NEW ISSUES **RATING: Fitch: "A-"**
Book-Entry-Only

Subject to compliance by the Authority and the Obligated Group (each as defined herein) with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2026 Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals. Interest on the Series 2026 Bonds may affect the corporate alternative minimum tax for certain corporations. The interest on the Series 2026 Bonds is not exempt from present Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

$61,555,000
ILLINOIS FINANCE AUTHORITY
REVENUE REFUNDING BONDS, SERIES 2026
(PRESBYTERIAN LIVING OBLIGATED GROUP)
consisting of

$32,220,000	$29,335,000
Series 2026A Bonds	**Series 2026B Bonds**

Dated: Date of Issuance **Interest Rates, Yields, Prices, Maturities and CUSIPs as shown on the inside cover**

The Series 2026 Bonds are issuable in the denomination of $5,000 or any integral multiple thereof. Principal of and interest on the Series 2026 Bonds will be paid from moneys available therefor under the Bond Indentures described herein with Amalgamated Bank of Chicago, as Bond Trustee. Principal on the Series 2026A Bonds is payable on each May 1 and November 1, commencing May 1, 2032. Interest on the Series 2026A Bonds is payable on each May 1 and November 1, commencing November 1, 2026. Principal on the Series 2026B Bonds is payable on each May 1 and November 1, commencing November 1, 2026. Interest on the Series 2026B Bonds is payable on each May 1 and November 1, commencing November 1, 2026.

The Series 2026 Bonds are subject to redemption prior to maturity as described herein.

The Series 2026B Bonds are expected to be delivered on or about August 4, 2026 (such date of issuance, the ***"Series 2026B Settlement Date"***). For a discussion regarding certain forward delivery considerations, including certain conditions of B.C. Ziegler and Company (the ***"Underwriter"***) to purchase the Series 2026B Bonds on the Series 2026B Settlement Date and certain risks to the purchasers of the Series 2026B Bonds, see **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS"** and **"ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS"** in this Official Statement.

The Series 2026 Bonds are limited obligations of the Illinois Finance Authority, secured under the provisions of the Master Indenture and Bond Indentures as further described herein, and will be equally and ratably payable from payments to be made by the Borrowers named herein under the Loan Agreements described herein and certain funds held under the Bond Indentures.

In conjunction with the issuance of the Series 2026B Bonds, the Obligated Group Representative and the Master Trustee intend to enter into the Amended and Restated Master Indenture (as defined herein) to amend and restate the Original Master Indenture (as defined herein). See **"INTRODUCTION – Deemed Consent of Bondholders to 2026 Springing Amendments and Amended and Restated Indenture."** The Amended and Restated Master Indenture will not be effective unless and until the Series 2026B Bonds are issued.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE BOND INDENTURES, AND EXCEPT TO SUCH LIMITED EXTENT, THE SERIES 2026 BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FULL FAITH OR A LOAN OF CREDIT OF THE AUTHORITY, THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION. THE SERIES 2026 BONDS AND THE INTEREST THEREON ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY OUT OF THE RECEIPTS, REVENUES AND INCOME SPECIFIED IN THE BOND INDENTURES. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2026 BONDS OR OTHER COSTS INCIDENTAL THERETO. NO OWNER OF ANY SERIES 2026A BOND SHALL HAVE THE RIGHT TO COMPEL THE TAXING POWER OF THE STATE OF ILLINOIS OR ANY POLITICAL SUBDIVISION THEREOF TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2026 BONDS. THE AUTHORITY DOES NOT HAVE THE POWER TO LEVY TAXES FOR ANY PURPOSES WHATSOEVER.

There are certain risks associated with the purchase of the Series 2026 Bonds. See **"BONDHOLDERS' RISKS."**

The Series 2026 Bonds are offered when, as and if issued by the Authority and received by the Underwriter, subject to approval as to legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Certain legal matters with respect to the Series 2026 Bonds will be passed upon for the Authority by its special counsel, Ice Miller LLP, Chicago, Illinois. Certain legal matters will be passed upon for the Borrowers by their special counsel, Dentons US LLP, Chicago, Illinois, and for the Underwriter by its counsel, Gilmore & Bell, P.C., Kansas City, Missouri. It is expected that the delivery of the Series 2026A Bonds will occur through DTC on or about April 8, 2026. It is expected that the delivery of the Series 2026B Bonds will occur through DTC on or about August 4, 2026 in accordance with the Forward Delivery Bond Purchase Agreement described herein. See ***"CERTAIN FORWARD DELIVERY CONSIDERATIONS FOR THE SERIES 2026B BONDS."***

Ziegler

This Official Statement is dated March 25, 2026.

MATURITY SCHEDULE

$32,220,000 SERIES 2026A BONDS

Maturity (May 1 and November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
May 2032	$1,235,000	5.000%	3.540%	107.902	45204FX83
November 2032	1,215,000	5.000	3.590	108.178	45204FX91
May 2033	1,245,000	5.000	3.630	108.466	45204FY25
November 2033	1,275,000	5.000	3.650	108.850	45204FY33
May 2034	1,305,000	5.000	3.750	108.626	45204FY41
November 2034	1,340,000	5.000	3.820	108.547	45204FY58
May 2035	1,375,000	5.000	3.880	108.487	45204FY66
November 2035	1,405,000	5.000	3.930	108.459	45204FY74
May 2036	1,440,000	5.000	3.990	108.301	45204FY82
November 2036	1,480,000	5.000	4.040*	107.871	45204FY90
May 2037	1,515,000	5.000	4.090*	107.443	45204FZ24
November 2037	1,555,000	5.000	4.120*	107.187	45204FZ32
May 2038	1,590,000	5.000	4.210*	106.423	45204FZ40
November 2038	1,630,000	5.000	4.240*	106.170	45204FZ57
May 2039	1,675,000	5.000	4.320*	105.499	45204FZ65
November 2039	1,715,000	5.000	4.360*	105.165	45204FZ73
May 2040	1,755,000	5.000	4.390*	104.916	45204FZ81
November 2040	1,800,000	5.000	4.390*	104.916	45204FZ99
May 2041	1,845,000	5.000	4.470*	104.254	45204F2A2
November 2041	1,895,000	5.000	4.470*	104.254	45204F2B0
May 2042	1,930,000	5.000	4.550*	103.598	45204F2C8

*Yield calculated to May 1, 2036, the first optional call date at 100%.

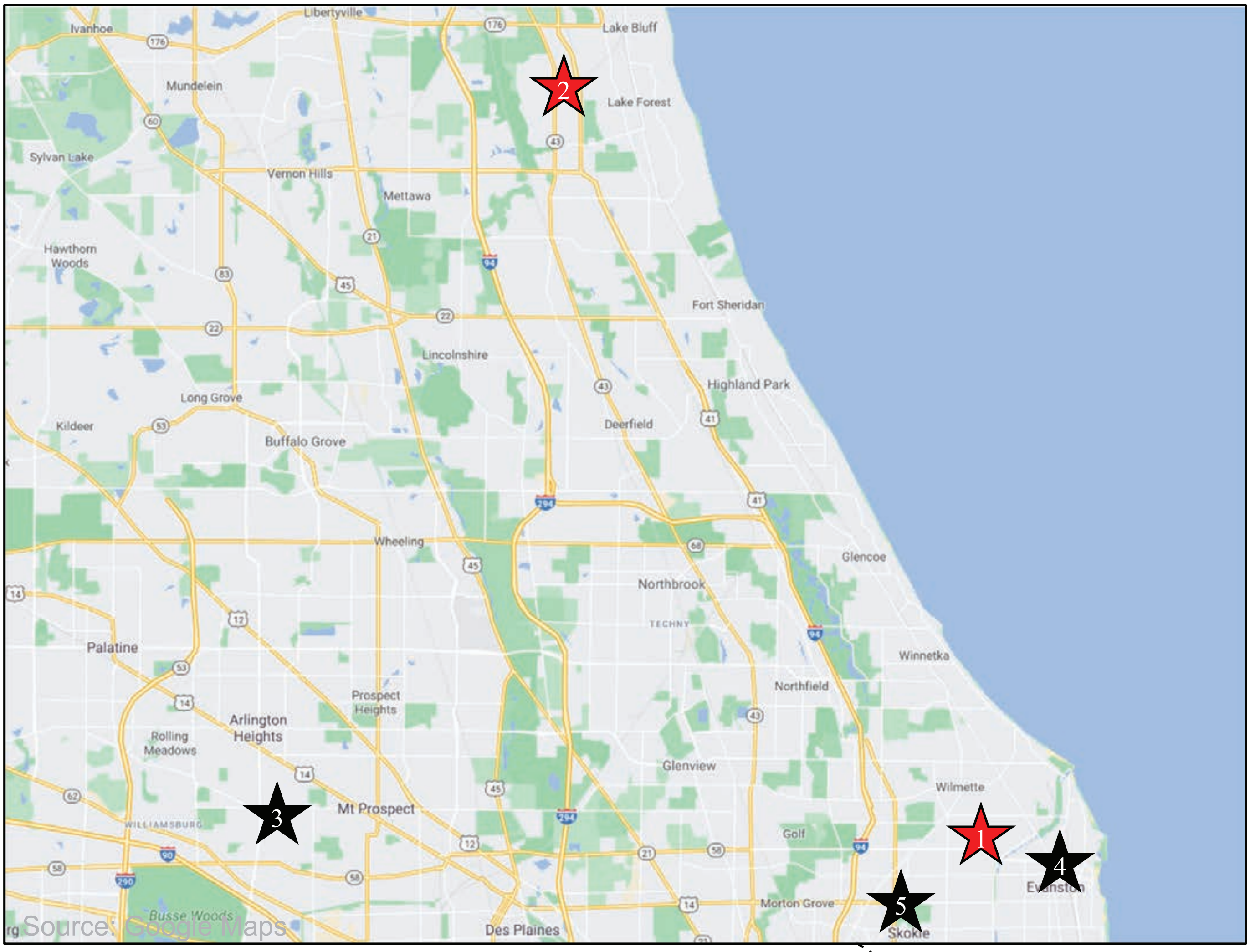
$29,335,000 SERIES 2026B BONDS

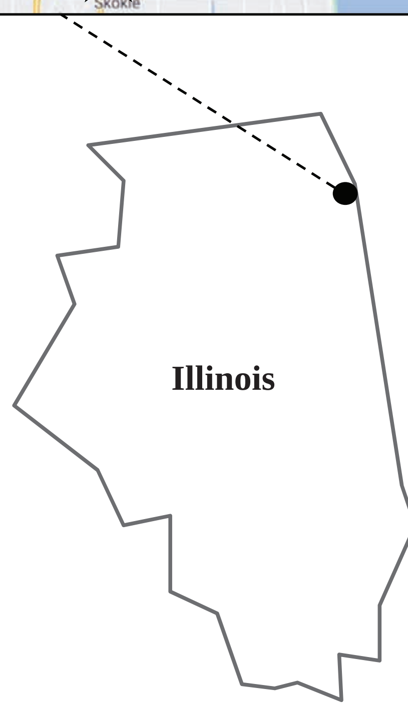
Maturity (May 1 and November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
November 2026	$2,840,000	5.000%	3.240%	100.411	45204F2D6
May 2027	2,535,000	5.000	3.230	101.281	45204F2E4
November 2027	2,600,000	5.000	3.240	102.120	45204F2F1
May 2028	2,660,000	5.000	3.280	102.883	45204F2G9
November 2028	2,730,000	5.000	3.290	103.661	45204F2H7
May 2029	2,795,000	5.000	3.360	104.256	45204F2J3
November 2029	2,865,000	5.000	3.370	104.960	45204F2K0
May 2030	2,940,000	5.000	3.470	105.320	45204F2L8
November 2030	3,010,000	5.000	3.480	105.940	45204F2M6
May 2031	3,085,000	5.000	3.580	106.136	45204F2N4
November 2031	1,275,000	5.000	3.610	106.578	45204F2P9

† A registered trademark of the American Bankers Association. CUSIP numbers have been assigned to this issue by CUSIP Global Services, as managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. The CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Obligated Group or the Underwriter and are included solely for the convenience of the Bondholders. Neither the Authority, the Obligated Group nor the Underwriter shall be responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness of the CUSIP numbers set forth above.

Campus Locations

North Chicago Suburbs





Key:

<u>Obligated Group:</u>

1 Westminster Place

2 Lake Forest Place

<u>Non-Obligated Group:</u>

3 The Moorings of Arlington Heights

4 Ten Twenty Grove

5 Corporate Office

Obligated Group Communities

Lake Forest Place Aerial View

Westminster Place Aerial View

Lake Forest Place

Exterior

Lake Area

Fountain

Town Center

Patio

Cottage

Westminster Place

Exterior

Huss Garden

Chapel

Pool

Rotunda

Cottage

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Authority, the Members of the Obligated Group or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of fact. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or any Member of the Obligated Group since the date hereof.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Series 2026 Bonds.

The information set forth herein relating to the Authority under the headings "INTRODUCTION – The Authority," "THE AUTHORITY," and "LITIGATION – The Authority" has been obtained from the Authority. All other information herein has been provided by the Obligated Group or obtained by the Obligated Group from sources deemed by the Obligated Group to be reliable and is not to be construed as a representation by the Authority or Underwriter. The Authority has not reviewed or approved any information in this Official Statement except information relating to the Authority under the headings "INTRODUCTION – The Authority," "THE AUTHORITY," and "LITIGATION – The Authority." The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority or the Obligated Group since the date hereof.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

THE SERIES 2026 BONDS HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAVE THE BOND INDENTURES OR THE MASTER INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OBLIGATED GROUP AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SERIES 2026 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement contains "forward-looking statements." These forward-looking statements include statements about the Obligated Group's future plans and strategies, and other statements that are not historical in nature. These forward-looking statements are based on the current expectations of management of the Obligated Group. Forward-looking statements involve future risks and uncertainties that could cause actual results and experience to differ materially from the anticipated results or other expectations expressed in forward-looking statements. These future risks and uncertainties include those discussed in the **"BONDHOLDERS' RISKS"** section of this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Included in such risks and uncertainties are (i) those relating to the possible invalidity of the underlying assumptions and estimates, (ii) possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances, (iii) conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials, and (iv) the risks set forth under the caption **"BONDHOLDERS' RISKS."** Assumptions related to the foregoing involve judgements with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately. For these reasons, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Undue reliance should not be placed on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the members of the Obligated Group on the date hereof, and the Obligated Group does not assume any obligation to update any such forward-looking statements if or when the expectations or events, conditions or circumstances on which such statements are based occur or fail to occur, other than as indicated under the caption "FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Continuing Disclosure."

SUMMARY STATEMENT

The information set forth in this Summary Statement is subject in all respects to more complete information set forth elsewhere in this Official Statement, which should be read in its entirety. The offering of the Series 2026 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Summary Statement from this Official Statement or otherwise to use it without this entire Official Statement. For the definitions of certain words and terms used in this Summary Statement, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Definitions of Certain Terms"** in ***Appendix C*** and "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Definitions of Certain Terms"** in ***Appendix D***.

The Authority

The Illinois Finance Authority (the ***"Authority"***) is a body politic and corporate of the State of Illinois. The Authority was created under the Illinois Finance Authority Act, as amended (the ***"Act"***).

The Series 2026 Bonds

The Authority proposes to issue its (i) Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group) in the aggregate principal amount of $32,220,000 (the ***"Series 2026A Bonds"***) and (ii) Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group) in the aggregate principal amount of $29,335,000 (the ***"Series 2026B Bonds"*** and together with the Series 2026A Bonds, the ***"Series 2026 Bonds"***).

The Series 2026 Bonds will be issued and secured under two separate Bond Trust Indentures dated as of April 1, 2026 (the ***"Series 2026A Bond Indenture"***) relating to the Series 2026A Bonds and August 1, 2026 (the ***"Series 2026B Bond Indenture,"*** and together with the Series 2026A Bond Indenture, the ***"Bond Indentures"***) relating to the Series 2026B Bonds, each between the Authority and Amalgamated Bank of Chicago, as bond trustee (the ***"Bond Trustee"***). The Authority will loan the proceeds of the Series 2026 Bonds to Westminster Place, an Illinois not for profit corporation (***"Westminster Place"***), and Lake Forest Place, LLC, an Illinois limited liability company (***"Lake Forest Place,"*** and together with Westminster Place, the ***"Borrowers"***) pursuant to two separate Loan Agreements dated as of April 1, 2026 (the ***"Series 2026A Loan Agreement"***) relating to the Series 2026A Bonds and August 1, 2026 (the ***"Series 2026B Loan Agreement,"*** and together with the Series 2026A Loan Agreement, the ***"Loan Agreements"***) relating to the Series 2026B Bonds, each between the Authority and the Borrowers.

The Borrowers anticipate that the Series 2026B Bonds will be issued on or about August 4, 2026 (or such later date as is mutually agreed upon by the Authority and the Underwriter, the ***"Series 2026B Settlement Date"***) in accordance with a Forward Delivery Bond Purchase Agreement (described herein). See **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS"** and **"ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS"** in this Official Statement.

Purpose of the Series 2026 Bonds

The Borrowers will use the proceeds of the Series 2026 Bonds, together with other funds of the Borrowers, (i) to refund the Authority's Revenue Bonds, Series 2021B (Presbyterian Homes Obligated Group) in the outstanding principal amount of $33,600,000 (the ***"Series 2021B Refunded Bonds"***), (ii) to refund the Authority's Revenue Bonds, Series 2016A (Presbyterian Homes Obligated Group) in the outstanding principal amount of $29,595,000 after giving effect to the scheduled May 1, 2026 principal payment (the ***"Series 2016A Refunded Bonds"*** and together with the Series 2021B Refunded Bonds, the ***"Refunded Bonds"***) and (iii) to pay costs of issuance of the Series 2026 Bonds. See **"PLAN OF FINANCE"** for a description of the plan of finance relating to the Series 2026 Bonds, including a further description of the Refunded Bonds.

The Obligated Group, the Obligated Group Representative and the System

The Borrowers are the sole Members of the Obligated Group created pursuant to the Master Indenture, as defined below. Presbyterian Homes d/b/a Presbyterian Living, an Illinois not for profit corporation organized in 2015 (the ***"Parent"*** or ***"Obligated Group Representative"***), together with its predecessors and affiliates, has served older adults through its facilities and programs in the Chicago metropolitan area since 1904. The Parent is the sole member of (i) Westminster Place (ii) Lake Forest Place, (iii) The Moorings of Arlington Heights, LLC (***"The Moorings"***), an Illinois limited liability company, (iv) Ten Twenty Grove, LLC (***"Ten Twenty Grove"***), an Illinois limited liability company, (v) Presbyterian Homes Manager, LLC (***"PH Manager"***), an Illinois limited liability company, and (vi) the Geneva Foundation of Presbyterian Homes d/b/a Geneva Foundation of Presbyterian Living, an Illinois not for profit corporation (the ***"Foundation"***). PH Manager is the sole member of Presbyterian Homes Outpatient Rehabilitation Agency, LLC d/b/a Presbyterian Living Outpatient Rehabilitation Agency, LLC (***"PL Outpatient Rehabilitation"***), an Illinois limited liability company.

Parent, Westminster Place, Lake Forest Place, The Moorings, Ten Twenty Grove, PH Manager and PL Outpatient Rehabilitation are collectively referred to as the ***"Operating System."*** The Operating System and the Foundation described below are collectively referred to as the ***"System."*** See **"THE OBLIGATED GROUP AND SYSTEM"** in ***Appendix A***.

Parent is the Obligated Group Representative under the Master Indenture defined below but is *not* a Member of the Obligated Group under the Master Indenture. The Borrowers, as the sole Members of the Obligated Group, are the only entities obligated to make payments with respect to the Series 2026 Bonds and the Series 2026 Obligations, as described below.

The Foundation

The Foundation was incorporated in 2003. The Foundation's Board of Directors is identical to the Boards of Directors of the Parent and Westminster Place. The Foundation provides financial support to the members of the Operating System at the direction of the Parent. **The Foundation is not a Member of the Obligated Group and is not obligated, directly or indirectly, to make any payments with respect to the Series 2026 Bonds or the Series 2026 Obligations described below.** See **"THE OBLIGATED GROUP AND SYSTEM – System Members Not in the Obligated Group – *The Foundation*"** in ***Appendix A*** for additional information about the Foundation. The Foundation had net assets of $179 million as of March 31, 2025, which included $138 million in cash, cash equivalents and investments. The Foundation had net assets of $201 million as of December 31, 2025, which included $157 million in cash, cash equivalents and investments. See **"FINANCIAL STATEMENTS."** There is no assurance that any funds will be provided by the Foundation to any Member of the Obligated Group at any particular level or in any particular year.

Security for the Series 2026 Bonds

General. The Authority is obligated to pay the principal of and interest on the Series 2026 Bonds and other costs incidental thereto only from the sources specified in the Bond Indentures, and except to such limited extent, the Series 2026 Bonds and the interest thereon do not constitute an indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the Authority, the State of Illinois or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision. The Series 2026 Bonds and the interest thereon are special, limited obligations of the Authority payable solely out of the receipts, revenues and income specified in the Bond Indentures. Neither the full faith and credit nor the taxing powers of the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds or other costs incidental thereto. No owner of any Series 2026A Bond shall have the right to compel the taxing power of the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Series 2026 Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

The Bond Indentures. The Series 2026 Bonds of each series will be issued by the Authority pursuant to the corresponding Bond Indenture. Under the Bond Indentures, the Authority will pledge and assign to the Bond Trustee as security for the payment of principal of, premium, if any, and interest on the Series 2026 Bonds of the respective series, all of its right, title and interest in and to (i) the corresponding Loan Agreement and all payments derived by the Authority from the Borrowers under the Loan Agreement (excluding the Authority's Unassigned Rights), (ii) the Series 2026A Obligation or the Series 2026B Obligation described herein, as applicable, and (iii) the funds created under the corresponding Bond Indenture and amounts held therein, including investment earnings (but excluding amounts on deposit in the Rebate Fund). See **"SECURITY FOR THE SERIES 2026 BONDS – The Bond Indentures."**

The Loan Agreements. The Loan Agreements will provide that the Borrowers shall make designated payments to the Bond Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2026 Bonds when due. The Obligated Group's obligation to make payments on the Series 2026 Obligations shall be satisfied to the extent payments are made by the Borrowers under the Loan Agreements. The Loan Agreements will also impose certain restrictions on the actions of the Borrowers for the benefit of the Authority and the holders of the Series 2026 Bonds. See **"SECURITY FOR THE SERIES 2026 BONDS – The Loan Agreements."**

The Master Indenture. The Series 2026 Bonds will be respectively secured by two separate Obligations, consisting of (1) the Presbyterian Living Direct Note Obligation, Series 2026A (Illinois Finance Authority) relating to the Series 2026A Bonds (the ***"Series 2026A Obligation"***) to be issued pursuant to the Second Supplemental Master Trust Indenture dated as of April 1, 2026 (the ***"Second Supplemental Master Indenture"***) between the Parent, as Obligated Group Representative, and Amalgamated Bank of Chicago, as master trustee (the ***"Master Trustee"***), amending and supplementing the Master Trust Indenture dated as of April 1, 2016 (as supplemented and amended from time to time in accordance with its terms, including as supplemented and amended by the Second Supplemental Master Indenture, the ***"Original Master Indenture"***) among Westminster Place and Lake Forest Place (together, and with any future Members of the Obligated Group, the ***"Obligated Group"***), the Parent, as Obligated Group Representative, and the Master Trustee and (2) the Presbyterian Living Direct Note Obligation, Series 2026B (Illinois Finance Authority) relating to the Series 2026B Bonds (the ***"Series 2026B Obligation"*** and collectively, the ***"Series 2026 Obligations"***) to be issued pursuant to the Third Supplemental Master Trust Indenture dated as of August 1, 2026 (the ***"Third Supplemental Master Indenture"***) between the Parent, as Obligated Group Representative, and the Master Trustee, amending and supplementing the Original Master Indenture. The Third Supplemental Master Indenture authorizes the Parent, as Obligated Group Representative and the Master Trustee to enter into the Amended and Restated Master Trust Indenture dated as of August 1, 2026 (the ***"Amended and Restated Master Indenture"***), amending and restating the Original Master Indenture to reflect the 2026 Springing Amendments (described below). For purposes of this Official Statement, ***"Master Indenture"*** shall mean, (i) before the Series 2026B Settlement Date, the Original Master Indenture and (ii) after the Series 2026B Settlement Date, the Amended and Restated Master Indenture. Westminster Place and Lake Forest Place are the sole Members of the Obligated Group established under the Master Indenture and will be the only entities initially obligated, directly or indirectly, to make payments with respect to the Series 2026 Bonds or the Series 2026 Obligations. **The other entities in the System (Parent, The Moorings, Ten Twenty Grove, PH Manager, PL Outpatient Rehabilitation and the Foundation) are not Members of the Obligated Group and have no liability with respect to the Series 2026 Bonds or the Series 2026 Obligations.**

The Master Indenture permits the Members of the Obligated Group to issue Additional Obligations on the terms and subject to the conditions set forth in the Master Indenture, which, after giving effect to the refunding of the Refunded Bonds, will be secured on a parity basis under the Master Indenture with the Series 2026 Obligations, the Presbyterian Homes Direct Note Obligation, Series 2021A (the ***"Series 2021A***

Obligation"), which secures the Authority's Revenue Bonds, Series 2021A (Presbyterian Homes Obligated Group) (the ***"Series 2021A Bonds"***), which will be outstanding in the aggregate principal amount of $32,005,000 after giving effect to the scheduled May 1, 2026 principal payment for such Series 2021A Bonds. The Series 2026 Obligations, the Series 2021A Obligation, and any Additional Obligations hereafter issued under the Master Indenture are referred to as the ***"Obligations."***

The Obligations are secured on a parity basis by a pledge of the Gross Revenues described below and a mortgage on Lake Forest Place described below. Under certain circumstances set forth in the Master Indenture, the Obligations will also be secured on a parity basis by a mortgage on the Westminster Place campus, as described below. Under certain circumstances set forth in the Master Indenture, the Borrowers will be required to fund the Master Reserve Fund to be held by the Master Trustee as security for any Master DSRF Bonds (as described herein), which currently only consists of the Series 2021A Bonds. ***The Series 2026 Bonds will not be secured by a debt service reserve fund, including the Master Reserve Fund created under the Master Indenture***.

Pursuant to the Master Indenture, each Member of the Obligated Group has granted a security interest in its Gross Revenues (subject to Permitted Encumbrances) as security for the payment of the Obligations. See **"SECURITY FOR THE SERIES 2026 BONDS"** and **"BONDHOLDERS' RISKS – Certain Matters Relating to Enforceability of the Master Indenture."**

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) payments or deposits under a Residency and Services Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of such payment or deposit have been satisfied, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units or other areas of the Facilities to be leased to residents or tenants and received prior to receipt of such certificate and licenses for occupancy of such units.

