the Insurance Consultant.

(b) In the event that any insurance required by Section 5.1 hereof is commercially unavailable at a reasonable cost, as determined by the Insurance Consultant, the Borrower, may provide such substitute coverage, if any, as is recommended by the Insurance Consultant at a reasonable cost. The Borrower shall make a continuing good faith effort to secure the insurance required by Section 5.1 hereof, and if the insurance becomes commercially available at a reasonable cost, the Borrower shall acquire such insurance upon expiration of the substitute insurance or as otherwise recommended by the Insurance Consultant.

Section 5.6 Obligation to Continue Payments.

If prior to full payment of the Bonds (or provision for payment thereof in accordance with the provisions of the Indenture) the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, or title to, or the temporary use of, the Project or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or any person, firm or corporation acting under governmental authority, the Borrower shall nevertheless be obligated to continue to pay the amounts specified in Section 3.2 hereof.

Section 5.7 Insufficiency of Net Proceeds.

If, in accordance with this Loan Agreement, the Borrower elects to repair, restore or replace the Project and the Net Proceeds are insufficient to pay in full the cost of any Restoration, the Borrower will nonetheless complete the work and will pay any cost in excess of the amount of the Net Proceeds held by the Trustee. The Borrower agrees that if by reason of any such insufficiency of the Net Proceeds, the Borrower shall make any payments pursuant to the provisions of this Section, the Borrower shall not be entitled to any reimbursement therefor from the Issuer, the Trustee, or the Holders, nor shall the Borrower be entitled to any diminution of the amounts payable under Section 3.2 hereof.

Section 5.8 Cooperation of Issuer and Trustee.

The Issuer (subject to Section 9.16 of this Loan Agreement) and the Trustee, as applicable, shall cooperate fully with the Borrower at the expense of the Borrower in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 5.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof or any property of the Borrower in connection with which the Project is used and will, to the extent it may lawfully do so, permit the Borrower to litigate in any proceeding resulting therefrom in the name and on behalf of the Trustee, as applicable. In no event will the Issuer or the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Borrower's Representative.

[End of Article V]

ARTICLE VI

OTHER AGREEMENTS

Section 6.1 Reserved.

Section 6.2 Assignment, Selling and Leasing.

Except as otherwise provided in the Mortgages or permitted under the Land Use Restriction Agreement, after the completion of the acquisition, renovation, furnishing and equipping of the Project as described in Section 4.1 hereof, this Loan Agreement may be assigned and the Project sold or leased (other than by reason of foreclosure or deed in lieu of foreclosure), as a whole, by the Borrower only as permitted by this Section 6.2 subject to each of the following conditions:

(a) The assignee, purchaser or lessee shall assume the obligations of the Borrower hereunder and under the other Borrower's Documents, in writing to the Trustee to the extent of the interest assigned or sold.

(b) The assignee, purchaser or lessee shall deliver to the Issuer and the Trustee, an opinion of Independent Counsel that the assumption described in paragraph (a) above is a valid and enforceable obligation of the assignee, purchaser or lessee.

(c) The Borrower shall, within 10 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Trustee a true and complete copy of each assignment, assumption of obligation, or contract of sale, as the case may be.

(d) The Borrower shall provide to the Issuer and the Trustee, a Favorable Opinion of Bond Counsel to the effect that such assignment, sale or lease does not adversely affect the exclusion from gross income of the recipients thereof of interest on the Tax-Exempt Bonds for federal income tax purposes.

(e) No Event of Default or Default with respect to the Bonds Outstanding after such assignment, sale or lease shall have occurred and be continuing hereunder or under any other Borrower Document, unless such Event of Default or Default is cured or waived in connection with such assignment, sale or lease, and the Borrower shall deliver a Compliance Certificate to that effect.

(f) The delivery to the Trustee of an opinion of Counsel to the effect the successor to the Borrower hereunder will remain (i) a 501(c)(3) organization or a limited liability company whose sole member is a 501(c)(3) organization; and (ii) is duly qualified to transact business the Commonwealth of Kentucky and obligated to maintain an agent in such state on whom service of process may be made in connection with any actions against the Borrower arising out of the Borrower's Documents.

(g) The Borrower shall have received the Controlling Holders' consent to such assignment, sale or lease; and

(h) The assignee, purchaser or lessee must deliver an opinion of Independent Counsel to the effect that, regardless of the assumption described above, a valid and enforceable first lien on and perfected security interest in the Project and other collateral securing the Bonds will remain and any such assignments and other documents executed for purposes of this Section 6.2 are valid delivered and enforceable obligations of such parties enforceable in accordance with their terms.

It is hereby expressly stipulated and agreed that any disposition of the Project by the Borrower in violation of this Section will be null, void and without effect, will cause a reversion of title to the transferor Borrower, and will be ineffective to relieve the Borrower of its obligations under this Loan Agreement, the Land Use Restriction Agreement and any other document, agreement or instrument evidencing or securing the Borrower's obligations thereunder. The Borrower will include, verbatim or by incorporation by reference, all requirements and restrictions contained in this Loan Agreement and the Land Use Restriction Agreement in any deed or other documents transferring any interest in the Project to any other person or entity to the end that such transferee has notice of and is bound by such restrictions, and will obtain the express written assumption of this Loan Agreement and the Land Use Restriction Agreement by any such transferee.

Section 6.3 Continued Existence.

The Borrower agrees that during the term of this Loan Agreement it will maintain its existence, will continue to be a limited liability company in good standing, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another legal entity or permit one or more other legal entities to consolidate with or merge into it; provided that the Borrower may, without violating the agreement contained in this Section, consolidate with or merge into another legal entity, or permit one or more legal entities to consolidate with or merge into it, or sell or otherwise transfer to another legal entity all or substantially all of its assets as an entirety and thereafter dissolve; provided (a) that a Favorable Opinion of Bond Counsel is provided regarding such acquisition, consolidation, merger or transfer; (b) that if the surviving, resulting or transferee legal entity, as the case may be, is not the Borrower, then such legal entity shall be a legal entity organized and existing under the laws of one of the states of the United States of America, shall be a 501(c)(3) organization or a limited liability company whose sole member is a 501(c)(3) organization shall be qualified to do business in the Commonwealth of Kentucky, shall be a single purpose entity whose only business operations shall be operation of the Project and whose only assets and liabilities shall be the Project (and assets and liabilities related thereto) and the Borrower's Documents and permitted debt hereunder, and shall assume in writing in form and substance satisfactory to the Issuer all of the obligations of the Borrower under this Loan Agreement and the other Borrower's Documents; (c) that in the opinion of Independent Counsel delivered to the Issuer and to the Trustee, this Loan Agreement shall be a valid and enforceable obligation of such surviving, resulting or transferee entity; (d) that no Event of Default has occurred and is continuing hereunder; (e) that prior to such acquisition, consolidation, merger or transfer, the Borrower shall furnish a Compliance Certificate to the Issuer and the Trustee; and (f) that the Trustee shall have consented to such transfer pursuant to the Land Use Restriction Agreement, unless such consent is not required pursuant to said document.

Section 6.4 Indemnification.

To the fullest extent permitted by law, the Borrower hereby fully, forever and irrevocably releases from, and agrees to indemnify, hold harmless and defend the Issuer, each Issuer Indemnified Person and the Trustee Indemnified Parties, (collectively, together with the Issuer and the Issuer Indemnified Persons, the “Indemnified Parties”), against any and all fees, costs and charges, losses, damages, claims, actions, liabilities and expenses of any conceivable nature, kind or character (including, without limitation, reasonable fees and expenses of attorneys, accountants, consultants and other experts, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under any statutory law or regulation (including federal or state securities laws and regulations and federal tax laws and regulations) or at common law or otherwise (collectively, “Liabilities”), arising out of or based upon or in any way relating to:

(a) the Bonds, the Indenture, this Loan Agreement, the Note or any other of the Borrower’s Documents or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(b) the performance and observance by or on behalf of the Issuer or the Trustee of those things on the part of the Issuer or the Trustee agreed to be performed or observed hereunder and under the Indenture and the Tax Agreement and the other documents identified in Subsection (a) above;

(c) any act or omission of the Borrower or any of its affiliates or affiliated persons, agents, contractors, servants, employees, tenants or licensees in connection with the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof;

(d) any lien or charge upon payments by the Borrower to the Issuer or the Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Trustee in respect of any portion of the Project;

(e) any violation of any Environmental Laws with respect to, or the release of any Hazardous Substances from, the Project or any part thereof;

(f) the defeasance and/or redemption, in whole or in part, of the Bonds;

(g) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact relating to the Borrower or the Project contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds relating to the Borrower or the Project of any material

fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(h) any declaration of taxability of interest on the Tax-Exempt Bonds, or allegations that interest on the Tax-Exempt Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Tax-Exempt Bonds is taxable;

(i) the Trustee's acceptance or administration of the trust of the Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the Bond Documents;

(j) any injury to or death of any Person or damage to property in or upon the Project or growing out of or connected with the use, nonuse, condition or occupancy of the Project;

except (A) in the case of the foregoing indemnification of the Trustee Indemnified Parties, to the extent such damages are caused by the negligence or willful misconduct of such Trustee Indemnified Party; or (B) in the case of the foregoing indemnification of the Issuer and the Issuer Indemnified Persons, to the extent such damages are caused by the willful misconduct of the Person otherwise entitled to indemnification.

THE BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE ISSUER AND THE ISSUER INDEMNIFIED PERSONS SHALL BE RELEASED FROM, AND INDEMNIFIED HEREUNDER AGAINST, LIABILITIES ARISING FROM THE ISSUER'S OR ANY ISSUER INDEMNIFIED PERSON'S OWN NEGLIGENCE OF ANY KIND, DESCRIPTION OR DEGREE, OR BREACH OF CONTRACTUAL DUTY, WITHOUT REGARD TO OR THE NECESSITY OF ANY BREACH OR FAULT ON THE PART OF THE BORROWER, EXCEPT INsofar AS AND TO THE EXTENT THAT ANY SUCH LIABILITIES ARISE FROM THE WILLFUL MISCONDUCT OF THE PERSON SEEKING INDEMNIFICATION.

In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof. The Borrower shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Borrower if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel.

The rights of any Persons to indemnity hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Trustee any resignation or removal. The provisions of this Section shall remain valid and in effect notwithstanding repayment of the loan hereunder or payment, redemption or defeasance of the Bonds or termination of this Loan Agreement or the Indenture.

Insofar as any other document or instrument issued or delivered in connection with the Bonds (including, without limitation, the documents referred to in Subsection (a) above) purports to constitute an undertaking by, or impose an obligation upon, the Borrower to provide indemnification to the Issuer or the Issuer Indemnified Persons, the indemnification provision or provisions of such document shall not be deemed, interpreted or construed in any way as a modification of or limitation upon the Borrower's obligations or the rights of the Issuer and the Issuer Indemnified Persons under this Section 6.4 and the provisions of this Section 6.4 shall in every respect supersede the indemnification provisions of any such other document and shall apply thereto as if fully set forth therein.

Section 6.5 Recording and Filing.

(a) At the time of the issuance of the Bonds, the Borrower will cause the filing of all financing statements necessary to perfect the security interest of the Trustee and the Issuer in the Borrower's Documents.

(b) The Trustee agrees that it will cause to be filed all necessary continuation statements within the time prescribed by the Uniform Commercial Code - Secured Transactions in the state(s) in which the Project or the Borrower is located in order to continue the financing statements in connection with the security interests identified in this Loan Agreement or the Indenture filed on or before the Closing Date. The Trustee shall have no duty to determine, at any time, whether the financing statements filed in connection with the security interests identified in this Loan Agreement or otherwise were or remain sufficient to perfect such security interests under applicable law.

(c) The Borrower will not suffer any liens to exist upon the Project as a result of any claims brought against the Borrower pursuant to a right or interest not existing in connection with or as permitted by this Loan Agreement or the Mortgages.

Section 6.6 Nonrecourse to Representatives of Issuer.

No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the Indenture, or subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement or the Indenture.

Section 6.7 Amendment of Borrower's Documents.

Neither the Issuer nor the Borrower shall amend, supplement, alter, modify or terminate any Borrower's Document, except as otherwise provided in such document, without the prior written consent of the Trustee, which may be given only as provided in Article XI of the

Indenture. Nothing in this Section shall prohibit any assignment or transfer otherwise permitted by Section 6.2 or 6.3.

Section 6.8 Financial Statements and Reports.

(a) The Borrower shall deliver or cause to be delivered to the Trustee and the Initial Holder, (i) on or before the 45th day after the end of each calendar quarter, current financial statements prepared on an accrual basis itemizing income and expenses from each Project and for the Project, on an aggregate basis, for the previous quarter, and (ii) within 180 days after the end of each Fiscal Year, Audited Financial Statements prepared on a consolidated basis, which shall include a balance sheet, income statement and a statement of sources and uses of funds for the preceding Fiscal Year both for each Project and on a consolidated basis for the Project and (iii) a certificate prepared by the Certified Public Accountants in substantially the form of *Exhibit C* reporting on said consolidated Audited Financial Statements setting forth (A) the calculation of the Debt Service Coverage Ratio for the Fiscal Year reflected in said Audited Financial Statements and (B) the Net Income Available for Debt Service, if any, for such Fiscal Year.

(b) The Audited Financial Statements submitted pursuant to paragraph (a) hereof shall be certified as true and correct by the party submitting such statement and shall be reported upon by a public accounting firm selected by the Borrower.

(c) The Borrower will deliver to the Issuer and the Trustee, within thirty days after the end of each Fiscal Year, a written statement signed by a Borrower's Representative stating, as to the signer thereof, that (i) a review of the activities of the Borrower during such year and of performance under this Loan Agreement has been made under its supervision, and (ii) to the knowledge of the Borrower's Representative, based on such review, the Borrower has fulfilled all of its obligations throughout such year in all material respects, or, if there has been a default in the fulfillment of any such obligation, specifying each such Default known to the Borrower's Representative and the nature and status thereof.

(d) The Borrower shall provide to any Holder of more than \$500,000 of the Bonds which identifies itself to the Borrower and provides the Borrower with its contact information, copies of any financial statements or other information described in paragraphs (a), and (c) of this Section 6.8. Upon the written request of the Trustee or any Holder of more than \$500,000 of the Bonds, the Borrower promptly and at its own expense shall obtain and furnish to the Trustee or such Holder any information which the Borrower may be entitled to request and receive under the Management Agreement or any other agreement or arrangement pertaining to the Project.

(e) The Borrower shall provide to the Trustee within fifteen (15) days of receipt, a copy of any Management Consultant's report prepared and delivered in accordance with Section 4.5 hereof otherwise provided for in the Bond Documents.

(f) The Trustee shall have no duty to review or analyze any documents delivered to it pursuant to this Section 6.8. The Trustee shall not be deemed to have notice of any information contained therein.

Section 6.9 Budget.

(a) On the Closing Date and on or before the first day of each December, the Borrower shall prepare a single Budget covering the Project of anticipated Project Revenues and Operating Expenses for such Fiscal Year, and shall submit a copy of such Budget to the Trustee. Such Budget shall show there to be sufficient income to achieve the Coverage Test provided for in Section 4.5 hereof. Such Budget shall also be prepared and presented to show the deposits required to be made pursuant to Section 5.04(b) of the Indenture.

(b) The Budget shall be prepared on a cash basis and should provide a proposed budget for such Fiscal Year in sufficient detail including income and expenses, deposits to the Repair and Replacement Fund and any other required funds and payments of principal of, premium (if any) and interest on the Bonds. The Budget shall report income on a 30-day lag period and shall not assume any prepayment on the Bonds. The Budget shall demonstrate sufficient cash flow to pay all required expenses, payments of scheduled interest, principal and premium (if any) on the Bonds and the funding of any reserves as required in the flow of funds in the Indenture prior to the release of any funds from the Surplus Fund. The Budget shall be certified in writing as true and correct by the Borrower's Representative.

(c) The Budget may be amended from time to time, by the Borrower, during the course of the Fiscal Year, and such amendments shall be certified and submitted in the same manner as the Budget. Aggregate increases in a new or amended Budget in the category of costs to be paid or reimbursed from the Revenue Fund shall not exceed 20% on an annual basis unless the Borrower's Representative provides to the Trustee a statement of a Certified Public Accountant or Management Consultant to the effect that the increase is reasonable under the circumstances.

(d) Notwithstanding the foregoing, the failure of the Borrower to maintain the Coverage Test or the Borrower to adopt a Budget showing that such ratios will be achieved, shall not constitute a Default hereunder except as set forth in Section 4.5 hereof.

(e) Each Budget shall include provision for payment by the Borrower of the costs, fees and expenses payable or incurred under this Loan Agreement and the Indenture including, without limitation, the costs of maintaining the insurance coverage required pursuant to Section 5.1 and all applicable ad valorem taxes (or payment in lieu of taxes), if any, assessed against the Project payable by the Borrower, and all Administration Expenses.

(f) The Trustee shall have no duty to independently investigate the compliance by the Borrower with the requirements of this Section and may conclusively rely upon the Budget provided to it.

Section 6.10 Notices of Certain Events.

The Borrower hereby covenants to notify the Issuer and the Trustee in writing of the occurrence of a Default known to them hereunder or any event which, with the passage of time or service of notice, or both, would constitute a Default hereunder, specifying the nature and period of existence of such event and the actions being taken or proposed to be taken with respect thereto. Such notice shall be given promptly, and in no event less than 10 Business Days after the Borrower receives notice or knowledge of the occurrence of any such event. The

Borrower further agrees that it will, and will require the Manager to, give prompt written notice to the Trustee if Insurance Proceeds or Condemnation Awards are received with respect to the Project and are not used to repair or replace the Project, which notice shall state the amount of such proceeds or awards.

Section 6.11 Inspection of Project Books; Right of Access.

At any time during normal business hours upon not less than two Business Days' notice, the Trustee, the Issuer or any Holder of more than \$100,000 of the Bonds may have access to the Project and all books and records of the Borrower pertaining to the Project and shall be permitted to inspect the same, discuss the affairs of the Borrower and the Project with appropriate representatives of the Borrower, the Manager and the Borrower's outside accountants and shall be permitted to make copies of any of such records.

Section 6.12 Other Indebtedness.The Borrower shall not incur any Indebtedness with respect to the Project, other than the Loan and other debts permitted or anticipated herein as of the Closing Date relating to the Series 2022 Bonds, except that the Borrower is permitted to incur the following so long as no Default or Event of Default has occurred and is continuing:

- (a) Indebtedness incurred as a result of the issuance of Additional Bonds;
- (b) Trade debt incurred in the ordinary course of business that does not give rise to a lien or encumbrance on the Project; and
- (c) such Short-Term Indebtedness as the Borrower, in its judgment, deems expedient; provided that the aggregate amount of Short-Term Indebtedness outstanding at any time does not exceed ten percent (10%) of the total Operating Expenses of the Borrower for the preceding Fiscal Year.

Section 6.13 Advances By Trustee.

(a) In the event the Borrower shall fail to pay, or fail to cause to be paid (including payment from amounts held in the Insurance and Tax Escrow Fund for that purpose), any Impositions required to be paid by the provisions of Section 4.9, or maintain, or cause to be maintained, the full insurance coverage required by the provisions of Section 5.1, the Trustee, without prior notice to the Borrower, may (but shall be under no obligation to) pay such Impositions or obtain or maintain the required Insurance Policies, and pay the premium or premiums on the same.

(b) The Borrower shall notify the Trustee any time it is aware of any unsafe or dangerous condition existing at the Project. In the event that the Borrower, any tenant of the Project, or any other Person, shall permit any unsafe or dangerous condition to exist in the Project and the Trustee is notified by any party of such conditions, the Trustee may (but shall be under no obligation to) notify the Borrower in writing of such condition, and if the Borrower shall fail to correct such condition, or cause such condition to be corrected, within 30 calendar days after receipt of such notice, the Trustee may (but shall be under no obligation to) make the required correction, improvement, or repair.

(c) All amounts so advanced by any Person pursuant to subsection (a) or (b) of this Section shall be promptly reimbursed by the Borrower to the Person making the advance with interest at the Default Rate.

Section 6.14 Continuing Disclosure.

The Borrower and Dissemination Agent have entered into the Continuing Disclosure Agreement. While this Loan Agreement is in effect, the Borrower shall at all times remain party to the Continuing Disclosure Agreement, or if the Continuing Disclosure Agreement terminates, they shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Borrower agrees that while the Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Agreement. The Borrower shall cause copies of any filings and/or disclosures which are required to be made pursuant to the terms of the Continuing Disclosure Agreement to be delivered to the Dissemination Agent within five (5) Business Days of any such filing or disclosure. Notwithstanding any other provision of this Loan Agreement, failure of the Borrower to comply with the Continuing Disclosure Agreement shall not be a Default.

Section 6.15 Related Party Transactions.

The Borrower shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's business and upon terms found by the Governing Body of the Sole Member to be fair and reasonable and no less favorable to the Borrower than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 6.16 Purchase of Tax-Exempt Bonds.

Neither the Borrower nor any "related person" to the Borrower (within the meaning of Section 147(a)(2) of the Code), pursuant to any arrangement, formal or informal, will purchase any of the Tax-Exempt Bonds.

Section 6.17 Release of Certain Land and Subordination; Granting of Easements.

The parties hereto reserve the right at any time and from time to time to (a) effect the release and removal from the Mortgages of any part (or interest in such part) of the Mortgaged Property with respect to which the Borrower proposes to convey fee title to a public utility or public body in order that utility services or public services may be provided to the Project, or to effect the subordination of the lien of the Mortgages to rights granted to a public utility or public body in order that utility services or public services may be provided to the Project, (b) grant easements, licenses, rights of way (including the dedication of public highways), and other rights or privileges in the nature of easements with respect to any property included in the Project, free from the lien of the Mortgages, or (c) release existing easements, licenses, rights of way, and other rights or privileges with or without consideration; provided, that if at the time any such release, removal, or grant is made any of the Bonds are Outstanding and unpaid, the Borrower must deposit with the Trustee the following:

- (a) a copy of the such amendment as executed,
- (b) a resolution or action of the Governing Body of the Borrower (i) giving an adequate legal description of that portion of the Mortgaged Property to be released or subordinated, (ii) stating the purpose for which the Borrower desires the release or subordination, (iii) requesting such release or subordination, and (iv) approving an appropriate amendment to the Mortgages,
- (c) a certificate of the Borrower to the effect that the Borrower is not in default under any of the provisions of this Loan Agreement and that neither any building nor any other improvement constituting part of the Project is located on a portion of the Mortgaged Property with respect to which the release or subordination is to be granted, accompanied by a plat of survey of the Mortgaged Property certified by a registered surveyor depicting (i) the boundaries of the portion of the Mortgaged Property with respect to which the release or subordination is to be granted, (ii) all improvements located on the property surveyed and the relation of the improvements by distances to the boundaries of the portion of such property with respect to which the release or subordination is to be granted, and (iii) all easements and rights of way with recording data and instruments establishing the same,
- (d) a copy of the instrument conveying the title to or subordinating the lien of the Mortgages in favor of a public utility or public body, and
- (e) a certificate of an architect, dated not more than 60 days prior to the date of the release or subordination and stating that, in the opinion of the person signing such certificate, (i) the portion of the Mortgaged Property so proposed to be released or with respect to which the subordination is proposed or with respect to which an easement, license or right of way is proposed to be granted is necessary or desirable in order to obtain utility services or public services to benefit the Project and (ii) the release or subordination so proposed to be made will not impair the usefulness of the Project as multifamily housing facilities and will not destroy the means of ingress thereto and egress therefrom.

If such release or subordination relates to a part of the Mortgaged Property on which transportation or utility facilities are located, the Borrower will retain an easement to use such transportation or utility facilities to the extent necessary for the efficient operation of the Project as multifamily housing facilities. Any money consideration received in connection with the release of any portion of the Mortgaged Property or the subordination of the lien of the Mortgages pursuant to this Section 6.17 will be deposited in a Special Redemption Account of the Bond Fund and used to redeem Bonds pursuant to Section 3.02 of the Indenture on the earliest date Bonds can be redeemed at par.

If all of the conditions of this Section are met, the Trustee is authorized to release any such property from the lien of the Mortgages or subordinate such lien or execute and deliver any instrument, provided by or on behalf of the Borrower or the Issuer, necessary or appropriate to confirm and grant or release any such easement, license, right of way, or other right or privilege.

No release or conveyance effected under the provisions of this Section will entitle the Borrower to any abatement or diminution of the Loan Payments payable under Section 3.2 hereof.

[End of Article VI]

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.1 Defaults.

Each of the following shall constitute a “Default” or an “Event of Default” hereunder:

(a) Failure by the Borrower to pay any Basic Loan Payments, provided that failure to make a Basic Loan Payment shall not constitute a Default to the extent that the amounts on deposit in the Surplus Fund, the Bond Fund, the Repair and Replacement Fund, the Operating Fund and the Debt Service Reserve Fund are sufficient and available to pay principal, premium (if any) and interest due on the related Series of Bonds on the next Bond Payment Date.

(b) Failure by the Borrower to make, or cause to be made, any Additional Loan Payment or amounts required to be paid under Sections 4.3, 4.9, 4.10, 5.1, 5.2 and 6.13 hereof on or before the date due.

(c) Failure by the Borrower to meet the Coverage Test covenant if (a) the Borrower fails to engage a Management Consultant or (b) the Borrower fails to implement any of the Management Consultant’s reasonable recommendations, and to the extent consistent with the charitable mission of the Sole Member, as provided in this Loan Agreement.

(d) Failure by the Borrower to perform or observe any of its covenants or agreements contained in this Loan Agreement, the Tax Agreement, or any Land Use Restriction Agreement other than as specified in paragraphs (a) through (c) of this Section 7.1, and such failure shall continue for the period and after the notice specified in Section 7.2 hereof.

(e) The dissolution or liquidation of the Borrower or the Sole Member or the filing by the Borrower or the Sole Member of a voluntary petition in bankruptcy, or adjudication of the Borrower as a bankrupt, or assignment by the Borrower or the Sole Member for the benefit of its creditors or the entry by the Borrower or the Sole Member into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Borrower or the Sole Member in any proceeding instituted under the provisions of State law or the federal bankruptcy statute, as amended, or under any similar act which may hereafter be enacted. The term “dissolution or liquidation of the Borrower,” as used in this Section 7.1(e), shall not be construed to include the cessation of the existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another entity or a dissolution or liquidation of the Borrower following a transfer of all or substantially all of its assets as an entirety, under the conditions permitting such actions contained in Section 6.3 hereof.

(f) The occurrence or continuance of a “default,” a “Default,” an “event of Default” or “Event of Default” under the Mortgages, the HAP Assignment, the Land Use Restriction Agreement, or any other Borrower’s Documents or the Indenture.

(g) If any of the Mortgages or other Borrower's Documents purporting to grant a lien on property or assets of the Borrower after delivery thereof shall for any reason (other than pursuant to the terms thereof or as a result of any action or inaction within the control of the Trustee) cease to create a valid lien on any assets or property purported to be covered thereby.

(h) An event shall have occurred that gives HUD the right to terminate any of the HAP Contract.

