
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

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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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