Lake Forest Place Mortgage. Pursuant to a Mortgage and Security Agreement dated as of April 1, 2016, as supplemented and amended (the ***"Lake Forest Place Mortgage"***), Lake Forest Place has granted to the Master Trustee a first mortgage lien on the Lake Forest, Illinois, campus known as Lake Forest Place to secure the Obligations. The Lake Forest Place Mortgage also grants a security interest in certain personal property of Lake Forest Place, including the machinery and equipment located on the mortgaged campus. No other Facilities of the Obligated Group are currently pledged to the Master Trustee to secure the Obligations.

Westminster Place Springing Mortgage. Under certain circumstances described in the Master Indenture, Westminster Place will be obligated to grant to the Master Trustee a mortgage (the ***"Westminster Place Mortgage"***) on its Westminster Place campus in Evanston, Illinois, as security for all Obligations.

For further information concerning the security for the Series 2026 Bonds, see **"SECURITY FOR THE SERIES 2026 BONDS – Lake Forest Place Mortgage"** and **"– Springing Westminster Place Mortgage"** herein. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of The Mortgage"** and **" – Summary of Certain Provisions of the Master Indenture –** ***Westminster Mortgage*****"** in ***Appendix C***. See **"THE OBLIGATED GROUP AND SYSTEM – Obligated Group"** in ***Appendix A*** for a description of the Obligated Group's Facilities, including the Westminster Place and Lake Forest Place campuses.

Deemed Consent of Bondholders to 2026 Springing Amendments and Amended and Restated Master Indenture

The Second Supplemental Master Indenture contains amendments to the Master Indenture (the "***2026 Springing Amendments***") which will become effective upon receipt of the consent of the holders of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture. The 2026 Springing Amendments are described in ***Appendix C*** under the caption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE** – **Summary of Certain Provisions of the Second Supplemental Indenture**". By their purchase of the Series 2026A Bonds, the purchasers of the Series 2026A Bonds in the initial offering will be deemed to have consented to (and to have directed the Bond Trustee, as the holder of the Series 2026A Obligations, to consent to) the 2026 Springing Amendments and will constitute approximately 33.4% of the outstanding Obligations under the Master Indenture. As of the date hereof, none of the other owners of any Obligations issued prior to the date hereof and currently outstanding have consented to the 2026 Springing Amendments. Therefore, the 2026 Springing Amendments will not be effective as of the issuance of the Series 2026A Bonds but will become effective upon the consent of the owners of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture.

In conjunction with the issuance of the Series 2026B Bonds, the Obligated Group Representative and the Master Trustee will execute an Amended and Restated Master Indenture (as defined herein) to amend and restate the Original Master Indenture (as defined herein) to include the 2026 Springing Amendments. The amendment and restatement of the Original Master Indenture is being made pursuant to the terms of the Original Master Indenture, which permits the Master Indenture to be amended with the consent of the holders of not less than a majority in principal amount of all Obligations then Outstanding. By their purchase of the Series 2026B Bonds, the purchasers of the Series 2026B Bonds in the initial offering will be deemed to have consented to (and to have directed the Bond Trustee, as the holder of the Series 2026B Obligations to consent to) the 2026 Springing Amendments and the amendment and restatement of the Original Master Indenture effected by the Amended and Restated Master Indenture. The Amended and Restated Master Indenture will not be effective until after the Series 2026B Settlement Date, at which point more than 50% in principal amount of all Obligations then Outstanding will be deemed to have consented to the amendments effected by the Amended and Restated Master Indenture. If the Series 2026B Bonds are not issued, only 33.4% of holders of Obligations outstanding under the Master Indenture will have consented to the 2026 Springing Amendments and the amendments contained in the Amended and Restated Master Indenture and the Amended and Restated Master Indenture will not be effective until receipt of majority consent.

If the Amended and Restated Master Indenture becomes effective, the Obligated Group Representative will promptly post a notice to EMMA stating that the Amended and Restated Master Indenture has become effective.

Redemption Prior to Maturity

Pursuant to the terms of the Bond Indentures, the Series 2026 Bonds are subject to redemption prior to maturity. See **"THE SERIES 2026 BONDS – Redemption of the Series 2026 Bonds."**

Certain Covenants of the Obligated Group

Rate Covenant. Each Member of the Obligated Group agrees in the Master Indenture that it will operate its Facilities on a revenue producing basis and charge such fees and rates for its Facilities and services and exercise such skill and diligence such that the Historical Debt Service Coverage Ratio is at least **1.20** for each Fiscal Year, including the Fiscal Year ending March 31, 2026. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Rates and Charges*****"** in ***Appendix C*** for more detail. The 2026 Springing Amendments and the Amended and Restated Master Indenture contain certain amendments to the Original Master Indenture, which are reflected in the following description of the Rate Covenant. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture-*****Rates and Charges*****"** in ***Appendix C*** for specific changes effected by the Amended and Restated Master Indenture.

Original Master Indenture

Under the Original Master Indenture, each Member of the Obligated Group agrees in the Master Indenture that it will operate its Facilities on a revenue producing basis and charge such fees and rates for its Facilities and services and exercise such skill and diligence such that the Historical Debt Service Coverage Ratio is at least **1.20** for each Fiscal Year, including the Fiscal Year ending March 31, 2026.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20, the Master Trustee will require the Obligated Group to select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Historical Debt Service Coverage Ratio for the following Fiscal Year to at least 1.20. The Master Trustee will not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if (a) there is filed with the Master Trustee a written report of a Consultant that contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to cause the Historical Debt Service Coverage Ratio to equal or exceed 1.20 and, if requested by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee an opinion of Independent Counsel to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20 for any Fiscal Year, such failure shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure shall constitute an event of default under the Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years, such failure shall constitute an event of default.

After Effective Date of Amended and Restated Master Indenture

After the effective date of the Amended and Restated Master Indenture, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 but at least 1.10:1 for such year, the Obligated Group Representative shall, within 30 days following the delivery date of the calculation described in the preceding paragraph, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons that the Historical Debt Service Coverage Ratio was less than 1.20:1 and adopting a specific plan setting forth steps to be taken designed to raise the Historical Debt Service Coverage Ratio to at least 1.20:1 for future periods.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.10:1 for such year, the Master Trustee shall require the Obligated Group, at the Obligated Group's expense, to select a Consultant within 30 days following the delivery date of the calculation described in the second preceding paragraph to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 for the following Fiscal Year. The Consultant selected as required by the Master Indenture shall be approved and retained as set forth in the Master Indenture.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.10:1, the Master Trustee shall not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a summary to each Required Information Recipient) a written report addressed to them of a Consultant (which Consultant and report, including, without limitation, the scope, form, substance and other aspects of such report, are not objected to by the Master Trustee) which contains an opinion of such Consultant that Industry Restrictions have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the related requirements of the Master Indenture, and, if requested by the Master Trustee), such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such Industry Restrictions; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Related Bond Trustee) an opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) to the effect that the Industry Restrictions underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20:1 for any Fiscal Year, such failure shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing an Officer's Certificate or obtaining a Consultant's report and adopting a plan and follows such plan or each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year, such failure shall constitute an event of default under the Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any two consecutive Fiscal Years, such failure shall constitute an event of default under the Master Indenture.

For specific information regarding the process under the Master Indenture for selection of Consultants, see ***"Approval of Consultants"*** below and **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Approval of Consultants*****"** in ***Appendix C.***

Liquidity Covenant. Pursuant to the Original Master Indenture, the Obligated Group has agreed that it will conduct its business so that the Obligated Group will have not less than 180 Days Cash on Hand (the ***"Existing Liquidity Requirement"***) on March 31 and September 30 of each Fiscal Year (each such date being a ***"Testing Date"***). See "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture –** ***Liquidity Covenant.***" The Amended and Restated Master Indenture reduces the Liquidity Requirement to 150 Days Cash on Hand (as so reduced, the ***"Amended Liquidity Requirement"***). See "**SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE –** ***Liquidity Covenant***" in ***Appendix C*** for specific proposed changes to the Liquidity Covenant effected by the 2026 Springing Amendments and the Amended and Restated Master Indenture. If the number of Days Cash on Hand as of any Testing Date is less than the Existing Liquidity Requirement or the Amended Liquidity Requirement, as applicable, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of the Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for future periods.

If the Obligated Group has not raised the level of Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the number of Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for future periods.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to satisfy the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for any Liquidity Testing Date will not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the requirements set forth in the Master Indenture as described above and under ***"Approval of Consultants"*** below for adopting a plan or obtaining a Consultant's report (whichever is required) and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

For specific information regarding the process under the Master Indenture for the selection of Consultants, see ***"Approval of Consultants"*** below and **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Approval of Consultants*****"** in ***Appendix C*****.**

Lock-Box Provisions under Original Master Indenture. Upon the occurrence and during the continuance of an event of default under the Original Master Indenture, the Master Trustee shall give to the Obligated Group Representative a notice (the ***"Lock-Box Notice"***). Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within 30 days the Obligated Group Representative will (i) select a Consultant to review the operating budget of the Obligated Group and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Representative and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the ***"Lock-Box Budget"***), will be sent to the Obligated Group Representative and the Master Trustee. In the event that the Obligated Group Representative fails to submit a proposed operating budget to the Consultant and the Master Trustee, the Consultant will modify the operating budget last submitted as the Consultant deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Obligated Group Representative and the Master Trustee. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Representative to pay operating expenses only in accordance with the Lock-Box Budget.

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

The proposed 2026 Springing Amendments effected by the Amended and Restated Master Indenture include deletion of the above-described lock-box provisions. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Lock Box Provisions*****"** and "**SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE –** ***Lock Box Provisions***" in ***Appendix C***.

Incurrence of Additional Indebtedness. The Members of the Obligated Group agree in the Master Indenture to restrictions on the incurrence of Additional Indebtedness, as more fully described under **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Permitted Additional Indebtedness*****"** in ***Appendix C***. To the extent that the conditions provided in the Master Indenture are met, such Additional Indebtedness may be secured under the Master Indenture and the Lake Forest Place Mortgage on a parity basis with the Obligations. The Series 2026 Bonds and the Series 2026 Obligations are being issued and incurred as Additional Indebtedness in accordance with the terms of the Master Indenture.

Disposition of Property. The Members of the Obligated Group agree in the Master Indenture to restrictions on the disposition of its Property, as more fully described under **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Sale, Lease or Other Disposition of Property*****"** in ***Appendix C*****.**

Approval of Consultants. Upon selecting a Consultant as required under the Master Indenture, the Obligated Group Representative will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of such notice, notify the holders of all Obligations outstanding under the Master Indenture of such selection and the Obligated Group Representative will post a copy of such notice (or cause a copy of such notice to be posted) on EMMA. Such notice shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged including a description of the covenant(s) of the Master Indenture that require the Consultant to be engaged, and (iii) state that the holder of the Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Obligation Holder submits an objection to the selected Consultant in writing (in a manner not objected to by the Master Trustee) to the Master Trustee within 15 days after the date that the notice is sent to the Obligation Holders. No later than two Business Days after the end of the 15 day objection period, the Master Trustee shall notify the Obligated Group of the number of objections. If two thirds or more in aggregate principal amount of the holders of the Outstanding Obligations have consented or have been deemed to have consented to the selection of the Consultant, the Obligated Group Representative may engage the Consultant. If more than one third in aggregate principal amount of the holders of the Obligations Outstanding have objected to the Consultant selected, the Obligated Group Representative shall select another Consultant.

When the Master Trustee notifies the holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee send a notice containing the information required by the immediately preceding paragraph to the holders of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the response of the holders of such Related Bonds. If two-thirds or more in aggregate principal amount of the Related Bonds have been deemed to have consented to the selection of the Consultant, the Bond Trustee shall approve the Consultant. If one-third or more in aggregate principal amount of the holders of the Related Bonds have objected to the Consultant selected, the Bond Trustee shall not approve the Consultant.

The 15-day notice period described above under this sub-heading may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the holders of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of the Master Indenture summarized under this sub-heading.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Approval of Consultants*****"** in ***Appendix C.***

Historical Occupancy

The following table sets forth the historical average occupancy of each of the Obligated Group's facilities for the Fiscal Years ended March 31, 2023, 2024 and 2025 and the nine-month period ended December 31, 2025.

Facility Occupancy Rates

Community & Type of Facility	Total Units[1]	Fiscal Year Ended March 31, 2023	2024	2025	Avg. YTD Nine Months Ended December 31, 2025
Westminster Place					
Independent Living	234	90.5%	91.2%	91.5%	92.2%
Assisted Living	95	81.5%	80.7%	86.3%	88.7%
Memory Support & Intermediate Nursing	95	82.9%	77.8%	62.3%	65.8%
Skilled Nursing	100	54.5%	58.2%	68.1%	58.0%
Total/Wtd. Average	**524**	**80.7%**	**80.6%**	**80.8%**	**80.3%**
Lake Forest Place					
Independent Living	272	85.1%	94.4%	96.8%	95.8%
Assisted Living	31	90.6%	88.0%	94.6%	90.7%
Assisted Living – Memory Support	20	91.6%	88.4%	92.4%	82.5%
Skilled Nursing	50	86.1%	90.7%	92.6%	95.1%
Total/Wtd. Average	**373**	**86.0%**	**93.1%**	**95.8%**	**94.6%**

(1) As of December 31, 2025.

Financial Statements

The consolidated audited financial statements of Parent and affiliates as of and for the Fiscal Years ended March 31, 2025 and 2024, appearing in ***Appendix B*** have been audited by Plante & Moran, PLLC, independent certified public accountants, as set forth in their reports also appearing in ***Appendix B***. Such consolidated audited financial statements include the financial condition and results of operations of Parent, the Foundation, The Moorings, Ten Twenty Grove, PH Manager and PL Outpatient Rehabilitation, none of which are Members of the Obligated Group. The audited financial statements include consolidating statements that reflect the financial condition and results of operations on an individual and combined basis of Westminster Place and Lake Forest Place, the sole Members of the Obligated Group as of the date of this Official Statement. See **"FINANCIAL STATEMENTS."**

Under the Master Indenture, the Obligated Group may satisfy any financial reporting requirement by the provision of the audited financial statements of the System, so long as certain consolidating schedules are included in those financial statements. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting."**

Financial Disclosure and Reporting Requirements

Original Master Indenture. Pursuant to the Original Master Indenture, the Obligated Group Representative has agreed to furnish, or cause to be furnished, the following to the Required Information Recipients:

Quarterly Reports. Within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, and within 60 days after the end of the fourth Fiscal Quarter (which may be subject to final year-end adjustments):

(i) quarterly unaudited financial statements of the Obligated Group which shall include a combined or combining statement of revenues and expenses and statement of cash flows, designating Initial Entrance Fees, which includes the Obligated Group during such period, a combined and combining balance sheet as of the end of each such Fiscal Quarter, which, in each case, shall include comparisons to the annual budget of the Obligated Group;

(ii) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis;

(iii) information with respect to the payor mix for the Obligated Group's licensed nursing beds;

(iv) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter;

(v) a schedule showing debt service requirements for any Funded Indebtedness of the Obligated Group incurred during such Fiscal Quarter including all scheduled payments of principal and interest on such Funded Indebtedness; and

(vi) a summary of the status of any construction projects with respect to the Facilities of a Member of the Obligated Group which exceed 10% of the Obligated Group's annual capital expenditure budget, which summaries shall be delivered commencing with the Fiscal Quarter in which work on the construction project commenced and ending with the Fiscal Quarter during which such project was completed;

subsections (ii) through (vi) shall be prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date, the Obligated Group will deliver the financial and other information described above on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on a fiscal year-to-date basis each month and the Days Cash on Hand as of the end of each month, within 45 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days after the end of each Fiscal Year, an annual audited financial report that includes the Obligated Group prepared by a firm of certified public accountants, including a consolidated and an unaudited consolidating balance sheet as of the end of such Fiscal Year, a consolidated and an unaudited consolidating statement of changes in fund balances for such Fiscal Year, a consolidated and an unaudited consolidating statement of cash flows for such Fiscal Year and a consolidated and an unaudited consolidating statement of revenues and expenses for such Fiscal Year, showing for each Fiscal Year in comparative form the financial figures for the preceding Fiscal Year.

To the extent that generally accepted accounting principles would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of the Master Indenture. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting"** for the requirements relating to those audited financial statements.

Annual Compliance Certificate. On or before the date of delivery of the annual financial statements referred to above, an Officer's Certificate of the Obligated Group Representative (i) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof, (ii) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, (iii) a comparison of the audited financial statements with the operating budget, (iv) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, (v) a management's discussion and analysis of results, (vi) providing any quality rating assigned to the Facilities of Members of the Obligated Group by the Centers for Medicare and Medicaid Services, and (vii) calculating the Maximum Annual Debt Service Coverage Ratio of the Obligated Group as of the end of such Fiscal Year.

Operating and Capital Budgets. Within 45 days after the end of each Fiscal Year, a summary of the operating and capital budgets for the Fiscal Year then started.

Actuarial Report Summaries. Within 150 days after the end of every third Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities (having commenced with the Fiscal Year ended March 31, 2019 and with the next such third Fiscal Year being the Fiscal Year ending March 31, 2028).

Miscellaneous Information. Promptly upon receipt, copies of (i) any board approved revisions to the annual budget of the Obligated Group or (ii) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

Additional Security Notices. Notice of (i) the delivery of a Westminster Mortgage or (ii) the commencement or termination of a Master DSRF Funding Period as described under **"SECURITY FOR THE SERIES 2026 BONDS – Potential Additional Security under the Master Indenture,"** as soon as practicable after the occurrence of either.

Amended and Restated Master Indenture. Pursuant to the Amended and Restated Master Indenture, the Obligated Group Representative has agreed to furnish, or cause to be furnished, the following to the Required Information Recipients:

Quarterly Reports. Within 60 days after the end of the each Fiscal Quarter of each Fiscal Year (the fourth Fiscal Quarter of which may be subject to final year-end adjustments):

(i) quarterly unaudited financial statements of the Obligated Group which, if applicable, shall include combined and combining statement of financial position, statement of operations, statement of changes in net assets and statement of cash flows for such period and shall designate Initial Entrance Fees, and which, in each case, shall include a combined and combining balance sheet as of the end of such Fiscal Quarter, and comparisons (on a fiscal year to date basis) to the annual operating budget of the Obligated Group;

(ii) an Officer's Certificate of the Obligated Group Representative, prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative:

(A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof;

(B) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis;

(C) information with respect to the payor mix for the Obligated Group's licensed nursing beds; and

(D) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date, the Obligated Group will deliver the financial and other information described above on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on a year-to-date basis each month and the Days Cash on Hand as of the end of each month, within 60 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days after the end of each Fiscal Year, an annual audited financial report including the Obligated Group prepared by a firm of certified public accountants, including a balance sheet as of the end of such Fiscal Year, a statement of changes in fund balances for such Fiscal Year, a statement of cash flows for such Fiscal Year and a statement of revenues and expenses for such Fiscal Year (which, in each case, may be audited consolidated information with unaudited consolidating schedules), in comparative form, the financial figures for the preceding Fiscal Year.

To the extent that generally accepted accounting principles would require or permit consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of the Master Indenture. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting"** for the requirements relating to those audited financial statements.

Annual Compliance Certificate. On or before the date of delivery of the annual financial statements referred to above, an Officer's Certificate of the Obligated Group Representative (i) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof, (ii) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, and (iii) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any.

Operating and Capital Budgets. Within 60 days after the end of each Fiscal Year, a summary of the operating and capital budgets for the Fiscal Year then started.

Actuarial Report Summaries. Within 150 days after the end of every third Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities (commencing with the Fiscal Year ending March 31, 2028).

Miscellaneous Information. Promptly upon receipt, copies of (i) any board approved revisions to the annual budget of the Obligated Group or (ii) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

Additional Security Notices. Notice of the commencement or termination of a Master DSRF Funding Period as soon as practicable after occurrence.

Continuing Disclosure

The Parent, as Obligated Group Representative, and the Bond Trustee, as dissemination agent, will enter into separate Continuing Disclosure Agreements dated as of April 1, 2026 (the ***"Series 2026A Continuing Disclosure Agreement"***) relating to the Series 2026A Bonds and August 1, 2026 (the ***"Series 2026B Continuing Disclosure Agreement,"*** and together with the Series 2026A Continuing Disclosure Agreement, the ***"Continuing Disclosure Agreements"***) relating to the Series 2026B Bonds for the benefit of the holders and Beneficial Owners of the respective Series 2026 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the ***"Rule"***). The Members of the Obligated Group are the only "obligated persons" with responsibility for continuing disclosure, and the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under the Continuing Disclosure Agreements, and has no liability to any person, including any owner or Beneficial Owner of the Series 2026 Bonds, with respect to the Rule. Pursuant to the Continuing Disclosure Agreements, the Obligated Group has agreed to provide certain annual and quarterly financial information and operating data. For further information concerning the Obligated Group's obligations under the Continuing Disclosure Agreements, see **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Continuing Disclosure."**

Bondholders' Risks

An investment in the Series 2026 Bonds involves a certain degree of risk. See **"BONDHOLDERS' RISKS"** for a discussion of certain of these risks.

There are certain additional risks associated with the commitment of investors to purchase the Series 2026B Bonds pursuant to this Official Statement with payment for and delivery of the Series 2026B Bonds not to occur until on or about the Series 2026B Settlement Date (expected to be August 4, 2026) as further described under **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS"** and **"ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS"**.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in ***Appendices C and D*** of this Official Statement. Summaries of the Master Indenture, the Bond Indentures, the Loan Agreements and the Lake Forest Place Mortgage are also included in this Official Statement in ***Appendices C and D***. Such definitions and summaries do not purport to be comprehensive or definitive. All references herein to the specified documents are qualified in their entirety by reference to the definitive forms of such documents, copies of which may be viewed at the offices of B.C. Ziegler and Company, at One North Wacker Drive, Suite 2000, Chicago, Illinois, and will be provided without charge to any prospective purchaser requesting the same.

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OFFICIAL STATEMENT

$61,555,000
ILLINOIS FINANCE AUTHORITY
REVENUE REFUNDING BONDS, SERIES 2026
(PRESBYTERIAN LIVING OBLIGATED GROUP)
consisting of

$32,220,000 **Series 2026A Bonds**	**$29,335,000** **Series 2026B Bonds**

INTRODUCTION

Purpose of this Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and the Appendices hereto, is to set forth information relating to (1) the offering by the Illinois Finance Authority (the ***"Authority"***) of $61,555,000 aggregate principal amount of its (i) Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group) in the aggregate principal amount of $32,220,000 (the ***"Series 2026A Bonds"***) and (ii) Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group) in the aggregate principal amount of $29,335,000 (the ***"Series 2026B Bonds"*** and together with the Series 2026A Bonds, the ***"Series 2026 Bonds"***), and (2) the Obligated Group described herein.

The Authority

The Illinois Finance Authority is a body politic and corporate of the State of Illinois. The Authority was created under the Illinois Finance Authority Act, as amended (the ***"Act"***).

The Series 2026 Bonds

The Series 2026 Bonds will be issued and secured under two separate Bond Trust Indentures dated as of April 1, 2026 relating to the Series 2026A Bonds (the ***"Series 2026A Bond Indenture"***) and August 1, 2026 relating to the Series 2026B Bonds (the ***"Series 2026B Bond Indenture,"*** and together with the Series 2026A Bond Indenture, the ***"Bond Indentures"***) each between the Authority and Amalgamated Bank of Chicago, as bond trustee (the ***"Bond Trustee"***). The Authority will loan the proceeds of the Series 2026 Bonds to Westminster Place, an Illinois not for profit corporation (***"Westminster Place"***), and Lake Forest Place, LLC, an Illinois limited liability company (***"Lake Forest Place,"*** and together with Westminster Place, the ***"Borrowers"***) pursuant to two separate Loan Agreements dated as of April 1, 2026 relating to the Series 2026A Bonds (the ***"Series 2026A Loan Agreement"***) and August 1, 2026 relating to the Series 2026B Bonds (the ***"Series 2026B Loan Agreement,"*** and together with the Series 2026A Loan Agreement, the ***"Loan Agreements"***) each between the Authority and the Borrowers.

The Borrowers anticipate that the Series 2026B Bonds will be issued on or about August 4, 2026 (or such later date as is mutually agreed upon by the Authority and the Underwriter, the ***"Series 2026B Settlement Date"***) in accordance with a Forward Delivery Bond Purchase Agreement (described herein). See **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS"** and **"ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS"** in this Official Statement.

The Borrowers will use the proceeds of the Series 2026 Bonds, together with other funds of the Borrowers (i) to refund the Authority's Revenue Bonds, Series 2021B (Presbyterian Homes Obligated Group) in the outstanding principal amount of $33,600,000 (the ***"Series 2021B Refunded Bonds"***), (ii) to refund the Authority's Revenue Bonds, Series 2016A (Presbyterian Homes Obligated Group) in the outstanding principal amount of $29,595,000 after giving effect to the scheduled May 1, 2026 principal payment (the ***"Series 2016A Refunded Bonds"*** and together with the Series 2021B Refunded Bonds, the ***"Refunded Bonds"***) and (iii) to pay costs of issuance of the Series 2026 Bonds. See **"PLAN OF FINANCE"** for a description of the plan of finance relating to the Series 2026 Bonds, including a further description of the Refunded Bonds.

The Obligated Group, the Obligated Group Representative and the System

The Borrowers are the sole Members of the Obligated Group created pursuant to the Master Indenture, as defined below. Presbyterian Homes d/b/a Presbyterian Living, an Illinois not for profit corporation organized in 2015 (the ***"Parent"*** or ***"Obligated Group Representative"***), together with its predecessors and affiliates, has served older adults through its facilities and programs in the Chicago metropolitan area since 1904. The Parent is the sole member of (i) Westminster Place (ii) Lake Forest Place, (iii) The Moorings of Arlington Heights, LLC (***"The Moorings"***), an Illinois limited liability company, (iv) Ten Twenty Grove, LLC (***"Ten Twenty Grove"***), an Illinois limited liability company, (v) Presbyterian Homes Manager, LLC (***"PH Manager"***), an Illinois limited liability company, and (vi) the Geneva Foundation of Presbyterian Homes d/b/a Geneva Foundation of Presbyterian Living, an Illinois not for profit corporation (the ***"Foundation"***). PH Manager is the sole member of Presbyterian Homes Outpatient Rehabilitation Agency, LLC d/b/a Presbyterian Living Outpatient Rehabilitation Agency, LLC (***"PL Outpatient Rehabilitation"***), an Illinois limited liability company.

The Parent, Westminster Place, Lake Forest Place, The Moorings, Ten Twenty Grove, PH Manager and PL Outpatient Rehabilitation are collectively referred to as the ***"Operating System."*** The Operating System and the Foundation described below are collectively referred to as the ***"System."*** See "**THE OBLIGATED GROUP AND SYSTEM"** in ***Appendix A***.

The Parent is the Obligated Group Representative under the Master Indenture described below but is *not* a Member of the Obligated Group under the Master Indenture. The Borrowers, as the sole Members of the Obligated Group, are the only entities obligated to make payments with respect to the Series 2026 Bonds and the Series 2026 Obligations, described below.