(i) If any of the Borrower's Documents ceases to be valid and binding upon the parties thereto other than if the document is terminated in accordance with its terms, or the Borrower that is a party thereto shall declare in writing that it no longer has any obligations thereunder.

(j) Failure by the Borrower to maintain a Debt Service Coverage Ratio equal to or greater than 1.00 to 1.00 for any Fiscal Year.

The provisions of paragraph (d) of this Section are subject to the following limitation: if by reason of Force Majeure, the Borrower is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Article III hereof), the Borrower shall not be deemed in Default during the continuance of such inability, if, but only if such default is cured as provided in Section 7.2. The Borrower agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Borrower from carrying out its agreements, provided that, subject to the preceding sentence, the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Borrower and the Borrower shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

The Trustee shall not be deemed to have knowledge of any Default hereunder other than a Default under paragraph (a) or (b) hereof, unless a Responsible Officer of the Trustee shall have been specifically notified in writing of such Default by the Issuer, the Borrower or by the Holders of at least 25% of the Bond Obligation.

Section 7.2 Notice of Default: Opportunity to Cure.

Except as provided below, no default under Section 7.1(d) hereof shall constitute a Default hereunder until:

(a) The Trustee or the Issuer, by Mail, shall give notice to the Borrower of such default specifying the same; and

(b) The Borrower shall have had 30 days after receipt of such notice to correct the Default and shall not have corrected it or, if such Default cannot be corrected within 30 days, shall have failed to initiate and diligently pursue appropriate corrective action, provided, that in any event such Default must be remedied within 120 days after the date of occurrence thereof.

Section 7.3 Remedies.

Whenever any Default under Section 7.1 hereof shall have happened and be continuing, any or all of the following remedial steps shall be available:

(a) The Trustee may, and at the written request of the Controlling Holders of the Bonds shall, declare the outstanding principal balance and interest accrued on the Loan and all payments required to be made by the Borrower under Section 3.2 hereof with respect to the Bonds for the remainder of the term of this Loan Agreement to be immediately due and payable, whereupon the same shall become immediately due and payable. Upon any such acceleration of the Loan, the Bonds shall be subject to mandatory redemption as provided in Section 3.01(d) of the Indenture.

(b) The Trustee, for and on behalf of the Issuer, may, and with the consent of the Controlling Holders of the Bonds shall, take whatever action at law or in equity may appear necessary or desirable to collect the payments required to be made by the Borrower under Section 3.2 hereof then due and thereafter to become due, including, without limitation, pursuing remedies under the appropriate Mortgage and the remedies under Section 8.02 of the Indenture.

(c) The Issuer or the Trustee may take whatever action at law or in equity as may be necessary or desirable to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Loan Agreement.

The provisions of clause (a) of the preceding paragraph, however, are subject to the condition that if, at any time after the Loan shall have been so declared due and payable, and before any judgment or decree for the payment of the money due shall have been obtained or entered, there shall have been deposited with the Trustee a sum sufficient to pay all the principal of the Bonds matured prior to such declaration and all matured installments of interest (if any) upon all the Bonds, with interest on such overdue installments of principal as provided herein, and the reasonable expenses of the Trustee, and any and all other Defaults known to the Trustee (other than in the payment of principal of and interest on the Loan due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case, the Controlling Holders of the Bonds by written notice to the Issuer and to the Trustee, may, on behalf of the Holders of all the Bonds, rescind and annul such declaration and its consequences and waive such default; provided that no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair or exhaust any right or power consequent thereon.

In case the Trustee or the Issuer shall have proceeded to enforce its rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Issuer, then, and in every such case, the Borrower, the Trustee and the Issuer shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Trustee and the Issuer shall continue as though no such action had been taken, subject to the results of any such proceedings or any settlement thereof.

The Borrower covenants that, in case a Default shall occur with respect to the payment of the Loan payable under Section 3.2(a) hereof, then, upon demand of the Trustee, the Borrower will pay to the Trustee the whole amount that then shall have become due and payable under said Section, with interest, to the extent permitted by law, on the amount then overdue at the Default Rate until such amount has been paid.

In case the Borrower shall fail forthwith to pay such amounts upon such demand, the Trustee shall be entitled and empowered to institute any action or proceeding at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect in the manner provided by law the money adjudged or decreed to be payable.

In case proceedings shall be pending for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Borrower or in the case of any other similar judicial proceedings relative to the Borrower, or the creditors or property of the Borrower, then the Trustee shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount owing and unpaid pursuant to this Loan Agreement and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any money or other property payable or deliverable on any such claims, and to distribute such amounts as provided in the Indenture after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Trustee, and to pay to the Trustee any amount due it for compensation and expenses, including expenses and fees of counsel incurred by it up to the date of such distribution.

Section 7.4 No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given the Issuer hereunder shall also extend to the Trustee, and the Trustee and the Holders, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

Section 7.5 Attorney's Fees and Expenses.

If a Default hereunder occurs and if the Issuer or the Trustee, or the representative or agent of either, should employ attorneys or incur expenses for the enforcement of any obligation

or agreement of the Borrower contained herein or in the other Borrower's Documents, the Borrower on demand will pay to the Issuer or the Trustee, as the case may be, the reasonable fees of such attorneys and the reasonable expenses so incurred, including all costs of any and all investigations, proceedings and court appeals.

Section 7.6 No Additional Waiver Implied by One Waiver.

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 7.7 Issuer's Rights Not Impaired.

Nothing in this Loan Agreement shall be deemed or construed to limit, impair or affect in any way, the Issuer's (or any Issuer Indemnified Person's) right to enforce the Unassigned Rights, regardless of whether there is then existing a Default (including, without limitation, a payment default), or any action based thereon or occasioned by a Default or alleged Default and regardless of any waiver or forbearance granted by the Trustee or any Holder in respect thereof. Any default or Default in respect of the Unassigned Rights may only be waived by the Issuer in writing.

[End of Article VII]

ARTICLE VIII

OPTIONS TO TERMINATE AGREEMENT

Section 8.1 Grant of Option to Terminate.

The Borrower shall have, and is hereby granted, the option to terminate this Loan Agreement at any time the Borrower declares it will cease to use the Project by reason of:

- (a) Reserved;
- (b) Reserved;
- (c) any changes in the Constitution of the Commonwealth of Kentucky or the Constitution of the United States or of legislative or administrative action (whether state, federal, or local), by which this Loan Agreement shall become void or unenforceable or impossible of performance in accordance with the intent and purposes hereof; or
- (d) at any time when the Initial Holder owns less than 75% of Outstanding Bonds, the determination that the continued operation of the Project would have a material adverse effect on the ability of the Borrower to meet the financial covenants set forth herein, as established by a report of a Management Consultant;
- (e) the Borrower may also prepay the Loan in whole or in part and terminate this Loan Agreement if the Loan is prepaid in whole and in amounts necessary to redeem the Bonds pursuant to Section 3.02 of the Indenture upon delivery of written notice by the Borrower's Representative to the Trustee delivered not less than 45 days prior the prepayment date.

Notwithstanding prepayment of the Loan or termination of this Loan Agreement, the Borrower shall not be relieved of any obligation hereunder or under any Bond Document in respect of indemnification under Section 6.4 (or any similar indemnification provision under any Bond Document) that by its terms survives payment or defeasance of the Bonds, as provided for in this Loan Agreement.

Section 8.2 Exercise of Option to Terminate.

To exercise such options, the Borrower shall, within 90 days following the event authorizing such termination, if any, give written notice to the Issuer and the Trustee, and shall specify therein the date of termination, which date shall be not less than 50 days nor more than 90 days from the date such notice is mailed, and shall make arrangements for the giving of the required notice of redemption of the relevant portion of the Bonds. In order to exercise such option, the Borrower shall pay, or cause to be paid, on or prior to the applicable redemption date, to the Trustee, an amount equal to the sum of the following:

- (a) An amount of money which, when added to the amounts then on deposit under the Indenture and available for such purpose will be sufficient to retire and redeem all the Outstanding Bonds called for redemption on the earliest possible redemption date

after notice as provided in the Indenture, including, without limitation, the principal amount thereof, all interest to accrue to said redemption date; plus

(b) An amount of money equal to the Ordinary Trustee's Fees and Expenses and Extraordinary Trustee's Fees and Expenses under the Indenture accrued and to accrue until such final payment and redemption of the Bonds, including fees and expenses related to such redemption; plus

(c) An amount of money equal to the Issuer Annual Fee under this Loan Agreement accrued and to accrue until such final payment and redemption of the Bonds.

(d) Any prepayment is conditioned upon: (1) deposit with the Trustee of Available Moneys in an amount equal to the principal, premium, if any, and interest on the Bonds to be redeemed; (2) the opinion of nationally recognized counsel experienced in bankruptcy matters to the effect that such prepayment will not constitute a voidable preference in the event of the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against any Borrower or the Issuer or any affiliate of either under any applicable bankruptcy, insolvency, reorganization or similar law; (3) on the redemption date a certificate of the Borrower to the effect that there has not occurred at any time during or after the preceding 123-day period any filing by or against the Borrower under any bankruptcy act or similar law for the relief of debtors; (4) Reserved; and (5) a verification opinion or report by an accountant or nationally recognized law firm (which may be counsel to the Borrower) to the effect that the amounts paid by the Borrower are sufficient on the required date to pay amounts described in (a)-(c) above.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS

Section 9.1 Confidential Information.

The Borrower shall not be required to disclose, or to permit the Issuer, the Trustee or others to acquire access to, any trade secrets of the Borrower or any other processes, techniques or information reasonably deemed by the Borrower to be proprietary or confidential, except as may be appropriate under the state law for the prosecution or defense of any legal or equitable action arising hereunder or for the collection of a judgment or to insure compliance with the Bond Documents. The Borrower acknowledges that the Issuer is a governmental entity subject to the Kentucky Open Records Act and that any disclosure by the Borrower of information described in this Section 9.1 IS AT THE BORROWER'S SOLE RISK.

Section 9.2 Entire Agreement.

The Bond Documents together constitute the entire agreement and supersede all prior agreements and understandings, both written and oral, between the Issuer and the Borrower with respect to the subject matter hereof.

Section 9.3 Notices.

All notices, certificates or other communications shall be sufficiently given and shall be deemed given on the second day following the date on which the same have been mailed by first class mail, postage prepaid, addressed as provided in the Indenture. A duplicate copy of each notice, certificate or other communication given hereunder by either the Issuer or the Borrower to the other shall also be given to the Trustee and the Manager.

Section 9.4 Assignments.

This Loan Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Trustee its rights under this Loan Agreement (except its Unassigned Rights) and the Borrower may assign its rights under this Loan Agreement as provided by Sections 6.2 and 6.3 hereof.

Section 9.5 Severability.

If any provision of this Loan Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

Section 9.6 Execution of Counterparts.

This Loan Agreement 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 9.7 Rights of Trustee.

The Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Trustee under the Indenture which are hereby incorporated herein by reference.

Section 9.8 Amendments, Changes and Modifications.

Subsequent to the issuance of Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Loan Agreement may not be effectively amended, supplemented, modified, altered or terminated except by an instrument in writing signed by the parties hereto, and only as permitted in Section 6.7 hereof.

Section 9.9 Governing Law.

This Loan Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. All claims of whatever character arising out of this Loan Agreement or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in Jefferson County, Kentucky. By executing and delivering this Loan Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units of the Commonwealth of Kentucky that may exist at the time of and in connection with such matter.

Section 9.10 Term of Agreement.

This Loan Agreement shall be in full force and effect from the date hereof until the later of (a) such time as all the Bonds shall have been fully paid or provision made for such payment pursuant to Article VII of the Indenture, or (b) such time as the Borrower has paid, or caused to be paid, all amounts payable hereunder.

Section 9.11 No Liability of Issuer Indemnified Persons.

No Issuer Indemnified Person shall be individually or personally liable for the payment of any principal, premium, if any, or interest on the Bonds or any costs incidental thereto or any sum hereunder or under the Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Loan Agreement or the Indenture.

Notwithstanding any provision in this Loan Agreement to the contrary, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including without limitation, their rights to immunity, indemnification and lack of pecuniary liability) the Issuer

Indemnified Persons, and each of them, is a third-party beneficiary of this Loan Agreement entitled to enforce such rights in his, her, its or their own name(s).

Section 9.12 Receipt of and Compliance with Indenture.

The Borrower acknowledges that it has received an executed copy of the Indenture, and accept and agree to the provisions thereof, including, without limitation, the provisions of Section 9.04 of the Indenture with respect to compensation and indemnification of the Trustee, and agrees that it will take all such actions as are required or contemplated of them under the Indenture to preserve and protect the rights of the Trustee, the Issuer and of the Holders thereunder and that it will not take any action which would cause an Event of Default thereunder. It is agreed by the Borrower and the Issuer that all redemption of Bonds prior to maturity shall be effected as provided in the Indenture. The Borrower hereby agrees that its interest in the Mortgaged Property and its rights hereunder are subject to and subordinated to the interest and rights of the Trustee under the Indenture and acknowledges that the Trustee has entered into the Indenture in reliance upon the assignment to the Trustee of the Issuer's rights under this Loan Agreement and the Borrower's provision of indemnity. The Borrower covenants that it will perform all of the Issuer's obligations and covenants under the Indenture to the extent that they can be performed by the Borrower thereunder. The Borrower further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this Loan Agreement and will hold the Issuer harmless from any liabilities thereunder. The Borrower further covenants that it will perform all of the duties and obligations of the Borrower that are set forth in the Indenture.

Section 9.13 Usury; Total Interest.

This Loan Agreement is subject to the express condition, and it is agreed, that at no time shall Basic Loan Payments hereunder or under the other Bond Documents that are or are construed to be payments of interest on the unpaid principal amount of the Bonds reflect interest that is borne at a rate in excess of the maximum permitted by law. The Borrower shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this Loan Agreement or the other Bond Documents, the Borrower is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. This Loan Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

Section 9.14 Survival.

(a) The rights of the Trustee to payment under this Loan Agreement shall survive the Trustee's resignation or removal, the discharge of this Loan Agreement and defeasance of the Bonds.

(b) Notwithstanding anything in this Loan Agreement or any of the Bond Documents to the contrary, the rights, protections, indemnities and immunities afforded to the Trustee

hereunder or under any of the Bond Documents shall survive the resignation or removal of the Trustee and the payment in full or defeasance of the Bonds.

(c) The provisions of this Loan Agreement and the Indenture and any other document in connection with the issuance of the Bonds to which the Issuer is a party concerning (i) the tax-exempt status of the Tax-Exempt Bonds (including, but not limited to provisions concerning rebate); (ii) the interpretation of this Loan Agreement; (iii) governing law, jurisdiction and venue; (iv) the Issuer's right to rely on written representations of others contained herein or in any other document or instrument issued or entered into in respect of the Bonds, regardless of whether the Issuer is a party thereto; (v) the indemnification rights and exculpation from liability of the Issuer and the Issuer Indemnified Persons; and (vi) any other provision of this Loan Agreement not described or enumerated above that expressly provides for its survival, shall survive and remain in full force and effect notwithstanding the payment or redemption in full, or defeasance of the Bonds, the discharge of the Indenture, and the termination or expiration of this Loan Agreement.

Section 9.15 Tax Agreement Controls.

In any matter relating to the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes, the terms and provisions of the Tax Agreement shall control in the event of any conflict between this Loan Agreement and the Tax Agreement.

Section 9.16 Issuer's Performance.

None of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Trust Estate, or unless the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Bonds or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Loan Agreement, the Indenture, and any and every Bond executed, authenticated and delivered under the Indenture; *provided*, however, that the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (a) been requested to do so by the Borrower, the Controlling Holders of the Bonds or the Trustee; (b) received from the Person requesting such action or execution assurance satisfactory to the Issuer that the Issuer's reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument have been paid or will be paid or reimbursed to the Issuer; and (c) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Issuer. In complying with any provision herein or in the Indenture, including, but not limited to, any provision requiring the Issuer to "cause" another Person to take or omit any action, the Issuer shall be entitled to rely conclusively (and without independent investigation or verification) on (i) the faithful performance by the Trustee or the Borrower, as the case may be, of its respective obligations hereunder and under the Indenture and (ii) upon any written

certification or opinion furnished to the Issuer by the Trustee or the Borrower, as the case may be. In acting, or in refraining from acting, under this Loan Agreement or the Indenture, the Issuer may conclusively rely on the advice of its counsel. The Issuer shall not be required to take any action hereunder or under the Indenture that it reasonably believes to be unlawful or in contravention of this Loan Agreement or the Indenture.

Section 9.17 No Obligation to Enforce Assigned Rights.

Notwithstanding anything to the contrary in this Loan Agreement or the Indenture, the Issuer shall have no obligation to and instead the Trustee, in accordance with this Loan Agreement or the Indenture (as applicable), shall have the right, without further direction from or action by the Issuer, to take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer under this Loan Agreement and the Indenture (other than Unassigned Rights), including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Borrower under this Loan Agreement or the Indenture.

Section 9.18 Third Party Beneficiaries.

Notwithstanding the foregoing, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity, indemnification and exculpation from pecuniary liability) each Issuer Indemnified Person and each Trustee Indemnified Party is a third-party beneficiary of this Loan Agreement and the Indenture entitled to enforce such rights in his, her, its or their own name.

Section 9.19 Patriot Act.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust or other legal entity, the Trustee will ask for documentation to verify its formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 9.20 Security Advice Waiver.

The Borrower and Issuer acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Borrower and Issuer the right to receive brokerage confirmations for certain security transactions as they occur, the Borrower and Issuer specifically waive receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Borrower and Issuer periodic each transaction statements that include detail for all investment transactions made by the Trustee.

[End of Article IX]

IN WITNESS WHEREOF, the parties hereto have executed this Loan Agreement under seal, all as of the day and year first above mentioned.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Signature Page of *Vesta Derby Oaks Project* Loan Agreement]

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Loan Agreement]

EXHIBIT A

DESCRIPTION OF THE PROJECT AND PROPERTY DESCRIPTION

EXHIBIT B-1

FORM OF REQUISITION FROM THE PROJECT FUND

Requisition No. _____ Date: _____

To: The Bank of New York Mellon Trust Company, National Association, as Trustee (the “Trustee”) under the Trust Indenture dated as of _____, 1 2022 (the “Indenture”), relating to Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A and Taxable Series 2022B (collectively, the “Bonds”)

Attention: Corporate Trust Department

The undersigned Borrower’s Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith (the “Loan Agreement”) relating to the Bonds identified above by and between PSG Vesta Derby Oaks LLC (the “Borrower”) and the Louisville/Jefferson County Metro Government hereby requests that there be paid from the Project Fund the sum set forth below, and in that connection with respect to the use of the proceeds of the Bonds, I HEREBY CERTIFY, as follow:

An obligation in each of the amounts set forth below has been incurred in connection with the acquisition, renovation, furnishing and equipping of the Project, constitutes a Cost of the Project, and such obligation or amount represents a capital cost of the Project and not a cost of issuance of the Bonds.

<u>Payee Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
		\$
		\$
		\$
Total		

The Borrower hereby certifies that:

(1) the Project is free and clear of all liens and encumbrances except Permitted Encumbrances;

(2) all evidence, statements, and other writings required to be furnished under the terms of the Loan Agreement and the Indenture are true and omit no material fact, the omission of which may make them misleading;

(3) all money previously disbursed have been used solely to pay for Costs of the Project, and the Borrower has written evidence to support this item of warranty;

(4) none of the items for which payment is requested have formed the basis for any payment previously made from the Project Fund; and

(5) all bills for labor, materials, and fixtures used, or on hand and to be used, in the construction of the Project have been paid.

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Disbursement Request for Project Fund]

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Disbursement Request for Other Funds]

EXHIBIT B-3
FORM OF REQUISITION FOR OPERATIONS
AND MAINTENANCE RESERVE FUND

Requisition No. _____ Date: _____

To: The Bank of New York Mellon Trust Company, National Association, as Trustee (the “Trustee”) under the Trust Indenture dated as of _____, 1 2022 (the “Indenture”), relating to Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A and Taxable Series 2022B (collectively, the “Bonds”)

Attention: Trust Department

The undersigned Borrower’s Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith (the “Loan Agreement”) relating to the Bonds identified above by and between PSG Vesta Derby Oaks LLC (the “Borrower”) and the Louisville/Jefferson County Metro Government hereby requests that there be paid from the Operations and Maintenance Reserve Fund the sum set forth below, and in that connection with respect to the use of the proceeds of the Bonds, I HEREBY CERTIFY, as follow:

<u>Payee</u> <u>Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
		\$
		\$
		\$
Total		

The Borrower hereby certifies that:

- (1)
 - (2) the Debt Service Coverage Ratio on the Bonds for Fiscal Year ending _____, _____, is at least [1.____ to 1];
 - (3) no Event of Default, or event with the passage of time or the giving of notice or both would constitute an Event of Default, is occurring or has occurred;
 - (4) the Debt Service Reserve Requirement and the Replacement Reserve Requirement are fully funded in accordance with the Indenture;
 - (5) it have delivered to the Trustee financial reports and certificates required under Section 6.8 of the Loan Agreement has occurred; and
 - (6) such request of funds does not exceed 25% of the then remaining amount within the Operations and Maintenance Reserve Fund (this shall not apply to the final disbursement from said fund).
- Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Disbursement Request for Operations and
Maintenance Reserve Funds]

EXHIBIT C

FORM OF RELEASE CERTIFICATE
for the Period Ended _____, 20__

\$ __,000,000

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)**

Consisting of
\$ __,000,000 Series 2022A
\$ __,000,000 Taxable Series 2022B

I, _____, an authorized representative of the PSG Vesta Derby Oaks LLC (the "Borrower"), the Borrower for the above described Bonds (the "Bonds"), do hereby certify that (a) no Event of Default of which the Borrower has knowledge has occurred or is continuing, and (b) the Net Income Available for Debt Service and Debt Service Coverage Ratio calculations for the _____ for the twelve months ending _____, as set forth below, are true and correct. Terms used herein as defined terms have the meanings provided in the Trust Indenture dated as of _____, 1 2022 with regard to the Bonds.

Net Income Available for Debt Service

Divided by: Annual Debt Service:

Debt Service Coverage Ratio: _____

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Release Certificate]

The undersigned _____, certifies that (a) it has reviewed the audited financial of the Borrower for the period ending _____, (b) the foregoing calculations of the Debt Service Coverage Ratios are correct, (c) the Net Income Available for Debt Service as of the last day of such Fiscal Year was _____ and (d) the percentage of Project Revenues paid to the Manager as fees under the Management Agreement with regard to such Fiscal Year was _____%.

**[INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANT]**

By: _____

Name: _____

Title: _____

Dated:

EXHIBIT D

FORM OF MULTIFAMILY PROMISSORY NOTE

\$ __,000,000

_____, 2022

FOR VALUE RECEIVED, the Borrower executing this Note, and its successors and assigns (the “Borrower”), promises to pay to the Louisville/Jefferson County Metro Government (together with its successors and assigns, the “Issuer”), (1) the principal sum of \$ __,000,000 payable on December 1, 20 __, (2) the principal sum of \$ __,000,000 payable on December 1, 20 __, or such earlier dates as required in the Indenture or the Loan Agreement (as defined below), and interest accrued on the unpaid portion thereof, from the date hereof at the rate for each day of accrual equal to the rates of interest borne by the bonds of the Issuer designated as Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A (“Series 2022A Bonds”) and Taxable Series 2022B (“Series 2022B Bonds,” and together with the Series 2022A Bonds, the “Bonds”) at the time Outstanding (as defined in the Indenture) payable on the dates and computed as described in that certain Trust Indenture between The Bank of New York Mellon Trust Company, National Association, as trustee (the “Trustee”) and the Issuer, as issuer, dated as of _____, 1 2022 (the “Indenture”), and the Loan Agreement, relating to principal and interest on the Bonds, and (2) all other amounts specified in the Indenture and Loan Agreement at the times described in the Indenture and Loan Agreement.

This Note and the payments required to be made hereunder have been irrevocably assigned, without recourse, to the Trustee under the Indenture and such payments will be made directly to the Trustee for the account of the Issuer pursuant to such assignment. All the terms, conditions and provisions of the Indenture, the Loan Agreement and the Bonds are hereby incorporated as a part of this Note.

The principal hereof (and premium, if any) and the interest hereon shall be payable at the designated corporate trust office of the Trustee. All such payments shall be in immediately available funds or in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment shall be a day other than a Business Day (as defined in the Indenture), then such payment may be made on the next succeeding day which is a Business Day without additional interest and with the same force and effect as if made on the specified date for such payment.

All sums due hereon shall be payable at the opening of business of the designated corporate trust office of the Trustee on the date such payments become due.

This Note is executed and delivered by the Borrower pursuant to the Loan Agreement, dated as of _____, 1 2022 (the “Loan Agreement”), among the Issuer and the Borrower relating to the Bonds, to evidence a loan by the Issuer to the Borrower thereunder from proceeds of the Bonds. To the extent that any provision of this Note contradicts or is inconsistent with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall control and supersede the contradictory or inconsistent provision herein.

The Borrower shall prepay the outstanding principal sum hereof, as a whole or in part, in the same amount and on the same dates, and with the same premiums, if any, as Bonds called for redemption prior to their maturity in accordance with the provisions of the Indenture. Presentation, demand, protest and notice of dishonor are hereby expressly waived by the Borrower.

This Note is also secured by the Mortgages (as defined in the Indenture).

If an Event of Default or Default, as defined in the Indenture or the Loan Agreement, shall occur, the principal hereof and accrued interest hereon may, at the option of the holder hereof, be declared due and payable in the manner and with the effect provided in the Indenture or the Loan Agreement.

This Note is a contract made under and shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

[Signature Page to Follow]

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Multifamily Promissory Note]

ENDORSEMENT

FOR VALUE RECEIVED, the Louisville/Jefferson County Metro Government (the “Issuer”) hereby irrevocably assigns and transfers the foregoing Note, without recourse or warranty, except warranty of good title and warranty that the Issuer has not assigned the foregoing Note to a person other than the hereinafter defined Trustee, to the order of The Bank of New York Mellon Trust Company, National Association (the “Trustee”), Jacksonville, Florida, trustee under a Trust Indenture, dated as of _____, 1 2022, between the Issuer and the Trustee. The Issuer hereby directs the maker of the Note, to make all payments with respect to principal of, premium, if any, and interest on the Note and all other payments required thereby directly to the order of the Trustee for the account of the Issuer at the Trustee’s corporate trust office in Jacksonville, Florida, or such other place as the Trustee, or its successor in trust, may designate in writing.

Dated and executed on _____, 2022.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Endorsement of *Vesta Derby Oaks Project* Multifamily Promissory Note]

ACKNOWLEDGMENT OF ASSIGNMENT

The undersigned hereby acknowledges and agrees to the aforesaid assignment of the Note by the Louisville/Jefferson County Metro Government to The Bank of New York Mellon Trust Company, National Association, as trustee.

Dated this ____ day of _____, 2022.

[Signatures on following page]

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Acknowledgment of Assignment of Multifamily
Promissory Note]

EXHIBIT E

FORM OF DISBURSEMENT REQUEST FOR OPERATING EXPENSES

Requisition No. _____ Date: _____

To: The Bank of New York Mellon Trust Company, National Association, as Trustee (the “Trustee”) under the Trust Indenture dated as of _____, 1 2022 (the “Indenture”), relating to Louisville/Jefferson County Metro Government Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A and Taxable Series 2022B (collectively, the “Bonds”)

Attention: Corporate Trust Department

The undersigned Borrower’s Representative designated pursuant to the terms of the aforesaid Indenture and a Loan Agreement of even date therewith (the “Loan Agreement”) relating to the Bonds identified above by and between PSG Vesta Derby Oaks LLC (the “Borrower”) and the Louisville/Jefferson County Metro Government hereby requests that there be paid from the Operating Fund the sum set forth below, and in that connection, I HEREBY CERTIFY, as follow:

An obligation in each of the amounts set forth below has been incurred in connection with respect to the Project and constitutes an Operating Expense.

<u>Payee Name and Address</u>	<u>Purpose</u>	<u>Amount</u>
		\$
		\$
		\$

Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Indenture.

[Signatures on following page]

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its Manager

By: _____
Shane Cormier, Authorized Signatory

[Signature Page of *Vesta Derby Oaks Project* Disbursement Request for Operating Expenses]

0149946.0753850 4888-3073-9468v5

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Frost Brown Todd LLC
400 West Market Street, Suite 3200
Louisville, Kentucky 40202
Attn: Laura Theilmann

-----Space Above This Line for Recorder's Use-----

LAND USE RESTRICTION AGREEMENT

By and Among

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
as Issuer

PSG VESTA DERBY OAKS LLC
as Borrower

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

Relating to

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT
INDUSTRIAL BUILDING REVENUE BONDS
(VESTA DERBY OAKS PROJECT)**

**\$ __,000,000 Series 2022A
\$ __,000,000 Taxable Series 2022B**

Dated as of _____ 1, 2022

TABLE OF CONTENTS

	Page
RECITALS	1
SECTION 1. Definitions	2
SECTION 2. Number and Gender.....	4
SECTION 3. Headings.....	4
SECTION 4. Construction.....	5
SECTION 5. Benefit.....	5
SECTION 6. Covenant with Respect to Tax Status of the Series 2022A Bonds.	5
SECTION 7. Qualified Residential Rental Project Requirements.....	5
SECTION 8. Transfer Restrictions.....	9
SECTION 9. Certification to Secretary.....	9
SECTION 10. Enforcement.....	9
SECTION 11. Violations.....	10
SECTION 12. Agent of the Issuer and the Trustee; No Duty of Issuer to Monitor Compliance.	11
SECTION 13. Amendment.....	11
SECTION 14. Severability	12
SECTION 15. Notices.....	12
SECTION 16. Governing Law.....	12
SECTION 17. Termination.....	13
SECTION 18. Post-Defeasance or Redemption.....	13
SECTION 19. Indemnification.....	14
SECTION 20. Recordation.....	14
SECTION 21. Covenants to Run with the Land; Successors Bound.	15
SECTION 22. No Conflict with Other Documents.....	15
SECTION 23. Non-Liability of Issuer.....	15
SECTION 24. Multiple Counterparts.....	15
EXHIBIT A Description of Project Site.....	A-1

LAND USE RESTRICTION AGREEMENT

THIS LAND USE RESTRICTION AGREEMENT (the “Agreement”) is made as of _____ 1, 2022 by and among **PSG VESTA DERBY OAKS LLC**, a Delaware limited liability company (the “Borrower”), the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT** (together with its successors and assigns, the “Issuer”), a political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION** (the “Trustee”), in connection with the Issuer’s \$____,000,000 aggregate principal amount Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A (the “Series 2022A Bonds”) and its \$____,000,000 aggregate principal amount Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B (the “Series 2022B Bonds” and, together with the Series 2022A Bonds, the “Bonds”), to be issued pursuant to (i) the Trust Indenture dated as of _____ 1, 2022 between the Issuer and the Trustee (the “Indenture”), (ii) the Loan Agreement dated as of _____ 1, 2022 between the Issuer and the Borrower (the “Loan Agreement”); and (iii) the Tax Compliance Certificate dated _____ __, 2022 between the Issuer and the Borrower (the “Tax Compliance Certificate”).

RECITALS

WHEREAS, the Borrower will be the record owner of a multi-family residential rental project located at 3237 Utah Avenue, Louisville Kentucky 40215, known as Vesta Derby Oaks as described in Exhibit A (the land together with the buildings to be constructed thereon referred to hereinafter as the “Real Estate”); and

WHEREAS, the Borrower is intended to be or shall be treated by the parties as the owner of the Real Estate for federal tax purposes; and

WHEREAS, the Borrower intends to operate the Real Estate as a multi-family residential rental apartments project that will comprise 418 residential units (the “Project”) and has agreed to utilize a portion of the Project to provide rental housing to low or moderate income individuals at low or moderate rental amounts; and

WHEREAS, a portion of the costs of the acquisition and renovation of the Real Estate and the Project will be financed by a loan by the Issuer to the Borrower (the “Loan”) made pursuant to the Loan Agreement and evidenced by a promissory note as described in more detail in the Loan Agreement (the “Note”); and

WHEREAS, the Loan will be funded from proceeds of the sale of the Bonds; and

WHEREAS, interest on the Series 2022A Bonds is and will remain excludable from gross income for federal income tax purposes, provided, among other things, that the Project is treated as a “qualified residential rental project” under, and continuously complies with the requirements of, Section 142(d) of the Internal Revenue Code of 1986, as amended (the “Code”) and the applicable Treasury Regulations (“Regulations”) throughout the Qualified Project Period; and

WHEREAS, the Project’s compliance with the requirements of Section 145(d) of the Code and the applicable Regulations throughout the Qualified Project Period and the Series 2022A Bonds’ treatment as “qualified 501(c)(3) bonds” under Section 145 of the Code is in large part within the control of the Borrower; and

WHEREAS, Revenue Procedure 96-32, 1996-1 C.B. 717 (“Rev. Proc. 96-32”), sets forth a safe harbor under which an organization that provides low-income housing will be considered charitable

because it relieves the poor and distressed as described in Treas. Reg. § 1.501(c)(3)-1(d)(2) (the “Low-Income Safe Harbors”); and

WHEREAS, the Issuer is unwilling to issue the Bonds unless the Borrower shall, by agreeing to this Agreement, consent to be regulated by the Issuer to preserve the exclusion of interest on the Series 2022A Bonds from gross income under Section 103(a) of the Code; and

WHEREAS, the Borrower’s compliance shall be required throughout the entire term of the Qualified Project Period to preserve the exclusion of interest on the Series 2022A Bonds from gross income under Section 103(a) of the Code.

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other good and valuable consideration, the Issuer, the Borrower and the Trustee agree as follows:

SECTION 1. Definitions.

In addition to words and terms defined elsewhere in this Agreement, the following words and terms used in this Agreement shall have the following meanings, unless some other meaning is plainly intended, and any terms not defined in this Agreement shall have the same meaning as such terms are defined in the Indenture, the Loan Agreement or in Sections 145 and 142 of the Code and the applicable Regulations:

“Act” means Sections 103.200 to 103.285, inclusive, of the Kentucky Revised Statutes (“KRS”).

“Assumption Agreement” means an agreement or undertaking by any transferee, pursuant to a Transfer, to assume the obligations and duties of the Borrower described in this Agreement and the Financing Agreements.

“Available Units” means Residential Rental Units that are actually occupied or that are unoccupied and have been leased at least once after first becoming available for occupancy, provided that (a) in the case of an acquisition of an existing facility for the purpose of establishing or continuing a qualified residential rental project under Section 142(d) of the Code, a Residential Rental Unit that is unoccupied on the later of (i) the date such facility is acquired or (ii) the issue date of the first issue of Qualified 142(d) Bonds or Qualified 501(c)(3) Bonds, as applicable, financing the acquisition of such facility is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such date, and (b) a Residential Rental Unit that is not available for occupancy due to renovations is not an Available Unit and does not become an Available Unit until it has been leased for the first time after such renovations are completed.

“Bond Counsel” means (i) Frost Brown Todd LLC or (ii) any nationally recognized bond counsel experienced in municipal finance and, particularly, in the issuance of debt the interest on which is excludable from gross income for federal income tax purposes, as applicable.

“Certification of Income” means a certification, including all necessary information and documentation, to substantiate the amount of income of all residents of a Residential Rental Unit, given by a prospective or current Qualified Tenant and Safe Harbor Tenant.

“Financing Agreements” include the Indenture, the Loan Agreement and the Tax Compliance Certificate.

“Low and Moderate Income” means income that does not exceed 60% of the area median gross income, with appropriate adjustments to income level made for family size, as determined in a manner consistent with the determinations of lower income families and area median gross income, all as made in accordance with and subject to the requirements of Section 142(d)(2)(B) of the Code. For these purposes, income shall be treated as not exceeding 60% of the area median gross income, with appropriate adjustments to income level made for family size, if the relevant individual’s or family’s adjusted income (computed in the manner described in Regulation § 1.167(k)-3(b)(3) prior to its removal by T.D. 8474, 1993-1 C.B. 242) does not exceed 60% of the applicable area median gross income.

“Occupancy Standards” means the requirement that at least [40% of the Available Units] must be actually occupied by (or treated as occupied by, as provided herein) Qualified Tenants and at least 75% of the Available Units must be actually occupied by (or treated as occupied by, as provided herein) Safe Harbor Income Tenants. An Available Unit shall be treated as “occupied” by a Qualified Tenant or Safe Harbor Tenant during the applicable tenancy for purposes of the Occupancy Standards if the tenant of such Unit was a Qualified Tenant or Safe Harbor Tenant at the commencement of such tenant’s actual occupancy of the Available Unit, even though such tenant ceases to be a Qualified Tenant or Safe Harbor Tenant because such tenant ceases to have Low and Moderate Income or satisfy the Low-Income Safe Harbors, provided that the second sentence of paragraph (o) of Section 7 below does not apply to such tenant. Moreover, if an Available Unit vacated by a Qualified Tenant or Safe Harbor Tenant was actually occupied by a Qualified Tenant or Safe Harbor Tenant at the commencement of such Qualified Tenant’s or Safe Harbor Tenant’s occupancy of such Unit, such Available Unit shall be treated as occupied by a Qualified Tenant or Safe Harbor Tenant until reoccupied, excluding any reoccupation for a temporary period of not more than thirty-one (31) days, at which time the character of the Available Unit shall be redetermined. The character of any Available Unit described in the immediately preceding sentence shall be redetermined upon expiration of the thirty-one (31)-day period. In calculating the foregoing 40% or 75% requirement, if the resulting number of Available Units contains a fraction, it shall be rounded up to the next highest whole number.

“Purpose Investment” means an investment acquired to carry out the governmental purpose of the Series 2022A Bonds, as described in Section 1.148-1(b) of the Regulations.

“Qualified 142(d) Bonds” means obligations that satisfy the requirements of Sections 103 and 142(d) of the Code.

“Qualified 501(c)(3) Bonds” means obligations that satisfy the requirements of Sections 103 and 145 of the Code.

“Qualified Project Period” means the period commencing on the later of the first day on which at least 10% of the Residential Rental Units in the Residential Rental Property are occupied or the issue date of the Qualified 142(d) Bonds or Qualified 501(c)(3) Bonds, as applicable, issued to acquire such facility and ending on the latest of the following: (A) the date that is fifteen years after the date on which at least 50% of the Residential Rental Units in the facility are first occupied; (B) the first day on which no tax-exempt private activity bond (as defined in Section 141(a) of the Code) issued with respect to the facility is outstanding; or (C) the date on which any assistance provided with respect to the facility under Section 8 federal assistance terminates.

“Qualified Tenant” means any individual or family with Low and Moderate Income. Occupants of a Residential Rental Unit shall not be considered to be Qualified Tenants if all the occupants are students (as defined in Section 152(f)(2) of the Code). Notwithstanding the foregoing, a Residential Rental Unit shall not fail to be treated as occupied by Qualified Tenants because such Residential Rental Unit is occupied (a) by an individual who is (i) a student and receiving assistance under Title IV of the

Social Security Act, (ii) a student who was previously under the care and placement responsibility of the state agency responsible for administering a plan under part B or part E of Title IV of the Social Security Act or (iii) a student enrolled in a job training program receiving assistance under the Job Training Partnership Act or under other similar Federal, state or local laws, or (b) entirely by full-time students if such students are (i) single parents and their children and such parents are not dependents of any person other than the full-time student occupying the Residential Rental Unit, or (ii) married and file a joint return.

“Related Person” means an individual or entity who, concerning the referenced party, is described in Section 147(a)(2) of the Code.

“Residential Rental Property” means the Real Estate or any other building or structure containing one or more similarly constructed Residential Rental Units used for the Project, including facilities functionally related and subordinate thereto, as provided in Section 1.103-8(b) of the Regulations.

“Residential Rental Unit” means a housing unit containing separate and complete living, sleeping, eating, cooking and sanitation facilities for a single person or a family. Such housing unit shall contain a kitchen that includes a stove, cooking range, full-size refrigerator and sink. A housing unit, however, shall not fail to be treated as a “Residential Rental Unit” merely because it is a single-room occupancy unit (within the meaning of Section 42 of the Code).

“Safe Harbor Income Tenant” means any individual or family with income that does not exceed 80% of the area median gross income, with appropriate adjustments to income level made for family size, as determined in a manner consistent with the determinations of lower income families and area median gross income, all as made in accordance with and subject to the requirements of Section 142(d)(2)(B) of the Code. For these purposes, income shall be treated as not exceeding 80% of the area median gross income, with appropriate adjustments to income level made for family size, if the relevant individual’s or family’s adjusted income (computed in the manner described in Regulation § 1.167(k)-3(b)(3) prior to its removal by T.D. 8474, 1993-1 C.B. 242) does not exceed 80% of the applicable area median gross income.

“Sole Member” means Patriot Services Group, Inc., a Florida nonprofit corporation described in Section 501(c)(3) of the Code and exempt from federal income taxation under Section 501(a) of the Code, as Sole Member of the Borrower, and its successors and assigns.

“Transfer” means any conveyance, transfer, whether by sale, exchange, gift or assignment or other disposition of the Project.

SECTION 2. Number and Gender.

Unless the context clearly requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

SECTION 3. Headings.

The titles and headings of the sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any

of the terms or provisions hereof and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent shall arise.

SECTION 4. Construction.

It is intended that this Agreement set forth the terms, conditions, limitations and restrictions applicable to the Project and that the Project be a “qualified residential rental project” as defined in Section 142(d) of the Code. All provisions herein shall be construed in accordance with such intent.

SECTION 5. Benefit.

The Issuer, the Borrower and the Trustee each acknowledges that a primary purpose for requiring compliance by the Borrower with this Agreement is to preserve the excludability from gross income for federal income tax purposes of interest on the Series 2022A Bonds, and that the Trustee and holders of the Series 2022A Bonds shall be entitled, for any breach of the provisions hereof, to all remedies, both at law and in equity, in the event of any default hereunder.

SECTION 6. Covenant with Respect to Tax Status of the Series 2022A Bonds.

The Issuer and the Borrower each covenants that it will not knowingly take, or permit to be taken, any action that would adversely affect the excludability from gross income for federal income tax purposes of interest on the Series 2022A Bonds throughout the Qualified Project Period and the Trustee covenants that it will not invest or use any of the proceeds of the Series 2022A Bonds except as otherwise directed by the Borrower in writing.

SECTION 7. Qualified Residential Rental Project Requirements.

The Borrower represents, warrants and covenants that the Project shall, throughout the Qualified Project Period, unless this Agreement is earlier terminated pursuant to Section 17 of this Agreement, satisfy the following terms and conditions, limitations and restrictions:

(a) *Satisfaction of Applicable Legal Requirements.* The Project is being acquired, rehabilitated, equipped and installed for the purpose of providing multifamily Residential Rental Units, and the Project shall be owned, managed and operated as multifamily Residential Rental Property, all in accordance with the requirements of Section 145(d) of the Code applicable to Qualified 501(c)(3) Bonds and the qualified residential rental project requirements of Section 142(d) of the Code and the applicable residential rental project provisions of Section 1.103-8(b) of the Regulations and the administrative guidance issued thereunder;

(b) *Similarly Constructed Residential Rental Units.* All of the Residential Rental Units in the Project shall be similarly constructed;

(c) *Transient Use.* During the term of this Agreement, (i) none of the Residential Rental Units in the Project shall at any time be utilized on a transient basis, (ii) none of the Residential Rental Units in the Project shall ever be leased or rented for a period of less than thirty (30) days and (iii) neither the Project nor any portion thereof shall ever be used as a hotel, motel, dormitory, fraternity house, sorority house, rooming house, hospital, sanitarium, nursing home, rest home, trailer court or park or for any other use on a transient basis;

(d) *General Public Availability.* During the term of this Agreement, (i) the Residential Rental Units in the Project shall be leased and rented or made available for rental on a

continuous basis to members of the general public except as otherwise permitted by federal, state or local law, and (ii) the Borrower shall not give preference in renting Residential Rental Units in the Project to any particular class or group of persons, other than Qualified Tenants or Safe Harbor Tenants as provided herein; provided, however, that Residential Rental Units in the Project may be occupied by maintenance, security or managerial employees of the Borrower or its property manager who are reasonably required to maintain residences in the Project, but only to the extent such occupation does not cause the Project to cease to be a qualified residential rental project under Section 142(d) of the Code;

(e) *Use of Related Facilities by Tenants.* Any functionally related and subordinate facilities (e.g., parking areas, laundry facilities, tenant offices, physical therapy rooms, dining rooms, meeting rooms, common areas, swimming pools, tennis courts, etc.) (the “Related Facilities”) for the Project will be made available to all tenants of the Project on an equal basis. Fees charged to residential tenants for use of the Related Facilities will be commensurate with fees charged for similar facilities at similar residential rental properties in the surrounding area and, in no event will any such fees charged to tenants of the Project be discriminatory or exclusionary as to the Qualified Tenants or Safe Harbor Tenants of the Project. No Related Facilities will be made available to persons other than tenants or their guests. Parking, if available, will be made available to all tenants on a first come, first served basis;

(f) *No Continual or Frequent Nursing, Medical or Psychiatric Services.* No continual or frequent nursing, medical or psychiatric services will be provided to the residents of the Project at any time or in any manner;

(g) *Ownership, Structure and Financing.* The Project will consist of one or more buildings or structures, all of which will be (i) owned by the same person for federal tax purposes, (ii) located on a single tract of land, consisting of any parcel of land or two or more parcels of land that are contiguous except for being separated only by a road, street, stream or similar property (parcels are contiguous if their boundaries meet at one or more points) and (iii) financed with proceeds of the Series 2022A Bonds or otherwise pursuant to a common plan of financing. Each such building or structure is a discrete edifice or other man-made construction consisting of an independent foundation, outer walls and roof and containing five or more similarly constructed units;

(h) *Condominium Ownership.* During the term of this Agreement, the Borrower will not convert the Project to condominium ownership;

(i) *Borrower Rentals.* During the term of this Agreement, no Residential Rental Unit in the Project shall be occupied by the Borrower (or a Related Person) at any time unless the Borrower (or a Related Person) resides in a Residential Rental Unit in a building or structure that contains at least five Residential Rental Units and unless the resident of such Residential Rental Unit is a resident manager or other necessary employee (e.g., maintenance and security personnel);

(j) *Certificate of Project Commencement and 50% Occupancy.* Within 30 days after the later of the issue date of the Series 2022A Bonds or the date on which 10% of the Residential Rental Units in the Project are first occupied following the construction thereof, the Borrower shall file with the Issuer and the Trustee a certificate identifying such date. Within 30 days after the later of the issue date of the Series 2022A Bonds or the date on which 50% of the Residential Rental Units in the Project are occupied, the Borrower shall file with the Issuer and the Trustee a

certificate identifying such date and the beginning date and earliest ending date of the Qualified Project Period;

(k) *No Discrimination.* During the term of this Agreement, the Borrower shall not discriminate on the basis of age, race, color, creed, national origin, religion, sex or marital status in the lease, use or occupancy of the Project except as otherwise permitted by federal, state or local law or in connection with the employment or application for employment of persons for the operation and management of the Project; and the Borrower specifically agrees that the Borrower will not refuse to lease units or deny occupancy in the Project to persons whose family includes minor dependents who will occupy such unit, unless such refusal is based upon factors not related to the presence of such minors in the family;

(l) *Payment of Expenses.* During the term of this Agreement, the Borrower shall make timely payment of the fees and expenses, if any, of the Trustee in accordance with the provisions of this Agreement, the Indenture and the Loan Agreement, including any expenses incurred by the Trustee in the performance of its duties and obligations under this Agreement;

(m) *Certification of Income.* As a condition of occupancy, each Qualified Tenant and Safe Harbor Tenant shall be required to sign and deliver to the Borrower a Certification of Income, in a form designed to establish compliance with the applicable provisions of the Code and the Treasury Regulations, or as otherwise required by the Internal Revenue Service. Such Qualified Tenant or Safe Harbor Tenant shall also be required to provide whatever other information, documents or certifications are deemed necessary by the Borrower to substantiate the Certification. All Certifications of Income with respect to each Qualified Tenant or Safe Harbor Tenant who resides in a Residential Rental Unit in the Project or resided in a Residential Rental Unit during the immediately preceding calendar year shall be maintained on file at the main business office of the Project and shall be available for inspection by the Issuer and the Trustee;

(n) *Annual Determinations.* The determination of whether a resident of the Project is a Qualified Tenant or a Safe Harbor Tenant shall be made at least annually on the basis of the current income of all the residents of the Residential Rental Unit. Each lease to a Qualified Tenant or a Safe Harbor Tenant entered into after the date hereof shall require the tenant to sign the Certification of Income annually, attesting to the combined income of all the occupants of each Residential Rental Unit and at any other time as the Borrower may reasonably request;

(o) *Subsequent Changes to Income.* If a tenant is a Qualified Tenant or a Safe Harbor Tenant upon commencement of occupancy of a Residential Rental Unit, the income of such tenant shall be treated as Low or Moderate Income or satisfying the Low-Income Safe Harbors, respectively. The preceding sentence shall cease to apply to any tenant whose income as of the most recent annual determination under paragraph (n) of this Section exceeds 140% of Low and Moderate Income or the Low-Income Safe Harbors, as applicable, if, after such determination, but before the next annual determination, any Residential Rental Unit of comparable or smaller size in (i) the same building (within the meaning of Section 42 of the Code), provided that the Project is eligible for low-income housing tax credits under Section 42 of the Code or (ii) the Project, if the Project is not eligible for low-income housing tax credits under Section 42 of the Code, is occupied by a new tenant who does not qualify as a Qualified Tenant or a Safe Harbor Tenant;

(p) *Form of Lease.* Any lease used in renting any Residential Rental Unit in the Project to a Qualified Tenant shall provide for termination of the lease and consent by such tenant

to immediate eviction, subject to applicable provisions of State law, for failure to qualify as a Qualified Tenant as a result of any material misrepresentation made by such person with respect to any Certification of Income. Each Qualified Tenant occupying a Residential Rental Unit shall be required to execute a written lease that shall be effective for a term of at least six (6) months. No meals or other services will be provided to tenants of the Project;

(q) *Owner's Certification.* On the first day of each month after any Residential Rental Unit in the Project is available for occupancy, the Borrower shall prepare a record of the percentage of Residential Rental Units of the Project occupied (and treated as occupied) by Qualified Tenants or Safe Harbor Tenants during the preceding month. Such record shall be maintained on file at the main business office of the Project, shall be available for inspection by the Issuer and the Trustee and shall contain such other information and be in the form required by the Issuer and/or the Trustee, as applicable;

(r) *Occupancy Standards.* The Project shall satisfy the Occupancy Standards; and

(s) *Records Maintenance and Inspection.* During the term of this Agreement, the Borrower shall (i) maintain complete and accurate records pertaining to the Residential Rental Units occupied or to be occupied by Qualified Tenants and Safe Harbor Tenants, and (ii) permit any duly authorized representative of the Trustee, the Issuer, the Department of the Treasury or the Internal Revenue Service to inspect the books and records of the Borrower pertaining to the income of and Certificate of Income of Qualified Tenants and Safe Harbor Tenants residing in the Project upon reasonable notice and at reasonable times.

SECTION 8. Transfer Restrictions. For the Qualified Project Period, except with respect to events such as foreclosure, deed in lieu of foreclosure, involuntary loss or other events described in Section 1.103-8(b)(6)(iii)(a) of the Regulations and not otherwise described in paragraph (b) thereof, provided that proceeds received as a consequence of such events are used as provided in Section 1.103-8(b)(6)(iii)(a) of the Regulations, the Borrower shall not Transfer the Project or any interest therein, in whole or in part, except in accordance with the terms of the Indenture and Loan Agreement (or either of them), and this Section 8. Any Transfer of the Project or any interest therein, in whole or in part, shall only be permitted if: (1) the Borrower shall not be in default hereunder; (2) the purchaser or assignee shall assume in writing in a form acceptable to the Trustee, all duties and obligations of the Borrower under this Agreement, including this Section 8, and execute any necessary or appropriate document with respect to assuming its obligations under this Agreement, and the Financing Agreements in the form of an Assumption Agreement, which document shall be recorded in the recorder's office in the Project's jurisdiction; (3) the Trustee shall have received an opinion of Bond Counsel to the effect that such Transfer will not adversely affect the exclusion of the interest on the Series 2022A Bonds from gross income for federal income tax purposes; (4) [omitted]; (5) the Borrower shall deliver to the Trustee an opinion of counsel to the transferee that the transferee has duly assumed the obligations of the Borrower under this Agreement and that such obligations and this Agreement are binding on the transferee; and (6) such other conditions are met as are set forth in or referred to in the Financing Agreements (i) to protect the exclusion of the interest on the Series 2022A Bonds from gross income for federal income tax purposes, (ii) to ensure that the Project is not acquired by a person that has pending against it, or that has a history of, building code violations, as identified by municipal, county, state or federal regulatory agencies, and (iii) to provide to the satisfaction of the Issuer and the Trustee, in their respective sole discretion, that indemnification of the Issuer and the Trustee under Section 19 of this Agreement and elsewhere is assumed by the purchaser or assignee. The Borrower shall deliver the Assumption Agreement and the items specified in Clauses (3) and (5) above to the Trustee, with copies to the Issuer, at least ten (10) business days prior to a proposed Transfer.

SECTION 9. Certification to Secretary.

The Borrower represents, warrants and covenants that the Borrower shall annually submit to the Secretary of the Treasury (at such time and in such manner as the Secretary shall prescribe) a certification attesting that the Project continues to meet the requirements of Section 142(d) of the Code and shall simultaneously send copies of such certification to the Trustee, including, but not limited to, IRS Form 8703, and any additional certifications or information required to be submitted to the Secretary of the Treasury. The Borrower acknowledges that failure to file such certification with the Secretary of the Treasury when required would subject the Borrower to penalty, as provided in Section 6652(j) of the Code.