The Foundation

The Foundation was incorporated in 2003. The Foundation's Board of Directors is identical to the Board of Directors of Parent and Westminster Place. The Foundation provides financial support to the members of the Operating System at the direction of the Parent. **The Foundation is not a Member of the Obligated Group and is not obligated, directly or indirectly, to make any payments with respect to the Series 2026 Bonds or the Series 2026 Obligations.** See **"THE OBLIGATED GROUP AND SYSTEM – System Members Not in the Obligated Group – *The Foundation*"** in ***Appendix A*** for additional information about the Foundation. The Foundation had net assets of $179 million as of March 31, 2025, which included $138 million in cash, cash equivalents and investments. The Foundation had net assets of $201 million as of December 31, 2025, which included $157 million in cash, cash equivalents and investments.

The Master Indenture

The Series 2026 Bonds will be respectively secured by two separate Obligations, consisting of (1) the Presbyterian Living Direct Note Obligation, Series 2026A (Illinois Finance Authority) relating to the Series 2026A Bonds (the ***"Series 2026A Obligation"***) to be issued pursuant to the Second Supplemental Master Trust Indenture dated as of April 1, 2026 (the ***"Second Supplemental Master Indenture"***) between the Parent, as Obligated Group Representative, and Amalgamated Bank of Chicago, as master trustee (the ***"Master Trustee"***), amending and supplementing the Master Trust Indenture dated as of April 1, 2016 (as supplemented and amended from time to time in accordance with its terms, including as supplemented and amended by the Second Supplemental Master Indenture, the ***"Original Master Indenture"***) among Westminster Place and Lake Forest Place (together, and with any future Members of the Obligated Group, the

"Obligated Group"), the Parent, as Obligated Group Representative, and the Master Trustee and (2) the Presbyterian Living Direct Note Obligation, Series 2026B (Illinois Finance Authority) relating to the Series 2026B Bonds (the ***"Series 2026B Obligation"*** and together with the Series 2026A Obligation, the ***"Series 2026 Obligations"***) to be issued pursuant to the Third Supplemental Master Trust Indenture dated as of August 1, 2026 (the ***"Third Supplemental Master Indenture"***) between the Parent, as Obligated Group Representative, and the Master Trustee, amending and supplementing the Original Master Indenture. The Third Supplemental Master Indenture authorizes the Parent, as Obligated Group Representative and the Master Trustee to enter into the Amended and Restated Master Trust Indenture dated as of August 1, 2026 (the ***"Amended and Restated Master Indenture"***), amending and restating the Original Master Indenture to reflect the 2026 Springing Amendments (described below). For purposes of this Official Statement, ***"Master Indenture"*** shall mean, (i) before the Series 2026B Settlement Date, the Original Master Indenture and (ii) after the Series 2026B Settlement Date, the Amended and Restated Master Indenture. Westminster Place and Lake Forest Place are the sole Members of the Obligated Group established under the Master Indenture and will be the only entities initially obligated, directly or indirectly, to make payments with respect to the Series 2026 Bonds or the Series 2026 Obligations. **The other entities in the System (Parent, The Moorings, Ten Twenty Grove, PH Manager, PL Outpatient Rehabilitation and the Foundation) are not Members of the Obligated Group and have no liability with respect to the Series 2026 Bonds or the Series 2026 Obligations.** The Master Indenture permits the Members of the Obligated Group to issue Additional Obligations on the terms and subject to the conditions set forth in the Master Indenture, which, after giving effect to the refunding of the Refunded Bonds, will be secured on a parity basis under the Master Indenture with the Series 2026 Obligations, the Presbyterian Homes Direct Note Obligation, Series 2021A (the ***"Series 2021A Obligation"***), which secures the Authority's Revenue Bonds, Series 2021A (Presbyterian Homes Obligated Group) (the ***"Series 2021A Bonds"***), which will be outstanding in the aggregate principal amount of $32,005,000 after giving effect to the scheduled May 1, 2026 principal payment for such Series 2021A Bonds. The Series 2026 Obligations, the Series 2021A Obligation, and any Additional Obligations hereafter issued under the Master Indenture are referred to as the ***"Obligations."***

The Lake Forest Place Mortgage

Pursuant to a Mortgage and Security Agreement dated as of April 1, 2016, as supplemented and amended (the ***"Lake Forest Place Mortgage"***), Lake Forest Place has granted to the Master Trustee a first mortgage lien on the Lake Forest, Illinois campus known as Lake Forest Place to secure the Obligations. The Lake Forest Place Mortgage also grants a security interest in certain personal property of Lake Forest Place, including the machinery and equipment on the mortgaged campus. No other Facilities of the Obligated Group are currently pledged to the Master Trustee to secure the Obligations. See **"SECURITY FOR THE SERIES 2026 BONDS – Springing Westminster Place Mortgage"** for a discussion of the requirement in the Master Indenture that the Obligated Group grant a mortgage on the Westminster Place campus. For further information concerning the security for the Series 2026 Bonds, see **"SECURITY FOR THE SERIES 2026 BONDS."** See **"THE OBLIGATED GROUP AND SYSTEM – Obligated Group"** in ***Appendix A*** for a description of the Obligated Group's Facilities. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE"** in ***Appendix C***.

Deemed Consent of Bondholders to 2026 Springing Amendments and Amended and Restated Master Indenture

The Second Supplemental Master Indenture contains amendments to the Master Indenture (the "***2026 Springing Amendments***") which will become effective upon receipt of the consent of the holders of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture. The 2026 Springing Amendments are described in ***Appendix C*** under the caption "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Summary of Certain Provisions of the Second Supplemental Master Indenture**". By their purchase of the Series 2026A Bonds, the purchasers of the Series 2026A Bonds in the initial offering will be deemed to have consented to (and to have directed the Bond Trustee, as the holder of the Series 2026A Obligations, to consent to) the 2026 Springing Amendments and will constitute approximately 33.4% of the outstanding Obligations under the Master Indenture. As of the date hereof, none of the other owners of any Obligations issued prior to the date hereof and currently outstanding have consented to the 2026 Springing Amendments. Therefore, the 2026 Springing Amendments will not be effective as of the issuance of the issuance of the Series 2026A Bonds but will become effective upon the consent of the owners of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture.

In conjunction with the issuance of the Series 2026B Bonds, the Obligated Group Representative and the Master Trustee will execute an Amended and Restated Master Indenture (as defined herein) to amend and restate the Original Master Indenture (as defined herein) to include the 2026 Springing Amendments. The amendment and restatement of the Original Master Indenture is being made pursuant to the terms of the Original Master Indenture, which permits the Master Indenture to be amended with the consent of the holders of not less than a majority in principal amount of all Obligations then Outstanding. By their purchase of the Series 2026B Bonds, the purchasers of the Series 2026B Bonds in the initial offering will be deemed to have consented to (and to have directed the Bond Trustee, as the holder of the Series 2026B Obligations to consent to) the amendment and restatement of the Original Master Indenture effected by the Amended and Restated Master Indenture. The Amended and Restated Master Indenture will not be effective until after the Series 2026B Settlement Date, at which point more than 50% in principal amount of all Obligations then Outstanding will be deemed to have consented to the amendments effected by the Amended and Restated Master Indenture. If the Series 2026B Bonds are not issued, only 33.4% of holders of Obligations outstanding under the Master Indenture will have consented to the 2026 Springing Amendments and the amendments contained in the Amended and Restated Master Indenture and the Amended and Restated Master Indenture will not be effective until receipt of majority consent.

If the Amended and Restated Master Indenture becomes effective, the Obligated Group Representative will promptly post a notice to EMMA stating that the Amended and Restated Master Indenture has become effective.

THE AUTHORITY

Description of the Authority

The Authority is a body politic and corporate created under the laws of the State of Illinois. The Authority was created under the Illinois Finance Authority Act, as amended from time to time (the "***Act***"), which consolidated seven of the State's previously existing financing authorities (the ***"Predecessor Authorities"***). All bonds, notes or other evidences of indebtedness of the Predecessor Authorities were assumed by the Authority effective January 1, 2004. Under the Act, the Authority may not have outstanding at any one time bonds for any of its corporate purposes in an aggregate principal amount exceeding $28,150,000,000 (subject to change, from time to time, by acts of the State Legislature), excluding bonds issued to refund the bonds of the Authority or bonds of the Predecessor Authorities. Pursuant to the Act, the Authority is governed by up to 15-Members appointed by the Governor of the State of Illinois with the advice and consent of the State Senate. The Members receive no compensation for the performance of their duties but are entitled to reimbursement for all necessary expenses incurred in connection with the performance of such duties.

Bonds of the Authority

The Authority may from time to time issue bonds as provided in the Act for the purposes set forth in the Act. The Series 2026 Bonds of the Authority as described herein are special, limited obligations of the Authority payable solely from the specific sources and revenues of the Authority specified in the Bond Resolution of the Authority executed March 10, 2026 (the ***"Bond Resolution"***) and Bond Indentures authorizing the issuance of such Series 2026 Bonds. Any bonds issued by the Authority (and any premium thereon and the interest thereon) do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the State of Illinois or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision. No Owner of any Series 2026 Bond shall have the right to compel any taxing power of the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Series 2026 Bonds. The Authority has no taxing power.

The Authority makes no warranty or representation, whether express or implied, with respect to the Project or the use thereof. Further, the Authority has not prepared any material for inclusion in this Official Statement, except that material under the headings **"INTRODUCTION – The Authority," "THE AUTHORITY"** and **"LITIGATION - The Authority"**. The distribution of this Official Statement has been duly approved and authorized by the Authority. Such approval and authorization does not, however, constitute a representation or approval by the Authority of the accuracy or sufficiency of any information contained herein except to the extent of the material under the headings referenced in this paragraph.

The offices of the Authority are located at 160 North LaSalle Street, Suite S-1000, Chicago, Illinois 60601, and its telephone number is (312) 651-1300.

Authority Counsel

Certain legal matters with respect to the Series 2026 Bonds will be passed upon for the Authority by its special counsel, Ice Miller LLP, Chicago, Illinois.

PLAN OF FINANCE

General

The Borrowers will use the proceeds of the Series 2026 Bonds, together with other funds, (i) to refund the Refunded Bonds and (ii) to pay costs of issuance of the Series 2026 Bonds.

The Refunded Bonds

The Series 2021B Refunded Bonds in the aggregate outstanding principal amount of $33,600,000 will be refunded with a portion of the proceeds of the Series 2026A Bonds on or about the date of issuance of the Series 2026A Bonds, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest thereon through the redemption dates.

On the Series 2026B Settlement Date, the Borrowers will deposit a portion of the proceeds of the Series 2026B Bonds, together with other funds of the Borrowers (including monies held by the trustee for the Series 2016A Refunded Bonds), in an escrow account (the ***"Escrow Account"***) to be established with Amalgamated Bank of Chicago, as escrow agent (the ***"Escrow Agent"***) pursuant to an Escrow Agreement dated as of the Series 2026B Settlement Date (the ***"Escrow Agreement"***). Monies in the Escrow Account may be used to purchase certain non-callable, direct obligations of the United States of America (the ***"Government Obligations"***). The Government Obligations, if any, together with a certain beginning cash balance held in the Escrow Account, will be sufficient to pay the redemption price of the Series 2016A Refunded Bonds on November 1, 2026 (the ***"Series 2016A Redemption Date"***) at a redemption price equal to 100% of the principal amount of the Series 2016A Refunded Bonds coming due on the Series 2016A Redemption Date plus accrued and unpaid interest thereon to the Series 2016A Redemption Date.

Sources and Uses of Funds

The following is a summary of the estimated sources of funds and the uses of such funds in connection with the plan of financing:

Sources of Funds:	
Series 2026A Bonds	$32,220,000
Series 2026B Bonds	29,335,000
Original Issue Premium	3,270,395
Total Sources of Funds	$64,825,395

Uses of Funds:	
Redemption of Series 2021B Bonds	$33,600,000
Deposit to Escrow Account – Series 2016A Bond Defeasance	30,062,917
Costs of Issuance [1]	1,162,478
Total Uses of Funds	$64,825,395

(1) *Includes costs of issuance of the Series 2026 Bonds, including Underwriter's discount, and additional proceeds.*

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DEBT SERVICE REQUIREMENTS

The following table sets forth the annual amounts (rounded to the nearest dollar) required to pay scheduled principal, including mandatory sinking fund payments, and interest on the Series 2026 Bonds and the Series 2021A Bonds that will remain outstanding after the refunding of the Refunded Bonds. At the time of the issuance of the Series 2026B Bonds and the application of the proceeds thereof, the Obligated Group will have no outstanding long-term indebtedness other than the Series 2026 Bonds and the Series 2021A Bonds.

Debt Service Requirements

Period Ending March 31,	Series 2021A Bonds Principal	Series 2021A Bonds Interest	Series 2026A Bonds Principal	Series 2026A Bonds Interest	Series 2026B Bonds Principal	Series 2026B Bonds Interest	Total
2027	$380,000	$1,284,100		$908,425	$2,840,000	$354,465	$5,766,990
2028	380,000	1,269,100		1,611,000	5,135,000	1,261,375	9,656,475
2029	395,000	1,253,800		1,611,000	5,390,000	1,001,500	9,651,300
2030	410,000	1,237,800		1,611,000	5,660,000	728,625	9,647,425
2031	430,000	1,221,200		1,611,000	5,950,000	442,000	9,654,200
2032	600,000	1,203,900		1,611,000	4,360,000	140,875	7,915,775
2033	870,000	1,176,600	$2,450,000	1,580,125			6,076,725
2034	990,000	1,139,800	2,520,000	1,457,375			6,107,175
2035	1,025,000	1,099,800	2,645,000	1,329,875			6,099,675
2036	1,075,000	1,058,300	2,780,000	1,195,875			6,109,175
2037	1,110,000	1,015,000	2,920,000	1,055,250			6,100,250
2038	1,155,000	970,100	3,070,000	907,375			6,102,475
2039	1,205,000	923,400	3,220,000	752,000			6,100,400
2040	1,255,000	874,800	3,390,000	588,875			6,108,675
2041	1,305,000	824,100	3,555,000	417,375			6,101,475
2042	1,355,000	771,400	3,740,000	237,375			6,103,775
2043	1,645,000	716,600	1,930,000	48,250			4,339,850
2044	1,940,000	645,600					2,585,600
2045	2,020,000	567,200					2,587,200
2046	2,105,000	485,600					2,590,600
2047	2,185,000	400,600					2,585,600
2048	2,275,000	312,300					2,587,300
2049	2,370,000	220,400					2,590,400
2050	2,465,000	124,700					2,589,700
2051	1,255,000	25,100					1,280,100
Total	$32,200,000	$20,821,300	$32,220,000	$18,533,175	$29,335,000	$3,928,840	$137,038,315

THE SERIES 2026 BONDS

The following is a summary of certain terms and provisions of the Series 2026 Bonds. Reference is hereby made to the Series 2026 Bonds and the provisions with respect thereto in the Bond Indentures and the Loan Agreements. See ***Appendix C*** *and* ***Appendix D*** *for a summary of certain terms and provisions thereof.*

The Series 2026 Bonds will be issued pursuant to the respective Bond Indentures and the proceeds of the Series 2026 Bonds will be loaned to the Borrowers pursuant to the respective Loan Agreements. Contemporaneously with the issuance of the Series 2026 Bonds and to secure repayment of the loans made by the Authority to the Borrowers under the Loan Agreements, the Obligated Group Representative, on behalf of the Borrowers, will issue and deliver to the Authority the Series 2026 Obligations.

General

The Series 2026 Bonds will be issued only in fully registered form in denominations of $5,000 and integral multiples in excess thereof (***"Authorized Denominations"***). The Series 2026 Bonds will bear interest (based on a 360-day year of twelve 30-day months) at the respective rates per annum and will mature, subject to earlier redemption, on May 1 and November 1 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2026A Bonds will bear interest from their dated date, payable on May 1 and November 1 (the ***"Series 2026A Interest Payment Dates"***) of each year, commencing November 1, 2026. The Series 2026B Bonds will bear interest from their dated date, payable on May 1 and November 1 (the ***"Series 2026B Interest Payment Dates"*** and together with the Series 2026A Interest Payment Dates, the ***"Interest Payments Dates"***) of each year, commencing November 1, 2026. The Series 2026A Bonds, as initially issued, will be dated their date of issuance. The Series 2026B Bonds, as initially issued, will be dated as of their date of issuance, which will be the Series 2026B Settlement Date.

Book Entry-Only Bonds

The Series 2026 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (***"DTC"***). DTC will act as securities depository (the ***"Securities Depository"***) for the Series 2026 Bonds. So long as Cede & Co. is the registered owner, the Bond Trustee will pay such principal of and redemption price, if any, and interest on the Series 2026 Bonds to DTC, which will remit such principal, redemption price, if any, and interest to the Beneficial Owners (as hereinafter defined) of the Series 2026 Bonds, as described under the heading **"BOOK-ENTRY-ONLY SYSTEM"** herein. Individual purchases of interests in the Series 2026 Bonds will be made in book-entry form only, in Authorized Denominations. Purchasers of such interests will not receive certificates representing their interest in the Series 2026 Bonds. For a description of the method of payment of principal, premium, if any, redemption price, if any, and interest on the Series 2026 Bonds and matters pertaining to transfers and exchanges while in the book-entry only system, see the information herein under the heading **"BOOK-ENTRY-ONLY SYSTEM."**

In the event the book-entry only system is discontinued, the following provisions would apply. The principal of, premium, if any, and interest on the Series 2026 Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal and premium, if any, and interest on the Series 2026 Bonds at maturity or upon redemption shall be payable upon surrender of such Bonds (i) at the designated corporate trust office of the Bond Trustee, or its agent or successor as Bond Trustee, or at the office of any alternate Paying Agent, if any, named in any such Bond or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Bonds who so elects by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing on or prior to the Record Date and upon compliance with the reasonable requirements of the Bond Trustee. Except as provided below with respect to Defaulted Interest, payment of the interest on the Series 2026 Bonds shall be made to the person appearing on the Bond Register as the registered owner at the close of business of the Bond Trustee on the Record Date for such interest payment and shall be paid (i) by check or draft mailed to such registered owner on the applicable Interest Payment Date at such owner's address as it appears on the Bond Register or at such other address as is furnished to the Bond Trustee in writing by the applicable Record Date by such owner, or (ii) as to any registered owner of $500,000 or more in aggregate principal amount of Bonds who so elects, by wire transfer of funds to such wire transfer address within the continental United States as such registered owner shall have furnished to the Bond Trustee in writing by the Record Date and upon compliance with the reasonable requirements of the Bond Trustee. The "Record Date" means the April 15 or October 15 (whether or not a Business Day) next preceding an Interest Payment Date. In the event of default in the payment of interest due on such Interest Payment Date, defaulted interest will be payable to the person in whose name such Bond is registered at the close of business on a special record date established by the Bond Trustee which special record date must not be more than 15 days nor less than 10 days preceding the date of the proposed payment and not less than 10 days after the receipt by the Bond Trustee of the notice of the proposed payment (the ***"Special Record Date"***). The Bond Trustee is required to cause notice of the proposed payment to be delivered to each registered owner of Bonds, as of the Special Record Date, not less than 10 days prior to such Special Record Date.

Redemption of the Series 2026 Bonds

Optional Redemption of the Series 2026 Bonds. The Series 2026A Bonds will be subject to optional redemption, as described below.

Series 2026A Bonds. The Series 2026A Bonds maturing on or after November 1, 2033 are subject to optional redemption prior to maturity, in whole or in part at any time on or after May 1, 2033 at the redemption prices set forth below, plus accrued interest to the date of redemption.

Redemption Date	Redemption Price
May 1, 2033 through April 30, 2034	103%
May 1, 2034 through April 30, 2035	102%
May 1, 2035 through April 30, 2036	101%
May 1, 2036 and thereafter	100%

Each such redemption shall be at the option of the Borrowers on behalf of the Authority out of amounts prepaid on the Series 2026A Obligation and deposited in the Optional Redemption Fund established under the Series 2026A Bond Indenture, in whole or in part, and if in part, by maturities or portions thereof designated by the Borrowers (less than all of a maturity to be randomly selected utilizing such random method as may be designated by the Bond Trustee), at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the date of redemption, without premium.

Series 2026B Bonds. The Series 2026B Bonds are not subject to optional redemption prior to their maturity.

Provisions Applicable to all Series 2026 Bonds

Extraordinary Redemption. The Series 2026 Bonds are callable for redemption prior to maturity in the event of damage to or destruction of, the Facilities (as defined in the Master Indenture) or any part thereof of any Member of the Obligated Group or condemnation or sale consummated under threat of condemnation of the Facilities or any part thereof of any Member of the Obligated Group, if the net proceeds of insurance, condemnation or sale received in connection therewith exceed 10% of the Book Value of the Plant, Property and Equipment of the Obligated Group, but only to the extent of the funds provided therefor in the Master Indenture and applied to prepay the Series 2026 Obligations. If called for redemption in such event, the Series 2026 Bonds shall be subject to redemption by the Authority at any time, in whole or in part, and if in part by maturities or portions thereof designated by the Borrowers (and if less than all of a maturity is being redeemed in such random manner as the Bond Trustee shall deem appropriate) at the principal amount thereof plus accrued interest to the redemption date and without premium from Net Proceeds of such insurance or condemnation award but not in excess of the amount of such Net Proceeds applied for such purpose.

Selection for Redemption. No redemption of less than all of the Series 2026 Bonds at the time outstanding shall be made unless the aggregate principal amount of Series 2026 Bonds of a series to be redeemed is equal to or greater than $5,000 and is an Authorized Denomination and the aggregate principal amount of Bonds of such series outstanding after the redemption is an Authorized Denomination.

Notice of Redemption; Effect. Notice of the call for redemption of Bonds pursuant to the provisions summarized above will be given by mailing a copy of such notice of redemption by first-class mail, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date to the registered owners of the Series 2026 Bonds to be redeemed at the address shown on the Bond Register; provided, however, that failure to give such notice by mailing, or any defect therein, will not affect the validity of any proceedings for the redemption of Bonds as to which notice has been properly given. Except for mandatory bond sinking fund redemptions, prior to the date that a redemption notice is first mailed, funds shall be placed with the Bond Trustee to pay the Series 2026 Bonds to be redeemed and the accrued interest thereon to the redemption date and the premium, if any, or such notice shall state that the redemption is conditional on such funds being deposited on the redemption date and that failure to make such a deposit shall not constitute an event of default under the Bond Indentures. If notice of redemption has been given and if funds have been placed with the Bond Trustee to pay the principal of such Bonds, accrued interest thereon to the redemption date and the premium, if any, then the Series 2026 Bonds, or portions thereof, thus called for redemption will not bear interest after such redemption date, will no longer be protected by the Bond Indentures and will not be deemed to be outstanding under the Bond Indentures.

Mandatory Tender for Purchase In Lieu of Redemption. The Authority and, by their acceptance of the Series 2026 Bonds, the Bondholders, irrevocably grant to the Borrowers and any assigns of the Borrowers with respect to this right, the option to purchase, at any time and from time to time, any Series 2026 Bond which is subject to optional redemption as described above under **"Redemption of Series 2026 Bonds – *Optional Redemption of the Series 2026 Bonds*"** at a purchase price equal to the optional redemption price therefor. To exercise such option, the Borrowers shall give the Bond Trustee a Written Request exercising such option within the time period specified in the Bond Indentures as though such Written Request were a written request of the Borrowers for redemption, and the Bond Trustee shall thereupon give the holders of the Series 2026 Bonds to be purchased notice of such mandatory tender and purchase in the same manner as a notice of redemption as described under "*Notice of Redemption; Effect*" above. The purchase of such Bonds shall be mandatory and enforceable against the Bondholders and the Bondholders will not have the right to retain their Bonds. On the date fixed for purchase pursuant to any exercise of such option, the Borrowers shall pay or cause to be paid the purchase price of the Series 2026 Bonds then being purchased to the Bond Trustee in immediately available funds not later than 10:00 a.m. Chicago time on the purchase date, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of the Borrowers or its nominee or as otherwise directed by the Borrowers and shall deliver them to the Borrowers or its nominee or as otherwise directed by the Borrowers. In the case of the purchase of less than all of the Series 2026 Bonds, the particular Bonds to be purchased shall be selected in accordance with the selection process for redemption of Bonds as described under "*Selection for Redemption*" above. No purchase of the Series 2026 Bonds as described in this paragraph shall operate to extinguish the indebtedness of the Authority evidenced thereby. Notwithstanding the foregoing, no such purchase shall be made unless the Borrowers shall have delivered to the Bond Trustee and the Authority concurrently with such purchase an Opinion of Bond Counsel to effect that such purchase and any resale thereof will not affect the validity of the Series 2026 Bonds or any exemption from federal income taxation to which the interest on the Series 2026 Bonds would otherwise be entitled.

Exchange and Transfer

Upon surrender for transfer of any Series 2026 Bond at the designated corporate trust office of the Bond Trustee, the Authority shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Series 2026 Bond or Series 2026 Bonds in Authorized Denominations of the same maturity for a like aggregate principal amount which the registered owner is entitled to receive. Series 2026 Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount of registered Series 2026 Bonds of other Authorized Denominations of the same maturity which the registered owner is entitled to receive. All Series 2026 Bonds presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Bond Trustee, duly executed by the registered owner or by such owner's duly authorized attorney.

No service charge shall be made to the owner of any Series 2026 Bond requesting an exchange or transfer of any Series 2026 Bond, but the Authority and the Bond Trustee may require the payment by the Bondholder, requesting an exchange or transfer, of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, except in the case of the issuance of a Series 2026 Bond or Series 2026 Bonds for the unredeemed portion of a Series 2026 Bond surrendered for redemption in part.

The Authority and the Bond Trustee shall not be required to register the transfer of or exchange of any Series 2026 Bond after notice calling such Series 2026 Bond or portion thereof for redemption has been mailed or during the period of 15 days next preceding mailing of a notice of redemption of any Series 2026 Bonds of the same maturity.

As to any Series 2026 Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, whether or not such Series 2026 Bond shall be overdue, and shall not be bound by any notice to the contrary, and payment of or on account of the principal of, premium, if any, and/or interest on any such Series 2026 Bond, shall be made only to or upon the written order of the registered owner thereof or such owner's legal representative, but such registration may be changed only as described in the respective Bond Indentures. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond to the extent of the sum or sums so paid.

Defeasance of the Series 2026 Bonds

All or any portion of the Series 2026 Bonds may be defeased through the deposit in escrow of cash or noncallable Government Obligations for the benefit of the holders of such defeased Series 2026 Bonds. See "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Summary of Certain Provisions of the Bond Indentures – *Defeasance***" in ***Appendix D***.