SECTION 10. Enforcement.

The Borrower further represents, warrants and covenants that:

(a) *Examination of Records.* The Borrower shall permit, after two (2) business days prior written notice, any duly authorized representative of the Issuer, and/or the Trustee to inspect any books and records of the Borrower regarding the Project, particularly with respect to the incomes of Qualifying Tenants and Safe Harbor Tenants that pertain to compliance with the provisions of this Agreement and Sections 142(d) and 145(d) of the Code and Rev. Proc. 96-32. Any certification, records or other documents deemed necessary by the Issuer, or the Trustee to show the Project's compliance with Sections 142(d) and 145(d) of the Code and Rev. Proc. 96-32 shall be maintained on file at the Project site until the later of (i) the date that the Series 2022A

Bonds (and any tax-exempt obligations used to refund any of the Series 2022A Bonds) remain outstanding and for four (4) years thereafter or (ii) the end of the Qualified Project Period.

(a) *Other Information.* The Borrower shall provide such other information, documents or certifications requested by the Issuer or the Trustee that the Issuer or the Trustee, as applicable, deems reasonably necessary, to substantiate the Borrower's continuing compliance with the provisions of this Agreement and Section 142(d) of the Code.

(b) *Reliance on Borrower or Tenant Certification.* In the enforcement of the Agreement, the Issuer or the Trustee may rely on any certificate delivered by or on behalf of the Borrower or any tenant concerning the Project.

SECTION 11. Violations.

(a) *Notice.* The Borrower further represents, warrants and covenants that it will inform the Issuer and the Trustee by written notice of any violation of the Borrower's obligations under this Agreement or the occurrence or existence of any situation or event (an "Adverse Development") that would cause the interest on the Series 2022A Bonds to become includable in gross income for federal income tax purposes within five (5) days after discovering any such Adverse Development, and the Trustee covenants and agrees to inform the Borrower by written notice of any Adverse Development that, in the opinion of Bond Counsel, would cause the interest on the Series 2022A Bonds to become includable in gross income for federal income tax purposes within thirty (30) days after discovering such Adverse Development;

(b) *Time to Correct.* The Borrower covenants and agrees to correct or rectify any Adverse Development no later than thirty (30) days after such Adverse Development is first discovered or should have been discovered by the Borrower's exercise of reasonable diligence. The Issuer and the Trustee covenant and agree to provide the Borrower a period of time, which shall be at least thirty (30) days after the date such Adverse Development is first discovered or should have been discovered by the Borrower's exercise of reasonable diligence, or if later, within such further time which may be approved in an opinion of Bond Counsel, in which to correct any Adverse Development. The Borrower represents, warrants and covenants that if any such Adverse Development is not corrected to the satisfaction of the Issuer (relying solely upon the advice of Bond Counsel) within the period of time specified by the Issuer or the Trustee, without further notice, the Issuer or the Trustee, as applicable, may declare a default under this Agreement, effective on the date of such declaration of default, and upon such default, the Borrower shall pay to the Trustee an amount equal to any rents or other amounts received by the Borrower for any Residential Rental Units in the Project that were occupied in violation of this Agreement during the period such violation continued and the Trustee shall deliver such amounts to the Issuer within ten (10) business days;

(c) *Specific Performance.* The Borrower acknowledges that the Issuer and/or the Trustee and/or, to the extent permitted in the Financing Agreements, any owner of any of the Series 2022A Bonds, may also apply, individually or collectively, to any court, state or federal, for specific performance of this Agreement, or for an injunction against any violation of this Agreement, or for any other remedies at law or in equity or for any such other actions as shall be necessary or desirable so as to correct non-compliance with this Agreement.

SECTION 12. Agent of the Issuer and the Trustee; No Duty of Issuer to Monitor Compliance.

The Borrower further represents, warrants and covenants that the Issuer and the Trustee shall each have the right to appoint an agent to carry out any of its duties and obligations under this Agreement, and the Issuer and the Trustee shall inform the Borrower and the other party of any such agency appointment by written notice.

The Issuer hereby appoints the Trustee as its agent to administer this Agreement and performance by the Borrower of the terms, provisions and requirements hereof for the entire term of the Qualified Project Period. Neither the Trustee nor the Issuer shall have a duty to enforce any of the obligations of the Borrower under this Agreement but the Trustee shall be obligated to notify the Issuer of the failure of the Borrower to comply with such obligations. The Borrower hereby agrees to pay all reasonable costs and expenses of the Trustee in undertaking the administration services under this Agreement. The Issuer hereby directs the Borrower to deliver all reports, notices, requests or other documents required to be delivered for the benefit of the Issuer hereunder to the Trustee only, unless delivery to the Issuer is expressly required by the term of this Agreement, or the Borrower is otherwise directed in writing by the Trustee or the Issuer. The Borrower hereby agrees, upon reasonable written notice from the Trustee, to make the Project and the books and records relating to tenant income compliance required hereunder available for inspection during regular business hours by the Trustee as an agent of the Issuer. Notwithstanding the foregoing or any other provision herein to the contrary, the Borrower and the Trustee acknowledge and agree that the Issuer shall have no duty to monitor compliance with the terms and conditions of this Agreement.

The Trustee may rely on the certificates and reports delivered to the Trustee by the Borrower without independent investigation, and the Trustee's responsibilities hereunder shall not extend beyond the receipt of such certificates and reports required to be submitted to the Trustee by the Borrower under this Agreement. The Trustee shall be under no duty to make any investigation or inquiry as to any statement or other matter referred to in such instruments but it may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. Any certificate or document provided to the Trustee shall not contain Social Security numbers. If Social Security numbers are included in the document, the document shall be transmitted to the Trustee in a secured electronic method approved by the Trustee.

SECTION 13. Amendment.

This Agreement may be amended to reflect changes in Sections 103 and 141 through 150 of the Code, the applicable Regulations and administrative guidance promulgated thereunder. The Issuer, the Borrower and the Trustee each covenants to take any lawful action (including amendment of this Agreement) (in the case of the Trustee, upon payment of its fees and expenses related to such action) if, in the opinion of Bond Counsel, such action is necessary to comply fully with all applicable rules, rulings, policies, procedures, regulations or other official statements promulgated or proposed by the Department of the Treasury or the Internal Revenue Service from time to time pertaining to obligations issued under Section 103 of the Code and affecting the Project. No amendment of this Agreement shall be made without the prior written approval of the Issuer, the Trustee and the Borrower and an approving opinion of Bond Counsel that such amendment will not adversely affect the tax-exempt status of the Series 2022A Bonds.

SECTION 14. Severability.

The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

SECTION 15. Notices.

The Issuer, the Borrower and the Trustee each agree that all notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when mailed by certified or registered mail, return receipt requested, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing:

The Borrower: PSG Vesta Derby Oaks LLC
c/o Patriot Services Group
10151 Deerwood Park Blvd, Bldg 200, Suite 250
Jacksonville, FL 32256
Attention: Rick Wheat
Email: rick.wheat@patriotservices.org

The Issuer: Louisville/Jefferson County Metro Government
527 W. Jefferson Street
Louisville, KY 40202
Attention: Office of the Mayor
Email: _____
Facsimile: _____

The Trustee: The Bank of New York Mellon Trust Company, National Association
4655 Salisbury Road, Suite 300
Jacksonville, FL 32256
Attention: Sheila S. Papelbon
Email: Sheila.papelbon@bnymellon.com

SECTION 16. Governing Law.

This Agreement shall be construed in accordance with and governed by the laws of the Commonwealth and, where applicable, the laws of the United States of America, *provided*, that, with respect to the existence, corporate powers, legal capacity, rights (including, without limitation, rights to indemnification and exculpation from liability), privileges, powers, obligations and liabilities of the Issuer, this Agreement shall be governed by the laws of the Commonwealth, excluding conflicts of law principles.

All claims of whatever character arising out of this Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Person, shall be brought in any state or federal court of competent jurisdiction located in the county where the Project is located. By executing and delivering this Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving joint powers commissions or

governmental units of the Commonwealth that may exist at the time of and in connection with such matter.

SECTION 17. Termination.

The Issuer, the Borrower and the Trustee each agrees that this Agreement shall terminate:

(a) *Completion.* Upon the termination of the Qualified Project Period;

(b) *Involuntary Non-Compliance.* In the event of an involuntary non-compliance caused by unforeseen events, such as fire, seizure, requisition, change in a federal law or an action of a federal agency after the date of issuance of the Series 2022A Bonds that prevents the Issuer or the Trustee from enforcing the provisions of this Agreement or condemnation or similar event, provided that:

(i) the Series 2022A Bonds are retired at their first applicable available call date; or

(ii) any insurance proceeds or condemnation award or other amounts received as a result of such loss or destruction are used to provide a project that meets the requirements of Sections 145 and 142(d) of the Code and Regulation § 1.103-8(b) as amended, or any successor law or regulation;

(c) *Certain Transfers.* In the event of foreclosure, transfer of title by deed in lieu of foreclosure, or similar event, following which and within a reasonable period of time the Series 2022A Bonds are redeemed or the amounts received as a consequence of such event are used to provide a qualified residential rental project meeting the applicable requirements of the Code and the Regulations, unless, at any time subsequent to such event and during the Qualified Project Period, the Borrower or any direct successor in interest, or any transferee from the Borrower or its successor subject to an Assumption Agreement, or any Related Person to such persons, or any other person who was, prior to the event of foreclosure or other such event, an obligor on any Purpose Investment issued in connection with any financing for the Project, obtains an ownership interest in the Project for tax purposes;

(d) *Opinion of Bond Counsel.* Upon the delivery of an opinion of Bond Counsel acceptable to the Issuer and the Trustee that continued compliance with the requirements of Section 7 hereof is not required in order for interest on the Series 2022A Bonds to be and continue to be excludable from gross income for federal income tax purposes.

SECTION 18. Post-Defeasance or Redemption.

The Issuer, the Borrower and the Trustee each agrees that upon the defeasance or full redemption of the Series 2022A Bonds, the Trustee shall have no further obligation hereunder. Borrower represents, fully warrants and covenants that in the event that the Series 2022A Bonds are defeased or redeemed, but this Agreement remains in full force and effect, it shall contract, at Borrower's expense, with a compliance monitoring agent reasonably satisfactory to the Issuer, to review compliance by the Borrower with the requirements of this Agreement.

SECTION 19. Indemnification.

Provided that this indemnity shall not include the payment of principal and interest under the Financing Agreements (it being intended that the repayment of the Loan(s) is an obligation of the Borrower, as provided in the applicable Financing Agreements),

(a) Indemnification of the Trustee. The Borrower hereby covenants and agrees that it shall indemnify and hold harmless the Trustee and its officers, directors, officials, employees and agents from and against (a) any and all claims of or on behalf of any person arising from any cause whatsoever in connection with the Real Estate or the financing thereof, (b) any and all claims arising from any act or omission of the Borrower or any of its agents, contractors, servants, employees or licensees, in connection with the Series 2022A Bonds, the Financing Agreements, the Note, any mortgage, this Agreement or the Project and (c) all costs, reasonable counsel fees, expenses or liabilities incurred in connection with any such claim or proceeding brought thereon. In the event that any action or proceeding is brought against the Trustee, or any of its officers, directors, officials, employees or agents with respect to which indemnity may be sought hereunder, the Borrower, upon written notice from the indemnified party, shall assume the investigation and defense thereof, including the employment of counsel and the payment of all expenses. The indemnified party shall have the right to participate in the investigation and defense thereof and in the event the indemnified party reasonably determines that a conflict of interest exists between such party and the Borrower in connection therewith, or if all parties commonly represented do not agree as to the action (or inaction) of counsel, the indemnified party may employ separate counsel without the consent or approval of the Borrower, and in such event the Borrower shall pay the reasonable fees and expenses of such separate counsel. The obligations of the Borrower hereunder are full recourse obligations. Notwithstanding the foregoing, no party shall be indemnified pursuant to this Section 19(a) against its own gross negligence or willful misconduct. The indemnification obligations hereunder shall be cumulative with and in addition to, all other indemnification obligations owed from the Borrower to the Trustee and their related indemnified parties under any Bond Document (as defined in the Indenture).

(b) Indemnification and Release of the Issuer. The Borrower hereby expressly agrees that the indemnification and release provisions of the Loan Agreement (including, without limitation, Section 6.4 thereof providing for the Borrower's obligation to indemnify and release the Issuer and the Issuer Indemnified Persons (as defined therein) against Liabilities (as defined therein)) are incorporated by reference and made a part hereof as if fully set forth herein and shall be applicable to this Agreement and to any such Liabilities that may arise in whole or in part under this Agreement. THE BORROWER FURTHER EXPRESSLY ACKNOWLEDGES AND AGREES THAT SUCH INDEMNIFICATION AND RELEASE OBLIGATION EXTENDS, WITHOUT REGARD TO OR THE NECESSITY OR ANY BREACH OR FAULT ON THE PART OF ANY BORROWER, TO THE ISSUER'S OR ANY OTHER AUTHORITY INDEMNIFIED PERSON'S OWN NEGLIGENCE OF ANY KIND OR DEGREE, OR BREACH OF CONTRACTUAL DUTY, EXCEPT INsofar AS AND TO THE EXTENT THAT ANY SUCH LIABILITIES ARISE FROM THE WILLFUL MISCONDUCT OF THE PERSON SEEKING INDEMNIFICATION.

SECTION 20. Recordation.

The Issuer, the Trustee and the Borrower each agrees that the Borrower shall cause this Agreement (and all amendments and supplements hereto) to be recorded and filed in the conveyance and real property records of the county where the Project is located and in such other places as the Issuer or

the Trustee may reasonably request. This Agreement (and all amendments and supplements hereto) shall be recorded in the grantor-grantee index to the name of the Borrower as grantor and to the name of the Trustee as the grantee. The Borrower should pay all fees and charges incurred in connection with any such recording(s). Upon delivery by the Borrower to the Trustee of an opinion of independent counsel acceptable to the Trustee that the conditions to termination of this Agreement have been made, the Trustee and the Issuer shall, upon request by the Borrower, and at the Borrower's expense, file any documentation necessary to remove this Agreement from the real estate records of the county where the Project is located.

SECTION 21. Covenants to Run with the Land; Successors Bound.

The Borrower hereby subjects the Real Estate to the covenants, reservations and restrictions set forth in this Agreement. The Issuer, the Trustee and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall be deemed covenants, reservations and restrictions running with the land to the extent permitted by law and shall pass to and be binding upon the Borrower's successors in title to the Real Estate throughout the term of this Agreement. Each and every contract, deed, mortgage, or other instrument hereafter executed covering or conveying the Real Estate or any portion thereof or interest therein shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed, mortgage or other instrument.

SECTION 22. No Conflict with Other Documents.

The Borrower warrants that it has not executed and will not execute any other agreement with provisions contradictory to, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations herein set forth and supersede all other requirements in conflict herewith.

SECTION 23. Non-Liability of Issuer.

Neither of the Issuer nor any Issuer Indemnified Person (as defined in the Loan Agreement) shall be liable for any costs, expenses, losses, damages, claims or actions of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement except only to the extent amounts are received for the payment thereof from the Borrower under the Loan Agreement.

SECTION 24. Multiple Counterparts.

This Regulatory Agreement may be simultaneously executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

[Signatures to follow]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed and sealed by their respective, duly authorized representatives, as of the date first mentioned above.

[Seal]

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

Attest:

Sonya Harward, Metro Council Clerk

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

(Signature Page to PSG Vesta Derby Oaks LLC Land Use Restriction Agreement)

COMMONWEALTH OF KENTUCKY)
) SS.
COUNTY OF JEFFERSON)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Greg Fischer, Mayor, Louisville/Jefferson County Metro Government, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that he/she signed and delivered said instrument as his/her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal the _____ day of _____, 2022.

Notary Public

My commission expires:

(Notary Page to PSG Vesta Derby Oaks Land Use Restriction Agreement)

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION**

By: _____
Camilla J. Lindsey
Vice President

(Signature Page to PSG Vesta Derby Oaks Land Use Restriction Agreement)

STATE OF _____)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Camilla J. Lindsey, Vice President of The Bank of New York Mellon Trust Company, National Association, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that she signed and delivered said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal the _____ day of _____, 2022.

Notary Public

My commission expires:

(Notary Page to PSG Vesta Derby Oaks Land Use Restriction Agreement)

PSG VESTA DERBY OAKS LLC,
A Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not for
profit corporation, its Manager

By: _____
Frederick Wheat, Authorized Signatory

(Signature Page to PSG Vesta Derby Oaks Land Use Restriction Agreement)

STATE OF _____)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Frederick Wheat, Authorized Signatory of Patriot Services Group, Inc., Manager of PSG Vesta Derby Oaks LLC, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that he signed and delivered said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal the _____ day of _____, 2022.

Notary Public

My commission expires:

(Notary Page to PSG Vesta Derby Oaks LLC Land Use Restriction Agreement)

EXHIBIT A
DESCRIPTION OF PROJECT SITE & REAL PROPERTY

0149946.0753850 4863-1444-5327v4

4886-7396-1218.4

TAX COMPLIANCE AGREEMENT

among

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

and

PSG VESTA DERBY OAKS LLC
as Borrower

and

PATRIOT SERVICES GROUP, INC.
as Sole Member of the Borrower

Dated _____, 2022

Executed as Part of the Proceedings for the
Authorization and Issuance of:

\$ __,000,000
Louisville/Jefferson County Metro Government
Industrial Building Revenue Bonds
(Vesta Derby Oaks Project)
Series 2022A

Table of Contents

Page

ARTICLE I INTRODUCTORY MATTERS

Section 1.01.	Definitions.....	2
Section 1.02.	Reliance.....	2
Section 1.03.	Scope of Agreements, Covenants and Representations.....	2

ARTICLE II CERTAIN COVENANTS AND REPRESENTATIONS

Section 2.01.	Covenants and Representations Regarding Sole Member	3
Section 2.02.	Representations Regarding Borrower	3
Section 2.03.	Reliance.....	4

ARTICLE III THE BONDS AND ALLOCATION OF SALE PROCEEDS

Section 3.01.	Purpose of the Bonds	4
Section 3.02.	Source and Disbursement of Funds	4

ARTICLE IV FUNDS AND ACCOUNTS; ARBITRAGE COMPLIANCE

Section 4.01.	Funds and Accounts and Limitations on Investment.....	6
Section 4.02.	Arbitrage Representations and Elections	9
Section 4.03.	Price and Yield of Bonds; Program Investment	11
Section 4.04.	Application of Certain Gifts.....	12
Section 4.05.	Arbitrage Compliance; Rebate Requirement; Investment Instructions	13

ARTICLE V THE FINANCED PROPERTY; COMPLIANCE WITH CODE

Section 5.01.	Description of the Financed Property; Religious Use Limitations	14
Section 5.02.	Representations Relating to Section 145(d) of the Code	14
Section 5.03.	Representations Relating to Revenue Procedure 96-32.....	15
Section 5.04.	No Change in Ownership of the Financed Property	15
Section 5.05.	General Limits on the Use of Proceeds.....	16
Section 5.06.	Research Agreements.....	18
Section 5.07.	No Other Issues	18
Section 5.08.	Representations for Purposes of IRS Form 8038.....	18
Section 5.09.	Additional Tax Covenants	19
Section 5.10.	Post-Issuance Tax Compliance and Remedial Action Procedures	19
Section 5.11.	Public Approval Requirement.....	19
Section 5.12.	Costs of Issuance Limitation.....	19
Section 5.13.	\$150,000,000 Limitation.....	19
Section 5.14.	Schedule K to Internal Revenue Service Form 990.....	20

ARTICLE VI MISCELLANEOUS

Section 6.01.	Inquiry and Audit Expenses.....	20
Section 6.02.	Term.....	20
Section 6.03.	Amendments	20

Table of Contents
(continued)

	Page
Section 6.04.	Events of Default 20
Section 6.05.	Remedies for an Event of Default..... 20
Section 6.06.	No Pecuniary Liability of Issuer 21
Section 6.07.	Titles, Headings, Etc. 21
Section 6.08.	Exhibits and Schedules 21
Section 6.09.	Severability 21
Section 6.10.	Governing Law 21
Section 6.11.	Execution in Counterparts..... 21
EXHIBIT A	DEFINITIONS
EXHIBIT B	CERTIFICATE OF PLACEMENT AGENT
EXHIBIT C	501(C)(3) DETERMINATION LETTER
EXHIBIT D	INVESTMENT INSTRUCTIONS
EXHIBIT E	FINANCED PROPERTY
EXHIBIT F	CERTAIN IRS FORM 8038 INFORMATION
EXHIBIT G	FINAL NUMBERS
EXHIBIT H	POST-ISSUANCE TAX COMPLIANCE POLICY

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT, dated _____, 2022 (this “Tax Compliance Agreement”), among the **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, as issuer of the hereinafter defined Bonds (together with any successors or assigns, the “Issuer”), **PSG VESTA DERBY OAKS LLC** (together with any successors or assigns, the “Borrower”) and **PATRIOT SERVICES GROUP, INC.** (together with any successors or assigns, the “Sole Member”);

WITNESSETH:

WHEREAS, capitalized terms used but not defined in these recitals have the meanings required by Section 1.01 below; and

WHEREAS, at the request of the Borrower, the Issuer is issuing its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A in the aggregate principal amount shown on the cover page of this Tax Compliance Agreement (the “Bonds”) and loaning the Sale Proceeds to the Borrower pursuant to the Loan Agreement for the purpose of accomplishing the “Project,” consisting of (a) paying the costs of acquiring and constructing the Financed Property, (b) funding a deposit to the Capitalized Interest Account of the Bond Fund to pay interest on the Bonds, (c) funding a deposit to the Tax-Exempt Bond Account of the Debt Service Reserve Fund to be used as a reasonably required reserve fund and (d) paying Costs of Issuance of the Bonds; and

WHEREAS, the Bonds will bear interest at a fixed rate of interest to maturity and will be placed in a private placement by Piper Sandler & Co. (the “Placement Agent”) for purchase by _____, as initial bondholder (the “Initial Bondholder”); and

WHEREAS, in the Indenture, the Issuer will assign loan payments and certain other sums due and to become due under the Loan Agreement to the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds; and

WHEREAS, contemporaneously with the issuance of the Bonds and also pursuant to the Indenture, the Issuer is issuing its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Taxable Series 2022B in the aggregate principal amount of \$_,000,000 (the “Taxable Bonds”), all of which are intended to be taxable obligations and for that reason are not further described in this Tax Compliance Agreement; and

WHEREAS, the facts, circumstances, estimates and representations furnished herein by or on behalf of the Issuer are based solely on information provided by the Borrower, and the agreements and covenants of the Issuer are limited in all respects to those matters and actions within the control of the Issuer; and

WHEREAS, the Issuer, the Borrower and the Sole Member are executing and delivering this Tax Compliance Agreement to ensure compliance with the provisions of the Code and Regulations; and

WHEREAS, the restrictions listed in this Tax Compliance Agreement must be satisfied to ensure that interest on the Bonds will be and remain excludable from gross income for federal income tax purposes;

NOW THEREFORE, the Issuer, the Borrower and the Sole Member agree as follows:

ARTICLE I

INTRODUCTORY MATTERS

Section 1.01. Definitions. Capitalized terms used herein and not otherwise defined in the recitals or the body of this Tax Compliance Agreement or in Exhibit A hereto have the same meanings as defined in the Indenture.

Section 1.02. Reliance. Bond Counsel and the Issuer are permitted to rely on the contents of any certifications, documents or instructions provided pursuant to this Tax Compliance Agreement and are not responsible or liable in any way for the accuracy of their contents or the failure of the Borrower or the Sole Member to deliver any required information.

Section 1.03. Scope of Agreements, Covenants and Representations. Except as expressly set forth in Sections 1.02, 2.03, 3.01(a), 3.02(a), 4.02(b) and (d), 4.03(d) and (e), 4.05(b), 5.07 (last sentence), 5.08 and 5.09 of this Tax Compliance Agreement and only to the extent the aforementioned Sections and Subsections pertain to the Issuer, the Issuer is making the certifications and representations herein (including, without limitation, as to its expectations concerning the uses of the Proceeds and the use and operation of the Financed Property and other matters) in reliance (without independent investigation or inquiry) exclusively upon the certification and representations of (a) the Borrower, the Sole Member and other parties set forth in this Tax Compliance Agreement and the exhibits hereto, in any other document or agreement executed and delivered in connection with the Bonds (regardless of whether the Issuer is a party thereto) or in any other document otherwise included in the books and records with respect to the Bonds, (b) the Placement Agent in the Certificate of the Placement Agent (the "Certificate of the Placement Agent") attached hereto as Exhibit B and (c) the Initial Bondholder in the Investor Letter included in the transcript for the Bonds. Although the Issuer has made no independent investigation of the representations of other parties, including the Borrower, the Issuer is not aware of any facts or circumstances that would cause the Issuer to question the accuracy or reasonableness of any such representations, certifications and estimates made in this Tax Compliance Agreement. With respect to any representations or certifications regarding matters of federal tax law, the Issuer is relying exclusively on the advice of Bond Counsel.

With regard to the covenants of the Issuer herein, the Issuer is exclusively relying on the faithful performance by the Trustee and the Borrower of such entity's respective obligations under the Indenture and the Loan Agreement pertinent hereto. Any requirement that the Issuer will not permit or allow an action, or similar requirement, pertains solely to the actions of the Issuer, and the Issuer has no obligation to prevent, or attempt to prevent, any action by the Borrower. Performance by the Issuer of its covenants and obligations herein is subject to the provisions of Section 9.16 of the Loan Agreement.

ARTICLE II

CERTAIN COVENANTS AND REPRESENTATIONS

Section 2.01. Covenants and Representations Regarding Sole Member. The Sole Member represents as follows: (a) the Sole Member is an organization described in Section 501(c)(3) of the Code, which is not a “private foundation” as defined in Section 509(a) of the Code; (b) the Sole Member has received a letter from the Internal Revenue Service to that effect which is attached as part of Exhibit C to this Tax Compliance Agreement; (c) such letter has not been modified, limited or revoked; (d) the Sole Member has complied with and is in compliance with all terms, conditions and limitations, if any, contained in such letter; (e) the facts and circumstances that form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist and are consistent in all respects with the Sole Member’s current and planned operations and uses of the Financed Property; (f) the Sole Member is exempt from federal income taxation under Section 501(a) and Section 501(c)(3) of the Code; (g) none of the Sole Member’s income or profit has or will inure to the benefit of any private parties; (h) control of the Sole Member is vested entirely in the Sole Member; and (i) ownership and operation of the Financed Property will not constitute an Unrelated Trade or Business of the Sole Member and is in furtherance of the Sole Member’s charitable purposes.