Retained Call Rights

All or a portion of the Series 2026 Bonds may, in the future, be refunded or defeased to any redemption date or maturity for the Series 2026 Bonds. In connection with the issuance of the Series 2026 Bonds, the Authority, the Bond Trustee and the Borrowers have reserved all of the call rights pertaining thereto. Therefore, subject to certain requirements in the Bond Indentures, subsequent to the date that cash and/or noncallable Government Obligations are deposited with the Bond Trustee to provide for the payment of all or any portion of the Series 2026 Bonds at the respective maturity dates therefor, the Authority may, if directed by the Borrowers, elect to call such Series 2026 Bonds (or any portions thereof) on any earlier redemption date applicable to such Series 2026 Bonds unless, in connection with making such deposits, the Authority, at the direction of the Borrowers, has irrevocably elected to waive any future right to call the Series 2026 Bonds or portions thereof for redemption prior to maturity. Subsequent to the date that cash and/or noncallable Government Obligations are deposited with the Bond Trustee to provide for the payment of all or any portion of the Series 2026 Bonds at any redemption date or dates applicable to such Series 2026 Bonds (but prior to the giving of any notice of redemption with respect to such Series 2026 Bonds pursuant to the Bond Indentures), the Authority may, if directed by the Borrowers, elect to pay such Series 2026 Bonds (or any portion thereof) at the respective maturity dates therefor unless, in connection with making such deposits, the Authority, at the direction of the Borrowers shall have irrevocably elected to waive the right to provide for the payment of such Series 2026 Bonds on their respective maturity dates. See "**THE SERIES 2026 BONDS – Redemption of the Series 2026 Bonds**" above, and "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Summary of Certain Provisions of the Bond Indentures –** ***Redemption After Satisfaction of Bond Indentures***" in ***Appendix D***.

BOOK-ENTRY-ONLY SYSTEM

The information provided immediately below concerning DTC and the Book-Entry-Only System, as it currently exists, has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Underwriter, the Authority, the Obligated Group Representative or any Member of the Obligated Group.

General

The Depository Trust Company (***"DTC"***), New York, NY, will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC and its Participants

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (***"Direct Participants"***) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (***"DTCC"***). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing Obligated Groups that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (***"Indirect Participants"*** and, collectively with the Direct Participants, the ***"Participants"***). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of Ownership Interests

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (***"Beneficial Owner"***) is in turn to be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

Transfers

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Notices

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Voting

Neither DTC nor Cede & Co. nor any other DTC nominee will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of Principal and Interest

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Bond Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Bond Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Discontinuation of Book-Entry-Only System

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the Authority or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

Under the Bond Indentures, (a) the Authority or the Borrowers may determine that (a) DTC is incapable of discharging its responsibilities described in the Bond Indentures or (b) that it is in the best interest of the beneficial owners of the Series 2026 Bonds that they be able to obtain certificated Bonds. In that event, the use of the system of book-entry transfers through DTC (or a successor securities depository) will be discontinued and Bond certificates will be printed and delivered.

The information in this Section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Members of the Obligated Group believe to be reliable, but neither the Authority nor any Member of the Obligated Group takes any responsibility for the accuracy thereof.

Neither the Authority, the Underwriter, the Obligated Group Representative, nor any Member of the Obligated Group will have any responsibility or obligations to any Direct Participants or Indirect Participants or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or any such Direct Participant or Indirect Participant; (ii) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Series 2026 Bonds; (iii) the delivery by any such Direct Participant or Indirect Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Bond Indentures to be given to Bondholders; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2026 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS

General

The Authority and the Borrowers will enter into a Forward Delivery Bond Purchase Agreement (the ***"Series 2026B Bond Purchase Agreement"***) for the Series 2026B Bonds with the Underwriter. Subject to the terms of the Series 2026B Bond Purchase Agreement, the Authority expects to issue and deliver the Series 2026B Bonds on August 4, 2026 or on such later date as is mutually agreed upon by the Authority and the Underwriter (the ***"Series 2026B Settlement Date"***).

Pursuant to the Series 2026B Bond Purchase Agreement, the Underwriter will agree to purchase the Series 2026B Bonds on the Series 2026B Settlement Date. A pre-closing is expected be held with respect to the Series 2026B Bonds (the ***"Pre-Closing"***) on or about April 7, 2026. At such time, the conditions for issuance and delayed delivery of the Series 2026B Bonds and payment therefor by the Underwriter are expected to be met, except for the confirmation of certain facts on the Series 2026B Settlement Date and the delivery on the Series 2026B Settlement Date of the Series 2026B Bond Indenture, the Series 2026B Loan Agreement, the Third Supplemental Master Indenture, and certain other documents, certificates and opinions specified in the Series 2026B Bond Purchase Agreement, including the opinion of Bond Counsel substantially in the form and to the effect as set forth in ***Appendix E-2***.

Upon satisfaction of the conditions of the Pre-Closing, and subject to compliance with the conditions described below and in the Series 2026B Bond Purchase Agreement, the Underwriter will be obligated to take delivery of and pay for the Series 2026B Bonds on the Series 2026B Settlement Date. *There will be no delivery of the Series 2026B Bonds or any payment therefor on the date of the Pre-Closing.*

Series 2026B Bonds Settlement

The issuance of the Series 2026B Bonds and the obligation of the Underwriter under the Series 2026B Bond Purchase Agreement to purchase, accept delivery of and pay for the Series 2026B Bonds on the Series 2026B Settlement Date are conditioned upon the performance by the Authority and the Borrowers of their respective obligations thereunder, including, the delivery of an opinion, dated the Series 2026B Settlement Date, of Bond Counsel, substantially in the form set forth in ***Appendix E-2***. The purchase and delivery of the Series 2026B Bonds is further contingent upon (i) the delivery of the Series 2026B Bond Indenture, the Series 2026B Loan Agreement, the Third Supplemental Master Indenture, the Series 2026B Obligation and other bond financing documents described therein and certain certificates and legal opinions and (ii) the satisfaction of other conditions set forth in the Series 2026B Bond Purchase Agreement as of the Series 2026B Settlement Date. Changes or proposed changes in federal or state laws, court decisions, regulations or proposed regulations or rulings of administrative agencies occurring or in effect prior to the Series 2026B Settlement Date or the failure by the Authority and the Borrowers to provide closing documents of the type customarily required in connection with the issuance of state and local government tax-exempt bonds could prevent those conditions from being satisfied. None of the Series 2026B Bonds will be issued unless all of the Series 2026B Bonds are issued and delivered on the Series 2026B Settlement Date.

The Underwriter has the right to terminate its obligations under the Series 2026B Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2026B Bonds by notifying the Authority and the Borrowers of its election to do so under the circumstances set forth herein and in the Series 2026B Bond Purchase Agreement.

During the period of time between the date of this Official Statement and the Series 2026B Settlement Date (the ***"Forward Delivery Period"***), certain information contained in this Official Statement could change in a material respect. Except as described above, the Underwriter may not refuse to purchase the Series 2026B Bonds by reason of "general market or credit changes," including (a) a reduction in or withdrawal of the rating assigned to the Series 2026B Bonds or (b) changes in the financial condition, operations, performance, properties or prospects of the Borrowers prior to the Series 2026B Settlement Date.

Agreement of Purchasers

By submitting an order for the Series 2026B Bonds, every purchaser in the initial offering (a *"Purchaser"*) shall be deemed to have committed to purchase its allotted share of the Series 2026B Bonds (the *"Purchased Series 2026B Bonds"*).

By submission of its order, the Purchaser confirms that it has reviewed this Official Statement, has considered the risks associated with purchasing the Purchased Series 2026B Bonds and is duly authorized to purchase the Purchased Series 2026B Bonds. The Purchaser understands that the Purchased Series 2026B Bonds are being sold on a "forward" basis, and the Purchaser will purchase and agree to accept delivery of such Purchased Series 2026B Bonds from the Underwriter on or about the Series 2026B Settlement Date, pursuant to the Series 2026B Bond Purchase Agreement.

Upon issuance by the Authority of the Series 2026B Bonds and purchase thereof by the Underwriter, the obligation of the Purchaser to take delivery of the Purchased Bonds shall be unconditional unless the Underwriter terminates the Series 2026B Bond Purchase Agreement prior to the Series 2026B Settlement Date. The obligations of the Underwriter to accept delivery of and pay for the Series 2026B Bonds on the Series 2026B Settlement Date shall be subject to the accuracy in all material respects of the representations and warranties on the part of the Authority and the Borrowers contained in the Series 2026B Bond Purchase Agreement as of its date and as of the Series 2026B Settlement Date, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and the Borrowers, as well as of the other individuals referred to therein, made in any certificates or other documents furnished pursuant to the provisions thereof, to the performance by the Authority and the Borrowers of their respective obligations to be performed thereunder at or prior to the Series 2026B Settlement Date and to the following additional conditions:

(1) On the Series 2026B Settlement Date:

(a) the Series 2026B Bonds, the Series 2026B Bond Indenture, the Series 2026B Loan Agreement, the Third Supplemental Master Indenture, and the Series 2026B Continuing Disclosure Agreement, and the Series 2026B Tax Agreement (collectively, the ***"Series 2026B Financing Documents"***) shall be executed and delivered and shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter;

(b) no Event of Default shall have occurred under the Master Indenture or any Obligation issued under the Master Indenture that has not been cured or waived by the Master Trustee as of the Series 2026B Settlement Date; and

(c) there shall have been taken in connection with the issuance of the Series 2026B Bonds and with the transactions contemplated by the Series 2026B Bonds and the other Series 2026B Financing Documents, all such actions as, in the opinion of Bond Counsel shall be necessary and appropriate.

(2) The Underwriter has the right to cancel its obligations to purchase the Series 2026B Bonds if at any time at or prior to the Series 2026B Settlement Date, any of the following events shall have occurred:

(a) This Official Statement has been amended or supplemented in a manner that may, in the reasonable judgment of the Underwriter, have a material adverse effect on the marketability of any of the Series 2026B Bonds;

(b) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation that, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Borrowers or by any similar body or upon interest received on obligations of the general character of the Series 2026B Bonds that, in the Underwriter's opinion, materially adversely affects the market price of the Series 2026B Bonds;

(c) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or be enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred that results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Borrowers or by any similar body or upon interest received on obligations of the general character of the Series 2026B Bonds that, in the Underwriter's opinion, materially and adversely affects the market price of the Series 2026B Bonds;

(d) Any legislation, ordinance, rule or regulation shall be introduced in or be enacted by the General Assembly of the State of Illinois or by any other governmental body, department or agency of the State of Illinois or a decision by any court of competent jurisdiction within the State of Illinois shall be rendered that, in the Underwriter's opinion, materially and adversely affects the market price of any of the Series 2026B Bonds, or litigation challenging the law under which the Series 2026B Bonds are to be issued shall be filed in any court in the State;

(e) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction over the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of any of the Series 2026B Bonds, or the issuance, offering or sale of any of the Series 2026B Bonds, including all underlying obligations, as contemplated by this Official Statement, is in violation or would be in violation of any provision of the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "1934 Act"), or the Trust Indenture Act of 1939, as amended;

(f) Legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, to the effect that obligations of the general character of any of the Series 2026B Bonds, including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act;

(g) Any event shall have occurred, or information become known that, in the Underwriter's opinion, makes untrue in any material respect any statement or information contained in the Official Statement as originally circulated, or has the effect that the Official Statement as originally circulated and supplemented to date contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading;

(h) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(i) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to any of the Series 2026B Bonds or obligations of the general character of any of the Series 2026B Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(j) Any general banking moratorium shall have been established by federal or Illinois authorities;

(k) A material default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state that, in the Underwriter's opinion, materially adversely affects the market price of any of the Series 2026B Bonds;

(l) Any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Borrowers or the Obligated Group Representative; or

(m) A war involving the United States shall have been declared, or any conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred that, in the Underwriter's opinion, materially adversely affects the market price of the Series 2026B Bonds.

Except as otherwise described above or in the Series 2026B Bond Purchase Agreement, by submission of its order, the Underwriter shall be deemed to acknowledge and agree that it will not be able to withdraw its order and will not otherwise be excused from performance of its obligations to take up and pay for the Purchased Series 2026B Bonds on the Series 2026B Settlement Date because of market or credit changes. The Underwriter shall be deemed to acknowledge and agree that it will remain obligated to purchase the Purchased Series 2026B Bonds in accordance with the terms hereof even if the Purchaser decides to sell such Purchased Series 2026B Bonds after the date of this Official Statement.

SECURITY FOR THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be special, limited obligations of the Authority and will be payable solely from (i) payments or prepayments on the related Series 2026 Obligations; (ii) payments or prepayments made under the related Loan Agreement (other than payments with respect to Unassigned Rights); (iii) monies held by the Bond Trustee under, and to the extent provided in, the related Bond Indenture; (iv) in certain circumstances, proceeds from insurance and condemnation awards or proceeds of sales made under the threat of condemnation and (v) income from the temporary investment of any of the foregoing. Certain investment earnings on monies held by the Bond Trustee under the Bond Indentures may be transferred to a Rebate Fund established pursuant to the Tax Exemption Agreement related to the Series 2026 Bonds. Amounts held in such Rebate Fund will not be part of the "trust estate" pledged to secure the Series 2026 Bonds, and consequently will not be available to make payments on the Series 2026 Bonds.

The Series 2026 Bonds, any premium thereon and the interest thereon constitute special, limited obligations of the Authority and, except to such limited extent, do not constitute indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the Authority, the State of Illinois or any political subdivision thereof, within the purview of any constitutional or statutory limitation or provision. The Authority is obligated to pay the principal of, premium, if any, and interest on the Series 2026 Bonds and other costs incidental thereto only from the sources specified in the Bond Indentures. Neither the full faith and credit nor the taxing powers of the State of Illinois or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, and interest on the Series 2026 Bonds. No owner of any Series 2026 Bond shall have the right to compel the taxing power of the State of Illinois or any political subdivision thereof to pay the principal of, premium, if any, or interest on the Series 2026 Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

The Bond Indentures

The Series 2026 Bonds of each series will be issued by the Authority pursuant to the respective Bond Indentures. Under the Bond Indentures, the Authority will pledge and assign to the Bond Trustee as security for the payment of principal of, premium, if any, and interest on the Series 2026 Bonds, all of its right, title and interest in and to (i) the corresponding Loan Agreement and all payments derived by the Authority from the Borrowers under such Loan Agreement (excluding the Authority's Unassigned Rights), (ii) the Series 2026A

Obligation or the Series 2026B Obligation, as applicable, and (iii) the funds created under the corresponding Bond Indentures and amounts held therein, including investment earnings (but excluding amounts on deposit in the Rebate Fund). See **"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Summary of Certain Provisions of the Series 2026A Bond Indenture"** and **"– Summary of Certain Provisions of the Series 2026B Bond Indenture"** in ***Appendix D***.

The Loan Agreements

The Loan Agreements will provide that the Borrowers shall make designated payments to the Bond Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2026 Bonds when due. The Obligated Group's obligation to make payments on the Series 2026 Obligations shall be satisfied to the extent payments are made by the Borrowers under the Loan Agreements. The Loan Agreements will also impose certain restrictions on the actions of the Borrowers for the benefit of the Authority and the holders of the Series 2026 Bonds. See **"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Summary of Certain Provisions of the Series 2026A Loan Agreement"** and **"– Summary of Certain Provisions of the Series 2026B Loan Agreement** in ***Appendix D***.

The Master Indenture

The Borrower's obligations under the Loan Agreements will be secured by the Series 2026 Obligations which will be issued and secured under the Master Indenture. The Series 2026 Obligations will entitle the Bond Trustee, as the holder of the Series 2026 Obligations, to the protection and benefit of the covenants, restrictions and other obligations imposed on the Obligated Group by the Master Indenture.

The Master Indenture provides that payments on the Obligations will be the joint and several obligations of the Borrowers and any future Members of the Obligated Group. The accounts of the Borrowers and any future Members of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the issuance of Additional Indebtedness) are satisfied. See **"BONDHOLDERS' RISKS – Certain Matters Relating to Enforceability of the Master Indenture."**

The Obligations are secured on a parity basis by a security interest in the Gross Revenues of each Member of the Obligated Group, subject only to Permitted Encumbrances. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Definitions of Certain Terms – *Gross Revenues*"** in ***Appendix C***.

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) payments or deposits under a Residence and Services Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of such payment or deposit have been satisfied, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units or other areas of the Facilities to be leased to residents or tenants and received prior to receipt of such certificate and licenses for occupancy of such units.

The Lake Forest Place Mortgage

All Obligations are secured by the Lake Forest Place Mortgage. Pursuant to the Lake Forest Place Mortgage, Lake Forest Place has granted a security interest in the Mortgaged Property, subject only to Permitted Encumbrances. The Lake Forest Place Mortgage also grants a security interest in certain personal property of Lake Forest Place, including the Machinery and Equipment on the mortgaged campus. The Mortgaged Property includes only Lake Forest Place, and no other Facilities of the Obligated Group are pledged to the Master Trustee to secure the Obligations. Under certain circumstances discussed immediately below under **"Springing Westminster Place Mortgage,"** additional property of the Borrowers may be required to be pledged to the Master Trustee to secure any Obligations outstanding under the Master Indenture. For a summary of certain provisions of the Lake Forest Place Mortgage, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE"** in ***Appendix C***.

In conjunction with the issuance of the Series 2016A Bonds, Lake Forest Place delivered a mortgagee title insurance policy for the Mortgaged Property to the Master Trustee in the insured amount of $102,945,000, insuring the first mortgage lien status of the Mortgage on the real property comprising the Lake Forest Place campus. The title insurance policy will be endorsed by the title company to update coverage (without a change in the insured amount) to the date of issuance of the Series 2026A Bonds. The Master Trustee is the named insured under the title insurance policy.

Springing Westminster Place Mortgage

Under certain circumstances described in the Master Indenture, Westminster Place will be obligated to grant to the Master Trustee a mortgage (the ***"Westminster Place Mortgage"***) on its Westminster Place campus in Evanston, Illinois, as security for all Obligations issued under the Master Indenture.

Not later than 150 days after receipt by the Obligated Group Representative of notice that (i) any Rating Agency that maintains a rating on all of the Series 2021A Bonds and the Series 2026 Bonds has reduced the credit rating on the Series 2026 Bonds to "BBB-" (or an equivalent rating) or lower or (ii) all of the credit ratings on the Series 2021A Bonds and the Series 2026 Bonds have been withdrawn (including any voluntary withdrawal at the request of the Obligated Group) and such bonds have become unrated, the Obligated Group Representative and/or Westminster Place will deliver the Westminster Place Mortgage to the Master Trustee granting a mortgage and security interest in the property of the community currently known as Westminster Place in Evanston, Illinois (the ***"Westminster Mortgaged Property"***), as security for all of the Obligations issued under the Master Indenture. The Westminster Place Mortgage, if required pursuant to the Master Indenture, will be in substantially the form of the Lake Forest Place Mortgage, and will be accompanied by a lender's title insurance policy naming the Master Trustee as an insured covering the Westminster Mortgaged Property and an opinion of Counsel to the Obligated Group to the effect that, among other things, the Westminster Place Mortgage creates a valid lien on the Westminster Mortgaged Property. The title insurance policy for the Westminster Place campus is required to be in the insured amount equal to (i) the principal amount of all Outstanding Obligations evidencing or securing Indebtedness, minus (ii) the insured amount under the title insurance policy for the Lake Forest Place campus (currently $102,945,000). See **"THE OBLIGATED GROUP AND SYSTEM - Obligated Group"** in ***Appendix A*** for a description of the Facilities of Westminster Place. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER**

INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Westminster Mortgage*" in ***Appendix C***.

Additional Indebtedness

As of the date of issuance of the Series 2026B Bonds, the Series 2026 Obligations and the Series 2021A Obligation will be the only Obligations outstanding under the Master Indenture. The Master Indenture permits the Obligated Group to incur Additional Indebtedness (including Guaranties) which may, but need not, be evidenced or secured by an Additional Obligation issued under the Master Indenture. Under certain conditions specified therein, the Master Indenture will permit the Members of the Obligated Group to issue Additional Obligations that will not be pledged under the Bond Indentures but will be equally and ratably secured by the Master Indenture with the Series 2026 Obligations and the Series 2021A Obligation. In addition, the Master Indenture will permit such Additional Obligations to be secured by security (including Liens on the Property, including Facilities, of the Members of the Obligated Group and letters and lines of credit and insurance), which additional security or Liens need not be extended to secure any other Obligations (including the Series 2026 Obligations). See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Liens on Property*"** and **"*– Permitted Additional Indebtedness*"** and **"Summary of Certain Provisions of the Second Supplemental Master Indenture – *Permitted Additional Indebtedness*"** in ***Appendix C***.

In determining compliance with a number of provisions of the Master Indenture, including the provisions governing the incurrence of Additional Indebtedness, the Obligated Group may assume that certain types of Indebtedness which bear interest at varying rates and which may not be payable over an extended term will bear interest over time at interest rates approximating current or recent long term fixed rates, will remain outstanding for a term longer than the actual term of such Indebtedness and will be amortized on a level debt service basis. The actual interest rates and payments on such Indebtedness may vary from such assumptions, and such variance may be material. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Calculation of Debt Service and Debt Service Coverage*"** in ***Appendix C***.

Amendments to the Master Indenture

The Master Indenture provides that certain amendments may be made to the Master Indenture with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations which are Outstanding under the Master Indenture. Such amendments may be material and the Obligation holders providing the requisite consents to such amendments may be comprised entirely of the holders of Obligations other than the Series 2026 Obligations. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Supplemental Master Indentures and Amendments of the Mortgage Requiring Consent of Obligation Holders*"** in ***Appendix C***.

Certain Covenants of the Obligated Group

For the definitions of certain words and terms used in this section, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Definitions of Certain Terms"** in ***Appendix C***. The Amended and Restated Master Indenture would result in amendments to certain covenants of the Obligated Group if it becomes effective. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture"** in ***Appendix C*** for specific proposed changes to the Original Master Indenture effected by the Amended and Restated Master Indenture.

Rate Covenant. Each Member of the Obligated Group agrees in the Master Indenture that it will operate its Facilities on a revenue producing basis and charge such fees and rates for its Facilities and services and exercise such skill and diligence such that the Historical Debt Service Coverage Ratio is at least **1.20** for each Fiscal Year, including the Fiscal Year ending March 31, 2026. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Rates and Charges*"** and **"– Summary of Certain Provisions of the Second Supplemental Master Indenture – *Rates and Charges*"** in ***Appendix C*** for more detail. The 2026 Springing Amendments and the Amended and Restated Master Indenture contain certain amendments to the Original Master Indenture, which are reflected in the following description of the Rate Covenant. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture-*Rates and Charges*"** in ***Appendix C*** for specific changes effected by the Amended and Restated Master Indenture.

Original Master Indenture

Under the Original Master Indenture, each Member of the Obligated Group agrees in the Master Indenture that it will operate its Facilities on a revenue producing basis and charge such fees and rates for its Facilities and services and exercise such skill and diligence such that the Historical Debt Service Coverage Ratio is at least **1.20** for each Fiscal Year, including the Fiscal Year ending March 31, 2026.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20, the Master Trustee will require the Obligated Group to select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Historical Debt Service Coverage Ratio for the following Fiscal Year to at least 1.20. The Master Trustee will not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if (a) there is filed with the Master Trustee a written report of a Consultant that contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to cause the Historical Debt Service Coverage Ratio to equal or exceed 1.20 and, if requested by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee an opinion of Independent Counsel to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20 for any Fiscal Year, such failure shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any Fiscal Year, such failure shall constitute an event of default under the Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00 for any two consecutive Fiscal Years, such failure shall constitute an event of default.

After Effective Date of Amended and Restated Master Indenture

After the effective date of the Amended and Restated Master Indenture, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 but at least 1.10:1 for such year, the Obligated Group Representative shall, within 30 days following the delivery date of the calculation described in the preceding paragraph, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons that the Historical Debt Service Coverage Ratio was less than 1.20:1 and adopting a specific plan setting forth steps to be taken designed to raise the Historical Debt Service Coverage Ratio to at least 1.20:1 for future periods.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.10:1 for such year, the Master Trustee shall require the Obligated Group, at the Obligated Group's expense, to select a Consultant within 30 days following the delivery date of the calculation described in the second preceding paragraph to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 for the following Fiscal Year. The Consultant selected as required by the Master Indenture shall be approved and retained as set forth in the Master Indenture.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.10:1, the Master Trustee shall not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a summary to each Required Information Recipient) a written report addressed to them of a Consultant (which Consultant and report, including, without limitation, the scope, form, substance and other aspects of such report, are not objected to by the Master Trustee) which contains an opinion of such Consultant that Industry Restrictions have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the related requirements of the Master Indenture, and, if requested by the Master Trustee), such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such Industry Restrictions; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Related Bond Trustee) an opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) to the effect that the Industry Restrictions underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20:1 for any Fiscal Year, such failure shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing an Officer's Certificate or obtaining a Consultant's report and adopting a plan and follows such plan or each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year, such failure shall constitute an event of default under the Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any two consecutive Fiscal Years, such failure shall constitute an event of default under the Master Indenture.

For specific information regarding the process under the Master Indenture for selection of Consultants, see ***"Approval of Consultants"*** below and **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Approval of Consultants*****"** in ***Appendix C.***

Liquidity Covenant. Pursuant to the Original Master Indenture, the Obligated Group has agreed that it will conduct its business so that the Obligated Group will have not less than 180 Days Cash on Hand (the ***"Existing Liquidity Requirement"***) on March 31 and September 30 of each Fiscal Year (each such date being a **"*****Testing Date*****"**). See "**SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture –** ***Liquidity Covenant.***" The Amended and Restated Master Indenture reduces the Liquidity Requirement to 150 Days Cash on Hand (as so reduced, the ***"Amended Liquidity Requirement"***). See "**SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE-** ***Liquidity Covenant***" in ***Appendix C*** for specific proposed changes to the Liquidity Covenant effected by the 2026 Springing Amendments and the Amended and Restated Master Indenture. If the number of Days Cash on Hand as of any Testing Date is less than the Existing Liquidity Requirement or the Amended Liquidity Requirement, as applicable, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of the Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for future periods.

If the Obligated Group has not raised the level of Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the number of Days Cash on Hand to the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for future periods.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to satisfy the Existing Liquidity Requirement or Amended Liquidity Requirement, as applicable, for any Liquidity Testing Date will not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the requirements set forth in the Master Indenture as described above and under ***"Approval of Consultants"*** below for adopting a plan or obtaining a Consultant's report (whichever is required) and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Second Supplemental Master Indenture"** in ***Appendix C*** for specific proposed changes to the Liquidity Covenant effected by the Amended and Restated Master Indenture.

For specific information regarding the process under the Master Indenture for the selection of Consultants, see ***"Approval of Consultants"*** below and **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Approval of Consultants*****"** in ***Appendix C.***

Lock-Box Provisions under Original Master Indenture. Upon the occurrence and during the continuance of an event of default under the Original Master Indenture, the Master Trustee shall give to the Obligated Group Representative a notice (the ***"Lock-Box Notice"***). Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within 30 days the Obligated Group Representative will (i) select a Consultant to review the operating budget of the Obligated Group and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month-by-month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Representative and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the ***"Lock-Box Budget"***), will be sent to the Obligated Group Representative and the Master Trustee. In the event that the Obligated Group Representative fails to submit a proposed operating budget to the Consultant and the Master Trustee, the Consultant will modify the operating budget last submitted as the Consultant deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Obligated Group Representative and the Master Trustee. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Representative to pay operating expenses only in accordance with the Lock-Box Budget.