The Sole Member agrees as follows: (a) the Sole Member will not perform any acts or enter into any agreement that will adversely affect the Sole Member’s federal income tax status described in the preceding paragraph nor will the Sole Member carry on or permit to be carried on in respect to the Financed Property any trade or business activity by any person if such activity would adversely affect the federal income tax status of interest on the Bonds or if such activity would adversely affect the Sole Member’s federal income tax status under Section 501(c)(3) of the Code; (b) the Sole Member will continue to conduct the Sole Member’s operations in a manner that will result in the Sole Member continuing to qualify as an organization described in Section 501(c)(3) of the Code, including but not limited to the timely filing of all returns, reports and requests for determination with the Internal Revenue Service and the timely notification of the Internal Revenue Service of all changes in the Sole Member’s organization and purposes from the organization and purposes previously disclosed to the Internal Revenue Service; and (c) the Sole Member will not divert any substantial part of the Sole Member’s corpus or income for a purpose or purposes other than those for which the Sole Member is organized and operated. The Sole Member’s federal employer identification number is 26-4520112.

The Sole Member represents that neither the Sole Member nor the Borrower is under examination or audit by the Internal Revenue Service, nor has the Borrower or the Sole Member received notice, oral or written, from the Internal Revenue Service of a proposed examination or audit thereby, with respect to any fiscal year of the Borrower or of the Sole Member.

Section 2.02. Representations Regarding Borrower. The Borrower represents that (a) it is a single member limited liability company, (b) its sole member is the Sole Member, (c) it has not filed Internal Revenue Service Form 8832 to be treated as a corporation and has not otherwise made an election to be treated as a corporation for federal income tax purposes, (d) the Sole Member has not filed Internal Revenue Service Form 8832 to treat the Borrower as a corporation and has not otherwise made an election to treat the Borrower as a corporation for

federal income tax purposes, and (e) the Borrower continues to be treated, or has made an election to be treated, as a single member “disregarded entity” for federal income tax purposes.

Section 2.03. Reliance. The Issuer and the Borrower each acknowledges that, in rendering any opinion in connection with the Bonds, Bond Counsel will rely on the opinion of Lippes Mathias LLP regarding the federal income tax status under Section 501(c)(3) of the Code of the Sole Member and the matters described in Section 2.02 above relating to the Borrower.

ARTICLE III

THE BONDS AND ALLOCATION OF SALE PROCEEDS

Section 3.01. Purpose of the Bonds.

(a) The Issuer is issuing the Bonds and loaning the Sale Proceeds to the Borrower pursuant to the Loan Agreement to provide funds to accomplish the Project defined and described in the recitals to this Tax Compliance Agreement.

(b) The Borrower certifies that the Proceeds to be used to finance the purposes described in (a) above, together with any investment income thereon, do not exceed the amount necessary, based on all the facts and circumstances known to the Borrower on this date, to provide financing for such purposes.

(c) The Borrower does not expect that the plan of financing relating to the Bonds will result in the creation of any Replacement Proceeds other than amounts, if any, to be deposited in a bona fide debt service fund or reasonably required reserve or replacement fund. The Borrower certifies that the Average Maturity of the Bonds does not exceed 120 percent of the remaining Average Economic Life of the Financed Property.

(d) The Borrower reasonably expect that at least 85 percent of the Net Sale Proceeds will be allocated to Expenditures for Capital Projects for the Project within three years of the date hereof. In addition, the Borrower covenants that not more than 50 percent of the Proceeds will be invested in Nonpurpose Investments having a substantially guaranteed yield for four years or more.

Section 3.02. Source and Disbursement of Funds.

(a) The Proceeds from the sale of the Bonds (referred to herein as the “Sale Proceeds”) equal \$___,000,000 (constituting the par amount of the Bonds). The Issuer will loan such full amount to the Borrower pursuant to the Loan Agreement.

(b) The Borrower reasonably expects to need and fully expend the \$___,000,000 available to the Borrower in connection with the issuance of the Bonds as set forth below, notwithstanding any direct tracing or wire transactions:

(i) \$_____ will be deposited to the Costs of Issuance Account of the Project Fund and used to pay Costs of Issuance of the Bonds (including the Issuer’s conduit issuer fee of \$_____);

(ii) \$_____ will be deposited to the Tax-Exempt Bond Account of the Debt Service Reserve Fund and used to accomplish the purposes of such account;

(iii) \$_____ will be deposited to the Capitalized Interest Account of the Bond Fund and used to pay interest on the Bonds through _____, 20__;
and

(iv) \$_____ will be deposited to the Project Fund (other than to the Costs of Issuance Account thereof) and used to pay the costs of acquiring and constructing the Financed Property.

(c) The Borrower has attached hereto as Exhibit G final transaction numbers for the issuance of the Bonds prepared by the Placement Agent.

(d) The Borrower represents that the Sale Proceeds referred to in (b)(iii) above do not exceed an amount equal to the interest on the Bonds for a period commencing on the date hereof and ending on the date that is the later of three years from the date hereof or one year after the date the Financed Property is Placed in Service. The Borrower also represents that such Sale Proceeds do not replace other moneys of the Borrower or the Issuer that would, absent such Sale Proceeds, be available for payment of such interest on the Bonds.

(e) The Borrower currently does not anticipate reimbursing itself or a Related Party to them from Proceeds for expenditures paid by it or such Related Party prior to the date hereof (“Reimbursed Expenditures”). Any reimbursement for Reimbursed Expenditures will be for Capital Expenditures heretofore paid by the Borrower or a Related Party to the Borrower solely from other available moneys and not from proceeds of a borrowing and solely for purposes of the Project. The Borrower covenants that, in the event of any such reimbursement, Reimbursed Expenditures that are not preliminary expenditures (within the meaning of Section 1.150-2(f)(2) of the Regulations) or that are not *de minimis* (within the meaning of Section 1.150-2(f)(1) of the Regulations) will not have been paid by it more than 60 days prior to the date on which the Issuer, the Borrower or the Sole Member have adopted an official intent (within the meaning of Section 1.150-2(d) of the Regulations), and any allocation of Proceeds to such Reimbursed Expenditures will be made within the timeframe required by Section 1.150-2(d) of the Regulations.

(f) The Borrower covenants to retain with its books and records for the Bonds all completed requisition forms for draws from the funds and accounts referenced in (b) above for a period of at least equal to the Documentation Retention Period.

ARTICLE IV

FUNDS AND ACCOUNTS; ARBITRAGE COMPLIANCE

Section 4.01. Funds and Accounts and Limitations on Investment. The Issuer and the Borrower each covenants that amounts constituting Gross Proceeds will not be invested at a Yield in excess of the Bond Yield and will subject to the Rebate Requirement, except as specifically

provided in the following paragraphs or elsewhere in this Tax Compliance Agreement. Notwithstanding the foregoing in this Section, such amounts may be invested at a Yield in excess of the Bond Yield upon prior delivery to the Issuer of an opinion of Bond Counsel to the effect that such investment will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(a) **Minor Portion.** The Issuer and the Borrower each acknowledges that a minor portion of the Gross Proceeds (the “Minor Portion”) may be invested without yield restriction in an amount not exceeding the lesser of (i) \$100,000 or (ii) five percent of the Sale Proceeds, as further described in Section 148(e) of the Code.

(b) **Bond Fund.** The Bond Fund, as properly allocable to the Bonds, is established to achieve a proper matching of revenues with principal and interest payments on the Bonds within each Bond Year. Accordingly, the Issuer and the Borrower will treat the amounts deposited in the Bond Fund that are to be expended to pay the principal of and interest on the Bonds as the same become due and which will be depleted at least once each Bond Year (except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the Bond Fund allocable to the Bonds for the immediately preceding Bond Year, or (ii) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year) as a bona fide debt service fund. It is reasonably expected that all amounts, if any, received as income from the investment of the Bond Fund allocable to the Bonds will be expended to pay the principal of and interest on the Bonds within one year of receipt thereof. Such moneys may be invested without regard to investment yield limitation for a period of 13 months from the date of receipt, and thereafter, or at any time to the extent such amounts exceed the amounts described in this subsection, may not be invested in obligations bearing a Yield in excess of the Bond Yield. To the extent required by the Code, such amounts are subject to the Rebate Requirement.

(c) **Costs of Issuance Account.** The Borrower represents that the Costs of Issuance Account within the Project Fund is established to account for the payment of Costs of Issuance of the Bonds. The Borrower further represents that amounts on deposit in such Costs of Issuance Account are not expected to be used to pay debt service on the Bonds and there is no assurance that such amounts will be available to pay debt service on the Bonds in the event revenues for such purpose are not otherwise available. The Borrower reasonably expects that Proceeds on deposit in the Costs of Issuance Account of the Project Fund will be spent on Costs of Issuance of the Bonds within six months of the date hereof. The Borrower covenants to subject Proceeds on deposit in the Costs of Issuance Account of the Project Fund to the investment limitations described below for the Project Fund and acknowledges that such Proceeds will be subject to the Rebate Requirement. The Borrower covenants to maintain for the Documentation Retention Period records in its file identifying each Cost of Issuance of the Bonds, whether paid from Proceeds or from other sources.

(d) **Project Fund.** The Project Fund (exclusive of the Costs of Issuance Account therein) is established to account for the payment of the costs of acquiring and constructing the Financed Property. Amounts on deposit in the Project Fund are not expected to be used to pay debt service on the Bonds and there is no assurance that such

amounts will be available to pay debt service on the Bonds in the event there are no other revenues available to make such payment. The Borrower reasonably expects and represents, and the Issuer acknowledges and accepts, as set forth below:

(i) The Sale Proceeds deposited to the Project Fund and all the Investment Proceeds thereof and of any other moneys on deposit in the Project Fund will be allocated to Expenditures for Capital Projects.

(ii) At least 85 percent of the Net Sale Proceeds will be allocated to Expenditures on Capital Projects within three years of the date hereof. The Borrower has included on Exhibit E hereto information to support the representation made by the Borrower in this paragraph.

(iii) The Borrower will incur within six months of the date hereof a substantial binding obligation to a third party to expend at least five percent of the Net Sale Proceeds on Capital Projects. In making such representation, the Borrower acknowledges that an obligation is not binding if it is subject to contingencies within the control of the Borrower or a Related Party to the Borrower.

(iv) Completion of the Capital Projects referred to herein and the allocation of the Net Sale Proceeds to Expenditures will proceed with due diligence.

Based on the expectations and representations of the Borrower in this subsection and on Exhibit E hereto, the Borrower acknowledges and covenants, and the Issuer acknowledges and accepts, as follows:

(i) The Sale Proceeds on deposit in the Project Fund may be invested without yield restriction until the date that is three years from the date hereof. The Borrower will not thereafter invest or permit the investment of any such Sale Proceeds in obligations that bear a Yield in excess of one-eighth of one percent (0.125 percent) greater than the Bond Yield.

(ii) Any Investment Proceeds from Proceeds on deposit in the Project Fund may be reinvested without yield restriction pending disbursement. Such period of unrestricted investment may not exceed the longer of (1) a one-year period beginning on the date of receipt of such Investment Proceeds or (2) the period ending on the date which is three years from the date hereof. After the period of unrestricted reinvestment of such Investment Proceeds, such Investment Proceeds may not be invested in obligations that bear a Yield in excess of one-eighth of one percent (0.125 percent) greater than the Bond Yield.

(e) ***Debt Service Reserve Fund.*** The Indenture creates the Debt Service Reserve Fund to secure repayment of principal of and interest on the Bonds and on the Taxable Bonds. The Borrower covenants and represents as set forth below with respect to the Debt Service Reserve Fund.

(i) The Indenture requires the Debt Service Reserve Fund to be funded in an amount equal to the Debt Service Reserve Requirement. The full amount of

the Debt Service Reserve Requirement for the Bonds will be funded on the date hereof from Proceeds as described in Section 3.02(b) above. The Debt Service Reserve Fund is created for the payment of debt service on the Bonds and on the Taxable Bonds in the event that other moneys are not sufficient to make such payments. The Borrower reasonably expects that amounts on deposit in the Debt Service Reserve Fund will not be needed to pay debt service on such obligations.

(ii) In the judgment of the Borrower, based on representations of the Placement Agent in the Certificate of the Placement Agent, the establishment of the Debt Service Reserve Fund in the amount of the Debt Service Reserve Requirement for application as described in this subsection is reasonably required. The total of the amount deposited in the Debt Service Reserve Fund and properly allocable to the Bonds may be invested without yield restriction to the extent such amount does not exceed the least of (A) ten percent of the stated principal amount of the Bonds (or of the Issue Price of the Bonds if original issue discount exceeds two percent times the stated redemption price of the Bonds), (B) the maximum annual debt service on the Bonds and (C) 125 percent of average annual debt service on the Bonds. The Borrower covenants that amounts in excess of such investment limits will not be invested at a Yield in excess of the Bond Yield. In measuring whether such unrestricted investment limits have been reached, any discount on the purchase of investments bearing a Yield in excess of the Bond Yield must be accounted for ratably each Bond Year as additional amounts invested at the Yield of such investment. (The Borrower will be permitted to make Yield Reduction Payments in measuring whether the investment limits have been reached, to the extent the value of the Investments of the Debt Service Reserve Fund allocable to the Bonds does not exceed an amount equal to 15 percent of the Issue Price of the Bonds.)

(iii) The Debt Service Reserve Fund is funded to secure the Bonds and the Taxable Bonds. Accordingly, investments relating to the Debt Service Reserve Fund will be ratably allocated to the Bonds and the Taxable Bonds in accordance with Section 1.148-6(d)(6) of the Regulations (relating to allocations of commingled funds serving as common reserve funds or sinking funds). The Borrower covenants to ensure its Rebate Analyst for the Bonds appropriately makes such allocations.

(f) **Rebate Fund.** The Borrower covenants to fund and use the Rebate Fund in the manner required by this Tax Compliance Agreement. The Borrower, on its own behalf and on behalf of the Issuer, reasonably expects that no Proceeds will be deposited to the Rebate Fund. Any moneys deposited in the Rebate Fund that do not constitute Proceeds may be invested without yield restriction, and any earnings on such moneys are not subject to the Rebate Requirement. The Borrower covenants that any Investment Proceeds on deposit in the Rebate Fund will not be invested at a Yield in excess of the Bond Yield for a period of more than one year beginning on the date of receipt thereof and acknowledges that such Proceeds will be subject to the Rebate Requirement. The Borrower further covenants that any other Proceeds on deposit in the Rebate Fund will not be invested at a

Yield in excess of the Bond Yield at any time and acknowledges that such Proceeds will be subject to the Rebate Requirement.

(g) ***No Replacement Proceeds.*** The Issuer and the Borrower each covenants, expects and represents as follows: (i) neither it nor a Related Party to it nor any other substantial beneficiary of the Bonds has created or established or expects to establish any fund to pay debt service on the Bonds, or a debt service reserve fund or any other similar fund with respect to the Bonds, or a negative pledge or right of set-off in any of its funds, accounts or assets, except to the extent set forth in this Section 4.01; (ii) there are no funds or accounts that it reasonably expects will be used to pay debt service on the Bonds and for which there is a reasonable assurance that amounts on deposit therein or the investment income earned thereon will be available to pay debt service on the Bonds if the Issuer or the Borrower encounters financial difficulties, except to the extent set forth in this Section 4.01; (iii) it will not create or establish, and will not allow to be created or established, any such fund, account, negative pledge or right of set-off unless there is delivered to the Issuer an opinion of Bond Counsel to the effect that the creation or establishment of such fund, account, negative pledge or right of set-off will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(h) ***Administration Fund, Insurance and Tax Escrow Fund, Operating Fund, Repair and Replacement Fund, Operations and Maintenance Reserve Fund, Revenue Fund and Surplus Fund.*** The Indenture establishes or provides for the establishing of the funds referred to in the heading of this paragraph. The Borrower represents that there is no assurance that amounts on deposit in such funds will be available to pay debt service on the Bonds if Loan Payments are insufficient for such purpose. The Borrower covenants that none of the funds described in this paragraph will be funded with Proceeds.

Section 4.02. Arbitrage Representations and Elections.

(a) The Borrower agrees to use a reasonable, Consistently Applied Accounting Method to account for Gross Proceeds and the Investments and Expenditures of the Proceeds. The Borrower additionally agrees to use a Consistently Applied Accounting Method for allocating Proceeds to Expenditures, subject to the Current Outlay of Cash rule.

(b) The Issuer and the Borrower each agrees, to the extent within its control, not to commingle Proceeds with any other moneys, funds or accounts owned, controlled or otherwise maintained by it.

(c) In connection with the issuance of the Bonds, there has not been established, and the Borrower does not expect that there will be established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this Tax Compliance Agreement), including without limitation, any arrangement under which money, securities or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangement providing for compensating or minimum balances to be maintained by the Borrower with any owner or credit enhancer of the Bonds.

(d) The Issuer will not knowingly, and the Borrower will not, enter into or engage in any Abusive Arbitrage Devices with respect to the Bonds. If the Issuer or the Borrower invest any of the Gross Proceeds in certificates of deposit or pursuant to an investment contract, the Issuer or the Borrower, as applicable, will obtain certifications in the forms necessary to comply with safe harbors for establishing the Fair Market Value thereof.

(e) The Borrower, on behalf of the Issuer, elects to avail the Bonds of all unrestricted yield investments granted in the Regulations for temporary periods, reasonably required reserve funds and investments that are part of the Minor Portion.

(f) The Borrower, on behalf of the Issuer, elects to treat the last day of the fifth Bond Year (December 31, 2026) as the initial Computation Date and the initial rebate payment date and to treat the last day of each subsequent fifth Bond Year as subsequent Installment Computation Dates and subsequent rebate payment dates. Such dates may be changed or adjusted as permitted by the Regulations.

(g) With respect to the two-year spending exception to the Rebate Requirement (summarized in Exhibit D hereto), the Borrower sets forth the following matters:

(i) *Debt Service Reserve Fund.* Available Construction Proceeds (defined in paragraph (ii) below) are not to include earnings on the Proceeds deposited to the Debt Service Reserve Fund.

(ii) *Actual Facts.* For the provisions relating to the two-year exception that apply based on reasonable expectations, the Borrower elects to apply such provisions based on actual facts.

(iii) *Construction Issue.* The portion, if any, of the Bonds allocable to Construction Expenditures is referred to herein as the “Construction Issue.” “Construction Expenditures” means Capital Expenditures that are allocable to the cost of real property or constructed personal property and do not include expenditures for acquisitions of interests in land or other existing real property. The Borrower reasonably expects that least 75 percent of the Available Construction Proceeds of the Construction Issue are to be used for Construction Expenditures with respect to property that is to be owned by a governmental unit or entity described in Section 501(c)(3) of the Code. “Available Construction Proceeds” with respect to the Construction Issue means the amount equal to the Issue Price of the Construction Issue plus Investment Proceeds thereof (except Investment Proceeds allocable to the Proceeds deposited to the Debt Service Reserve Fund) and less Costs of Issuance allocable to the Construction Issue and paid from Proceeds of the Construction Issue.

(iv) *Penalty in Lieu of Rebate.* The Borrower does not elect to apply the penalty in lieu of rebate to the Bonds (or any portion thereof).

Section 4.03. Price and Yield of Bonds; Program Investment.

(a) The Issue Price of the Bonds is equal to \$____,000,000 (consisting of the aggregate par amount of the Bonds), based on the representations of the Initial Bondholder in the Investor Letter. The Issue Price of the Bonds has been calculated as the price paid by the Initial Bondholder for the Bonds. The Initial Bondholder has represented in the Investor Letter that the Initial Bondholder is acquiring the Bonds for its own account and not for resale.

(b) As used in this Tax Compliance Agreement, the term “Yield” refers to the discount rate that, when used in computing the present worth of all payments of principal and interest to be paid on an obligation (including amounts treated as interest), produces an amount equal to the issue price of such obligation. The calculations of Yield must be made on the basis of semiannual compounding using a 360-day year and upon the assumption that payments are made on the last day of each semiannual interest payment period (unless a different reasonable standard financial convention is explicitly adopted in accordance with Section 1.148-4(a) of the Regulations). For the purpose of computing Yield, the purchase price of any obligation is equal to the Fair Market Value as of the date of a binding contract to acquire such obligation. Adjustments must be made in accordance with Section 1.148-4(b)(3) of the Regulations to calculate the Yield of certain fixed yield obligations sold at a premium and subject to optional early redemption. The Bond Yield has been calculated by the Placement Agent to be not less than _____ percent (using a 360-day year of twelve 30-day months, as such convention has been adopted in the bond documents).

(c) The payments to be made by the Borrower to the Issuer with respect to the Loan Agreement and the payments to be made by the Issuer with respect to the Bonds are to occur on approximately the same dates. The Issuer and the Borrower do not expect that there will be any accumulation of loan payments made by the Borrower under the Loan Agreement for subsequent application to the Bonds, except within one or more bona fide debt service funds such as the Bond Fund.

(d) The Issuer and the Borrower recognize that the loan of Proceeds to the Borrower under the Loan Agreement (the “Borrower Loan”) will be treated as a program investment (as defined in Section 1.148-1(b) of the Regulations) which is a Purpose Investment, based on the circumstances listed below. Consequently, the Borrower covenants to ensure that the Yield of such loan will not exceed the Bond Yield by more than 1.50 percent.

(i) The program (for providing financial assistance to 501(c)(3) organizations) pursuant to which the Proceeds will be made available to finance the purposes of the Bonds (the “Program”) involves the origination or acquisition of Purpose Investments.

(ii) At least 95 percent of the cost of the Purpose Investments acquired under the Program represents one or more loans or financing leases to 501(c)(3) organizations.

(iii) At least 95 percent of the Receipts from the Purpose Investments are used to pay principal, interest or redemption prices on issues that financed the Program, to pay or reimburse administrative costs of those issues or of the Program, to pay or reimburse anticipated future losses directly related to the Program, to finance additional Purpose Investments for the same general purposes of the Program, or to redeem and retire governmental obligations at the next earliest possible date of redemption.

(iv) The Borrower agrees that neither the Borrower nor any Related Party to the Borrower may enter into any arrangement, formal or informal, pursuant to which the Borrower or a Related Party to the Borrower may purchase the Bonds from the Issuer in an amount related to the Borrower Loan.

(v) The Issuer represents that it has not waived the right to treat the Borrower Loan as a program investment.

(e) Neither the Issuer nor the Borrower expects to enter into any hedging transactions with respect to the Bonds. The Issuer and the Borrower each acknowledges that any future hedging transaction could affect the calculation of the Bond Yield under the Regulations and that the Internal Revenue Service could recalculate the Bond Yield if the failure to account for such hedging transaction fails to clearly reflect the economic substance of the transaction.

Section 4.04. Application of Certain Gifts.

(a) The Borrower recognizes that it or a Related Party to it may receive from time to time gifts, grants, donations, bequests or other charitable contributions, regardless of the form or the source thereof, the proceeds of which when received are or will be restricted by either the donor or the Borrower or a Related Party to the Borrower or are intended and segregated by the Borrower or a Related Party to the Borrower to be used for the payments of the costs of acquiring and constructing the Financed Property (hereinafter referred to as "Restricted Gifts").

(b) The Borrower covenants and agrees that if and when the Borrower or any Related Party to the Borrower receives any Restricted Gifts, the Borrower will apply the Excess (defined below) to the redemption of Bonds on a date no later than the first date on which the Bonds may be redeemed at 100 percent of the principal amount thereof, and until applied to such redemption, such Excess and any income thereon will be invested at a rate not in excess of the Bond Yield. The proceeds of any such Restricted Gifts need not be so applied until the aggregate amount thereof held by the Borrower (or any Related Party to the Borrower) at any time and not previously so applied is at least \$100,000.

(c) The amount of any Restricted Gifts to be used for redemption of Bonds as described in paragraph (b) above will be equal to the excess, if any, of (i) the aggregate amount of Restricted Gifts received by the Borrower or any Related Party to the Borrower as of such date over (ii) the aggregate amount of moneys which the Borrower or any Related Party to the Borrower has theretofore applied, or intend to apply based on then

current estimates, to the payment of costs of acquiring and constructing the Financed Property from sources other than the Proceeds (the “Excess”).

Section 4.05. Arbitrage Compliance; Rebate Requirement; Investment Instructions.

(a) The Issuer and the Borrower each acknowledges that the continued excludability of interest on the Bonds from gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code, including the Rebate Requirement. The Issuer and the Borrower, to the extent within each of their control, agree and covenant that the Issuer will not knowingly and the Borrower will not permit at any time or times any of the Proceeds or other funds of the Issuer or the Borrower to be used, directly or indirectly, to acquire any asset or obligation the acquisition of which would cause the Bonds to be “arbitrage bonds” for purposes of Section 148 of the Code.

(b) The Issuer and the Borrower each further agrees and covenants that it will do and perform all acts and things necessary to ensure that the requirements of Section 148 of the Code relating to the Rebate Requirement and the Regulations are met, including the payment to the United States of America of the required portion of the Rebate Amount as of each Computation Date. The Issuer and the Borrower have covenanted to comply with certain requirements of the Code relating to the Rebate Requirement as set forth in this Section 4.05 and the Issuer intends to comply with these requirements through the obligation and undertaking by the Borrower to comply with these requirements. BECAUSE THE ISSUER IS ISSUING THE BONDS FOR THE BENEFIT OF THE BORROWER AND IS SERVING SOLELY AS A CONDUIT ISSUER OF THE BONDS, THE BORROWER AGREES TO ASSUME EXCLUSIVE RESPONSIBILITY FOR COMPLYING WITH THE REBATE REQUIREMENT (INCLUDING THE RETENTION OF A QUALIFIED REBATE ANALYST, IF NECESSARY), AND THE BORROWER ACKNOWLEDGES THAT ITS OBLIGATION IN THIS REGARD IS ABSOLUTE AND UNCONDITIONAL. To that end, the Borrower agrees to retain, at its own expense, a Rebate Analyst to make such determinations and calculations as may be necessary to ensure that the actions described in the Investment Instructions are taken with respect to the Investment of Proceeds on deposit in the funds and accounts established herein or in the remaining bond documents. The provisions of the Investment Instructions are by this reference expressly incorporated herein. The Issuer and the Borrower each covenants that it will comply with the Investment Instructions with respect to the Bonds, and the Issuer and the Borrower each expects to so comply. *The Borrower specifically agrees to maintain written records with its books and records for the Bonds indicating that at least once every five years from the date hereof the Borrower has considered its rebate liability with respect to the Bonds.*

(c) The Borrower covenants to establish such accounting measures and keep such separate records as are necessary to segregate or otherwise designate the Proceeds and the Nonpurpose Investments acquired with such Proceeds for a period of at least equal to the Documentation Retention Period.

ARTICLE V

THE FINANCED PROPERTY; COMPLIANCE WITH CODE

Section 5.01. Description of the Financed Property; Religious Use Limitations. The Borrower represents and warrants for the benefit of the Issuer and the registered owners of the Bonds that the Financed Property consists of the property described and defined in more detail in the exhibits hereto.

The Borrower has not permitted nor will permit any portion of the Financed Property to be used (a) for or in sectarian instruction or study or as a place of or for use with devotional activities or religious worship or as a facility or property used primarily in connection with any part of a program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or other similar persons in the field of religion or (b) in a manner that 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 and the decisions in the highest court of the State interpreting the same.

Section 5.02. Representations Relating to Section 145(d) of the Code. The Borrower acknowledges, covenants and represents as set forth below:

(a) As further described on Exhibit E hereto, the Financed Property consists of the “Facility.” [Forty percent or more of the units of the Facility will be occupied at all times during the “qualified project period” by individuals whose income is 60 percent or less of area median gross income]. The Borrower will not sell any units within the Facility as condominium units prior to the end of the qualified project period applicable to the Facility.

(b) The income of individuals and area median gross income, for the purpose of (a) above, is determined in a manner consistent with determinations of lower income families and area median gross income under section 8 of the United States Housing Act of 1937.

(c) The term “qualified project period” for the purposes of (a) above with respect to the Facility means the period (i) beginning on the first day on which at least ten percent of the units in the Facility are occupied (except that the beginning of the qualified project period may be deferred until the date that is twelve months after the date of issuance of the Bonds if the requirements of Revenue Procedure 2004-39 are otherwise met), and (ii) ending on the latest of (1) the date which is 15 years after the date on which at least 50 percent of the residential units in the Facility are occupied, (2) the first date on which no tax-exempt obligations issued with respect to the Facility are outstanding, or (3) the date on which any Section 8 assistance terminates. Reference is hereby made to the Land Use Restriction Agreement applicable to the Facility. The representations and warranties of the Borrower contained in the Land Use Restriction Agreement are true and correct as of the date hereof. The Borrower has no reason to believe that it will be unable to comply with

the covenants contained in the Land Use Restriction Agreement for the entire term of such Land Use Restriction Agreement.

Section 5.03. Representations Relating to Revenue Procedure 96-32. In operating the Facility, the Borrower will comply with the requirements of the safe harbor of Section 3.01 of Revenue Procedure 96-32, which are summarized below:

(a) At least 75 percent of the units in the Facility are occupied by residents that qualify as low-income and either (i) at least 20 percent of the units are occupied by residents that also meet the very low-income limit for the area or (ii) 40 percent of the units are occupied by residents who also do not exceed 120 percent of the area's very low-income limit. No more than 25 percent of the units may be provided at market rates to persons who have incomes in excess of the low-income limit. For purposes of this section, "very low-income" means 50 percent of an area's median income and "low-income" means 80 percent of an area's median income, in each case, as may be adjusted by the Department of Housing and Urban Development. The Facility will actually be occupied by poor and distressed residents.

(b) The housing provided by the Facility is affordable to the charitable beneficiaries. This requirement will ordinarily be satisfied by the adoption of a rental policy that complies with government-imposed rental restrictions or otherwise provides for the limitation of the tenant's portion of the rent charged to ensure that the housing is affordable to low-income and very low-income residents.

(c) For purposes of this section, the retention of the right to evict tenants for failure to pay rent or other misconduct, will not, in and of itself, cause the Borrower to fail to meet the safe harbor.

(d) If the requirements of this section are originally met, the requirements will continue to be satisfied if a resident's income increases and would otherwise cause the requirements to no longer be satisfied, so long as the resident's income does not exceed 140 percent of the applicable income limit summarized in this section. If the resident's income exceeds 140 percent of the qualifying income limit, then the Borrower must rent the next comparable non-qualifying unit to someone under the income limits.

Section 5.04. No Change in Ownership of the Financed Property. The Borrower intends and expects that it will own and operate the Financed Property at all times during the term of the Bonds. The Borrower represents that it does not know of any reason why the Financed Property will not be so owned and used in the absence of (a) supervening circumstances not now anticipated by them, (b) adverse circumstance beyond its control or (c) obsolescence of such insubstantial parts or portions thereof as may occur as a result of normal use thereof. The Borrower recognizes that a change in ownership of the Financed Property could result in loss of tax-exemption of interest on the Bonds and in denial of an interest deduction under Section 150 of the Code. The Borrower will not change the use, ownership or nature of any portion of the Proceeds or the Financed Property so long as the Bonds remain outstanding unless, in the written opinion of Bond Counsel (with respect to any Bonds that are to remain outstanding after such change), such change will not adversely affect the excludability of interest on the Bonds from gross

income for federal income tax purposes, except that the Borrower may without an opinion (but subject to any applicable provisions of the bond documents) sell or otherwise dispose of minor parts or portions of the Financed Property as may be necessary due to normal wear, tear or obsolescence.

THE BORROWER COVENANTS TO DISCUSS WITH BOND COUNSEL ANY ANTICIPATED DISPOSITION OF ANY PORTION OF THE FINANCED PROPERTY PRIOR TO COMPLETING ANY SUCH DISPOSITION EVEN IF SUCH PORTION OF THE FINANCED PROPERTY HAS BEEN RELEASED FROM THE LIEN OF THE INDENTURE (OR HAS NOT BEEN SUBJECT TO ANY SUCH LIEN). For the benefit of the Issuer, the registered owners of the Bonds and Bond Counsel, the Borrower acknowledges and agrees that it is solely responsible for complying with the covenants set forth in this section concerning continuing ownership by the Borrower of all of the Financed Property.

Section 5.05. General Limits on the Use of Proceeds. To ensure that interest on the Bonds is excludable from gross income for federal income tax purposes, each of the Issuer and the Borrower covenants, agrees, represents and acknowledges, as applicable, as follows:

(a) ***Private Activity Bonds.*** The Borrower represents that it has not used or caused to be used, and covenant that it will not use or cause to be used, the Financed Property, and covenants that it will not invest the Proceeds or any other amounts held under the bond documents or any Investment earnings thereon, in a manner that will result in the Bonds becoming private activity bonds (other than qualified 501(c)(3) bonds) within the meaning of Sections 141 and 145 of the Code.

(b) ***Private Business Use.*** In furtherance of the covenant set forth in paragraph (a) above, the Borrower represents and covenants that the Borrower has not and will not use (or cause or permit to be used) more than five percent of the Financed Property or of the Net Proceeds, or any income from any Investment thereof, (i) in any trade or business carried on by any person that is not an Exempt Person or (ii) in any Unrelated Trade or Business of the Sole Member and of any other Exempt Person (further defined herein as a “Private Business Use”). The test described in this paragraph is referred to herein as the “Private Business Use Test.” The Borrower acknowledges that any use of Proceeds to pay Costs of Issuance of the Bonds constitutes private business use.

For purposes of the private business use test, certain incidental uses of a facility may be disregarded (and need not be treated as private business use) to the extent that the Proceeds which result in the incidental use do not exceed 2-1/2 percent of the total Proceeds. The use of the Financed Property by a person will be treated as an incidental use if such use does not involve the transfer to such person of possession and control of space that is separated physically from other areas of the facility and is not related to any other use of the facility by the same person. For example, use of space in common areas of an office building for vending machines, pay telephones and kiosks may be disregarded.

The Borrower acknowledges that arrangements with third parties including, but not limited to, arrangements involving solar panel, cell tower, advertising or wind turbine installations upon Financed Property, or similar direct or indirect uses by third parties of

Financed Property may cause the Bonds to meet the Private Business Use Test or the Private Security/Payment Test. The Borrower agrees to contact Bond Counsel to discuss the impact of any such proposed arrangements upon the tax status of the Bonds and other obligations issued by or on behalf of the Borrower from time to time.

The Borrower will not allow the Financed Property to be used in the trade or business of any person that is a non-Exempt Person (or by any person that is an Exempt Person but in an Unrelated Trade or Business of the Sole Member and of the Exempt Person) unless the Borrower obtains an opinion of Bond Counsel that such use would not adversely affect the tax status of interest on the Bonds, or unless such use complies with the short-term use exception described on Exhibit E hereto. The Borrower acknowledges that in determining whether all or any portion or function of the Financed Property is used, directly or indirectly, in the trade or business of another person, use of any portion or function of the Financed Property by a person pursuant to a lease, sublease, management contract, research contract, service contract or other arrangement must be examined. A lease, sublease, management contract, research contract, service contract or other arrangement between the Borrower and another person with respect to the Financed Property or any portion or function thereof will not result in Private Business Use of such other person if the guidelines set forth in the Regulations, Rev. Proc. 2017-13 (or subsequent or supplemental guidance, including I.R.S. Notice 2014-67) and Rev. Procs. 97-14 or 2007-47 (or subsequent guidance) are met or an approving opinion of Bond Counsel is delivered to the Issuer and the Trustee.

(c) ***Private Security or Payment.*** In furtherance of the covenant set forth in paragraph (a) above, the Borrower also represents and covenants that the Borrower has not secured nor will the Borrower secure, directly or indirectly, more than five percent of either principal or interest on the Bonds by (i) any interest in property used or to be used in a Private Business Use or (ii) any payments in respect of property used or to be used in a Private Business Use, and the Borrower has not caused or permitted nor will the Borrower cause or permit directly or indirectly, more than five percent of either principal or interest on the Bonds to be derived from payments (whether or not to the Issuer or by the Borrower) in respect of property, or borrowed money, used or to be used in a Private Business Use. The test described in this paragraph is referred to herein as the “Private Security/Payment Test.”

(d) ***Private Loan.*** In furtherance of the covenant set forth in paragraph (a) above, the Borrower also represents and covenants that the Borrower has not and will not permit the direct or indirect loan of the Financed Property or any Proceeds, or any income from any Investment thereof, (i) to a person other than an Exempt Person or (ii) to any Exempt Person for use in an Unrelated Trade or Business of the Sole Member and of such Exempt Person if the amount of such Proceeds, income or property so used or loaned or portions thereof so used in the aggregate, exceeds five percent of the Net Sale Proceeds.

(e) ***Rebate.*** The Borrower agrees to rebate all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code (and to make any applicable Yield Reduction Payments). The Borrower will not deposit or cause to be

deposited amounts in the Rebate Fund in excess of the amounts reasonably expected to be needed to make the payments to the United States of America as required by Section 148(f) of the Code.

(f) ***Federally Guaranteed.*** The Bonds are not, and the Issuer and the Borrower expects that the Bonds will not become, directly or indirectly federally guaranteed. Unless otherwise excepted under Section 149 of the Code, the Bonds will be considered to be “federally guaranteed” if (i) the payment of principal or interest with respect to such obligations is guaranteed (in whole or in part) by the United States of America (or any agency or instrumentality thereof), (ii) five percent or more of the Proceeds are (A) used in making loans the payment of principal or interest with respect to which is guaranteed (in whole or in part) by the United States of America (or any agency or instrumentality thereof) or (B) invested (directly or indirectly) in federally insured deposits or accounts, or (iii) the payment of principal or interest on the Bonds is otherwise indirectly guaranteed (in whole or in part) by the United States of America (or any agency or instrumentality thereof).

Section 5.06. Research Agreements. The Borrower reasonably expects that it will not enter into any agreements with non-Exempt Persons under which the Borrower or such non-Exempt Persons will use any portion of the Financed Property to carry on research. The Borrower acknowledges that the foregoing expectation does not preclude the Borrower from entering into any such agreements that meet the safe harbor contained in Rev. Proc. 2007-47 or that do not result in the Bonds meeting the Private Business Use Test and the Private Security/Payment Test with respect to the Financed Property. Additionally, such expectation does not preclude the Borrower from entering into any such agreements with respect to facilities that are not part of the Financed Property.

Section 5.07. No Other Issues. The Borrower represents that during the 31-day period beginning 15 days prior to the first date on which the Initial Bondholder agreed in writing to purchase the Bonds (which was _____, 2022), no obligations that are reasonably expected to be paid out of substantially the same source of funds as the Bonds were or are reasonably expected to be sold for the benefit of the Borrower, except for the Bonds and the Taxable Bonds. The Issuer and the Borrower each acknowledges that, pursuant to Section 1.150-1(c)(2) of the Regulations, the Bonds are treated as an issue separate and apart from the Taxable Bonds for federal income tax purposes.

Section 5.08. Representations for Purposes of IRS Form 8038. The Issuer represents, for the benefit of Bond Counsel and the registered owners of the Bonds, that it has reviewed the Internal Revenue Service Form 8038 (including any schedules attached thereto) prepared by Bond Counsel and that the information contained therein relating solely to the Issuer is true, complete and correct as of the date hereof. The Issuer has provided Bond Counsel with the Issuer’s accurate federal employer identification number, which is _____. With respect to information contained in the Internal Revenue Service Form 8038 not directly related to the Issuer, and with respect to the calculations set forth in the Internal Revenue Service Form 8038, the Issuer has relied on the information provided by the Borrower attached hereto as Exhibit F. The Borrower covenants, represents and warrants, to the best of its knowledge, for the benefit of the Issuer, Bond Counsel and the registered owners of the Bonds, the truth and accuracy of the matters set forth on such exhibit. The Borrower and the Issuer each hereby directs Bond Counsel to file the Internal

Revenue Service Form 8038 with the Internal Revenue Service once the Bonds have been issued and once such form has been signed by a representative of the Issuer.

Section 5.09. Additional Tax Covenants. To ensure that interest on the Bonds is and remains excludable from gross income for federal income tax purposes, the Issuer and each the Borrower each covenants to comply with, and make all filings required by, all effective rules, rulings or regulations promulgated by the Department of the Treasury or the Internal Revenue Service with respect to the Bonds.

Section 5.10. Post-Issuance Tax Compliance and Remedial Action Procedures. The Borrower has attached hereto as Exhibit H a post-issuance tax compliance policy and procedures which it will cause the Sole Member to adopt in connection with the issuance of the Bonds. The Borrower covenants to ensure that the Sole Member will comply with such policy in connection with the Bonds and any other tax-advantaged bonds, notes, leases, loans or similar types of obligations heretofore or hereafter issued, reissued or executed and delivered for its benefit or for the benefit of the Borrower. The Borrower further covenants that it will comply, and that the Sole Member will comply, with the Issuer's post-issuance compliance policies located at _____, as it may be amended from time to time, at all times so long as any Bonds remain outstanding.

Section 5.11. Public Approval Requirement. The Borrower certifies that the public approval requirement of Section 147(f) of the Code has been satisfied with respect to the Bonds and the purposes thereof. The Borrower represents as follows with respect to such approval requirement that the Metro Council of the Issuer approved the Bonds on _____, 2022, after a hearing held by Metro Council on _____, 2022, notice of which was published on _____, 2022, in *The Courier Journal*, which is a newspaper of general circulation within the Issuer.

Section 5.12. Costs of Issuance Limitation. Not more than, in the aggregate, an amount equal to two percent of the Sale Proceeds will be used to pay Costs of Issuance of the Bonds, within the meaning of Section 147(g) of the Code.

Section 5.13. \$150,000,000 Limitation. The Borrower represents that more than 95 percent of the Net Proceeds are used to finance or refinance Capital Expenditures originally incurred after August 5, 1997. Accordingly, the Bonds are not subject to the \$150 million limitation contained in Section 145(b) of the Code.

Section 5.14. Schedule K to Internal Revenue Service Form 990. The Borrower acknowledges that the Internal Revenue Service mandates that tax-exempt organizations report various items of information with respect to post-issuance tax compliance, including Private Business Use and Unrelated Trade or Business use, on Schedule K to Internal Revenue Service Form 990. The Borrower covenants that the Sole Member will undertake to comply with the Schedule K filing requirements and consult with Bond Counsel as necessary to accurately complete Schedule K filings.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Inquiry and Audit Expenses. Without limiting the matters set forth in the Loan Agreement, the Borrower acknowledges and agrees that the covenants of the Borrower contained in the Loan Agreement specifically include the Borrower's covenant and agreement to pay all reasonable fees, costs and charges, including reasonable fees and expenses of attorneys, accountants, consultants and other experts, incurred by the Issuer in good faith and arising out of or in connection with any inquiry or audit by the Internal Revenue Service with respect to the Bonds or any obligations refinanced or refunded by the Bonds.

Section 6.02. Term. This Tax Compliance Agreement is effective from the date hereof through the date the Bonds are redeemed, paid or deemed paid pursuant to the terms of the bond documents, except that the requirements of Sections 4.02 and 4.05 hereof survive until four years after the retirement of the Bonds and the requirements of Sections 5.01 and 6.01 survive indefinitely notwithstanding payment or refunding of the Bonds.

Section 6.03. Amendments. Notwithstanding any other provision hereof, any provision of this Tax Compliance Agreement may be deleted or modified at any time with the consent of the Issuer if there is provided to the Issuer and the Trustee an opinion, in form and substance satisfactory to the Issuer, of Bond Counsel that such deletion or modification will not adversely affect the excludability of interest on the Bonds from gross income for purposes of federal income taxation and is consistent with the transaction documents.

Section 6.04. Events of Default. An event of default under this Tax Compliance Agreement includes the failure of any party to this Tax Compliance Agreement to perform any of its required duties or obligations under any provision of this Tax Compliance Agreement or the making of any representation or warranty in this Tax Compliance Agreement which proves to be false or misleading when made.

Section 6.05. Remedies for an Event of Default. Upon an occurrence of an event of default under this Tax Compliance Agreement, the Issuer or the Trustee may proceed to protect and enforce its rights and the rights of the registered owners of the Bonds by pursuing any remedy available for such default under the bond documents or by pursuing any other available remedy, including, but not limited to, a suit at law or in equity.

Section 6.06. No Pecuniary Liability of Issuer. The Bonds shall never constitute or give rise to any pecuniary liability of, or a charge against the general credit or taxing powers of, the Issuer, the State or any county, municipality, political subdivision or agency of the State.

Section 6.07. Titles, Headings, Etc. The titles and headings of the articles, sections and subsections of this Tax Compliance Agreement have been inserted for convenience of reference only and in no way modify or restrict any of the terms or provisions hereof.

Section 6.08. Exhibits and Schedules. The exhibits and schedules attached to this Tax Compliance Agreement are incorporated into this Tax Compliance Agreement and will be deemed a part of this Tax Compliance Agreement as if set forth herein in full. References to this Tax

Compliance Agreement and the words herein, hereof and words of similar import refer to this Tax Compliance Agreement (including all exhibits and schedules) as an entirety. In the event of any conflict between the provisions of this Tax Compliance Agreement and any exhibit or schedule, the provisions of this Tax Compliance Agreement will control. Capitalized terms used in the exhibits and schedules have the meanings assigned to them in this Tax Compliance Agreement. The section references referred to in the exhibits and schedules are to sections of this Tax Compliance Agreement, unless otherwise expressly indicated.

Section 6.09. Severability. If any clause, provision or section of this Tax Compliance Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section will not affect any of the remaining clauses, sections or provisions hereof.

Section 6.10. Governing Law. This Tax Compliance Agreement is governed by and construed in accordance with the laws of the State. All claims of whatever character arising out of this Tax Compliance Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Issuer and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Issuer or any Issuer Indemnified Party, shall be brought in any state or federal court of competent jurisdiction located in Jefferson County, Kentucky. By executing and delivering this Tax Compliance Agreement, each party hereto irrevocably: (a) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (b) waives any defense of *forum non conveniens*; and (c) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Issuer of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units of the Commonwealth of Kentucky that may exist at the time of and in connection with such matter.

Section 6.11. Execution in Counterparts. This Tax Compliance Agreement may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

[Signature page follows]

IN WITNESS WHEREOF, the Issuer, the Borrower, and the Sole Member have each caused this Tax Compliance Agreement to be executed in its own name and on its own behalf by its duly authorized officer, all as of the date first above written.

**LOUISVILLE/JEFFERSON COUNTY
METRO GOVERNMENT, KENTUCKY**

By: _____
Greg Fischer, Mayor

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

[Signature Page to *Vesta Derby Oaks Project* Tax Compliance Agreement]

PSG VESTA DERBY OAKS LLC, a Delaware
limited liability company

By: Patriot Services Group, Inc., a Florida not for
profit corporation, its Manager

By: _____
_____, Authorized Signatory

[Signature Page to *Vesta Derby Oaks Project* Tax Compliance Agreement]

PATRIOT SERVICES GROUP, INC., a Florida not
for profit corporation

By: _____
_____, Authorized Signatory

[Signature Page to *Vesta Derby Oaks Project* Tax Compliance Agreement]

**EXHIBIT A
TO TAX COMPLIANCE AGREEMENT**

DEFINITIONS

“*Abusive Arbitrage Device*” means any action that has the effect of (a) enabling the Issuer or the Borrower to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage and (b) overburdening the tax-exempt bond market as defined in Section 1.148-10 of the Regulations.

“*Accounting Method*” means both the overall method used to account for the Gross Proceeds of obligations (*e.g.*, the cash method or a modified accrual method) and the method used to account for or allocate any particular item within that overall accounting method (*e.g.*, accounting for Investments, Expenditures, allocations to and from different sources and particular items of the foregoing).

“*Administration Fund*” means the Administration Fund established in the Indenture.

“*Average Economic Life*” means the remaining average reasonably expected economic life of the Financed Property as defined in Section 147(b) of the Code.

“*Average Maturity*” means the average maturity of obligations as defined in Section 147(b) of the Code.

“*Bond Counsel*” means a law firm of nationally recognized bond counsel who is requested to deliver its approving opinion with respect to the issuance of and the exclusion from federal income taxation of interest on obligations. Bond Counsel with respect to the Bonds is Frost Brown Todd LLC.

“*Bond Fund*” means the Bond Fund (including the Interest Account, the Principal Account, the Special Redemption Account and the Capitalized Interest Account therein) defined in the Indenture.

“*Bond Year*” means, with respect to an issue of obligations, the period commencing not later than the Date of Issuance of the obligations and ending one calendar year thereafter. With respect to the Bonds, the Bond Year commences January 1 of each calendar year and terminates on December 31 of the immediately succeeding calendar year, except that the first Bond Year commences on the date hereof and ends on December 31, 2022, unless a different period is required by the Regulations or selected by the Issuer (at the request of the Borrower) after the date of this Tax Compliance Agreement.

“*Bond Yield*” means the Yield of the Bonds calculated in accordance with Section 1.148-4 of the Regulations.

“*Bonds*” means the Bonds defined in the recitals to this Tax Compliance Agreement, notwithstanding any contrary definition of such term set forth in the Indenture.

“*Capital Expenditure*” means any cost of a type that is properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of Placed in Service) under general federal income tax principles. For example, costs incurred to acquire, construct or improve land, buildings and equipment generally are Capital Expenditures. Whether an Expenditure is a Capital Expenditure is determined at the time the Expenditure is paid with respect to the property. Future changes in law do not affect whether an Expenditure is a Capital Expenditure.

“*Capital Project*” means all Capital Expenditures, plus related working capital expenditures to which the *de minimis* rule under Section 1.148-6(d)(3)(ii)(A) of the Regulations applies, that carry out the governmental purposes of an issue. For example, a Capital Project may include Capital Expenditures for one or more building improvements or equipment, plus related start-up operating costs and interest through the Placed in Service Date for the Capital Project.

“*Class of Investments*” means one of the following, each of which represents a different Class of Investments: (a) each category of yield restricted Purpose Investment and any program investment, as defined in Section 1.148-1(b) of the Regulations, that is subject to a different definition of materially higher Yield under Section 1.148-2(d)(2) of the Regulations; (b) yield restricted Nonpurpose Investments; and (c) all other Nonpurpose Investments.

“*Code*” means the Internal Revenue Code of 1986.

“*Computation Date*” means an Installment Computation Date or the Final Computation Date.

“*Computation Date Credit*” means, with respect to an issue of obligations, the “computation credit” treated as a Payment for Nonpurpose Investments allocable to such obligations as of the end of each Bond Year for such obligations and on the Final Computation Date for such obligations pursuant to Section 1.148-3(d)(1)(iv) of the Regulations.

“*Consistently Applied*” means applied uniformly within a fiscal period and between fiscal periods to account for Gross Proceeds of an issue and any amounts that are in a commingled fund.

“*Controlled Group*” means a group of entities controlled directly or indirectly by the same entity or group of entities within the meaning of Section 1.150-1(e) of the Regulations. The determination of direct control is made on the basis of all the relevant facts and circumstances. One entity or group of entities (the controlling entity) generally controls another entity or group of entities (the controlled entity) for purposes of this paragraph if the controlling entity possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial: (i) the right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. If a controlling entity controls a controlled entity under the test in second sentence of this paragraph, then the controlling entity also controls all entities controlled, directly or indirectly, by the controlled entity or entities. An entity is not a controlled entity for the purpose of this paragraph if the entity possesses substantial taxing, eminent domain, and police powers. For example, a city possessing substantial amounts of each of these sovereign powers is not a controlled entity of the state.

“*Costs of Issuance*” means, with respect to an issue of obligations, all costs incurred in connection with, and allocable to, the issuance or execution and delivery of such obligations, other than fees paid to or on behalf of credit enhancers as fees for Qualified Guarantees or to a conduit issuer, such as the Issuer, as a portion of such conduit issuer’s higher Yield permitted on the Purpose Investment under Section 1.148-2(d)(2) of the Regulations. Examples of Costs of Issuance include (but are not limited to): (a) underwriter fees (whether realized directly or derived through purchase of the obligation at a discount below the price at which a substantial number of the obligations are sold to the public) or lender fees; (b) counsel fees (including bond counsel, placement agent’s, underwriter’s or lender’s counsel, issuer’s counsel, Borrower’s counsel, trustee’s counsel and any other specialized counsel fees incurred in connection with the issuance of the obligation); (c) financial advisor or placement agent fees incurred in connection with the issuance of the obligation; (d) fees paid to an organization to evaluate the credit quality of the issue (except for any such fee that is paid in connection with or as a part of the fee for credit enhancement of the obligation); (e) trustee fees incurred in connection with the issuance or execution and delivery of the obligation; (f) paying agent and certifying and authenticating agent fees incurred in connection with the issuance or execution and delivery of the obligation; (g) accountant fees incurred in connection with the issuance or execution and delivery of the obligation; (h) printing costs (for the obligation and for the preliminary and final official statements or placement memoranda); (i) costs incurred in connection with any required public approval process for the obligation, if applicable (e.g., publication costs for public notices generally and costs of the public hearing); (j) costs incurred in connection with the engineering and feasibility studies necessary to the issuance or execution and delivery of the obligation (as opposed to such studies related to completion of the Financed Property, and not to the financing); and (k) fees to cover administrative costs and expenses incurred in connection with the issuance or execution and delivery of the obligation.

“*Current Outlay of Cash*” means an outlay reasonably expected to occur not later than five banking days after the date as of which the allocation of Gross Proceeds to the Expenditure is made.

“*Date of Issuance*” means the date on which an obligation is issued or executed and delivered. With respect to the Bonds, the Date of Issuance is the date of this Tax Compliance Agreement. When the term “Date of Issuance” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Date of Issuance of the Bonds, unless the context clearly requires otherwise.

“*Debt Service Reserve Fund*” means the Debt Service Reserve Fund (with the Tax-Exempt Bond Account and the Taxable Bond Account) defined in the Indenture.

“*Discharged*” means, with respect to a particular obligation, the date on which all amounts due with respect to such obligation are actually and unconditionally due, if cash is available at the place of payment, and no interest accrues with respect to such obligation after such date.

“*Documentation Retention Period*” means the period of at least four years after the later of the final payment on the Bonds or any obligation issued to refund the Bonds (or such longer period as may be required by the applicable transaction documentation for the Bonds or of any refinancing or refunding obligations).

“*Economic Accrual Method*” (also known as the constant interest method or actuarial method) means the method of computing Yield that is based on the compounding of interest at the end of each compounding period.