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

The proposed 2026 Springing Amendments effected by the Amended and Restated Master Indenture include deletion of the above-described lock-box provisions. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE –** ***Lock-Box Provisions*****"** and "**SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE –** ***Lock Box Provisions***" in ***Appendix C***.

Disposition of Property. The Members of the Obligated Group agree in the Master Indenture to restrictions on the disposition of its Property, as more fully described in **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture –** ***Sale, Lease or Other Disposition of Property*****"** in ***Appendix C***.

Approval of Consultants. If at any time the Members of the Obligated Group are required to engage a Consultant under the provisions of the Master Indenture, such Consultant shall be engaged in the manner set forth below.

Upon selecting a Consultant as required under the Master Indenture, the Obligated Group Representative will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of such notice, notify the holders of all Obligations Outstanding under the Master Indenture of such selection and the Obligated Group Representative will post a copy of such notice (or cause a copy of such notice to be posted) on EMMA (as defined below). Such notice shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged including a description of the covenant(s) of the Master Indenture that require the Consultant to be engaged, and (iii) state that the holder of the Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Obligation Holder submits an objection to the selected Consultant in writing (in a manner not objected to by the Master Trustee) to the Master Trustee within 15 days after the date that the notice is sent to the Obligation Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee shall notify the Obligated Group of the number of objections. If two thirds or more in aggregate principal amount of the holders of the Outstanding Obligations have consented or have been deemed to have consented to the selection of the Consultant, the Obligated Group Representative may engage the Consultant. If more than one third in aggregate principal amount of the holders of the Obligations Outstanding have objected to the Consultant selected, the Obligated Group Representative shall select another Consultant.

When the Master Trustee notifies the holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee send a notice containing the information required by the immediately preceding paragraph to the holders of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the response of the holders of such Related Bonds. If two-thirds or more in aggregate principal amount of the Related Bonds have been deemed to have consented to the selection of the Consultant, the Bond Trustee shall approve the Consultant. If one-third or more in aggregate principal amount of the holders of the Related Bonds have objected to the Consultant selected, the Bond Trustee shall not approve the Consultant.

The 15-day notice period described in the second paragraph above under this sub-heading may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the holders of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of the Master Indenture summarized under this sub-heading.

See ***Appendix C* – "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Approval of Consultants*."**

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the Obligated Group with respect to the Series 2026 Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement and should not be considered as a complete description of all risks that could affect such payments. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Official Statement, including the Appendices hereto, and additional information in the form of the complete documents summarized herein and in ***Appendices C*** *and* ***D****, copies of which are available as described herein.*

General

The Series 2026 Bonds are limited obligations of the Authority payable by the Authority solely from payments to be made by the Obligated Group pursuant to the Loan Agreements and the Series 2026 Obligations and certain other funds held by the Bond Trustee under the Bond Indentures. No representation or assurance can be made that the Obligated Group will realize sufficient revenues to make such payments under the Loan Agreements and the Series 2026 Obligations with respect to the Series 2026 Bonds.

The Obligated Group's realization of future revenues is dependent upon, among other things, federal and state policies affecting the senior housing, long-term care and health care industries (including changes in reimbursement rates and policies), competition from other senior housing, long-term care and health care providers, the capability of the management of the Obligated Group and future economic and other conditions impossible to predict.

Uncertainty of Revenues

The ability of the Obligated Group to make payments under the Loan Agreements and the Series 2026 Obligations is dependent upon the generation of revenues by the Obligated Group in amounts necessary to pay the principal, premium, if any, and interest thereon, and to pay other operating and capital expenses. The success of the Obligated Group depends upon: the impact of government regulations; the maintenance of high occupancy levels at the Facilities by eligible residents who are able to pay the entrance fees, monthly service fees and health care fees; the capabilities of the management of the Facilities; and unpredictable future economic and other conditions. Any of these factors may affect revenues and payment of debt service on the Series 2026 Bonds. No representation or assurance can be made that revenues will be realized by the Obligated Group in amounts sufficient to make the required payments on the Series 2026 Bonds.

Failure to Achieve or Maintain Turnover or Occupancy

No representation or assurance can be made that revenues, including entrance fees, as presently estimated or otherwise, will be realized by the Obligated Group from the operation or disposition of the Facilities in the amounts necessary to make the required payments on the Series 2026 Bonds. The economic viability of the Facilities depends upon the ability of the Obligated Group to maintain substantial occupancy of the Facilities throughout the term of the Series 2026 Bonds. The Facilities currently include housing units for independent living, assisted living, memory care and skilled and intermediate nursing care units. See **"THE OBLIGATED GROUP AND SYSTEM – Obligated Group"** in ***Appendix A*** for more information. As the residents die, withdraw from the independent units or transfer to either the assisted living or skilled nursing units, the vacated independent living units must be successfully remarketed and reoccupied by new residents. The failure by the Obligated Group to remarket and reoccupy the vacated units may adversely affect the Obligated Group's ability to generate sufficient revenues to make the required payments on the Series 2026 Bonds.

Various forms of agreements between a resident and the Members of the Obligated Group (each, a ***"Residency and Services Agreement"***) have historically been used by the Members of the Obligated Group. Other forms of Residency and Services Agreements have been discontinued or introduced due to changes in the market for continuing care retirement community contracts. The potential exists for future losses on actuarially underpriced contracts, which may adversely affect the Obligated Group's ability to generate sufficient revenues to make the required payments on the Series 2026 Bonds. The Obligated Group obtained actuarial reports dated as of March 31, 2025, stating that the Members of the Obligated Group are in satisfactory actuarial balance as defined by Actuarial Standards of Practice No. 3.

Public Health Emergencies

The occurrence of a public health emergency, including a pandemic similar to the COVID-19 pandemic, and governmental and public responses to such emergency, may directly or indirectly affect the operations and financial condition of senior living facility operations in a multitude of ways. There can be no assurance that a future pandemic or other public health emergency will not result in material adverse consequences to the operations or financial condition of the Obligated Group. The extent to which business interruption insurance would be available in connection with a pandemic or other public health emergency is fact-dependent and there can be no assurance that any available coverage would be sufficient to cover losses.

Utilization Demand

Several factors could, if implemented, affect demand for services of the Facilities of the Obligated Group, including: (i) efforts by insurers and governmental agencies to reduce utilization of skilled nursing home and long-term care facilities by such means as preventive medicine and home health care programs; (ii) advances in scientific and medical technology; (iii) a decline in the population, a change in the age composition of the population or a decline in the economic conditions of the Obligated Group's service area; and (iv) increased or more effective competition from nursing home and long-term care facilities now or hereafter located in the service areas of the Facilities. Decreased demand for the Obligated Group's Facilities may adversely affect the Obligated Group's ability to generate sufficient revenues to make the required payments on the Series 2026 Bonds.

In addition, new and changing methods of care delivery, such as web-based home monitoring, telemedicine, mobile health and smartphone technology will likely change the way in which providers of health services to the elderly deliver home health, hospice and other community-based services. These developments will further the ability of the home health and hospice industry to care for patients in their homes. Proliferation and availability of technological changes are expected to increase the ability of the elderly to remain in their homes longer into their lives than has historically been feasible, which could result in significantly reduced demand for communities such as the Obligated Group's Facilities. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies. These changes may allow other entities, including hospitals and other health care organizations that are not currently providing home health and hospice care, to expand their services to include home health services, hospice care or similar services. The Members of the Obligated Group may encounter increased competition in the future that could limit the Obligated Group Members' ability to maintain or increase their market position and adversely affect the Obligated Group's ability to generate sufficient revenue to make the required payments on the Series 2026 Bonds.

Reliance upon PH Manager for Management Services

Each of Westminster Place and Lake Forest Place has entered into a management services agreement with PH Manager, under which PH Manager will provide the executive management of the Member and its Facilities. Westminster Place and Lake Forest Place will not have separate executive management teams and will be wholly dependent upon PH Manager to provide customary management services, including budgeting, investing and asset management, negotiating certain third-party agreements, accounting, legal and regulatory compliance, and insurance coverage review. While Westminster Place and Lake Forest Place retain ultimate authority for their respective operations, Westminster Place and Lake Forest Place do not have and are not expected to have the management personnel to perform the functions to be provided by PH Manager. A management services agreement may be terminated by PH Manager with 30-90 days' prior written notice (depending on timing of the notice relative to the end of a contract year) and without cause. If that were to occur, the Borrowers may have substantial difficulty obtaining comparable management services within that timeframe and in sufficient time to provide an orderly transition. The System's corporate structure allows management the flexibility to pursue potential opportunities for expansion through the acquisition of existing facilities or the construction of new facilities without the restrictions contained in the Master Indenture and without subjecting the assets of the Obligated Group to undue risk. Such expansion, if undertaken, would likely consume a considerable amount of time of the senior executives employed by PH Manager, which may limit the effectiveness of the management of the Obligated Group. See **"THE OBLIGATED GROUP AND SYSTEM – System Members Not in the Obligated Group – *PH Manager*"** in ***Appendix A***.

Competition

The financial strength of the Obligated Group will depend in large part upon the ability of Westminster Place and Lake Forest Place to attract sufficient numbers of residents and to achieve and maintain substantial occupancy throughout the term of the Series 2026 Bonds. Because the services provided by

Westminster Place and Lake Forest Place are at a high level of quality (and the charges therefor are commensurate), they compete for elderly persons seeking such level of services and accommodations. There are a limited number of these individuals in any community, including the Chicago metropolitan area, and additional facilities and services attractive to these prospective residents may have a significant adverse effect on the occupancy or revenues of Westminster Place and Lake Forest Place. See **"FACILITIES AND OPERATIONS – Service Area and Competition"** in ***Appendix A***. Additional competitive facilities are likely to be constructed in the Chicago metropolitan area in the future.

There may also exist competition from other forms of housing for the elderly or continuing care facilities, some of which are designed to offer similar facilities, or similar services, at lower prices or without entrance fees. Persons who might otherwise seek assisted living or independent living at Westminster Place or Lake Forest Place may determine that their needs will be better served by a stand-alone facility. Additionally, Westminster Place and Lake Forest Place may encounter competition from enhanced home care programs (which allow individuals to age longer in their personal residences), existing health care facilities or any new health care facilities in its service area providing similar or comparable services. Such competition may inhibit the extent to which the Obligated Group will be able to raise charges and maintain or increase occupancy.

Lake Forest Place Mortgage

Pursuant to the Lake Forest Place Mortgage, Lake Forest Place has granted to the Master Trustee a first mortgage lien on the Mortgaged Property as security for its obligations pursuant to the Master Indenture. In the event there is a default under the Master Indenture, the Master Trustee has the right to foreclose on the Mortgaged Property under certain circumstances. The Mortgaged Property consists exclusively of the Lake Forest Place campus and certain related personal property and does not include the Westminster Place campus or other property owned by the Members of the Obligated Group, except under the circumstances described under **"SECURITY FOR THE SERIES 2026 BONDS – Springing Westminster Place Mortgage."**

The Mortgaged Property under both the Lake Forest Place Mortgage and the potential future Westminster Place Mortgage is not comprised of general purpose buildings and generally would not be suitable for industrial or commercial use. Consequently, it could be difficult to find a buyer or lessee for such property.

All amounts collected upon foreclosure of the Mortgaged Property pursuant to the Lake Forest Place Mortgage or, if applicable, the Westminster Place Mortgage, will be used to pay certain costs and expenses incurred by, or otherwise related to, the foreclosure, the performance of the Master Trustee under the Lake Forest Place Mortgage or, if applicable, the Westminster Place Mortgage, to pay certain fees and expenses incurred by any Related Issuers related to the foreclosure, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master Indenture. All such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the then outstanding Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege, pursuant to the Master Indenture.

In the event that the Lake Forest Place Mortgage or, if applicable, the Westminster Place Mortgage is actually foreclosed, then, in addition to the customary costs and expenses of operating and maintaining the Mortgaged Property under the respective mortgage, the party or parties succeeding to the interest of Lake Forest Place or Westminster Place, as applicable in the respective Mortgaged Property (including the Master Trustee, if such party was to acquire the interest of Lake Forest Place or Westminster Place in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Mortgaged Property such as the Americans with

Disabilities Act; and costs associated with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation.

In the event of foreclosure, a prospective purchaser of the Mortgaged Property may assign less value to the Mortgaged Property than the value of the Mortgaged Property while owned by Lake Forest Place or Westminster Place, as applicable, because such purchaser may not enjoy the favorable financing rates associated with the Series 2026 Bonds and other benefits. To the extent that buyers whose income is not tax-exempt may be willing to pay less for the Mortgaged Property than nonprofit buyers, then the resale of the Mortgaged Property after foreclosure may require more time to solicit nonprofit buyers. In addition, there can be no assurance that the Mortgaged Property could be sold at 100% of its fair market value in the event of foreclosure. Although the Master Trustee will have available the remedy of foreclosure of the Lake Forest Place Mortgage upon the occurrence and continuance of an event of default (after giving effect to any applicable grace periods, and subject to any legal rights which may operate to delay or stay such foreclosure, such as may be applicable in the event of bankruptcy of a Member of the Obligated Group), there are substantial risks that the exercise of such a remedy will not result in recovery of sufficient funds to satisfy all of the Borrowers' obligations under the Master Indenture.

Sale of Personal Residences

Many prospective residents of the Facilities are required to sell their homes to pay the entrance fee prior to occupancy or to meet other financial obligations under the Residency and Services Agreements. If prospective residents encounter difficulties in selling their homes due to local or national economic conditions affecting the sale or financing of residential real estate, such prospective resident may not have sufficient funds to pay any required entrance fee or to meet other financial obligations under the Residency and Services Agreements, thereby causing a delay in scheduled occupancy of the Facilities or remarketing of vacated units, which would have an adverse impact on the occupancy of the Obligated Group and the revenues of the Obligated Group.

Regulation of Health Care and Long-Term Care Industries

General. The health care industry is highly dependent on a number of factors which may limit the ability of the Obligated Group to meet its obligations under the Loan Agreements, the Master Indenture and the Series 2026 Obligations. Among other things, participants in the health care industry (such as the Obligated Group) are subject to significant regulatory requirements of federal, state and local governmental agencies and independent professional organizations and accrediting bodies, technological advances and changes in treatment modes, various competitive factors and changes in third-party reimbursement programs. Discussed below are certain of these factors which could have a significant effect on the future operations and financial condition of the Obligated Group. The Obligated Group is and will continue to be subject to certain governmental regulation. Illinois has enacted comprehensive legislation which regulates the Obligated Group.

Illinois Regulations Governing Life Care Facilities. A portion of the Illinois Life Care Facilities Act requires certain long-term contractual providers of nursing services, medical services or personal care services to maintain a debt service reserve escrow, which must be funded in an amount at least equal to aggregate principal and interest payments due during the next six months on account of any first mortgage or other long-term financing. The Obligated Group has established a debt service reserve escrow with a commercial bank to satisfy this requirement. The required deposit to this account will increase in conjunction with the issuance of the Series 2026 Bonds to satisfy the statutory requirements.

Illinois Regulations Governing Assisted Living Facilities. Illinois assisted living facilities tend to provide residential living accommodations, communal meals and concierge services. In addition, assisted living facilities usually offer or arrange for some personal care assistance, including bathing, dressing and ambulating. Assisted living facilities in Illinois are subject to licensure as described below.

The Assisted Living and Shared Housing Act (the ***"ALSH Act"***) establishes a licensing and regulatory framework for "assisted living establishments" in Illinois. Failure to comply with Illinois law and regulations governing life care and assisted living facilities could have a material adverse effect on the operations of the Obligated Group and any future Member of the Obligated Group.

Illinois Licensure of Long-Term Care Facilities. The Illinois Department of Public Health (***"IDPH"***) licenses, regulates and inspects at least annually all long-term care facilities within the state. IDPH also assists the Centers for Medicare & Medicaid Services (***"CMS"***) with certifying these facilities for participation in federal payment reimbursement programs. IDPH's Bureau of Long-term Care is responsible for ensuring that nursing homes comply with the provisions of the Illinois Nursing Home Care Act. In addition, under a cooperative agreement with CMS, IDPH conducts certification surveys to ensure facilities receiving Medicaid or Medicare money for resident payment abide by applicable federal regulations. According to IDPH, IDPH conducts about 10,000 surveys each year, including annual licensure inspections, complaint investigations and re-inspections.

Nursing homes in Illinois are licensed, regulated, inspected and certified by a number of public and private agencies at the state and federal levels, including IDPH and CMS. Failure to obtain and maintain licensure with IDPH would have a material adverse effect upon the Obligated Group and any future Member of the Obligated Group's ability to operate its facilities.

Medicare and Medicaid Anti-Fraud and Abuse Provisions. The Medicare and Medicaid anti-fraud and abuse provisions of the Social Security Act (the ***"Anti-Kickback Law"***) make it a felony, subject to certain exceptions, to engage in illegal remuneration arrangements with physicians and other health care providers for the referral of Medicare beneficiaries or Medicaid recipients. Violation of these provisions constitutes a felony and may result in imprisonment and fines. In addition to criminal penalties, the U.S. Department of Health and Human Services (***"HHS"***) has the authority to impose civil assessments and fines, and may exclude providers engaged in prohibited activities from participation in the Medicare and Medicaid programs, as well as certain other state and federal health care programs. The Secretary of HHS is required to exclude from such programs any providers convicted of a criminal offense relating to the delivery of Medicare or Medicaid services, for not less than five years. Exclusion from these programs would have a material adverse effect on the operations and financial condition of the Obligated Group. The scope of prohibited payments in the Anti-Kickback Law is broad. HHS has published regulations which describe certain arrangements that will not be deemed to constitute violations of the Anti-Kickback Law. The safe harbors described in the regulations are narrow and do not cover a wide range of economic relationships which many hospitals, physicians and other health care providers consider to be legitimate business arrangements not prohibited by the statute. Because the regulations describe safe harbors and do not purport to describe comprehensively all lawful or unlawful economic arrangements or other relationships between health care providers and referral sources, health care providers having these arrangements or relationships may be required to alter them in order to ensure compliance with the Anti-Kickback Law.

Management of the Obligated Group believes that it is currently in material compliance with the Anti-Kickback Law. However, in light of the narrowness of the safe harbor regulations and the scarcity of case law interpreting the Anti-Kickback Law, there can be no assurances that the Obligated Group will not be found to have violated the Anti-Kickback Law, and, if so, whether any sanction imposed would have a material adverse effect on the operations of Facilities owned by the Obligated Group.

Restrictions on Referrals. Current federal law (known as the ***"Stark"*** law provisions) prohibits providers of "designated health services" from billing Medicare or Medicaid when the patient is referred by a physician or an immediate family member with a financial relationship with the provider, with limited exceptions. "Designated health services" include the following: clinical laboratory services; physical therapy services; occupational therapy services; radiology services, including magnetic resonance imaging, computerized axial tomography scans, and ultrasound services; radiation therapy services and supplies; durable medical equipment and services; parenteral and enteral nutrients, equipment and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services. The Stark law is a strict liability statute and does not require a showing of intent. The sanctions under the Stark law include denial and refund of payments, civil monetary penalties and exclusions from the Medicare and Medicaid programs.

Management of the Obligated Group believes that it is currently in material compliance with the Stark provisions. However, in light of the technical nature of the Stark law, the scarcity of case law interpreting the Stark provisions, and the breadth and complexity of these provisions, there can be no assurances that the Obligated Group will not be found to have violated the Stark provisions, and if so, whether any sanction imposed would have a material adverse effect on the operations or the financial condition of the Obligated Group.

False Claims Act/Qui Tam Actions. The "***False Claims Act***" provides that any person who "knowingly presents, or causes to be presented" a "false or fraudulent claim for payment or approval" to the United States, and its agents and contractor is liable for a civil penalty plus three times the amount of damages sustained by the government. Under the False Claims Act's so-called "reverse false claims," liability could also arise for "using" a false record or statement to "conceal," "avoid" or "decrease" an "obligation to pay or transmit money or property to the Government." These requirements are numerous, technical and complex and may not be fully understood or implemented by billing or reporting personnel. With respect to certain types of required information, the False Claims Act may be violated by mere negligence or recklessness in the submission of information to the government even without any intent to defraud. New billing systems, new medical procedures and procedures for which there is not clear guidance may all result in liability. The penalties for violation include criminal or civil liability and may include, for serious or repeated violations, exclusion from participation in the Medicare program.

The False Claims Act provides that an individual may bring a civil action for a violation of the Act. These actions are referred to as *Qui Tam* actions. In this way, an employee would be able to sue on behalf of the U.S. government if he or she believes that the health care entity has committed fraud. If the government proceeds with an action brought by this individual, then he or she could receive as much as 25 percent of any money recovered. The potential exists that a *Qui Tam* action could be brought against the Obligated Group.

Other Sources of Liability for Health Care Providers. Health care providers may be subject to criminal prosecution and civil penalties under a variety of federal and state laws in addition to those discussed in the previous paragraphs. The confidentiality and security of patient medical records and other health information is subject to considerable regulation by state and federal governments. The administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***") as amended by the Health Information Technology for Economic and Clinical Health Act (the "***HITECH Act***") established programs under Medicare and Medicaid for privacy and security of patient identifiable information, provided incentive payments for the "meaningful use" of certified electronic health records technology and mandated that standards and requirements be adopted for the electronic transmission of certain health information. HHS has issued a series of regulations to comport with these requirements.

If a Member of the Obligated Group is found to have violated any state or federal statute or regulation with regard to the security, confidentiality, dissemination or use of patient medical information, it could be liable for damages, or civil or criminal penalties. These standards impose complex procedures and operational requirements with which the Members of the Obligated Group are required to comply. Because of the complexity of these regulations, there can be no assurances that the Members of the Obligated Group would not be reviewed, found to violate these standards and assessed penalties for such violations.

Health Facilities Planning Act

The Illinois Health Facilities Planning Act, as amended (the ***"Illinois Planning Act"***), has among its purposes the establishment of procedures designed to reverse the trends of increasing costs of health care resulting from unnecessary construction or modification of health care facilities, the orderly and economical development of health care facilities in the State of Illinois, the avoidance of unnecessary duplication of such facilities and the promotion of planning for and development of such facilities. Pursuant to the Illinois Planning Act and the accompanying regulations, no health care facility (which, as defined in the Illinois Planning Act, includes hospitals, nursing homes and certain other facilities) may initiate a project that (i) requires a capital expenditure in excess of the capital expenditure minimum, or (ii) substantially changes the scope or functional operation of a health care facility, or (iii) results in the establishment or discontinuation of a health care facility, or (iv) increases or decreases the number of beds or redistributes the bed capacity among various categories of service or physical facilities by more than 20 beds or by more than 10% of the total bed capacity, whichever is less, over a two-year period, or (v) establishes or discontinues a regulated category of service, or (vi) involves the change of ownership of a health care facility unless the applicable approval or exemption has been granted by the Illinois Health Facilities and Services Review Board, the issuance of which is governed by the provisions of the Illinois Planning Act. If management of the Obligated Group deems any of the above-described projects necessary in order to maintain the quality and scope of care or remain competitive, and the Obligated Group is unable to obtain approval for such capital expenditures, the Obligated Group's ability to generate revenues could be adversely affected.

Limited Value of Facilities upon Default

Current appraisals have not been made for any of the Obligated Group's Facilities and virtually all of the Facilities owned and operated by the Obligated Group have been designed and constructed for use as health care or senior living facilities. The number of entities that could be expected to purchase or lease the Obligated Group's Facilities in the event of default by the Obligated Group are limited, and thus the ability of the Master Trustee to realize funds from the sale of the Obligated Group's Facilities upon an event of default by the Obligated Group may be limited, which could result in a loss, in whole or in part, of a Bondholder's investment. Additionally, as discussed above under **"SECURITY FOR THE SERIES 2026 BONDS – The Lake Forest Place Mortgage,"** the Facilities of the Obligated Group, other than the Facilities of Westminster Place unless required under the Master Indenture, are pledged to secure the Series 2026 Obligations.

Political Headwinds Affecting Senior Living and Health Care Industry

The evolving priorities and policies of the Trump administration may have a significant effect on the senior living and health care industry. For example, shifts in leadership at executive agencies such as HHS, CMS, and the Food and Drug Administration ("***FDA***"), and the creation of temporary executive commissions such as the Department of Government Efficiency, have created uncertainty for health care providers around regulatory priorities, Medicare and Medicaid reimbursement, and other funding upon which providers may rely. The imposition of tariffs on pharmaceutical products and other medical products and equipment may create supply chain issues which could materially increase operating costs and adversely affect operations of the Obligated Group. The One Big Beautiful Bill Act weakens the Affordable Care Act and is expected to reduce federal expenditures to offset tax cuts, which could lead to reduced reimbursement or federal funds otherwise available to health care providers, a rise in uninsured patients, and a corresponding financial strain on senior living providers, particularly those serving low-income populations. Policies or legislation aimed at revising or eliminating the tax-exempt status of municipal or private activity bonds or eliminating the 501(c)(3) status of nonprofit senior living providers, may materially affect the Obligated Group's operation, financial condition, or tax-exempt status.

Limited Assets of the Obligated Group

The Obligated Group's sole business is the ownership and operation of senior living and ancillary health care facilities. Although Members of the Obligated Group seek and have received donations from groups and individuals, as well as consistent support from the Foundation, the Members of the Obligated Group have no guaranteed sources of funds if revenues from operation of the health care facilities are not sufficient to cover expenses, including debt service on the Series 2026 Bonds. There can be no assurance that the Obligated Group will have sufficient revenues to make the payments under the Loan Agreements in amounts sufficient to pay debt service on the Series 2026 Bonds or that the Members of the Obligated Group will have revenues sufficient to pay amounts owing under the Series 2026 Obligations issued under the Master Indenture. The Foundation is not obligated to assist the Obligated Group with such required payments.

Continuing Inflation

The Obligated Group, like the rest of the country, has recently experienced significant increases in costs of food and energy, in addition to associated wage and salary pressures. The Obligated Group anticipates that inflation, particularly in food and energy prices, may continue for the foreseeable future. Recent military action in the Middle East has resulted in spikes in energy prices, which may cause further inflationary pressures on the economy generally and the Obligated Group. The Obligated Group is permitted under its Residency and Service Agreements to increase monthly service fees, but their ability to do so to cover these increased inflationary costs may be limited by competition and other factors. The inability of the Obligated Group to increase fees and charges to keep pace with inflation could adversely affect the financial condition and results of operations of the Obligated Group. The Obligated Group cannot predict the extent of inflationary pressures on wages and salaries or other operating costs, including food and energy costs.

Cybersecurity Risks

As widely reported in the national press, individuals, criminal enterprises and others have sought to gain unauthorized access to digital systems of large organizations with the intent to misappropriate assets or information, to cause operational disruptions or for other malicious purposes. According to published reports, many of these efforts result in unauthorized access to IT systems and confidential information, including consumer information. The Obligated Group maintains and implements network security measures with respect to their information technology.

While the Obligated Group utilizes a comprehensive cybersecurity strategy, which provides a structured and proactive approach to identifying, mitigating and responding to cyber threats and includes but is not limited to ongoing employee cybersecurity training, enhanced email security defenses, and live threat monitoring, the Obligated Group's information technology systems, and the systems of organizations the Obligated Group interacts frequently with, will always be subject to risk of breaches, attacks by hackers, computer viruses, physical or electronic break-ins and other similar negative technology events. Such events could lead to the disruption of services to residents, inadvertent disclosure of protected health or financial information of residents or the or the release of other confidential information. Any such events may have adverse financial impacts on the Obligated Group's revenues and may have an adverse financial impact on the ability of the Obligated Group to pay debt service on the Series 2026 Bonds.

State and local authorities are also increasingly focused on the importance of protecting the confidentiality of individuals' personal information, including patient health information. Many states have enacted laws requiring businesses to notify individuals of security preaches that result in the authorized release of personal information. State consumer protection laws may also provide the basis for legal action for privacy and security breaches and often, unlike HIPAA, authorize a private right of action.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Members of the Obligated Group to make payments on the Series 2026 Obligations will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights and as additionally described below.

The accounts of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Obligations, including the Series 2026 Obligations pledged under the Bond Indentures as security for the Series 2026 Bonds. The obligations described herein of the Obligated Group to make payments of debt service on Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and by general equitable principles and (2) such payments (i) are requested with respect to payments on any Obligations issued by a Member other than the Member from which such payment is requested, issued for a purpose which is inconsistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or issued for the benefit of a Member of the Obligated Group which is not a Tax-Exempt Organization; (ii) are requested to be made from any moneys or assets that are donor-restricted or that are subject to a direct or express trust that does not permit the use of such moneys or assets for such a payment; (iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (iv) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (ii) and (iii) above with respect to the Series 2026 Obligations cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Obligation, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on the Series 2026 Obligations may be voided by a trustee in bankruptcy in the event of bankruptcy of a Member of the Obligated Group, or by third-party creditors in an action brought pursuant to Illinois fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under Illinois fraudulent conveyance statutes and common law, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or Illinois fraudulent conveyance statutes, or the guarantor is undercapitalized.

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

The effectiveness of the security interest in the Obligated Group's Gross Revenues granted in the Master Indenture may be limited by a number of factors, including without limitation: (i) present or future prohibitions against assignment contained in any applicable statutes or regulations; (ii) certain judicial decisions that cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any Member of the Obligated Group, to collect and retain accounts receivable from Medicare, Medicaid, General Assistance and other governmental programs; (iii) commingling of the proceeds of Gross Revenues with other moneys of a Member of the Obligated Group not subject to the security interest in Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws which may affect the enforceability of the Lake Forest Place Mortgage, the Westminster Place Mortgage (if granted as required by the Master Indenture under certain circumstances), or the security interest in the Gross Revenues of the Obligated Group which are earned by the Obligated Group within 90 days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual institution of bankruptcy proceedings by or against a Member of the Obligated Group; (viii) rights of third parties in Gross Revenues converted to cash and not in the possession of the Master Trustee; and (ix) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Illinois Uniform Commercial Code as from time to time in effect.

Pursuant to the Master Indenture, each Member of the Obligated Group who pledges its Gross Revenues under the Master Indenture covenants and agrees that, if an event of default should occur and be continuing, it will, upon the direction of the Master Trustee, deposit the proceeds of its Gross Revenues with the Master Trustee.

There exists, in addition to the foregoing, common law authority and authority under Illinois statutes pursuant to which the related state courts may terminate the existence of a not for profit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion pursuant to a petition of the Illinois Attorney General or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Federal Debt Limit; Government Shutdowns

Through legislation, the federal government has created a debt "ceiling" or limit on the amount of debt that may be issued by the United States Treasury. In past years, political disputes have arisen within the federal government related to debt ceiling increase authorization. Any failure by Congress to increase the federal debt ceiling may impact the federal government's ability to incur additional debt, pay its existing debt, or to satisfy its obligations relating to the Medicare and Medicaid programs, or result in prolonged shutdowns of the federal government. The Obligated Group is unable to determine what impact any failure to increase the federal debt ceiling may have on the operations and financial condition of the Obligated Group, although such impact may be material.

Future Expansion; Additional Indebtedness

The Members of the Obligated Group may construct or acquire additional new or existing facilities to add to its existing system of senior living communities. Additionally, the Members of the Obligated Group may seek to expand existing facilities. It is likely that the Obligated Group would incur substantial new indebtedness in connection with either the acquisition of a new community or the expansion of existing Facilities. Although the Members of the Obligated Group would undertake such an acquisition or expansion only if it determined that it was economically feasible and consistent with the Obligated Group's charitable mission, the incurrence of such additional indebtedness and the results of operations of the acquired or expanded community may have a material adverse effect upon the results of operations of the Members of the Obligated Group or PH Manager's ability to manage the Members of the Obligated Group. See **"FACILITIES AND OPERATIONS – Future Plans"** in ***Appendix A*** for a description of certain additional improvements currently being contemplated by the Obligated Group.

The Master Indenture permits the Members of the Obligated Group to issue or incur Indebtedness, which may be secured by Obligations on a parity with the Series 2026 Obligations. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Permitted Additional Indebtedness"** in ***Appendix C***. In the future, the issuance or incurrence of such obligations could increase the debt service and repayment requirements of the Obligated Group in a manner which would adversely affect debt service coverage on the Series 2026 Bonds.

No Debt Service Reserve Fund; Series 2026 Bonds Not Secured by Master Debt Service Reserve Fund

No debt service reserve fund will be funded and no financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to ensure payment of the Series 2026 Bonds. See **"SECURITY FOR THE SERIES 2026 BONDS."**

The Master Debt Service Reserve Fund established under the Master Indenture only secures Master DSRF Bonds (as defined in the Master Indenture). The Series 2026 Bonds are not Master DSRF Bonds. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Master Debt Service Reserve Fund*"** in ***Appendix C***.

Mature Campuses and Surrounding Communities

Westminster Place and Lake Forest Place opened in 1963 and 1998, respectively, and are both in well-developed suburban communities north of Chicago. The opportunities for expansion are limited by the extensive development around the communities. The natural limitations on expansion to surrounding, contiguous property would likely require any future expansion to consist of vertical construction which may be more costly and may require more difficult to obtain zoning and regulatory approvals. See **"FACILITIES AND OPERATIONS – Future Plans"** in ***Appendix A***.

Changes in the Composition of the Obligated Group

Westminster Place and Lake Forest Place are currently the only Members of the Obligated Group. Upon satisfaction of certain conditions in the Master Indenture, other organizations can become Members of the Obligated Group or Members of the Obligated Group can withdraw from the Obligated Group. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Entrance into the Obligated Group*"** and **"– *Cessation of Status as a Member of the Obligated Group*"** in ***Appendix C***. If and when new Members are added to the Obligated Group or Members of the Obligated Group withdraw from the Obligated Group, the Obligated Group's financial situation and operations will likely be altered, perhaps in a materially adverse manner, from that of the Obligated Group as currently constituted.

Insurance

The Master Indenture requires each Member of the Obligated Group to maintain insurance with respect to its Property, the operation thereof and its business against casualties, contingencies and risks in such amounts as are customary for Persons engaged in the same or similar activities and similarly situated. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the preceding sentence of this paragraph and is reasonable under the circumstances; provided, however, that no Member of the Obligated Group shall self-insure any of its Property, Plant and Equipment. At various times in the past, the Members of the Obligated Group have experienced increases in premiums for professional liability coverage compared to prior periods, with certain periods of substantially higher premiums. In addition, the limits of certain coverages have declined and/or have become difficult to obtain even at the reduced levels, and the required risk retention levels for certain coverages have increased. The Members of the Obligated Group believe their experience is comparable to other long-term care communities and that the changes in coverage are due to an increase in the number of malpractice claims against long-term care providers generally. The aggregate malpractice insurance costs to the Members of the Obligated Group (premiums plus payments of retention on future claims) may substantially exceed the historical costs to the Members of the Obligated Group for that type of coverage. Likewise, to the extent malpractice and other claims exceed policy limits, such claims could adversely affect the finances of the Members of the Obligated Group. In addition, a substantial increase in the cost of malpractice insurance, or the costs of any other insurance which a Member of the Obligated Group may be required to obtain could have an adverse impact on the finances of such Member of the Obligated Group and its ability to meet its obligations, including the Obligated Group's obligations with respect to the Series 2026 Bonds, resulting in the loss, in whole or in part, of a Bondholder's investment. Beginning in early 2020, the Borrowers have participated in the Caring Communities Reciprocal Risk Retention Group, a reciprocal risk retention group insurance company described in ***Appendix A*** under **"FACILITIES AND OPERATIONS – Insurance Coverage."** The participation in Caring Communities Reciprocal Risk Retention Group may have no material impact on possible future premium increases for the Obligated Group and may not result in the desired benefits from that association.

Environmental Laws and Regulations

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

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

The Obligated Group has covenanted in the Master Indenture and the Loan Agreements to comply with all applicable environmental laws.

At the present time, management of the Members of the Obligated Group is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to the Members of the Obligated Group, would have a material adverse effect on the operations or financial condition of the Members of the Obligated Group. Potential asbestos-containing material (***"ACMs"***), consisting primarily of floor tiles, ceiling tiles and furnace and pipe insulation, have been identified in certain Facilities of the Obligated Group, and the Obligated Group has established a long-term liability on its balance sheet as an estimate of the costs of remediating those ACMs in the future. Management does not believe that the undisturbed potential ACMs represent a health risk to the residents of or employees at the Facilities. The removal of nonfriable asbestos is not required under existing federal and state law; however, should removal be required (as a result of a remodeling, expansion or otherwise), the cost of such removal or other treatment could be substantial and could exceed the long-term liability presently established on the Obligated Group's balance sheet relating thereto. Management expects to remediate a considerable portion of the ACMs at Westminster Place in conjunction with future remodels and expansions.

Intermediate Sanctions

The Taxpayers Bill of Rights, referred to for purposes of this Official Statement as the Intermediate Sanctions Law, allows the Internal Revenue Service (the ***"IRS"***) to impose "intermediate sanctions" against certain individuals in circumstances involving the violation by tax-exempt organizations of the prohibition against private inurement. Prior to the enactment of the Intermediate Sanctions Law, the only sanction available to the IRS was revocation of an organization's tax-exempt status. Intermediate sanctions may be imposed in situations in which a "disqualified person" (such as an "insider") (i) engages in a transaction with a tax-exempt organization on other than a fair market value basis, (ii) receives unreasonable compensation from a tax-exempt organization or (iii) receives payment in an arrangement that violates the prohibition against private inurement. These transactions are referred to as "excess benefit transactions." A disqualified person who benefits from an excess benefit transaction will be subject to an excise tax equal to 25% of the amount of the excess benefit. Organizational managers who participate in the excess benefit transaction knowing it to be improper are subject to an excise tax equal to 10% of the amount of the excess benefit, subject to a maximum penalty of $10,000. A second penalty, in the amount of 200% of the excess benefit, may be imposed on the disqualified person (but not upon the organizational manager) if the excess benefit is not corrected within a specified period of time.

Risks Related to Tax-Exempt Status

Tax Exemption for Nonprofit Health Care Providers. The possible modification or repeal of certain existing federal income or state tax laws or other loss by a Member of the Obligated Group of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of such Member of the Obligated Group and thereby the revenues of the Obligated Group. As a Tax-Exempt Organization, each Member of the Obligated Group is subject to a number of requirements affecting its operations. The failure of the Members of the Obligated Group to remain qualified as Tax-Exempt Organizations would affect the funds available to the Obligated Group for payments to be made under the Obligations issued under the Master Indenture. Failure of the Members of the Obligated Group or the Authority to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of facilities financed with tax-exempt bond proceeds, could cause interest on the Series 2026 Bonds to be included in the gross income of owners or former owners for federal income tax purposes.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of nonprofit organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Members of the Obligated Group by requiring them to pay income or real estate taxes.

The IRS has issued revenue rulings dealing specifically with the manner in which an organization providing residential services to the elderly must operate in order to maintain its exemption as an organization described in Section 501(c)(3). Revenue Ruling 61-72 holds that an organization providing residential services to the elderly qualified for exemption under Section 501(c)(3) where the organization: (1) was dedicated to providing care and housing to aged individuals who otherwise would be unable to provide for themselves without hardship; (2) rendered, to the extent of its financial ability, services to all or a reasonable proportion of its residents at rates substantially below actual cost; and (3) rendered services that ministered to the needs and the relief of hardship or distress among the elderly. Revenue Ruling 72-124 holds that an organization will qualify for exemption under Section 501(c)(3) if it meets the elderly's special needs for housing, health care, and financial security. The need for housing will be met if the facility is specifically designed to meet some combination of the physical, emotional, social, religious, and recreational needs of the elderly. The need for health care will be met if the organization provides or arranges for some form of health care. The need for financial security will be met if the organization is committed to an established policy of maintaining in residence any persons who become unable to pay their charges, and the organization provides its services at the lowest feasible cost. Revenue Ruling 79-18 holds that an organization providing residential services to the elderly may admit only those tenants who are able to pay full rental charges, provided that those charges are set at a level that is within the financial reach of a significant segment of the organization's elderly persons and that the organization maintains in residence those tenants who become unable to pay their monthly charges.

The IRS has audit guidelines which implement a policy to scrutinize more closely the activities of health care providers to ensure that they satisfy the requirements for tax-exempt status. Given these audit guidelines and other related pronouncements by the IRS, it may be more difficult for health care providers to maintain their tax-exempt status. Health care providers, such as the Members of the Obligated Group, may be forced to forgo otherwise favorable opportunities for certain joint ventures, recruitment and other arrangements to maintain their status as Tax-Exempt Organizations or to avoid other sanctions.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of 501(c)(3) organizations. Thus, there can be no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Members of the Obligated Group by requiring them to pay income or real estate taxes.

Internal Revenue Service Examination Program. The IRS may increase the frequency and scope of its examination and other enforcement activity regarding tax-exempt organizations and tax-exempt bonds. Currently, the primary penalties available to the IRS under the Code are the revocation of tax-exempt status of an organization and a determination that interest on tax-exempt bonds is subject to federal income taxation. Although the IRS has not frequently revoked the 501(c)(3) tax-exempt status of nonprofit organizations, it could do so in the future. Loss of tax-exempt status by a Member of the Obligated Group or improper use of property financed with proceeds of the Series 2026 Bonds could potentially result in loss of the tax exemption of the interest on the Series 2026 Bonds, and defaults in covenants regarding the Series 2026 Bonds could be triggered. Loss of such tax-exempt status could also result in substantial tax liabilities on income of the Obligated Group. In addition, although the IRS has only infrequently taxed the interest received by holders of bonds that were represented to be tax-exempt, the IRS has examined a number of bond issues and concluded that such bond issues did not comply with applicable provisions of the Code and related regulations. No assurance can be given that the IRS will not examine a purchaser, a Bondholder, a Member of the Obligated Group or the Series 2026 Bonds. If the Series 2026 Bonds are examined, it may have an adverse impact on their price and marketability. Based upon covenants, representations and warranties of the Authority and the Obligated Group as to the use of the proceeds of the Series 2026 Bonds and as to certain factual matters, Bond Counsel will deliver its opinions in the forms attached as ***Appendices E-1*** and ***E-2***. See the captions "**TAX EXEMPTION**" and "**LEGAL MATTERS.**"

Tax-Exempt Status of the Series 2026 Bonds. The tax-exempt status of the Series 2026 Bonds is based on the continued compliance by the Authority and the Obligated Group with certain covenants relating generally to restrictions on the use of the facilities financed or refinanced with the proceeds of the Series 2026 Bonds, arbitrage limitations and rebate of certain excess investment earnings to the federal government. Failure to comply with such covenants with respect to the Series 2026 Bonds could cause interest on the Series 2026 Bonds to become subject to federal income taxation retroactive to the original date of issue of the Series 2026 Bonds. In such event, the Series 2026 Bonds are not subject to redemption solely as a consequence thereof, and the principal thereof is not required to be accelerated by the Bond Trustee. No additional interest or penalty is payable in the event of the taxability of interest on the Series 2026 Bonds.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of 501(c)(3) organizations. Thus, there can be no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Obligated Group Members by requiring them to pay income or real estate taxes.

Possible Future Federal Tax Legislation. There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

Below-Market Loan Safe Harbor

Section 7872 of the Internal Revenue Code of 1986 (Treatment of Loans with Below-Market Interest Rates) provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below-market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below-market rate loan is the avoidance of federal income taxation.

A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below-market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a "safe harbor" exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether certain Continuing Care Contracts come within the scope of the continuing care facility safe harbor or within the statute itself. It will have to be determined whether the Continuing Care Contracts involve a "loan" for purposes of Section 7872. Any determination of applicability of Section 7872 could have an adverse effect on the willingness of residents to enter into the Continuing Care Contracts.

Amendments, Changes and Modifications to the Principal Financing Documents

Certain amendments to the Bond Indentures and the Loan Agreements may be made with the consent of the holders of a majority of the outstanding principal amount of the related series of Series 2026 Bonds and certain amendments to the Master Indenture and the Lake Forest Place Mortgage may be made with the consent of the holders of a majority of the principal amount of outstanding Obligations. Such amendments may adversely affect the security of the Bondholders and, with respect to the Master Indenture and the Lake Forest Place Mortgage, such percentage may be composed wholly or partially of the holders of Obligations other than the Series 2026 Obligations.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – Summary of Certain Provisions of the Master Indenture – *Supplemental Master Indentures and Amendments of the Mortgage Requiring Consent of Obligation Holders,*" "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS – Summary of Certain Provisions of the Series 2026A Bond Indenture – *Supplemental Bond Indentures,*" "Summary of Certain Provisions of the Series 2026A Loan Agreement – *Supplements and Amendments to the Series 2026A Loan Agreement,*"** "**Summary of Certain Provisions of the Series 2026B Bond Indenture – *Supplemental Bond Indentures,*"** and **"Summary of Certain Provisions of the Series 2026B Loan Agreement – *Supplements and Amendments to the Series 2026A Loan Agreement,*"** in ***Appendix C***.

Interest Rate Swap and Other Hedge Risk

In the past, Westminster Place has been a party to various interest rate swap agreements relating to previous bond issues. Currently, no Member of the Obligated Group is a party to any interest rate swap or other hedge agreement; however, any Member of the Obligated Group may enter into such agreements in the future.

Any interest rate swap or other hedge agreement to which either Member of the Obligated Group is a party may, at any time, have a negative value to the Obligated Group. If either a swap or other hedge counterparty or a Member of the Obligated Group terminates such an agreement when the agreement has a negative value to the Obligated Group, the Obligated Group would be obligated to make a termination payment to the counterparty in the amount of such negative value, and such payment could be substantial and potentially materially adverse to the financial condition of the Obligated Group. A counterparty generally may only terminate such an agreement upon the occurrence of defined termination events such as nonpayment by the Obligated Group, a bankruptcy type event, cross-default to specified indebtedness or other swaps, other breaches of covenants in such agreements or the downgrade or withdrawal of the ratings assigned to the Obligated Group's indebtedness.

Many swap agreements require each party to provide additional security for its obligations in certain circumstances including without limitation a downgrade of the rating assigned to the long-term indebtedness issued on its behalf and the occurrence of certain other events. The Master Indenture permits the Obligated Group to grant a security interest and lien on collateral for this purpose.

Redemption or Acceleration Prior to Maturity

Pursuant to the terms of the Bond Indentures, the Series 2026A Bonds are subject to optional redemption prior to maturity. In addition, upon the occurrence of certain events, including damage to or condemnation of all or a part of the Facilities, the Series 2026 Bonds may be subject to acceleration or redemption in whole or in part at a price equal to 100% of the principal amount thereof (without premium), plus accrued interest, in accordance with the terms of the respective Bond Indentures and Loan Agreements. See **"THE SERIES 2026 BONDS – Redemption of the Series 2026 Bonds."**

The default by the Obligated Group of its obligations under the Loan Agreements or the Master Indenture, including a default with respect to Obligations other than the Series 2026 Obligations, may result in acceleration of the Series 2026 Obligations and, as a result, the Series 2026 Bonds. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Acceleration"** in ***Appendix C***.

Secondary Market

If and when an owner of a Series 2026 Bond elects to sell a Series 2026 Bond prior to its maturity, there is no assurance that a market will be in existence for the purchase and sale of the Series 2026 Bonds. Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Series 2026 Bonds. There is presently no secondary market for the Series 2026 Bonds, and there is no assurance that a secondary market will develop.

Other Considerations

In addition to the foregoing, one or more of the following additional factors may affect the net revenues of the Members of the Obligated Group available to make rent payments under the Loan Agreements or payments under the Master Indenture.

Negligent Care Claims. The number of claims against senior living facilities alleging negligent care of residents has been increasing nationally according to various sources. The Members of the Obligated Group have had negligent care claims made against it from time to time and currently have fewer than 5 pending negligent care claims. Although the Members of the Obligated Group maintain malpractice insurance against these types of claims, there can be no assurance that the insurance will be sufficient to cover current and any future claims or that the number of claims will not increase in the future.

Changes in Management. Changes in key management personnel of PH Manager or a Member could affect the capability of management of the Members of the Obligated Group. These changes could result from, among other causes, personnel voluntarily departing because of weakened competitiveness of compensation or for other reasons, or termination.

Labor Relations. Nonprofit health care providers and their employees are under the jurisdiction of the National Labor Relations Board. Although none of the employees of the Members of the Obligated Group is represented by a labor union or a collective bargaining unit, efforts to organize the employees of a Member of the Obligated Group into a collective bargaining unit could result in adverse labor relations and increased costs. Nationally and in the Midwest, there have been increasing reports of successes by labor unions in organizing health care personnel, particularly at senior living facilities.

Availability of Health Care and Other Personnel. The Members of the Obligated Group have historically experienced regular turnover in certain health care and dietary personnel, particularly, nurses' aides, dietary staff and certain housekeeping positions. Shortages of these personnel, particularly of nurses or nurses' aides, have had an adverse impact on the overall labor costs of Members of the Obligated Group, which cannot always be recovered from increased charges, and may continue to adversely affect the expenses of the Members of the Obligated Group. Although the Members of the Obligated Group have not had any meaningful levels of agency (or temporary) staffing at the Facilities in the last five Fiscal Years, there can be no assurance that the Members of the Obligated Group will be able to continue to attract sufficient numbers of full and part-time employees to meet its staffing needs.

Changes in Tax Policy. Taxing authorities in certain jurisdictions have sought to impose or increase taxes related to the property and operations of not for profit organizations, including nursing and independent living care centers, particularly where such authorities are dissatisfied with the amount of service provided to indigents. It is possible that future administrative or judicial proceedings will have the effect of requiring the Members of the Obligated Group to increase services to indigent patients in order to retain their status as Tax-Exempt Organizations, or future administrative or judicial action may limit favorable property or sales or use tax treatment currently afforded the Members of the Obligated Group, which would have an adverse effect on the revenues of the Members of the Obligated Group and their ability to repay the Series 2026 Bonds.

Cost Increases. Cost increases without corresponding increases in revenues may result from, among other factors, increases in the salaries, wages and fringe benefits to employees, insurance costs, increases in costs associated with advances in medical technology, inflation or future legislation. In certain periods, the Members of the Obligated Group have experienced significant increases in one or more areas of operations, including wages during periods of low employment, insurance premiums, and employee benefit costs. Future significant increases in operating costs for any particular area could adversely affect the results of operations of the Obligated Group.

Future Legislation. Adoption of other federal, state or local legislation or regulations may have an adverse effect on the future operation or financial performance of the Members of the Obligated Group.

Adverse Economic Conditions. Increased unemployment or other adverse economic conditions in the Obligated Group's service area may increase the proportion of patients who are unable to fully pay for the cost of their care.

International Instability. Recent military actions in the Middle East have caused economic and political uncertainty that may impact financial markets and may generally negatively impact the Obligated Group's results of operations.

Adverse Public Relations. Adverse community relations or publicity involving the Obligated Group may affect the demand for the services provided by the Members of the Obligated Group or the generation of revenues by the Members of the Obligated Group.

Natural Disasters. The Obligated Group Facilities are located in areas that could suffer a natural disaster, such as a tornado, earthquake or flood. While the Members of the Obligated Group believe that they maintain customary insurance to cover any loss arising from such natural disasters, there can be no assurance that in severe circumstances such insurance will be adequate to rebuild such facilities. Additionally, there can be no assurance that, after experiences with natural disasters, residents will choose to continue to live in the areas of the Obligated Group Facilities. Such decisions could have a material adverse impact on the Members of the Obligated Group.

NO REPRESENTATION OR ASSURANCE CAN BE MADE OR GIVEN THAT REVENUES WILL BE REALIZED BY THE MEMBERS OF THE OBLIGATED GROUP IN AMOUNTS NECESSARY TO MAKE THE PAYMENTS REQUIRED UNDER THE LOAN AGREEMENTS OR TO MAKE OTHER PAYMENTS IN AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2026 BONDS AND AMOUNTS DUE UNDER THE MASTER INDENTURE. FUTURE REVENUES AND EXPENSES ARE SUBJECT TO, AMONG OTHER THINGS, THE CAPABILITIES OF THE MEMBERS OF THE OBLIGATED GROUP AND FUTURE ECONOMIC AND OTHER CONDITIONS WHICH ARE UNPREDICTABLE. IF THE MEMBERS OF THE OBLIGATED GROUP ARE UNABLE TO GENERATE REVENUES SUFFICIENT TO FULFILL THEIR OBLIGATIONS, THE BOND TRUSTEE MAY TAKE POSSESSION OF LAKE FOREST PLACE AND SELL OR LEASE THE SAME ON TERMS THAT WILL PAY MATURING PRINCIPAL AND INTEREST ON BONDS. IT IS POSSIBLE THAT THE BONDHOLDERS COULD SUFFER A LOSS OF PART OR ALL OF THEIR INVESTMENTS IF THE ASSETS OF THE OBLIGATED GROUP ARE INSUFFICIENT TO ENABLE IT TO PERFORM IN FULL UNDER THE LOAN AGREEMENTS AND THE BOND TRUSTEE IS UNABLE TO SELL OR LEASE LAKE FOREST PLACE AT AN AMOUNT WHICH, WHEN ADDED TO WHATEVER CONTRIBUTIONS ARE MADE BY THE MEMBERS OF THE OBLIGATED GROUP, IF ANY, IS SUFFICIENT TO PAY MATURING PRINCIPAL OF AND INTEREST ON THE SERIES 2026 BONDS SECURED AS THEY BECOME DUE.

THE FOREGOING STATEMENTS REGARDING BONDHOLDERS' RISKS SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE SERIES 2026 BONDS. Prospective purchasers of the Series 2026 Bonds should analyze carefully the information contained in this Official Statement and additional information in the form of the complete documents summarized herein, copies of which are available and may be obtained from the Underwriter at One North Wacker Drive, Suite 2000, Chicago, Illinois 60606.

ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS

During the Forward Delivery Period, certain information contained in this Official Statement could change in a material respect. Except as set forth in the Series 2026B Bond Purchase Agreement, any changes in such information will not permit the Underwriter to terminate the Series 2026B Bond Purchase Agreement or release the purchasers from their obligation to purchase the Series 2026B Bonds. Purchasers of the Series 2026B Bonds will be subject to the risks (including changes in the financial condition and business operations of the Obligated Group prior to the Series 2026B Settlement Date), some of which are described below, and none of which will constitute grounds for purchasers to refuse to accept delivery of and pay for the Series 2026B Bonds unless the Underwriter determines that such material changes give rise to its right to termination under the Series 2026B Bond Purchase Agreement.