“*Exempt Person*” means any state or a local governmental unit of any state established pursuant to state law or any organization described in Section 501(c)(3) of the Code (except to the extent such organization is engaged in an Unrelated Trade or Business of the Borrower or of such organization).

“*Expenditure*” means a book or record entry which allocates Gross Proceeds of an obligation in connection with a Current Outlay of Cash.

“*Facility*” has the meaning set forth in the Private Placement Memorandum included in the transcript for the Bonds and is further described on Exhibit E to this Tax Compliance Agreement.

“*Fair Market Value*” means the price at which a willing buyer would purchase an Investment from a willing seller in a bona fide, arm’s-length transaction. Fair Market Value is generally determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). Except as otherwise provided in this definition, an Investment that is not of a type traded on an established securities market (within the meaning of Section 1273 of the Code) is rebuttably presumed to be acquired or disposed of for a price that is not equal to its Fair Market Value. The Fair Market Value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price. The following guidelines are certain of the guidelines that apply for purposes of determining the Fair Market Value of the obligations described below:

(a) ***Certificates of Deposit.*** The purchase of certificates of deposit with fixed interest rates, fixed payment schedules and substantial penalties for early withdrawal will be deemed to be an Investment purchased at its Fair Market Value on the purchase date if the Yield of the certificate of deposit is not less than: (a) the Yield of reasonably comparable direct obligations of the United States of America; and (b) the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(b) ***Guaranteed Investment Contracts.*** A guaranteed investment contract is a contract which is not a certificate of deposit entered into for purposes of investing Gross Proceeds of tax-exempt obligations with a party other than the issuer or Borrower of tax-exempt obligations at an interest rate or rates specified in the contract if all obligations under the guaranteed investment contract are purchased at par and retired or redeemed at par plus accrued interest. A guaranteed investment contract will be deemed to be an Investment purchased at its Fair Market Value if:

(i) a bona fide solicitation for the purchase of the investment is made (A bona fide solicitation is a solicitation that satisfies all of the following requirements: (A) the bid specifications are in writing and are timely forwarded to potential providers; (B) the bid specifications include all material terms of the bid (a term is material if it may directly or indirectly affect the Yield or the costs of the

investment); (C) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the entity soliciting the investment, the trustee or any other person (whether or not in connection with the obligation described in this tax document), and that the bid is not being submitted solely as a courtesy to the entity soliciting the investment, the trustee or any other person for purposes of satisfying the requirements of Section 1.148-5(d)(6)(iii)(B)(1) or (2) of the Regulations; (D) the terms of the bid specifications are commercially reasonable (*i.e.*, there is a legitimate business purpose for the term other than to increase the purchase price or reduce the Yield of the Investment); (E) the terms of the solicitation take into account the reasonably expected deposit and drawdown schedule for the amounts to be invested; (F) all potential providers have an equal opportunity to bid; and (G) at least three reasonably competitive providers are solicited for bids (a “reasonably competitive provider” is a provider that has an established industry reputation as a competitive provider of the type of Investments being purchased));

(ii) the bids received by the entity soliciting the investment meet all of the following requirements: (A) the entity soliciting the investment receives at least three bids from providers that such entity solicited under a bona fide solicitation meeting the requirements of paragraph (i) above that do not have a material financial interest in the issue, such as a lead underwriter, financial advisor or a Related Party of the entity soliciting the investment or the trustee (a lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the issue until 15 days after the issue date of the issue; any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the issue; a provider that is Related Party to a provider that has a material financial interest in the issue is deemed to have a material financial interest in the issue); (B) at least one of the three bids is from a reasonably competitive provider; and (C) if the entity soliciting the investment uses an agent to conduct the bidding process, such agent did not bid to provide the investment;

(iii) the winning bid is the highest yielding bona fide bid (determined net of any broker’s fees);

(iv) the obligor on the guaranteed investment contract must certify the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment; and

(v) the entity soliciting the investment (or a trustee on behalf of such entity), must retain the following items with the obligation documents until at least three years (but if a longer period is required elsewhere in this tax document for such types of records, such longer period) after the obligations are paid: (A) a copy of the contract; (B) the receipt or other record of the amount actually paid for the investments, including a record of any administrative costs paid by such entity, and

the certification referred to in paragraph (iv) above; (C) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and (D) the bid solicitation form and, if the terms of the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

“*Final Computation Date*” means the date the last obligation is Discharged.

“*Financed Property*” means the property described on Exhibit E to this Tax Compliance Agreement the costs of acquisition and construction of which will be paid from Proceeds.

“*Future Value*” means the Value of a Receipt or Payment at the end of any interval as determined by using the Economic Accrual Method and equals the Value of that Payment or Receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the obligation Yield, using the same compounding interval and financial conventions used to compute the obligation Yield.

“*Gross Proceeds*” means any Proceeds and Replacement Proceeds of the obligations. When the term “Gross Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Gross Proceeds of the Bonds, unless the context clearly requires otherwise.

“*Indenture*” means the Trust Indenture, dated as of _____ 1, 2022, between the Issuer and the Trustee, pursuant to which the Issuer is issuing the Bonds, including any amendments or supplements made after the date of this Tax Compliance Agreement.

“*Initial Bondholder*” has the meaning set forth in the recitals to this Tax Compliance Agreement.

“*Installment Computation Date*” means the last day of the fifth Bond Year and the last year of each succeeding fifth Bond Year, except as otherwise permitted by the Regulations.

“*Insurance and Tax Escrow Fund*” means the Insurance and Tax Escrow Fund established in the Indenture.

“*Investment*” means any Purpose Investment or Nonpurpose Investment, including any other tax-exempt obligation.

“*Investment Instructions*” means the letter of instructions set forth as Exhibit D to this Tax Compliance Agreement, including any supplements or amendments to such letter of instructions.

“*Investment Proceeds*” means any amounts actually or constructively received from investing Proceeds of obligations. When the term “Investment Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Investment Proceeds of the Bonds, unless the context clearly requires otherwise.

“*Investment-Type Property*” means any property, other than property described in Section 148(b)(2)(A), (B), (C) or (E) of the Code that is held principally as a passive vehicle for the production of income. Except as otherwise provided, a prepayment for property or services is Investment-Type Property if a principal purpose for prepaying is to receive an investment return from the time the prepayment is made until the time payment otherwise would be made. Generally, a prepayment is not Investment-Type Property if: (a) prepayments on substantially the same terms are made by a substantial percentage of persons who are similarly situated to the issuer but who are not beneficiaries of tax-exempt financing; (b) the prepayment is made within 90 days of the reasonably expected date of delivery to the issuer of all of the property or services for which the prepayment is made; or (c) the prepayment meets the requirements of Section 1.148-1(e)(2)(iii)(A) or (B) of the Regulations, relating to certain natural gas prepayments and electricity prepayments.

“*Issue Price*” of obligations means the “issue price” defined in Section 1.148-1(f) of the Regulations. Except as otherwise defined in such section of the Regulations, the Issue Price of each maturity of an issue of obligations issued for money is the first price at which ten percent of such maturity is sold to the public (as defined in Section 1.148-1(f)(3)(ii) of the Regulations). If an obligation is issued for money in a private placement to a single buyer that is not an underwriter (as defined in Section 1.148-1(f)(3)(iii) of the Regulations) or a Related Party to an underwriter, the Issue Price of the obligations is the price paid by that buyer. The Issue Price is not reduced by any issuance costs (as defined in Section 1.150-1(b) of the Regulations). Under the so-called “hold the price rule,” the issuer may treat the initial offering price to the public of each maturity of an issue of obligations as of the sale date of the obligations as the Issue Price of each such maturity if the requirements of paragraphs (f)(2)(ii)(A) and (B) of Section 1.148-1(f) are met. For obligations issued for money in a competitive sale (as defined in Section 1.148-1(f)(3)(i) of the Regulations), the issuer of the obligations may treat the reasonably expected initial offering price to the public as of the sale date as the Issue Price of the obligations if the issuer obtains from the winning bidder a certification of the obligations’ reasonably expected initial offering price to the public as of the sale date upon which the price in the winning bid is based. The Issue Price of the Bonds is identified in Section 4.03 of this Tax Compliance Agreement.

“*Loan Agreement*” means the Loan Agreement, dated as of _____ 1, 2022, between the Issuer and the Borrower, including any amendments or supplements made after the date of this Tax Compliance Agreement.

“*Minor Portion*” has the meaning set forth in Section 4.01(a) in this Tax Compliance Agreement.

“*Net Proceeds*” means, with respect to any issue, the Proceeds of such issue reduced by amounts in a reasonably required reserve or replacement fund, such as the Tax-Exempt Bond Account of the Debt Service Reserve Fund, as further defined in Section 150(a)(3) of the Code. When the term “Net Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Net Proceeds of the Bonds, unless the context clearly requires otherwise.

“*Net Sale Proceeds*” means Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) of the Code and as part of the Minor Portion. When the term “Net Sale Proceeds” is used in this Tax Compliance

Agreement without reference to obligations, such term refers to the Net Sale Proceeds of the Bonds, unless the context clearly requires otherwise.

“Nonpurpose Investment” means any security, obligation, annuity contract or Investment-Type Property as defined in Section 148(b) of the Code, including “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code, but excluding all other obligations the interest on which is excludable from federal gross income, which is not acquired to carry out the governmental purpose of an issue. The term “Nonpurpose Investment” does not include a conduit borrower’s obligation to make payments to the conduit issuer pursuant to the provisions of a Purpose Investment.

“Operating Fund” means the Operating Fund established in the Indenture.

“Operations and Maintenance Reserve Fund” means the Operations and Maintenance Reserve Fund established in the Indenture.

“Payments” means, for purposes of computing the Rebate Amount: (a) amounts actually or constructively paid to acquire a Nonpurpose Investment (or treated as paid to a commingled fund); (b) for a Nonpurpose Investment that is first allocated to an issue on a date after it is actually acquired (e.g., an Investment that becomes allocable to Transferred Proceeds or to Replacement Proceeds) or that becomes subject to the Rebate Requirement on a date after it is actually acquired (e.g., an Investment allocated to a reasonably required reserve or replacement fund for a construction issue at the end of the two-year spending period), the Value of that Investment on that date; (c) for a Nonpurpose Investment that was allocated to an issue at the end of the preceding computation period, the Value of that Investment at the beginning of the computation period; (d) on the last day of each Bond Year during which there are amounts allocated to Gross Proceeds of an issue that are subject to the Rebate Requirement, and on the final maturity date, a Computation Date Credit; and (e) Yield Reduction Payments on Nonpurpose Investments made pursuant to Section 1.148-5(c) of the Regulations. For purposes of computing the Yield of an Investment (including the Value of the Investment), “Payment” means amounts to be actually or constructively paid to acquire the Investment, except that payments made by a conduit Borrower are not treated as paid until the conduit Borrower ceases to receive the benefit of earnings on those amounts. Payments on Investments other than Investments that are Purpose Investments as a part of a “governmental program” as that term is used in Section 1.148-1(b) of the Regulations, including guaranteed investment contracts, are adjusted for Qualified Administrative Costs of acquiring such Investments.

“Placed in Service” or *“Placed in Service Date”* means the date on which, based on all facts and circumstances, (a) a facility reaches a degree of completion that will permit its operation at substantially its design level, and (b) a facility is, in fact, in operation at such level.

“Placement Agent” has the meaning set forth in the recitals to this Tax Compliance Agreement.

“Pre-Issuance Accrued Interest” means amounts representing interest that accrued on an obligation for a period not greater than one year before the Date of Issuance of such obligation but only if those amounts are paid within one year after such Date of Issuance.

“*Private Business Use*” has the meaning set forth in Section 1.141-3 of the Regulations and Section 145 of the Code.

“*Private Business Use Test*” has the meaning set forth in Article V of this Tax Compliance Agreement.

“*Private Security/Payment Test*” has the meaning set forth in Article V of this Tax Compliance Agreement.

“*Proceeds*” means any Sale Proceeds, Investment Proceeds and Transferred Proceeds of an issue of obligations. Proceeds do not include, however, amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher Yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to Qualified Administrative Costs recoverable under Section 1.148-5(e) of the Regulations. When the term “Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Proceeds of the Bonds, unless the context clearly requires otherwise.

“*Project Fund*” means the Project Fund (including the Costs of Issuance Account thereof) established in the Indenture.

“*Purpose Investment*” means an Investment that is acquired to carry out the governmental purpose of an issue. The loan to the Borrower under the Loan Agreement constitutes a Purpose Investment.

“*Qualified Administrative Costs*” means reasonable, direct administrative costs, other than carrying costs, such as separately stated brokerage or selling commissions, but not legal and accounting fees, recordkeeping, custody and similar costs. General overhead costs and similar indirect costs of the issuer such as employee salaries and office expenses and costs associated with computing the Rebate Amount are not Qualified Administrative Costs. In general, administrative costs are not reasonable unless they are comparable to administrative costs that would be charged for the same Investment or a reasonably comparable Investment if acquired with a source of funds other than Gross Proceeds of tax-exempt obligations.

“*Qualified Guarantee*” means a guarantee that meets the requirements of Section 1.148-4(f) of the Regulations.

“*Qualified Hedging Transaction*” means a contract that meets the requirements of Section 1.148-4(h)(2) of the Regulations.

“*Rebate Amount*” means the excess of the Future Value of all Receipts on Nonpurpose Investments over the Future Value of all the Payments on Nonpurpose Investments. Future Value is computed as of the Computation Date. Rebate Amount additionally includes any penalties and interest on underpayments reduced for recoveries of overpayments.

“*Rebate Analyst*” means the entity selected by the Borrower in accordance with Article IV of this Tax Compliance Agreement to determine the amount of required deposits to the Rebate Fund and Yield Reduction Payments, if any.

“*Rebate Fund*” means any fund or account in which the Issuer or the Borrower accounts for amounts to be used to pay any Rebate Amount. The Rebate Fund may be established and maintained in book-entry form. The Rebate Fund is established for the Bonds in the Indenture.

“*Rebate Requirement*” means the rebate requirement contained in Section 148 of the Code as applicable to the Bonds and as further described in Article IV of this Tax Compliance Agreement.

“*Receipts*” means, for purposes of computing the Rebate Amount: (a) amounts actually or constructively received from a Nonpurpose Investment (including amounts treated as received from a commingled fund), such as earnings and return of principal; (b) for a Nonpurpose Investment that ceases to be allocated to an issue before its disposition or redemption date (*e.g.*, an Investment that becomes allocable to Transferred Proceeds of another issue or that ceases to be allocable to the issue pursuant to the Universal Cap under Section 1.148-6 of the Regulations) or that ceases to be subject to the Rebate Requirement of the Code on a date earlier than its disposition or redemption date (*e.g.*, an Investment allocated to a fund initially subject to the Rebate Requirement of the Code but that subsequently qualifies as a bona fide debt service fund), the Value of that Nonpurpose Investment on that date; and (c) for a Nonpurpose Investment that is held at the end of a computation period, the Value of that Investment at the end of that period. For purposes of computing Yield of an Investment, “Receipts” means amounts to be actually or constructively received from the Investment, such as earnings and return of principal (including the Value of an Investment). Receipts on Investments, including guaranteed investment contracts, are adjusted (reduced) for Qualified Administrative Costs.

“*Recomputation Event*” with respect to obligations means a transfer, waiver, modification or similar transaction of any right that is part of the terms of such obligations or a Qualified Hedging Transaction is entered into, or terminated, in connection with the obligations.

“*Regulation*” or “*Regulations*” means the temporary, proposed or final Income Tax Regulations, and any amendments thereto, promulgated by the Department of the Treasury, pursuant to Sections 103 and 141 through 150 of the Code, as in effect and to the extent applicable, any subsequent amendments to such regulations or any successor regulations.

“*Related Party*” means, in reference to a governmental unit or a 501(c)(3) organization, any member of the same Controlled Group, and, in reference to any person that is not a governmental unit or 501(c)(3) organization, a Related Person.

“*Related Person*” means any person if: (a) the relationship to such person would result in a disallowance of loss under Sections 267 or 707(b) of the Code; or (b) such person is a member of the same controlled group of corporations (as defined in Section 1563(a) of the Code, except that “more than 50%” is substituted for “at least 80%” each place it appears therein).

“*Repair and Replacement Fund*” means the Repair and Replacement Fund established in the Indenture.

“*Replacement Proceeds*” means amounts that have a sufficiently direct nexus to an issue or to the governmental purpose of an issue to conclude that the amounts would have been used for that governmental purpose if the Proceeds of the issue were not used or to be used for that

governmental purpose, as more fully defined in Section 1.148-1(c) of the Regulations. When the term “Replacement Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Replacement Proceeds of the Bonds, unless the context clearly requires otherwise.

“*Revenue Fund*” means the Revenue Fund established in the Indenture.

“*Sale Proceeds*” means any amounts actually or constructively received from the sale of an issue, including amounts used to pay underwriters’ discount or compensation and accrued interest other than Pre-Issuance Accrued Interest. The Sale Proceeds of the Bonds are described in Section 3.02(a) of this Tax Compliance Agreement. When the term “Sale Proceeds” is used in this Tax Compliance Agreement without reference to obligations, such term refers to the Sale Proceeds of the Bonds, unless the context clearly requires otherwise.

“*SLGS*” means United States Treasury Certificates of Indebtedness, Notes and Bonds—State and Local Government Series.

“*Sole Member*” means Patriot Services Group, Inc.

“*State*” means the Commonwealth of Kentucky.

“*Surplus Fund*” means the Surplus Fund established in the Indenture.

“*Taxable Bonds*” means the Taxable Bonds defined in the recitals to this Tax Compliance Agreement.

“*Transferred Proceeds*” means Proceeds of a prior issue that become transferred proceeds (within the meaning of Section 1.148-9(b) of the Regulations) of a refunding issue and cease to be Proceeds of a prior issue when Proceeds of the refunding issue discharge any of the outstanding principal amount of the prior issue. The amount of Proceeds of the prior issue that become Transferred Proceeds of the refunding issue is an amount equal to the unspent Proceeds of the prior issue on the date of that discharge multiplied by a fraction: (a) the numerator of which is the principal amount of the prior issue discharged with Proceeds of the refunding issue on the date of that discharge; and (b) the denominator of which is the total outstanding principal amount of the prior issue on the date immediately before the date of that discharge.

“*Trustee*” means The Bank of New York Mellon Trust Company, National Association, as trustee for the Bonds.

“*Universal Cap*” with respect to any particular obligations means the Value of all such outstanding obligations pursuant to Section 1.148-6(b)(2) of the Regulations.

“*Unrelated Trade or Business*” has the meaning set forth in Section 513(a) of the Code.

“*Value*” means Value as determined under Section 1.148-4(e) of the Regulations for an obligation and Value determined under Section 1.148-5(d) of the Regulations for an Investment.

“*Yield*” means (a) with respect to obligations such as the Bonds, the yield of such obligations computed in accordance with Section 1.148-4 of the Regulations, and (b) with respect to an Investment, the yield of such Investment computed in accordance with Section 1.148-5 of the Regulations.

“*Yield Reduction Payment*” means a payment to the United States of America with respect to an Investment which is treated as a Payment for that Investment that reduces the Yield of that Investment in accordance with Section 1.148-5(c) of the Regulations. Yield Reduction Payments include Rebate Amounts paid to the United States of America.

* * *

EXHIBIT B
TO TAX COMPLIANCE AGREEMENT
CERTIFICATE OF PLACEMENT AGENT

_____, 2022

The undersigned, on behalf of Piper Sandler & Co. (“Piper”), hereby certifies as set forth below in connection with the issuance on the date hereof by the Louisville/Jefferson County Metro Government (the “Issuer”) of its Industrial Building Revenue Bonds (Vesta Derby Oaks Project), Series 2022A (the “Bonds”) for the benefit of PSG Vesta Derby Oaks LLC (the “Borrower”).

1. **Debt Service Reserve Fund.** The establishment and funding of the “Debt Service Reserve Fund” defined in and at the level of funding described in the Tax Compliance Agreement to which this Certificate of the Placement Agent is attached (the “Tax Compliance Agreement”) was a vital factor in the sale of the Bonds and permitted the sale of the Bonds at an interest rate comparable to that of other bond issues of a similar type and credit quality. The Debt Service Reserve Fund is not funded in excess of the amount necessary for the purpose of such fund as it relates to the Bonds.

2. **Yield and Average Maturity of the Bonds.** The yield of the Bonds is _____ percent. Such yield was derived by determining the discount rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds produces an amount equal to the aggregate purchase price of the Bonds, using a day count convention that assumes that each year consists of twelve months having 30 days each. The weighted average maturity of the Bonds is _____ years.

The representations set forth in this Certificate of the Placement Agent are limited to factual matters only. Nothing in this Certificate of the Placement Agent represents Piper’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986 and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied on by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Compliance Agreement to which this Certificate of the Placement Agent is attached and with respect to compliance with the federal income tax rules affecting the Bonds, and by Frost Brown Todd LLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer and the Borrower from time to time relating to the Bonds.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned, on behalf of Piper Sandler & Co., has set the undersigned's hand as of the date first written above.

PIPER SANDLER & CO., as Placement Agent

By _____

Name _____

Title _____

[Signature Page to Certificate of Placement Agent]

EXHIBIT C
TO TAX COMPLIANCE AGREEMENT
501(C)(3) DETERMINATION LETTER

(To be Attached)

EXHIBIT D
TO TAX COMPLIANCE AGREEMENT
INVESTMENT INSTRUCTIONS

_____, 2022

Louisville/Jefferson County Metro Government
Louisville, Kentucky

The Bank of New York Mellon Trust Company, National Association
Jacksonville, Florida

PSG Vesta Derby Oaks LLC,
c/o Patriot Service Group, Inc.
Jacksonville, Florida

Re: Louisville/Jefferson County Metro Government, Industrial Building Revenue
Bonds (Vesta Derby Oaks Project), Series 2022A

Ladies and Gentlemen:

This letter sets forth instructions (these “Instructions”) regarding the investment and disposition of moneys made available as a result of the issuance of the referenced obligations (the “Bonds”) pursuant to the Indenture described and defined in the Tax Compliance Agreement to which these Instructions are attached as an exhibit (the “Tax Compliance Agreement”).

The purpose of these Instructions is to assure that the investment of moneys made available as a result of the issuance of the Bonds will comply with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code of 1986 (the “Code”) and the regulations thereunder (the “Regulations”). These Instructions implement the investment provisions of the Tax Compliance Agreement and constitute the “Investment Instructions” referred to in the Tax Compliance Agreement. Terms not otherwise defined herein have the meanings set forth in the Tax Compliance Agreement. These Instructions may be supplemented from time to time, and, as so supplemented, constitute the Investment Instructions. These Instructions are based, in part, on the representations made by the Issuer and the Borrower set forth in the Tax Compliance Agreement.

1. **Computation of Yield.** The Yield of a fixed Yield obligation is calculated based on expected payments of principal of and interest on the obligation (including amounts treated as interest). The Yield of a fixed rate obligation is generally not required to be recalculated after the Date of Issuance of such obligation except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (*e.g.*, purchase or termination of a swap) or the transfer of rights associated with the obligation (*e.g.*, sale of call option). The actual rules for computing Yield are quite complex, and if Yield must be calculated or recalculated, an expert should be consulted.

The Yield of a variable Yield obligation is computed as of each Computation Date for the period from the prior Computation Date (or from the Date of Issuance of the obligation in the case of the first Computation Date) to the current Computation Date, and it is based on (a) the actual payments of principal and interest on the obligation (including amounts treated as interest) and (b) the assumed receipt on such date of an amount equal to the value of the outstanding obligation. Computation Dates may be selected using all information available so as to minimize rebate liability. Such selection may be made at any time up to the first required payment date (generally five years after the date of issuance). Periods as short as one year or as long as five years may be selected. Following the selection, all subsequent periods must be one-year or five-year periods. The choice of Computation Dates may affect the time when rebate computations and payments must be made. As with the calculation of Yield of a fixed rate obligation, the actual rules for computing Yield of an obligation are quite complex and an expert should be consulted. If a “qualified hedge,” as defined by the Regulations (which includes, for example, certain types of interest rate swaps or interest rate caps), is entered into at any time with respect to the obligation, payments made or received under the qualified hedge must be taken into account in calculating the Yield of the obligation. Generally, upon conversion of a variable Yield obligation to a fixed Yield obligation, the Yield of the obligation after the conversion date will be calculated under the fixed Yield rules discussed above. Certain special rules and elections apply upon such a conversion and an expert should be consulted in such event.

2. **Investments—General.** The purchase price of all Investments purchased in connection with the Bonds must be the Fair Market Value of the Investment obligation on an established market or the Investment must be in “tax exempt bonds,” as defined in the Regulations. This means that you cannot pay a premium to adjust the Yield and that you cannot accept a lower interest rate than is usually paid. Currently, if an obligation cannot be purchased on an established market or a bona fide bid price cannot be established at a Yield that does not exceed the target restricted Yield, you are limited to the acquisition of SLGS that yield no more than the target restricted Yield. SLGS, when available, are available through the Bureau of the Fiscal Service. For further information on the market value requirement for Investments, see the definition of “Fair Market Value” in the Tax Compliance Agreement.

3. **Bond Fund.** Moneys that are deposited in the Bond Fund for the purpose of paying principal of and interest on the Bonds within 13 months of the date of deposit in the Bond Fund may be invested in obligations that bear a Yield in excess of the Bond Yield. Interest earnings from the investment of such moneys on deposit in the Bond Fund must be used before any other moneys in the Bond Fund to pay the principal of and interest on the Bonds. Pending disbursement to pay such principal of and interest on the Bonds, such interest earnings may be invested in obligations that bear a Yield in excess of the Bond Yield.

Any moneys deposited in the Bond Fund allocable to the Bonds that have been held or are expected to be held for more than 13 months from the date of receipt under the bond documents may not be invested in obligations that bear a yield in excess of the Yield of the Bonds to the extent that such amount exceeds the greater of (a) one-twelfth of the annual debt service on the Bonds or (b) one year’s earnings on such portion deposited in the Bond Fund.

4. **Project Fund.** Sale Proceeds on deposit in the Project Fund for the purpose of paying costs of acquiring and constructing the Financed Property or paying Costs of Issuance of

the Bonds may be invested in obligations that bear a Yield in excess of the Bond Yield for a temporary period of three years beginning on the Date of Issuance of the Bonds. After the period of unrestricted investment of such Sale Proceeds, any such Sale Proceeds remaining may not be invested in obligations that bear a Yield in excess of one-eighth of one percent (0.125 percent) above the Bond Yield.

Any interest earnings or investment gains realized from the investment of Proceeds in the Project Fund may be reinvested pending disbursement in obligations that bear a Yield in excess of the Bond Yield. The period of unrestricted investment of such earnings or gains may not exceed the longer of (a) a one-year period beginning on the date of receipt of such investment income or (b) the period ending three years after the Date of Issuance of the Bonds. After the period of unrestricted reinvestment of investment earnings, such earnings will not be invested in obligations that bear a Yield in excess of one-eighth of one percent (0.125 percent) above the Bond Yield. Investment of Proceeds on deposit in the Project Fund is subject to the Rebate Requirement, subject to any applicable spending exceptions to rebate described below.

5. **Debt Service Reserve Fund.** Moneys deposited in the Debt Service Reserve Fund allocable to the Bonds may be invested without regard to investment yield limitation to the extent described in the Tax Compliance Agreement. Moneys deposited in the Debt Service Reserve Fund allocable to the Bonds greater than the limits described in the Tax Compliance Agreement must be invested as described in such section. Investment of Proceeds in the Debt Service Reserve Fund is subject to the Rebate Requirement.

6. **Rebate Fund.** Any moneys deposited in the Rebate Fund that do not constitute Proceeds may be invested without yield restriction, and any earnings on such moneys are not subject to the Rebate Requirement. Any Investment Proceeds on deposit in the Rebate Fund may not be invested at a Yield in excess of the Bond Yield for a period of more than one year beginning on the date of receipt thereof and are subject to the Rebate Requirement. Any other Proceeds on deposit in the Rebate Fund may not be invested at a Yield in excess of the Bond Yield at any time and are subject to the Rebate Requirement.

7. **Other Gross Proceeds.** Except as otherwise provided in the Tax Compliance Agreement or these Instructions, Gross Proceeds and any interest earnings or investment gains realized from the investment of other Gross Proceeds may not be invested in Investments that bear a Yield in excess of the Bond Yield.

8. **Rebate Requirement for the Bonds.** By the end of each and every fifth Bond Year and upon the final maturity date of the Bonds or any earlier date of redemption of the Bonds in whole (each such date a Computation Date), the Borrower must cause a Rebate Analyst to determine the Rebate Amount and Yield Reduction Payments, if any, to be paid to the United States of America. The first Computation Date is December 31, 2026 (based on the definition of Bond Year in the Tax Compliance Agreement). All Gross Proceeds are subject to the Rebate Requirement. *We recommend that the Borrower retains records with the Bonds sufficient to prove that such determinations of rebate were completed within the time limits mentioned herein even if no Rebate Amounts and Yield Reduction Payments were due.*

The Issuer and the Borrower (to the extent applicable and within its control) must establish such accounting measures and keep such separate records as are necessary to segregate or otherwise designate the Gross Proceeds and the Nonpurpose Investments acquired with such Gross Proceeds for a period of at least equal to the Documentation Retention Period.

Section 148(f) of the Code requires the payment to the United States of America of any Rebate Amount. The Regulations require payment of any Yield Reduction Payments to the United States of America in the same manner as Rebate Payments. Except as provided below, the Bond Fund and the accounts thereof, the Project Fund and the accounts thereof, the Debt Service Reserve Fund and the Rebate Fund and any other funds or accounts treated as containing Gross Proceeds are all subject to any Rebate Requirement applicable to the Bonds and may be eligible for Yield Reduction Payments.

The Borrower must use and maintain the Rebate Fund, as allocable to the Bonds, as follows: (a) on or before 25 days following each Computation Date, the Borrower must deposit an amount to the Rebate Fund so that the balance of the Rebate Fund, as allocable to the Bonds, equals the aggregate Rebate Amount and any Yield Reduction Payments as of such determination date; (b) amounts deposited in the Rebate Fund allocable to the Bonds must be invested in accordance with the Instructions; (c) all money at any time deposited in the Rebate Fund allocable to the Bonds must be held for payment to the United States of America of the Rebate Amount and any Yield Reduction Payments; and (d) for purposes of crediting amounts to the Rebate Fund or withdrawing amounts from the Rebate Fund, Nonpurpose Investments must be valued in the manner provided in these Instructions.

To satisfy any Rebate Requirement applicable to the Bonds (and to make any Yield Reduction Payments), the Borrower must take the following actions:

(a) For each Investment of amounts held with respect to the Bonds in funds and accounts described in the third paragraph of this section above, the Borrower must record the purchase date of such Investment, its purchase price, accrued interest due on its purchase date, its face amount, its coupon rate, its Yield, the frequency of its interest payment, its disposition price, accrued interest due on its disposition date and its disposition date. The Rebate Analyst must determine the Fair Market Value for such Investments and the Yield thereon as may be required by the Regulations. The Yield for an Investment must be calculated by using the method set forth in the Regulations.

(b) For each Computation Date specified in (c) below, the Rebate Analyst must compute the Bond Yield as required by the Regulations based on the definition of Issue Price contained in Section 148(h) of the Code and the Regulations and as described in Section 1 above.

(c) Subject to the special rules set forth in (d) and (e) below, the Rebate Analyst must determine the amount of earnings received on all Nonpurpose Investments described in (a) above for each Computation Date. In addition, where Nonpurpose Investments are retained after retirement of the Bonds, any unrealized gains or losses as of the date of retirement of the Bonds must be taken into account in calculating the earnings on such Nonpurpose Investments to the extent required by the Regulations.

(d) In determining the Rebate Amount, (i) all earnings on any bona fide debt service fund will not be taken into account, (ii) the Universal Cap applicable to the Bonds under Section 1.148-6(b)(2) of the Regulations must be taken into account, (iii) all elections and other choices set forth in the Tax Compliance Agreement must be taken into account, (iv) any Transferred Proceeds will be taken into account and (v) all applicable spending exceptions to rebate under the Code and the Regulations must be taken into account, including the six-month, eighteen-month and two-year spending exceptions of the Code and Regulations described in the following section.

(e) For each Computation Date, the Rebate Analyst must calculate for each Investment described in (a) and (c) above an amount equal to the earnings that would have been received on such Investment at an interest rate equal to the Bond Yield. The method of calculation must follow that set forth in the Regulations.

(f) For each Computation Date, the Rebate Analyst must determine the amount of earnings received on all Investments held in the Rebate Fund for the Computation Date. The method of calculation must follow that set forth in the Regulations.

(g) For each Computation Date, the Rebate Analyst must calculate the Rebate Amount and any Yield Reduction Payments, by any appropriate method to be described in the Code and Regulations applicable or which becomes applicable to the Bonds. The determination of the Rebate Amount and any Yield Reduction Payments must account for the amount equal to the sum of all amounts determined in (c) above, all amounts determined in (d), (e) and (f) above, and less any amount which has previously been paid to the United States of America.

(h) If the sum of the Rebate Amount and any Yield Reduction Payments exceeds the amount on deposit in the Rebate Fund, the Borrower must immediately deposit an amount equal to such excess into the Rebate Fund.

(i) Certain brokerage fees paid on guaranteed investment contracts may be treated as additional Yield of such guaranteed investment contract.

9. **Spending Exceptions to Rebate.** To the extent that Gross Proceeds are determined to have been allocated to Expenditures in a manner that satisfies any of the following spending exceptions, investment earnings allocable to such Gross Proceeds need not be rebated to the United States of America. Use of the spending exceptions is not mandatory.

(a) Six-Month Exception. The six-month exception requires that Gross Proceeds be allocated to Expenditures for the purposes for which the Bonds are issued within the six-month period beginning on the Date of Issuance of the Bonds, and that the Rebate Requirement be met for amounts not required to be spent within such six-month spending period (excluding earnings on a bona fide debt service fund). For purposes of the six-month exception, Gross Proceeds do not include amounts in a bona fide debt service fund, amounts in a reasonably required reserve or replacement fund, amounts that as of the Date of Issuance of the Bonds are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the end of the six-month spending period, amounts

representing Sale Proceeds or Investment Proceeds derived from Payments under any Purpose Investment financed with Proceeds, and amounts representing repayments of grants financed by the Bonds.

(b) Eighteen-Month Exception. The Bonds are treated as meeting the Rebate Requirement under the eighteen-month exception if the following requirements are satisfied: (i) Gross Proceeds are allocated to Expenditures for the purposes for which the Bonds are issued in accordance with the following schedule measured from the Date of Issuance of the Bonds and none of the issue is treated as complying with the two-year exception: (A) at least 15 percent within six months; (B) at least 60 percent within 12 months; and (C) 100 percent within 18 months, with an exception for reasonable retainage, not in excess of five percent of the Net Sale Proceeds of the obligations which must be allocated to Expenditures within 30 months of the Date of Issuance of the Bonds; (ii) for purposes of determining compliance with the six-month and 12-month spending periods, the amount of Investment Proceeds is determined based on the Issuer's and the Borrower's reasonable expectations on the Date of Issuance of the Bonds; and (iii) all of the Gross Proceeds (excluding amounts in a bona fide debt service fund, amounts in a reasonably required reserve or replacement fund, amounts that, as of the Date of Issuance of the Bonds, are not reasonably expected to be Gross Proceeds but that become Gross Proceeds after the eighteen-month spending period, amounts representing Sale Proceeds or Investment Proceeds derived from Payments under any Purpose Investment financed with Proceeds, and amounts representing repayments of grants financed by the Bonds) must qualify for the general three-year temporary period for new money projects described in Section 1.148-2(e)(2) of the Regulations. Any failure to satisfy the final spending requirement of the eighteen-month exception may be disregarded if the Borrower exercises due diligence to complete the project for which the Bonds are issued and the amount of the failure does not exceed the lesser of three percent of the Issue Price of the Bonds or \$250,000. Note that the eighteen-month exception is not available for the portion of the Gross Proceeds that is used directly or indirectly to pay debt service on another issue of tax-exempt obligations (*i.e.*, the eighteen-month exception is not available for any refunding portions of the Bonds).

(c) Two-Year Exception. Gross Proceeds (or of a portion of the Bonds) are treated as meeting the Rebate Requirement under the two-year exception if the following requirements are met: (i) the issue of Bonds (or portion thereof) is a qualified "construction issue" because 75 percent of "available construction proceeds" of the issue of Bonds (or portion thereof) is expected by the Issuer and the Borrower to be expended on construction expenditures; and (ii) such Gross Proceeds are allocated to Expenditures for the purposes of such issue Bonds (or portion thereof) in accordance with the following two-year expenditure schedule measured from the Date of Issuance of the Bonds: (A) at least 10 percent within six months; (B) at least 45 percent within one year; (C) at least 75 percent within 18 months; and (D) 100 percent within two years, with an exception for reasonable retainage expended within three years. Any failure to satisfy the final spending requirement of the two-year exception may be disregarded if the Borrower exercises due diligence to complete the project for which the Bonds are issued and the amount of the failure does not exceed the lesser of three percent of the Issue Price of such portion of the Bonds or \$250,000. Note that the two-year exception is not available for the portion of the

Gross Proceeds that is used directly or indirectly to pay debt service on another issue of tax-exempt obligations (*i.e.*, the two-year exception is not available for any refunding portions of the Bonds). The two-year exception is further described in Section 1.148-7(e) of the Regulations. The Issuer and the Borrower should seek the advice of Bond Counsel or the Rebate Analyst in determining whether the requirements of the two-year exception have been satisfied.

10. **Payment of Arbitrage Rebate.** Not later than 60 days after each Installment Computation Date (or such longer period as may be permitted by the Regulations), the Borrower must pay to the United States of America an amount that, when added to the Future Value as of such Computation Date of previous Rebate Amount payments made for the Bonds, equals at least 90 percent of the Rebate Amount and 100 percent of any Yield Reduction Payments required to be on deposit in the Rebate Fund with respect to the Bonds as of such payment date. No later than 60 days after the Final Computation Date, the Borrower must pay from funds on deposit in the Rebate Fund with respect to the Bonds to the United States of America an amount that, when added to the Future Value as of such Computation Date of previous rebate payments made for the Bonds, equals at least 100 percent of the balance remaining in the Rebate Fund, as allocable to the Bonds.

The Borrower must mail each payment of an installment to the Internal Revenue Service at the places and pursuant to such forms as the Internal Revenue Service may require at the time of each such installment payment. Each payment must be accompanied by a statement summarizing the determination of the Rebate Amount and any Yield Reduction Payments. No form needs to be filed if no rebate payment is required.

If on any Computation Date the aggregate amount earned on Nonpurpose Investments in which the Gross Proceeds are invested is less than the amount that would have been earned if the obligations had been invested at a rate equal to the Bond Yield, such deficit may, at the written request of the Borrower, be withdrawn from the Rebate Fund, as allocable to the Bonds, and paid to the Borrower or as it may direct. The Borrower may direct that any overpayment of Rebate Amount or Yield Reduction Payments may be recovered from any payments previously paid to the United States of America pursuant to Section 1.148-3(i) of the Regulations.

The Borrower must also pay any penalty or interest on underpayments of Rebate Amount or any Yield Reduction Payments not paid in a timely manner pursuant to the Code and the Regulations.

11. **Appointment of Rebate Analyst.** To provide for the administration of the matters pertaining to arbitrage rebate calculations set forth herein and in the Tax Compliance Agreement, the Borrower must appoint a Rebate Analyst and any successor Rebate Analyst for the Bonds, subject to the conditions set forth in this section, on or prior to the first Computation Date. The Issuer and the Trustee may rely conclusively on and will be fully protected from all liability in relying upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst must be paid by the Borrower upon presentation of an invoice for services rendered in connection therewith.

If the Borrower fails to retain a Rebate Analyst, the Trustee for the Bonds may, upon written notice to the Issuer, retain such a Rebate Analyst at the sole cost and expense of the

Borrower. The Rebate Analyst and each successor Rebate Analyst must signify its acceptance of the duties imposed upon it under these Instructions by a written instrument of acceptance delivered to the Trustee, the Issuer and the Borrower under which such Rebate Analyst will agree to discharge its duties pursuant to these Instructions and the Tax Compliance Agreement in a manner consistent with prudent industry practice. Each Rebate Analyst must be either a firm of independent accountants or Bond Counsel or another entity experienced in calculating Rebate Amount and Yield Reduction Payments required by Section 148(f) of the Code or the Regulations.

The Rebate Analyst may at any time resign and be discharged of the duties and obligations imposed upon the Rebate Analyst by giving notice to the Issuer and the Borrower. The Rebate Analyst may be removed at any time by an instrument signed by the Borrower and filed with the Issuer. The Borrower must, upon the resignation or removal of the Rebate Analyst, appoint a successor Rebate Analyst, and promptly notify the Issuer of such appointment, and if such Rebate Analyst is not so appointed within 90 days, the Trustee for the Bonds may, upon written notice to the Issuer and at the expense of the Borrower, appoint such a successor Rebate Analyst and promptly notify the Issuer of such appointment.

12. **Recordkeeping.** The Borrower must maintain the following records for a period of not less than the Documentation Retention Period: (a) records of amounts paid to the United States of America on account of the Bonds (the Borrower must furnish to the Issuer copies of any materials filed with the Internal Revenue Service pertaining thereto and must provide the Issuer with all records in its possession that the Issuer or the Rebate Analyst may request relating to the calculation of any Rebate Amount); (b) records of all rebate calculations made with respect to the Bonds; (c) documentation pertaining to any Investment of Proceeds, including the purchase and sale of securities, SLGS subscriptions and actual Investment income received from the investment of Proceeds and guaranteed investment contracts; (d) records and documentation pertaining to any private business use of the facilities financed or refinanced with Proceeds; and (e) documentation evidencing all sources of payment or security for the Bonds.

13. **Conflicting Instructions.** To the extent these Instructions conflict with similar provisions contained in the other transaction documents for the Bonds, the stricter provisions of these Instructions or such other transaction documents must be complied with except upon prior consultation with Bond Counsel.

14. **Change in Law.** These Instructions are based on law in effect as of this date, and we undertake no obligation to monitor or update the status of these Instructions. Statutory or regulatory changes, including but not limited to clarifying Regulations, may affect these Instructions.

Very truly yours,

FROST BROWN TODD LLC

EXHIBIT E
TO TAX COMPLIANCE AGREEMENT
FINANCED PROPERTY

The Borrower certifies, covenants, expects and represents as set forth in this exhibit.

Financed Property

The Financed Property consists of the property the cost of acquisition and construction of which will be newly paid for with Proceeds. Such property includes the following affordable multifamily rental housing development located at 3237 Utah Avenue, Louisville, Kentucky 40215 (the "Facility") that will be acquired, renovated and equipped with Proceeds in the approximate amount of \$___, 000,000.

Any amount necessary to accomplish the acquisition, renovation and equipping of the Facility in excess of the Proceeds available from the issuance of the Bonds will be paid with cash otherwise available to the Borrower or the Sole Member. The Borrower will treat Facility as having an Average Economic Life of [40] years from the date such Facility is acquired by the Borrower.

The Borrower represents that approximately ten percent of the total purchase price of the Facility is reasonably allocable to the cost of land, in support of the entry referenced in (o) on Exhibit F to this Tax Compliance Agreement, based on the following assessor information for assessed value determinations for 20__:

[insert assessor information]

Based on such approximate assessor allocation and the Borrower's anticipated allocation of Proceeds, the Borrower represents that approximately \$_____ of the Proceeds are reasonably allocable to the cost of acquiring land.

The Borrower covenants to prepare a final allocation of Proceeds to Expenditures for the Financed Property not later than 18 months after the later of the date the Expenditure is paid or the date the Financed Property is Placed in Service, and in any case not more than 60 days after the fifth anniversary of the Date of Issuance of the Bonds. In such final allocation, the Borrower will include, among other things, final costs of Expenditures and the Average Economic Life of each component of the Financed Property.

Disposition of Financed Property

The Borrower covenants to discuss with Bond Counsel any anticipated disposition of any portion of the Financed Property prior to completing any such disposition regardless of whether any such property has at any point been subject to a lien relating to the Bonds. The Borrower understands and agrees that the release of any such lien with respect to any such property does not

necessarily release the Borrower from compliance with the requirements described in this Tax Compliance Agreement with respect to such property.

Operations and Management of Financed Property

Upon completion of the acquisition and construction of the Financed Property, the Borrower will be the sole owner and the sole operator of all of the Financed Property, and no other entity is an owner or operator (or otherwise a user) of the Financed Property. The Borrower has not entered into any contracts with third parties for the operation or management of any portion of the Financed Property.

* * *

EXHIBIT F
TO TAX COMPLIANCE AGREEMENT
CERTAIN IRS FORM 8038 INFORMATION

Information for Internal Revenue Service Form 8038

- (a) Name and employer identification number:
Sole Member's full name Patriot Services Group, Inc.
Sole Member's employer identification number 26-4520112
- (b) CUSIP number of latest maturity of the Bonds..... _____
- (c) Final maturity date _____
- (d) Issue Price \$ __,000,000.00
- (e) Stated redemption price at maturity \$ __,000,000.00
- (f) Average Maturity _____ years
- (g) Bond Yield _____ %
- (h) Proceeds used for accrued interest \$ _____
- (i) Costs of Issuance \$ _____
- (j) Proceeds used for credit enhancement \$ _____
- (k) Reasonably required reserve fund deposits \$ _____
- (l) Proceeds used to refund prior tax-exempt bonds \$ _____
- (m) Proceeds used to refund prior taxable bonds \$ _____
- (n) Nonrefunding proceeds \$ _____
- (o) Type of property financed by Proceeds:
Land \$ _____
Buildings and structures \$ _____
Equipment with recovery period of more than 5 years \$ _____
Equipment with recovery period of 5 years or less \$ _____
Other: *Conduit issuer fee* \$ _____
- (p) NAICS code for the project 531110 (Houses rental or leasing)
- (q) Amount of reimbursement from Sale Proceeds \$ _____
- (r) Date the official reimbursement intent was adopted _____

**EXHIBIT G
TO TAX COMPLIANCE AGREEMENT
FINAL NUMBERS**

[Attached]

[ATTACH FINAL NUMBERS]

**EXHIBIT H
TO TAX REGULATORY AGREEMENT**

POST-ISSUANCE TAX COMPLIANCE POLICY AND PROCEDURES

Adopted _____, 2022

Patriot Services Group, Inc. (the “Corporation”) hereby adopts the procedures described herein (the “Procedures”) as its written procedures for post-issuance tax compliance and remedial action applicable to tax-advantaged loans, bonds, notes, leases, certificates of participation or similar obligations (collectively, “Obligations”) heretofore and hereafter issued or executed and delivered by it or on its behalf or by or on behalf of PSG Vesta Derby Oaks LLC (the “Borrower”). These Procedures are intended to supplement any previous post-issuance tax compliance and remedial action procedures that may have been adopted by the Corporation or the Borrower and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf or by or on behalf of the Borrower, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. **Responsible Person.** The Corporation has assigned to the [Director of Housing & Veteran Placement of the Corporation] (the “Responsible Person”) the responsibility for ensuring post-issuance tax and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance tax compliance and remedial action procedures, these Procedures, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf or by or on behalf of the Borrower, the related information returns, if any, filed in connection with any Obligations (such as Internal Revenue Service Form 8038) and the instructions to such information returns, and consult with bond counsel (currently Frost Brown Todd LLC) and other professionals as needed.

2. **Succession Planning.** The Corporation will ensure that, when the current Responsible Person leaves such person’s current position at the Corporation, the responsibility for financing and tax covenant compliance will be explained in detail to such person’s successor, such successor will be provided compliance training (as further described in the following section), and notice of any succession will be given in writing to any applicable issuer of any obligations then outstanding.

3. **Training.** Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance tax compliance trainings organized by bond counsel or applicable industry associations.

4. **Procedures for Timely Expenditure of Proceeds.** The Corporation understands that at least 85 percent of the net sale proceeds of new money Obligations must be spent to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The Corporation will treat as “sale proceeds” any amounts actually or constructively received by the Corporation from

issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. “Net sale proceeds” means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or base rental reserve funds. The Corporation has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. **Compliance with Arbitrage Yield Restriction and Rebate Requirement.** The Responsible Person will create a system to ensure that for all applicable Obligations, not less than six months prior to each five-year anniversary of the closing date for Obligations, the Corporation will retain an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986 (the “Code”) and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. **Ongoing Procedures.** The Responsible Person will review any prior procedures, these Procedures, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the obligation-financed or refinanced property *on at least an annual basis and at the following intervals*: (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when property financed or refinanced with proceeds of Obligations is placed in service; (e) if the Corporation determines that property planned to be financed or refinanced with proceeds of Obligations will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the Corporation that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined below or through the Voluntary Closing Agreement Program, and also to ensure compliance by the Sole Member with Revenue Procedure 96-32 as it relates to each housing facility financed or refinanced by Obligations. If any possible violation is identified, the Responsible Person will notify the Corporation and the Corporation’s counsel or the Corporation’s bond counsel, if any, so that any existing or expected violation can be corrected.

7. **Final Allocation.** With respect to any new money Obligations, once the Financed Property (defined below) relating to the new money Obligations has been placed in service, the Responsible Person will identify all investment earnings from any investment of proceeds of the Obligations (such proceeds together with such investment earnings are hereinafter referred to as “Proceeds”), compile and reconcile all expenditures of such Proceeds to identify the specific costs paid from such Proceeds and the dates such costs were paid, identify the economic useful lives of each asset financed by the Proceeds, identify the payee or payees who received the Proceeds and confirm that the Financed Property is not used in violation of any religious use limitations and covenants the Corporation made with respect to the Obligations. The Responsible Person will retain such information with its books and records for the Obligations in the manner and for the duration required by Section 9 below.

8. **Additional Policies and Procedures.** The Corporation acknowledges that certain types of Obligations, such as tax credit obligations, may have special rules regarding the timely expenditure of proceeds, arbitrage yield restriction and rebate requirements and remediation

requirements, all of which will be described in the tax certificates for the Obligations. Such rules are incorporated herein (except to the extent that these Procedures have been revised to incorporate any of such rules), and the Corporation agrees to follow such rules with respect to Obligations, if applicable.

9. **Recordkeeping.** The Responsible Person will develop and implement a system for maintaining records relating to these Procedures. Such records must be kept and maintained for at least the Documentation Retention Period. These records may be maintained on paper, by electronic media or by any combination thereof.

10. **Procedures to Comply with Remediation Requirements.** The Responsible Person will establish and maintain a system for tracking and monitoring the use of the Financed Property to ensure that the use of all of such property will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the Financed Property changes so that the private business tests or the private loan financing test would be met, or if another violation of these procedures occurs which requires correction, the Corporation will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the remedial actions described in the next section, if available.

11. **Remedial Action Procedures.** If a deliberate action is taken with respect to the Obligations and the property financed or refinanced by the Obligations (the “Financed Property”) subsequent to the issuance or execution and delivery of the Obligations which action is not in compliance with the tax requirements of the Code or Regulations (a “Deliberate Action”), then the Responsible Person should consult with bond counsel regarding permissible remedial actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Possible remedial actions, and the conditions to taking any such remedial actions, include (but are not necessarily limited to) the actions described below.

(a) **Conditions to Remedial Actions.** None of the remedial actions described in (b) below are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

(i) the issuer of the Obligations reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the private business tests nor the private loan financing test of Section 141 of the Code and the Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the Corporation);

(ii) the average weighted maturity of the Obligations did not, as of such date, exceed 120 percent of the average economic life of the Financed Property;

(iii) unless otherwise excepted under the Regulations, the Corporation delivers a certificate, instrument or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is bona fide and arm’s-length, and that the non-exempt person using either the Financed Property

or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

(iv) any disposition must be made at fair market value and any Disposition Proceeds (defined below) actually or constructively received by the Corporation (or, if applicable, by a conduit issuer) as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield of the Obligations subsequent to the date of the Deliberate Action; and

(v) Proceeds of the Obligations affected by the remedial action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in (b)(i) below).

“Disposition Proceeds,” as such term is used in this section 11, means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than investments) financed with the proceeds of the Obligations.

(b) Types of Remedial Action. Subject to the conditions described in (a) above, and only if the Corporation obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not adversely affect the excludability of interest on the Obligations from gross income for federal income tax purposes, remedial actions including but not limited to those listed below may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

(i) *Redemption or Defeasance of Obligations.*

(A) If the Deliberate Action causing either the private business use test or the private loan financing test of Section 141 of the Code and the Regulations thereunder to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the Corporation may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations (defined below) *pro rata* across all of the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the Corporation may (subject generally to the limitations described in (C) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow (defined below) for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.

(B) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the Corporation may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from gross income for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient

maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all of the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.

(C) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this section 11 is for general information only, and bond counsel must be contacted to discuss other available options.

“Nonqualified Obligations,” as such term is used in this section 11, means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the private business use test or the private loan financing test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

“Defeasance Escrow,” as such term is used in this section 11, means an irrevocable escrow established to redeem Obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

(ii) *Alternative Use of Disposition Proceeds.* Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:

(A) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;

(B) the Corporation reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;

(C) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds

are in fact so used would not cause the Disposition Proceeds to satisfy the private activity bond tests;

(D) no action is taken after the date of the Deliberate Action to cause the private activity bond tests to be satisfied with respect to the Obligations, the Financed Property or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Regulations); and

(E) Disposition Proceeds used in a manner that satisfies the private activity bond tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in (i) above.

(iii) *Alternative Use of Facilities.* The Corporation may be considered to have taken sufficient remedial actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:

(A) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;

(B) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from gross income under Section 103 of the Code for purposes of federal income taxation; and

(C) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield of the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no Remedial Actions are available to remediate the satisfaction of the private security or payment test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit Remedial Actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

PATRIOT SERVICES GROUP, INC.

By _____
Authorized Officer

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