In addition to the risks set forth above, purchasers of the Series 2026B Bonds are subject to certain additional risks, some of which are described below:

Rating Risk. No assurances can be given that the rating assigned to the Series 2026B Bonds on the Series 2026B Settlement Date will not be lower than the rating currently assigned to the Series 2026B Bonds or that such rating will not have been withdrawn by the Series 2026B Settlement Date. Issuance of the Series 2026B Bonds and the obligations of the Underwriter under the Series 2026B Bond Purchase Agreement are not conditioned upon the assignment of any particular rating to the Series 2026B Bonds or the maintenance of the initial rating assigned to the Series 2026B Bonds.

Secondary Market Risk. The Underwriter is not obligated to make a secondary market in the Series 2026B Bonds, and no assurances can be given that a secondary market will exist for the Series 2026B Bonds during the Forward Delivery Period. Purchasers of the Series 2026B Bonds should assume that the Series 2026B Bonds will be illiquid throughout the Forward Delivery Period. Should events occur before the Series 2026B Bonds are issued and delivered by the Authority on the Series 2026B Settlement Date that affect the market value of the Series 2026B Bonds and if a secondary market in the Series 2026B Bonds does not exist, a beneficial owner of Bonds may be unable to re-sell all or a portion of the Series 2026B Bonds held by or on behalf of that beneficial owner.

Market Value Risk. The market value of the Series 2026B Bonds as of the Series 2026B Settlement Date may be affected by a variety of factors, including general market conditions, the rating then assigned to the Series 2026B Bonds, the financial condition of the Obligated Group and federal income tax and other laws. The market value of the Series 2026B Bonds as of the Series 2026B Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2026B Bonds and that difference could be substantial. Neither the Authority nor the Underwriter makes any representation as to the expected market prices of the Series 2026B Bonds as of the Series 2026B Settlement Date, and the Authority and the Underwriter may not refuse to deliver and purchase, respectively, the Series 2026B Bonds by reason of general market or credit changes, except as set forth in the Series 2026B Bond Purchase Agreement. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market prices for the Series 2026B Bonds as of the Series 2026B Settlement Date or thereafter or not have a materially adverse effect on any secondary market for the Series 2026B Bonds.

Tax Treatment Risk. Subject to the additional conditions of settlement described under **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS – Series 2026B Bonds Settlement"** above, a condition to the Underwriter's obligation to purchase the Series 2026B Bonds under the Series 2026B Bond Purchase Agreement is the delivery of an opinion of Bond Counsel with respect to the Series 2026B Bonds substantially in the form set forth as ***Appendix E-2*** to this Official Statement. During the Forward Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, delivered or promulgated, or existing law, including regulations adopted pursuant thereto, may be interpreted in a manner that might prevent Bond Counsel from rendering its opinion in the form set forth as ***Appendix E-2*** to this Official Statement, in which case the Underwriter would not be obligated to pay for and take delivery of the Series 2026B Bonds. Notwithstanding that the enactment of new legislation, new court decisions, the promulgation of new regulations or rulings or reinterpretations or existing law might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2026B Bonds for purposes of federal income taxation, Bond Counsel may still be able to satisfy the opinion requirements for the delivery of the Series 2026B Bonds. In such event, the purchasers would be required to accept delivery of the Series 2026B Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2026 Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority and the Obligated Group have covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2026 Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants relating to the Series 2026 Bonds could cause interest on the Series 2026 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026 Bonds.

Subject to compliance by the Authority and the Obligated Group with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2026 Bonds is excludible from the gross income of the owners thereof for federal income tax purposes, and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Code. Interest on the Series 2026 Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority and the Obligated Group with respect to certain material facts within their respective knowledge, and will rely on opinion of Dentons US LLP, counsel to the Obligated Group, that the Obligated Group is a 501(c)(3) organization and certain other matters. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to ren der such opinion and is not a guarantee of a result.

Ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the ***"OID Issue Price"***) for each maturity of the Series 2026 Bonds is the price at which a substantial amount of such maturity of such Series of Series 2026 Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of a Series of Series 2026 Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the front inside cover page hereof.

If the OID Issue Price of a maturity of a Series of Series 2026 Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity of such Series of the Series 2026 Bonds (the ***"OID Bonds"***) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority and the Obligated Group comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue, under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2026 Bonds who dispose of Series 2026 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2026 Bonds in the public offering, but at a price different from the OID Issue Price or purchase Series 2026 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2026A Bond is purchased at any time for a price that is less than the Series 2026A Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the ***"Revised Issue Price"***), the purchaser will be treated as having purchased a Series 2026A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2026A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2026A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2026 Bonds.

An investor may purchase a Series 2026 Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2026 Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2026 Bond. Investors who purchase a Series 2026 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2026A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2026 Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2026 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2026 Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The IRS has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the IRS, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the IRS will commence an audit of any of the Series 2026 Bonds. If an audit is commenced, under current procedures the IRS may treat the Authority as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2026 Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2026 Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Series 2026 Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2026 Bond owner who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the Series 2026 Bonds is not exempt from present Illinois income taxes. Ownership of the Series 2026 Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2026 Bonds. Prospective purchasers of the Series 2026 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

LITIGATION

The Authority

There is not now pending (as to which the Authority has received service of process) or, to the actual knowledge of the Authority, threatened, any litigation against the Authority restraining or enjoining the issuance or delivery of the Series 2026 Bonds or questioning or affecting the validity of the Series 2026 Bonds or the proceedings or authority under which the Series 2026 Bonds are to be issued. Neither the creation, organization or existence of the Authority nor the title of any of the present members or other officials of the Authority to their respective offices is being contested. There is no litigation against the Authority pending (as to which the Authority has received service of process) or, to the Authority's actual knowledge, threatened, which in any manner questions the right of the Authority to enter into the Bond Indentures, the Series 2026A Bond Purchase Agreement, the Series 2026B Bond Purchase Agreement, or the Loan Agreements or to secure the Series 2026 Bonds in the manner provided in the Bond Indentures, the Resolution and the Act.

The Obligated Group

The Obligated Group has advised that no litigation, proceedings or investigations are pending for which service of process or written notice has been received or, to its knowledge, threatened against it except (i) litigation, proceedings or investigations in which the probable ultimate recoveries and the estimated costs and expenses of defense, in the opinion of management, will be entirely within the applicable insurance policy limits (subject to applicable deductibles) or are not in excess of the total reserves held under the applicable self-insurance program, or (ii) litigation, proceedings or investigations which if adversely determined will not, in the opinion of management, have a material adverse effect on the operations or condition, financial or otherwise, of the Obligated Group. The Obligated Group also has advised that there is no litigation pending for which service of process or written notice has been received or, to the knowledge of Parent, threatened, which in any manner questions the right of the Obligated Group Members to enter into the financing described herein.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2026 Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (***"Bond Counsel"***), who has been retained by the Obligated Group. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2026 Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Obligated Group, supplied the information under the heading "**TAX EXEMPTION.**" This information was supplied solely at the request and for the benefit of the Obligated Group and did not include any obligation to establish or confirm factual matters set forth herein, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Obligated Group, reviewed only those sections of this Official Statement involving the description of the Series 2026 Bonds, the security for the Series 2026 Bonds and the description of the federal tax exemption of interest on the Series 2026 Bonds. This review was undertaken solely at the request and for the benefit of the Obligated Group and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters with respect to the Series 2026 Bonds will be passed upon for the Authority by its special counsel, Ice Miller LLP, Chicago, Illinois, for the Obligated Group by its special counsel, Dentons US LLP, Chicago, Illinois, and for the Underwriter by its counsel, Gilmore & Bell, P.C., Kansas City, Missouri.

FINANCIAL STATEMENTS

The consolidated audited financial statements of the Parent and affiliates as of and for the Fiscal Years ended March 31, 2025 and 2024, appearing in ***Appendix B*** have been audited by Plante & Moran, PLLC, independent certified public accountants (***"Plante Moran"***), as set forth in their reports also appearing in ***Appendix B***. Such consolidated audited financial statements, which were reissued in March 2026 to reflect The Moorings' recent financing, include the financial condition and results of operations of Parent, the Foundation, The Moorings, Ten Twenty Grove, PH Manager and PL Outpatient Rehabilitation, none of which are Members of the Obligated Group. The audited financial statements include consolidating statements that reflect the financial condition and results of operations on an individual and combined basis of Westminster Place and Lake Forest Place, the sole Members of the Obligated Group as of the date of this Official Statement. Plante Moran has consented to the inclusion of the audited financial statements and their reports thereon appearing in ***Appendix B***, but has not been requested to perform additional procedures on the information contained in this Official Statement.

Under the Master Indenture, the Obligated Group may satisfy any financial reporting requirement by the provision of the audited financial statements of the System, so long as certain consolidating schedules are included in those financial statements. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting."**

FINANCIAL INFORMATION AND CONTINUING DISCLOSURE

Financial Reporting

Original Master Indenture. Pursuant to the Original Master Indenture, the Obligated Group Representative has agreed to furnish, or cause to be furnished, the following to the Required Information Recipients:

Quarterly Reports. Within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, and within 60 days after the end of the fourth Fiscal Quarter (which may be subject to final year-end adjustments):

(i) quarterly unaudited financial statements of the Obligated Group which shall include a combined or combining statement of revenues and expenses and statement of cash flows, designating Initial Entrance Fees, which includes the Obligated Group during such period, a combined and combining balance sheet as of the end of each such Fiscal Quarter, which, in each case, shall include comparisons to the annual budget of the Obligated Group;

(ii) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis;

(iii) information with respect to the payor mix for the Obligated Group's licensed nursing beds;

(iv) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter;

(v) a schedule showing debt service requirements for any Funded Indebtedness of the Obligated Group incurred during such Fiscal Quarter including all scheduled payments of principal and interest on such Funded Indebtedness; and

(vi) a summary of the status of any construction projects with respect to the Facilities of a Member of the Obligated Group which exceed 10% of the Obligated Group's annual capital expenditure budget, which summaries shall be delivered commencing with the Fiscal Quarter in which work on the construction project commenced and ending with the Fiscal Quarter during which such project was completed;

subsections (ii) through (vi) shall be prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date, the Obligated Group will deliver the financial and other information described above on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on a fiscal year-to-date basis each month and the Days Cash on Hand as of the end of each month, within 45 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days after the end of each Fiscal Year, an annual audited financial report that includes the Obligated Group prepared by a firm of certified public accountants, including a consolidated and an unaudited consolidating balance sheet as of the end of such Fiscal Year, a consolidated and an unaudited consolidating statement of changes in fund balances for such Fiscal Year, a consolidated and an unaudited consolidating statement of cash flows for such Fiscal Year and a consolidated and an unaudited consolidating statement of revenues and expenses for such Fiscal Year, showing for each Fiscal Year in comparative form the financial figures for the preceding Fiscal Year.

To the extent that generally accepted accounting principles would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of the Master Indenture. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting"** for the requirements relating to those audited financial statements.

Annual Compliance Certificate. On or before the date of delivery of the annual financial statements referred to above, an Officer's Certificate of the Obligated Group Representative (i) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof, (ii) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, (iii) a comparison of the audited financial statements with the operating budget, (iv) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, (v) a management's discussion and analysis of results, (vi) providing any quality rating assigned to the Facilities of Members of the Obligated Group by the Centers for Medicare and Medicaid Services, and (vii) calculating the Maximum Annual Debt Service Coverage Ratio of the Obligated Group as of the end of such Fiscal Year.

Operating and Capital Budgets. Within 45 days after the end of each Fiscal Year, a summary of the operating and capital budgets for the Fiscal Year then started.

Actuarial Report Summaries. Within 150 days after the end of every third Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities (having commenced with the Fiscal Year ended March 31, 2019 and with the next such third Fiscal Year being the Fiscal Year ending March 31, 2028).

Miscellaneous Information. Promptly upon receipt, copies of (i) any board approved revisions to the annual budget of the Obligated Group or (ii) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

Additional Security Notices. Notice of (i) the delivery of a Westminster Mortgage or (ii) the commencement or termination of a Master DSRF Funding Period as described under **"SECURITY FOR THE SERIES 2026 BONDS – Potential Additional Security under the Master Indenture,"** as soon as practicable after the occurrence of either.

Amended and Restated Master Indenture. Pursuant to the Amended and Restated Master Indenture, the Obligated Group Representative has agreed to furnish, or cause to be furnished, the following to the Required Information Recipients:

Quarterly Reports. Within 60 days after the end of the each Fiscal Quarter of each Fiscal Year (the fourth Fiscal Quarter of which may be subject to final year-end adjustments):

(i) quarterly unaudited financial statements of the Obligated Group which, if applicable, shall include combined and combining statement of financial position, statement of operations, statement of changes in net assets and statement of cash flows for such period and shall designate Initial Entrance Fees, and which, in each case, shall include a combined and combining balance sheet as of the end of such Fiscal Quarter, and comparisons (on a fiscal year to date basis) to the annual operating budget of the Obligated Group;

(ii) an Officer's Certificate of the Obligated Group Representative, prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative:

(A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof;

(B) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis;

(C) information with respect to the payor mix for the Obligated Group's licensed nursing beds; and

(D) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date, the Obligated Group will deliver the financial and other information described above on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on a year-to-date basis each month and the Days Cash on Hand as of the end of each month, within 60 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days after the end of each Fiscal Year, an annual audited financial report including the Obligated Group prepared by a firm of certified public accountants, including a balance sheet as of the end of such Fiscal Year, a statement of changes in fund balances for such Fiscal Year, a statement of cash flows for such Fiscal Year and a statement of revenues and expenses for such Fiscal Year (which, in each case, may be audited consolidated information with unaudited consolidating schedules), and, showing for such Fiscal Year the financial figures for the preceding Fiscal Year in comparative form.

To the extent that generally accepted accounting principles would require or permit consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of the Master Indenture. See **"FINANCIAL INFORMATION AND CONTINUING DISCLOSURE – Financial Reporting"** for the requirements relating to those audited financial statements.

Annual Compliance Certificate. On or before the date of delivery of the annual financial statements referred to above, an Officer's Certificate of the Obligated Group Representative (i) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof, (ii) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, and (iii) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any.

Operating and Capital Budgets. Within 60 days after the end of each Fiscal Year, a summary of the operating and capital budgets for the Fiscal Year then started.

Actuarial Report Summaries. Within 150 days after the end of every third Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities (commencing with the Fiscal Year ending March 31, 2028).

Miscellaneous Information. Promptly upon receipt, copies of (i) any board approved revisions to the annual budget of the Obligated Group or (ii) any correspondence to or from the Internal Revenue Service questioning or contesting the status of a Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds the interest on which is excludable from the gross income of the owners thereof for federal income tax purposes.

Additional Security Notices. Notice of the commencement or termination of a Master DSRF Funding Period as soon as practicable after occurrence.

Continuing Disclosure

Parent, as Obligated Group Representative, and the Bond Trustee, as dissemination agent, will enter into a Continuing Disclosure Agreements dated as of April 1, 2026 (the ***"Series 2026A Continuing Disclosure Agreement"***) relating to the Series 2026A Bonds and a Continuing Disclosure Agreement dated as of August 1, 2026 (the ***"Series 2026B Continuing Disclosure Agreement,"*** and together with the Series 2026A Continuing Disclosure Agreement, the ***"Continuing Disclosure Agreements"***) relating to the Series 2026B Bonds, each for the benefit of the respective holders and Beneficial Owners of the respective Series 2026 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the ***"Rule"***). The Members of the Obligated Group are the only "obligated persons" with responsibility for continuing disclosure, and the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under the Continuing Disclosure Agreements, and has no liability to any person, including any owner or Beneficial Owner of the Series 2026 Bonds, with respect to the Rule.

Annual Reports. Pursuant to the Continuing Disclosure Agreements, the Obligated Group will, or will cause the Dissemination Agent (initially the Bond Trustee) to, not later than 150 days after the end of the Obligated Group's Fiscal Year, file with the Municipal Securities Rulemaking Board (***"MSRB"***), through its Electronic Municipal Market Access system (***"EMMA"***), the following financial information and operating data (the ***"Annual Report"***):

(1) Audited financial statements that include the Obligated Group for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles. If audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report may contain unaudited financial statements in the format included in the Quarterly Reports described below, and the audited financial statements will be filed in the same manner as the Annual Report promptly after they become available. To the extent that generally accepted accounting principles would require consolidation of certain financial information of entities that are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with generally accepted accounting principles that include information with respect to entities that are not Members of the Obligated Group may be delivered so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is included with the audited financial statements; and (ii) such supplemental information has been subjected to the consolidated auditing procedures applied in the audit of the consolidated financial statements; and

(2) Updates for the most recent Fiscal Year of the financial information and operating data of the type contained in the following section contained in ***Appendix A*** of this Official Statement (in addition to the operating data required to be provided with the fourth quarter report described below):

(i) Management's Discussion and Analysis of Finances and Operations.

Quarterly Reports. The Obligated Group will provide, not later than the 60th day after the end of each fiscal quarter of the Obligated Group's Fiscal Year, commencing with the fiscal quarter ending March 31, 2026, with respect to the Series 2026A Bonds, and September 30, 2026, with respect to the Series 2026B Bonds, to the MSRB, through EMMA, the following financial information and operating data (the ***"Quarterly Report"***):

(1) The unaudited financial statements of the Obligated Group, including those persons that were obligated persons during the period reported in such financial statements for the preceding fiscal quarter, and consisting of combined or combining statement of revenues and expenses and statement of cash flows and a combined or combining balance sheet as of the end of each such fiscal quarter, all prepared on substantially the same basis as the most recently prepared audited financial statements of the Obligated Group, along with a comparison of the Obligated Group's statement of revenues and expenses for the preceding fiscal quarter to the Obligated Group's budget for such quarter and year-to-date; and

(2) Updates as of the end of the preceding fiscal quarter of the following financial information and operating data of the type contained in the following tables in ***Appendix A*** of this Official Statement:

(i) Facility Occupancy Rates (on a year-to-date basis);
(ii) Average Payor Mix by Community (on a year-to-date basis);
(iii) Debt Service Coverage Ratio (on a year-to-date basis); and
(**iv)** Days Cash on Hand.

Material Event Notices. Pursuant to the Continuing Disclosure Agreements, no later than 10 Business Days after the occurrence of any of the following events, the Obligated Group shall give, or cause to be given, to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Series 2026 Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;
(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series

2026 Bonds, or other material events affecting the tax status of the Series 2026 Bonds;

(7) modifications to rights of bondholders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution or sale of property securing repayment of the Series 2026 Bonds, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of a Member of the Obligated Group (which shall be deemed to occur as provided in the Rule);

(13) the consummation of a merger, consolidation, or acquisition involving any Member of the Obligated Group or the sale of all or substantially all of the assets of any Member of the Obligated Group, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of the trustee, if material;

(15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

"Financial Obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

If the Dissemination Agent has not received an Annual Report or Quarterly Report with filing instructions or a written notice from the Obligated Group that it has filed an Annual Report or Quarterly Report with the MSRB as of the applicable deadline, the Dissemination Agent will file a notice with the MSRB describing the Obligated Group's failure to file such Annual Report or Quarterly Report, as applicable.

Dissemination Agent. The Obligated Group may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Continuing Disclosure Agreements, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent will not be responsible in any manner for the content of any notice or report prepared by the Obligated Group pursuant to the Continuing Disclosure Agreements. The initial Dissemination Agent will be the Bond Trustee.

Amendments. Notwithstanding any other provision of the Continuing Disclosure Agreements, the Obligated Group and the Dissemination Agent may amend the Continuing Disclosure Agreements and any provision of the Continuing Disclosure Agreements may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Obligated Group and the Dissemination Agent with its written opinion that the undertaking of the Obligated Group contained therein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to the Continuing Disclosure Agreements.

Remedies. If the Obligated Group or the Dissemination Agent fails to comply with any provision of the Continuing Disclosure Agreements, the Bond Trustee may, and, at the request of the Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2026 Bonds will, take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Obligated Group or the Dissemination Agent, as the case may be, to comply with its obligations under the Continuing Disclosure Agreements. A default under the Continuing Disclosure Agreements will not be deemed an event of default under the Bond Indentures or the Loan Agreements, and the sole remedy under the Continuing Disclosure Agreements if the Obligated Group or the Dissemination Agent fails to comply with the Continuing Disclosure Agreements will be an action to compel performance.

Prior Compliance*.** The Obligated Group Representative, on behalf of the Borrowers, has previously entered into continuing disclosure undertakings (the ***"Prior Undertakings") similar to the Continuing Disclosure Agreements. Certain information required to be provided under the Prior Undertakings was posted on EMMA 10 or fewer days after the applicable deadlines and certain other information was posted on EMMA within the applicable deadline for some but not all applicable CUSIPs required by the Prior Undertakings. Other than the foregoing, the Borrowers believe they have complied in all material respects with their prior continuing disclosure undertakings during the past five years.

RATING

Fitch Ratings, Inc. (***"Fitch***") has assigned its rating of "A-" to the Series 2026 Bonds. The assigned rating reflects only the views of Fitch at the time such rating is given, and the Authority, the Underwriter and the Obligated Group make no representation as to the appropriateness of such rating. An explanation of the significance of such rating may be obtained only from Fitch. The Obligated Group furnished to Fitch certain information and material concerning the Series 2026 Bonds. Generally, rating agencies base their ratings on such information and materials and on investigations, studies and assumptions made by the rating agencies themselves. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely if, in the judgment of Fitch, circumstances so warrant. The Underwriter has no responsibility to bring to the attention of the holders of the Series 2026 Bonds a proposed revision or withdrawal of the rating on the Series 2026 Bonds or to oppose any such proposed revision or withdrawal. Any such downward change in or withdrawal of such rating may have a material adverse effect on the market price or marketability of the Series 2026 Bonds.

CERTAIN RELATIONSHIPS

The law firm of Dentons US LLP serves as counsel to the Obligated Group and has also represented the Underwriter from to time but has not done so in connection with the issuance of the Series 2026 Bonds.

The law firm of Chapman and Cutler LLP, Chicago, Illinois, serves as bond counsel to the Authority in connection with the issuance of the Series 2026 Bonds. Chapman and Cutler LLP also represents the Underwriter from time to time but has not done so in connection with the issuance of the Series 2026 Bonds.

UNDERWRITING

Series 2026A Bonds. Pursuant to a Bond Purchase Agreement (the ***"Series 2026A Bond Purchase Agreement"***) among the Authority, the Borrowers and B.C. Ziegler and Company (the ***"Underwriter"***), the Series 2026A Bonds are being purchased for reoffering by the Underwriter. The Underwriter has agreed to purchase the Series 2026A Bonds at an aggregate purchase price of $34,121,140.90 (which takes into account an underwriter's discount of $223,929.00 and original issue premium of $2,125,069.90). The Series 2026A Bond Purchase Agreement with respect to the Series 2026A Bonds provides that the Underwriter will purchase all the Series 2026A Bonds if any are purchased.

The Underwriter intends to offer the Series 2026A Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2026A Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

The Obligated Group has agreed to indemnify the Underwriter against certain civil liabilities, including certain liabilities under the federal securities laws.

Series 2026B Bonds. Pursuant to the Series 2026B Bond Purchase Agreement, the Underwriter agrees to purchase the Series 2026B Bonds the Series 2026B Settlement Date at an aggregate purchase price of $30,276,446.90 (which takes into account an Underwriter's discount of $203,878.25 and original issue premium of $1,145,325.15).

The Series 2026B Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2026B Bonds, if any are purchased, and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. See the caption **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS"** above.

The Underwriter intends to offer the Series 2026B Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2026B Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices.

The Obligated Group has agreed under the Series 2026B Bond Purchase Agreement to indemnify the Underwriter against certain civil liabilities, including certain liabilities under the federal securities laws.

The obligation of the Underwriter to accept delivery of and pay for the Series 2026B Bonds is subject to various conditions set forth in the Series 2026B Bond Purchase Agreement and summarized herein under **"CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS."**

The Underwriter reserves the right to obligate investors purchasing the Series 2026B Bonds to execute a Delayed Delivery Agreement (the ***"Delayed Delivery Agreement"***) in substantially the form set forth as ***Appendix F***. The Delayed Delivery Agreement provides that the purchaser will remain obligated to purchase the Series 2026B Bonds, even if the purchaser decides to sell the purchased bonds following the date of the Delayed Delivery Agreement. ***The Authority will not be a party to any Delayed Delivery Agreement, and the Authority is not in any way responsible for the performance thereof or for any representations or warranties contained therein.*** The rights and obligations of the Underwriter under the Series 2026B Bond Purchase Agreement are not conditioned or dependent upon the performance of any Delayed Delivery Agreement.

FINANCIAL ADVISOR

The Obligated Group has retained Kaufman, Hall & Associates, LLC (***"Kaufman Hall"***), Chicago, Illinois, a municipal advisory firm registered with the U.S. Securities and Exchange Commission and the MSRB, as financial advisor in connect with the issuance of the Series 2026 Bonds. Although Kaufman Hall has assisted in the preparation of this Official Statement, Kaufman Hall was not and is not obligated to undertake, and has not undertaken to make, an independent verification and assumes no responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

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MISCELLANEOUS

The information set out in **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE"** in ***Appendix C*** and in "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS**" in ***Appendix D*** does not purport to be complete and is expressly made subject to the exact provisions of the complete documents. For details of all terms and conditions, purchasers are referred to each document summarized in said ***Appendices C and D***. All documents referred to in this Official Statement may be reviewed during regular business hours at the offices of the Underwriter or the office of the Obligated Group.

Any statements made in this Official Statement involving matters of opinion, estimates, forecast, or projections, whether or not so expressly stated, are set forth as such and not as representations of fact. No representation is made that any of such estimates will be realized.

The delivery of this Official Statement or any sale of the Series 2026 Bonds described herein will not, under any circumstances, create an implication that there has been no change in the business affairs or financial condition of the Obligated Group since the date hereof.

Neither the Authority nor any of its officials, officers or employees, in either their official or personal capacity, has made any warranties, representations or guarantees regarding the financial feasibility of the business operations of the Members of the Obligated Group or operation of the Facilities. Further, neither the Authority nor any of its officials, officers or employees assume any duties, responsibilities or obligations with respect to the Series 2026 Bonds other than those imposed, either expressly or by fair implication, upon the Authority by the Bond Indentures and the Loan Agreements.

PRESBYTERIAN HOMES D/B/A PRESBYTERIAN LIVING, as Obligated Group Representative, on behalf of itself and the Borrowers

By: /s/ Nadim Abi-Antoun
President and Chief Executive Officer

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APPENDIX A

THE OBLIGATED GROUP

TABLE OF CONTENTS

The information provided in this Appendix A was provided by the Obligated Group

THE OBLIGATED GROUP AND SYSTEM

History and Background

Since 1904, Presbyterian Homes d/b/a Presbyterian Living (the ***"Parent"*** or ***"Obligated Group Representative"***), an Illinois not-for-profit corporation, together with its predecessors and affiliates, has served older adults through its facilities and programs in the Chicago metropolitan area. As a result of a corporate reorganization completed in 2015, the Parent became the sole member of (i) Westminster Place, an Illinois not-for-profit corporation (***"Westminster Place"***), and (ii) Lake Forest Place, LLC, an Illinois limited liability company (***"Lake Forest Place"*** and together with Westminster Place, the ***"Obligated Group"***). In addition to Westminster Place and Lake Forest Place, the Parent is the member of or has reserve corporate powers over four subsidiaries (described below) which provide residential and health care programs for older adults in Illinois (collectively with the Parent and the Obligated Group, the ***"Operating System"***). The Parent is also the member of the Geneva Foundation of Presbyterian Homes d/b/a Geneva Foundation of Presbyterian Living (the ***"Foundation"*** and, together with the Operating System, the ***"System"*** or ***"Presbyterian Living"***), which provides financial support to the members of the Operating System at the direction of the Parent. The System is headquartered in Skokie, Illinois, a suburb north of Chicago, and currently serves approximately 1,450 older adults through its four facilities in the Chicago metropolitan area.

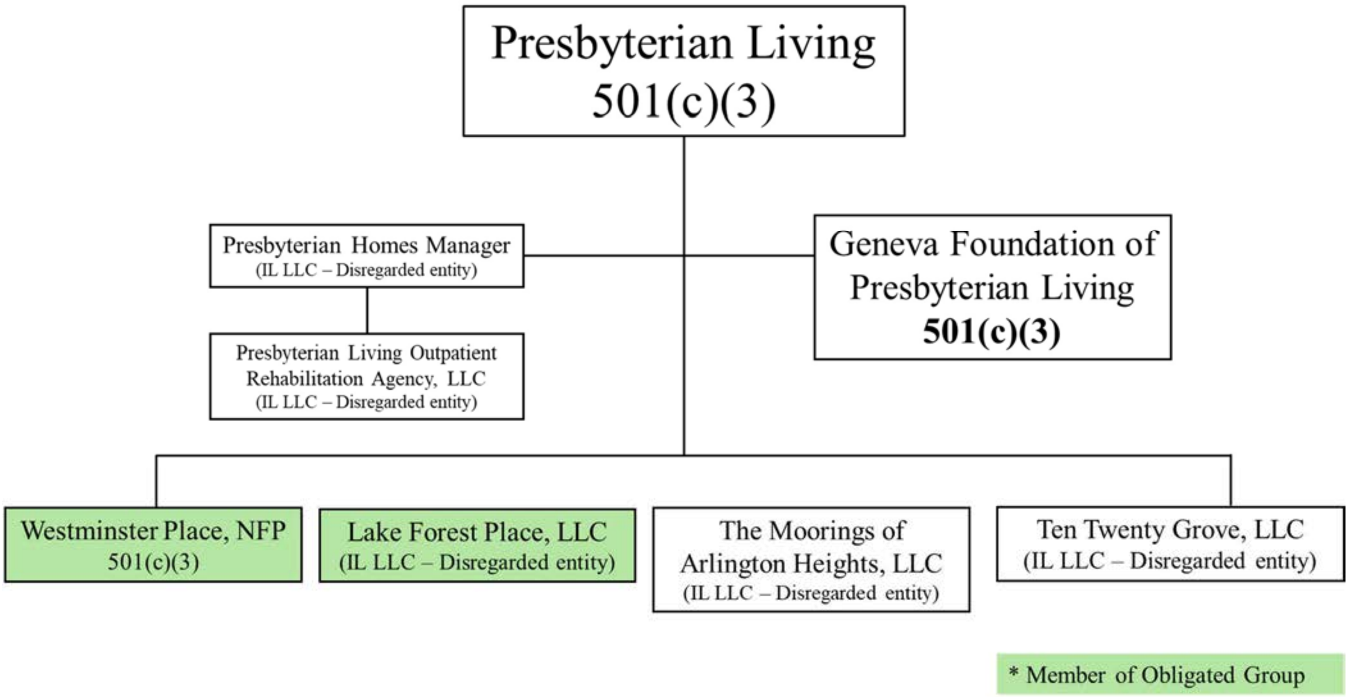
The Operating System includes (i) the Parent, (ii) Lake Forest Place, (iii) Westminster Place, (iv) The Moorings of Arlington Heights, LLC (***"The Moorings"***), an Illinois limited liability company, (v) Ten Twenty Grove, LLC (***"Ten Twenty Grove"***), an Illinois limited liability company, (vi) Presbyterian Homes Manager, LLC (***"PH Manager"***), an Illinois limited liability company, and (vii) Presbyterian Homes Outpatient Rehabilitation Agency, LLC d/b/a Presbyterian Living Outpatient Rehabilitation Agency (***"PL Outpatient Rehabilitation"***), an Illinois limited liability company.

The System consists of the (i) the Operating System and (ii) the Foundation. The communities operated within the System (the ***"System Facilities"***) offer a wide range of care options, including independent living, assisted living, and nursing care (including memory care, intermediate and skilled nursing). Each of the System Facilities are "Life Plan Communities," which offer the full continuum of care, except for Ten Twenty Grove, which only offers independent living facilities, as described below. Within the System Facilities, independent living is designed for older adults who do not need the assistance of another person on a daily basis, assisted living is designed for older adults who need assistance with personal care and activities of daily living, such as dressing, bathing and medication reminders, and nursing care beds are for those who need intermediate or skilled nursing care, short-term rehabilitation services, or memory care support.

Westminster Place and Lake Forest Place are the only Members of the "Obligated Group" established under the Master Indenture and are the only entities obligated to make payments on the Series 2026 Bonds and the Series 2026 Obligations. The Parent serves as Obligated Group Representative but is not a Member of the Obligated Group nor obligated to make payments on the Series 2026 Bonds or the Series 2026 Obligations. The other entities in the System are not Members of the Obligated Group and have no liability with respect to the Series 2026 Bonds or the Series 2026 Obligations. See **"SECURITY FOR THE BONDS - The Master Indenture"** in the front part of this Official Statement and **"GOVERNANCE AND MANAGEMENT"** herein.

Any capitalized terms used but not defined in this ***Appendix A*** shall have the meanings set forth in the front part of this Official Statement.

An organizational chart showing the System appears on the next page.



Obligated Group

The following is an overview of the primary facilities owned by Westminster Place and Lake Forest Place:

Westminster Place is a Life Plan Community located in northwest Evanston, Illinois, near Chicago's North Shore and surrounded by a neighborhood of homes on tree-lined streets. Westminster Place occupies a 40-acre parcel of land and consists of independent living, assisted living, memory care and short- and long-term skilled and intermediate nursing care.

Independent living at Westminster Place consists of 234 apartments, townhouses and cottages, ranging in size from 585 square feet to approximately 2,400 square feet. Common area amenities include formal and casual dining rooms, living rooms, lecture halls, a fitness and therapeutic center with exercise equipment, swimming pool and therapy/whirlpool, a library, computer and business center, gift shop, salon and spa, and a wood working shop. Services include flexible dining options, housekeeping and complete maintenance services, transportation, and planned social and educational activities and programs.

Assisted living at Westminster Place consists of 95 studio, one- and two-bedroom apartments. Assisted living is licensed by the State of Illinois. A portion of the assisted living residences at Westminster Place's campus are licensed as sheltered care. Assisted living services and amenities are similar to, but separate from, independent living because proximity to amenities is important to the assisted living residents.

The balance of the continuum of care at Westminster Place includes 95 intermediate nursing and memory care beds for residents needing memory support for cognitive impairments like Alzheimer's disease, in addition to 100 skilled nursing care beds for those who need skilled nursing care or short-term rehabilitation services, of which all 100 are Medicare certified and six are Medicaid certified. Assisted living and nursing care beds not occupied by contractual residents are marketed to the outside community.

Lake Forest Place is a Life Plan Community located in Lake Forest, Illinois, approximately 30 miles north of Chicago. Lake Forest Place sits on a 60-acre wooded parcel of land and consists of independent living, assisted living, memory support and short and long-term nursing care.

Independent living at Lake Forest Place consists of 272 units, consisting of apartments and cottage homes, ranging in size from 720 square feet to nearly 2,400 square feet. Cottages have partial or full basements, two car garages and patios. Common area amenities include formal and casual dining rooms, a café, living rooms, a lecture hall, a fitness and therapeutic center with exercise equipment, swimming pool and whirlpool, a library, computer and business center, gift shop, salon and spa, and a wood working shop. Services include flexible dining options, housekeeping and complete maintenance services, transportation as well as planned social and educational activities and programs. The property features a fishing lake, walking paths to a boardwalk, a community garden and a 250-year-old Burr Oak tree.

Assisted living at Lake Forest Place consists of 31 studio and one-bedroom apartments and 20 assisted living memory support beds for residents needing memory care for cognitive impairments like Alzheimer's disease.

The balance of the continuum of care at Lake Forest Place includes 50 skilled nursing care beds for residents requiring long-term, skilled nursing care or short-term rehabilitation services, all of which are Medicare certified. Nursing care beds not occupied by contractual residents are marketed to the outside community.

System Members Not in the Obligated Group

Set forth below is an overview of the System members not in the Obligated Group, including descriptions of the primary facilities owned by The Moorings and Ten Twenty Grove and the primary operations of PH Manager, PL Outpatient Rehabilitation, the Foundation, and the Parent. None of these entities are in the Obligated Group nor have any liability with respect to the Series 2026 Bonds or the Series 2026 Obligations.

The Moorings is a Life Plan Community located in Arlington Heights, Illinois, a northwest suburb of Chicago and occupies a 45-acre parcel of land just east of Northwest Community Hospital. The Moorings offers a full continuum of care, including independent living, assisted living, assisted living with memory support, and a health care center offering rehabilitation services, intermediate and memory care as well as skilled nursing care, on both a short- and long-term basis.

The Moorings began construction in 2025 on an approximately $100.4 million (excluding capitalized interest and other financing costs) addition consisting of construction of 70 new independent living units in a five-story, approximately 172,000 square foot building with underground parking and new dining and social venues. Renovation of the health care center is expected to begin in November 2028 and is expected to be funded by an approximately $14 million equity contribution from The Moorings. The Moorings project was financed with proceeds of revenue bonds issued by the Authority on behalf of The Moorings. The Obligated Group has no liability with respect to the Authority's revenue bonds issued on behalf of The Moorings or any other indebtedness of The Moorings.

Independent living at The Moorings consists of 264 apartments and villas, ranging in size from 530 square feet to more than 2,300 square feet. Some villas have full basements, two car garages and patios.

Common area amenities at the Moorings include formal and casual dining rooms, living rooms, a lecture hall, a fitness and therapeutic center with exercise equipment, swimming pool and whirlpool, a library, computer and business center, mini-mart and beauty salon and spa. Services include flexible dining options, housekeeping and complete maintenance services, transportation as well as planned social and educational activities and programs. The Moorings campus features two small lakes, winding walking paths, a large community garden and a historic round barn.

Assisted living at The Moorings consists of 73 studio and one-bedroom apartments. Assisted living is licensed by the State of Illinois. Assisted living services and amenities are similar to, but separate from, independent living because proximity to amenities is important to assisted living residents.

The health care center at The Moorings consists of 39 intermediate nursing and memory care beds for residents needing memory support for cognitive impairments like Alzheimer's disease, in addition to 57 skilled nursing care beds for those who need skilled nursing care or short-term rehabilitation services, of which, all 57 are Medicare licensed and eight are Medicaid certified. Nursing care beds not occupied by contractual residents are marketed to the outside community.

Ten Twenty Grove is an independent living facility in downtown Evanston, Illinois consisting of a nine-story, 48-unit apartment building that includes one-, two-, and three-bedroom apartments with complete kitchens, garages, and activity areas. Medical services for residents of Ten Twenty Grove are available at Westminster Place, also located in Evanston.

PH Manager employs the management team of the System, operates, and manages the System Facilities and provides several services to the System members on a centralized basis under the terms of separate management services agreements. This coordination gives the System Facilities and entities, including the Obligated Group, access to expertise and resources that might not otherwise be available to them at the campus level. Each Member of the Obligated Group pays PH Manager a fee for the provision of these services, which is approximately 6.25% of budgeted revenues for each fiscal year. Pursuant to the management services agreements, the fee is determined on an annual basis by agreement between PH Manager and the respective members of the System. Certain of the services PH Manager provides include:

- *Asset Management*
  - Construction and renovation services
  - Design and entitlement services
  - Architecture and interior design guidance
  - Quality control and experience enhancements
  - Project management services
  - Policy, procedure, and contract standards for communities
- *Continuous Quality Improvement*
- *Risk Management*
  - Compliance program management
  - Insurance program administration
  - Risk analysis and claim monitoring
  - Contract review services
  - Legal support
- *Finance and Accounting*
  - Cash & treasury management
  - Accounts payable processing including check distribution
  - Payroll processing & reporting
  - Third-party revenue and reimbursement management
  - Financial statement preparation
  - Financial regulatory reporting including cost reports and tax return filings
  - Budgeting and forecasting
  - Internal auditing
  - Tax research and compliance
- *Managed Care and Commercial Insurance Contracting*
- *Human Resources*
  - Policy and procedure development
  - Compensation and benefits administration
  - Employee training and development
  - Employee engagement and retention program
  - Safety and risk compliance programs
  - Talent management and succession planning
  - Recruitment services
- *Information Technology*
  - Infrastructure & network readiness
  - Cyber security and compliance
  - Resident facing technology
  - IT operations and staffing
  - Financial and strategic technology planning
- *Marketing and Public Relations*
  - Sales training and ongoing support
  - Marketing strategy and relationship management
- *Clinical Oversight*
  - Clinical strategy and standards
  - Continuous quality improvement
  - Reimbursement processes
  - Infection prevention and control program
  - Regulatory and compliance initiatives
  - Clinical education and orientation programs
  - Electronic medical records systems management
- *Strategic and Master Planning, Entitlement Guidance and Procurement of Services*

PL Outpatient Rehabilitation makes outpatient rehabilitation available to older adults with referrals for physical, occupational and speech therapy services. The rehabilitation gym, located on the Westminster Place campus, offers specialized equipment and therapeutic protocols designed for the rehabilitation of older adults. Aquatic therapy services are available in the fitness center therapy pool located in the same building.

The Foundation was formally incorporated on March 24, 2003. The Foundation's purpose is to carry out charitable and educational activities, and its Mission Statement reads*:* "The Geneva Foundation transforms lives by enriching Presbyterian Living's communities through generous and responsible philanthropy." The Foundation leases five employees from PH Manager to run its operations.

The Foundation receives significant financial support through an ongoing fundraising program. In the fiscal years ended March 31, 2023, 2024, and 2025 and the nine months ended December 31, 2025, the Foundation raised $4.7 million, $2.4 million, $3.0 million, and $2.5 million, respectively, and granted $4.2 million, $7.1 million, $4.0 million and $3.2 million, respectively, for the benefit of the System, including charity care, support services and capital improvements. The fundraising program is supported by approximately 1,160 donors who are supporters of the Foundation and the System.

The Foundation had net assets of $179 million as of March 31, 2025, which included $138 million in cash, cash equivalents and investments. The Foundation had net assets of $201 million as of December 31, 2025, which included $157 million in cash, cash equivalents and investments.

Presbyterian Living*,* in its role as the Parent, does not own and operate any facilities. In conjunction with its reserved powers over certain entities within the System, the Parent works with PH Manager to provide oversight of the System. See "History and Background" herein for additional information on the Parent.

GOVERNANCE AND MANAGEMENT

Governance of the Obligated Group and the Parent

The Board of Directors for the Parent (the "***Parent Board***") and the Board of Directors of Westminster Place (the "***Westminster Board***," together with the Parent Board, the "***Boards***") are identical in makeup and responsibilities, as further described below. Lake Forest Place is a manager-managed limited liability company with PH Manager as its manager and the Parent as its sole corporate member. The Parent is also the sole corporate member of PH Manager and has the authority to direct PH Manager to take certain actions with respect to Lake Forest Place, including the issuance of the Series 2026 Bonds. All Parent Board and committee meetings include reports relating to and customary oversights of Lake Forest Place in the Parent's capacity as sole corporate member of Lake Forest Place.

The Boards are identical and consist of Chicago Metropolitan Area corporate, community and religious leaders. The Boards currently consist of 14 elected members and the President and CEO, who serves as an *ex-officio* member, who collectively are responsible for the charge, control and management of the property, affairs and funds of the Parent and Westminster Place. The Boards exercise ultimate authority and responsibility for the Parent and Westminster Place in legal, financial, and ethical matters. The Boards establish policies that determine the types of services the Parent and Westminster Place offer and regularly review the quality of those services. Each Board, together with management, is responsible for the Parent's and Westminster Place's fiscal viability, and ensures that the Parent and Westminster Place, as applicable, engages in effective and continuous planning.

Each Board's governance responsibility is carried out through the work of seven committees that report and recommend to the full Board. The Executive Committee, which is composed of the Chair, the Vice Chair, Secretary, and Treasurer of the Boards, has the authority of the Boards in emergencies between meetings. The other committees of the Boards are the Audit, Compensation, Finance, Governance, Investment and Strategic Planning committees. The President and CEO, as an *ex-officio* member, is a non-voting attendee at all committee meetings.

The individuals serving on the Boards as of December 31, 2025, the number of years served, and their professions are listed below.

Members	Years Served**	Profession
Elected Directors		
Mr. Jim Brault	3	Real Estate, Investment
Mr. Bob Dearborn	2	Finance, Investment
Mr. Charlie Denison	11	Finance, Investment
Ms. Elinor Hite, *Secretary**	8	Human Resources, Professional Development
Mr. Vince Kelly, *Co-Chair**	8	Finance, Investment
Mr. Michael O. Lincoln	4	Finance, Real Estate, Development
Mr. Dennis Marx	11	Accounting, Investment
Mr. Thomas McAfee	6	Health Care Administration
Mr. Eric Mollman, *Co-Chair**	3	Health Care Administration, Finance
Ms. Marsha Oberrieder, *Vice Chair**	1	Health Care Administration, Human Resources (retired)
Mr. Sam Reynolds, *Treasurer**	1	Health Care Administration, Finance
Ms. Julie Seymour	4	Law, Finance
Ms. Jessica Strausbaugh	2	Finance
Mr. Mark Wetzel	4	Finance, Accounting, Audit (retired)
Mr. Timothy Johnson***	.1	Senior Leadership, Senior Living Organizations
Ex-Officio Director		
Mr. Nadim Abi-Antoun*	3	President and CEO, Presbyterian Living

* *Members of the Executive Committee*
** *Service as of December 31, 2025*
*** *Board Chair effective July 1, 2026*

Management of Obligated Group

The System's management team, employed by PH Manager, provides the Obligated Group with management and administration experience. The following summarizes the background of key members of the System's management team in addition to the executive directors of the Obligated Group's facilities who are employed by those Obligated Group Members.

Nadim Abi-Antoun, President and Chief Executive Officer. Nadim was named President and Chief Executive Officer in January 2023. He previously served as Chief Operating Officer of the Parent beginning in 2015, before which he served as Vice President of Information Technology for the System.

Prior to joining Presbyterian Living in 2011, Nadim was senior director of information technology at CJE Senior Life where he rolled out electronic medical records and upgraded infrastructure and technology throughout the organization. His experience also includes managing technology workflow and operations optimization through the implementation of corporate systems in the telecommunications industry. Nadim holds a Master of Business Administration from Lake Forest Graduate School of Management and a Bachelor of Arts in Business Administration from American University of Beirut. Nadim is a Licensed Nursing Home Administrator and serves as board Chair of LeadingAge Illinois.

Mark Havrilka, Chief Financial Officer. Mark was named Chief Financial Officer in 2012. He has more than 25 years of experience in financial leadership for Life Plan Communities. He is responsible for revenue enhancement, cost containment, financial reporting, financial analysis of existing service lines and new projects, budgeting, and forecasting, developing management tools and reporting to improve financial awareness and promoting fiscal responsibility for staff and the Board, establishing accounting policy and procedures, oversight of annual audit, banking relationships, investments and long-term debt and strategic and master planning. He currently serves on the board of directors for Illinois Aging Services Network.

Prior to joining Presbyterian Living, Mark was vice president of finance at Presbyterian Communities and Services (***"PC&S"***), a multi-site Life Plan Community and hospice organization in Dallas, Texas. He joined PC&S in 2008 and provided leadership in the areas of finance, information technology, strategic planning and operations as well as board and resident relations. Through his leadership at PC&S, the organization made vast improvements in the areas of revenue enhancement, cost containment, financial reporting, budgeting, management tools development and creating policies, procedures and standards.

Mark began his career at St. John's Hospital in Springfield, Illinois, in 1985. In 1988, he joined Christian Homes, Inc., in Lincoln, Illinois, where he took on progressively greater responsibilities and was named chief financial officer in 1999. Christian Homes operated 13 retirement communities in Illinois, Iowa, Missouri, and Indiana. Mark then joined Illinois Masonic Home in Sullivan, Illinois, in 2004 as controller and chief financial officer. He remained there until 2008 when he accepted the vice president of finance position with PC&S. Mark obtained a Bachelor of Arts in Accounting from the University of Illinois at Springfield. He is a registered Certified Public Accountant and a member of the Illinois CPA Society.

Peter van Kalkeren, Chief Operating Officer. Peter joined Presbyterian Living as Chief Operating Officer in September 2025. He is responsible for developing strategic, financial, and operational goals to assure the ongoing growth and financial viability of Presbyterian Living. He oversees all programs and services to ensure they promote the organization's mission, vision, and values while meeting the needs and expectations of residents. Working in conjunction with the Board and the executive team, he leads the organization's service staff and develops a highly functioning, goal-oriented leadership team committed to continuous quality improvement, operational excellence, and regulatory compliance.

With a robust background in senior living and healthcare operations, Peter has over two decades of experience in mission-driven leadership. Prior to this role, Peter served as Chief Operating Officer at Rogerson Communities, a nonprofit senior living organization in Boston known for its deep commitment to supporting older adults. His leadership there was instrumental in enhancing operational efficiency and community engagement. He holds a Master of Business Administration from Cornell University and a Bachelor's degree from Hotelschool The Hague.

Samantha Victor-Alvarado, Vice President of Human Resources. Samantha joined Presbyterian Living in March 2023 as Vice President of Human Resources. Prior to joining Presbyterian Living, she worked in senior living and human resources for nearly a decade, with a strong emphasis on fostering compassionate and empathetic environments that support both employees and residents. Samantha is responsible for leading the human resources function for Presbyterian Living, ensuring the organization recruits, retains, and develops a workforce capable of delivering high-quality resident care. Her responsibilities include employee relations, workforce development, compliance, and overall HR strategy across all communities and services.

She received a Bachelor of Arts in Communication from the University of Illinois and a Master of Business Administration with a concentration in Human Resources. Samantha holds the SHRM-SCP certification and is a certified facilitator through the Cultural Intelligence Center, including CQ Facilitator, CQ Certification, CQ Train-the-Trainer Certification, and Unconscious Bias Train-the-Trainer Certification. She has been a member of the Society for Human Resource Management (SHRM) since 2014.

Alpana Patel, Vice President of Clinical Services. Alpana joined Presbyterian Living as the Vice President of Clinical Services in 2018. She is responsible for the oversight of three broad and overarching functions within the organization: clinical strategy and standards for all clinical operations, regulatory and compliance initiatives related to clinical operations, and infection control. Alpana has led improvement efforts in clinical operations, systems, policies and procedures as guided by the organization's strategic priorities to ensure regulatory compliance, resident and employee safety, and result in high levels of resident satisfaction and quality.

As a registered nurse and Licensed Nursing Home Administrator, she brings a wealth of experience and knowledge to the leadership team. Prior to Presbyterian Living, Alpana has over 20 years of experience in the senior living industry, providing compassionate, person-centered care and leadership. She has worked her way up starting from a resident care assistant in an assisted living community to Director of Nursing and most recently held the position of Nursing Home Administrator.

Alpana is an alumna of the University of Illinois where she earned a Bachelor of Science in nursing. She also earned a Master of Science in Nursing, Master of Business Administration, and a Certificate in Health Care Management from the University of Phoenix. In addition, Alpana has earned certificates in Restorative Nursing, Quality Assurance Performance Improvement, and is a certified Resident Assessment Coordinator.

Ray Benegas, Vice President, Information Technology. Ray joined Presbyterian Living as Vice President of Information Technology in April 2023. He is responsible for all information technology functions at Presbyterian Living. He oversees the organization's digital health systems, cybersecurity, and overall technology strategy to ensure alignment with organizational goals and resident needs.

Prior to joining Presbyterian Living, Ray held significant positions for a number of healthcare agencies, including as National Director of Technologies and Technology Leader. With more than 15 years of experience in IT leadership roles in the senior living industry, he holds certifications as a Healthcare Chief Information Officer and Certified Digital Health Executive. His leadership supports Presbyterian Living's emphasis on leveraging technology to enhance care delivery and organizational efficiency.

Joe Hassel, Vice President of Facilities, Planning and Construction. Joe joined Presbyterian Living as Vice President of Facilities, Planning and Construction in May 2023. He collaborates with the corporate and community leadership teams to create a one-team approach to facilities management, project implementation and budget control. He also is responsible for evaluating and transforming the communities to meet next-generation consumer expectations.

Joe has devoted the past 30-plus years to transforming and redefining environments for living. Prior to joining Presbyterian Living, he was a Principal, Senior Living Co-Practice Global Leader, and Advisory Board Member for Perkins Eastman. He's a nationally recognized thought leader, instructor, researcher, author and speaker. Joe attended the University of Wisconsin - Milwaukee, School of Architecture and Urban Planning where he received a Bachelor of Science in Architectural Studies and a Master of Science in Architecture with a focus on Gerontological Studies.

Lisa Schiro, Vice President of Development and Fundraising. Lisa was named Vice President of Development and Fundraising in March 2025. She joined Presbyterian Living in 2009 and has dedicated over 15 years of service to the organization. Lisa is responsible for all fundraising and development initiatives for Presbyterian Living, including donor relations, grants, stewardship, and major gift campaigns.

With 32 years of experience in development, Lisa is deeply committed to effective and ethical fundraising. She has a proven track record of cultivating and soliciting multiple six and seven-figure gifts, building meaningful relationships, and securing corporate event sponsorships. Lisa is a Certified Fundraising Executive and is employed by the Geneva Foundation of Presbyterian Living.

Cheryl Miller, Vice President of Risk, Compliance, and Legal. Cheryl is responsible for planning, developing, implementing, and overseeing the Risk Management Program, Compliance Program, and legal review for Presbyterian Living, in support of the mission, goals and objectives of Presbyterian Living and priorities established by the Board and senior management. She ensures the programs are incorporated into Presbyterian Living operations.

Cheryl joined Presbyterian Living in May 2015 as Director of Risk and Compliance, and her job duties expanded in June 2017 to include legal work. In November 2017, her job duties expanded again to include the position of Chief Compliance Officer. Prior to joining Presbyterian Living, Cheryl worked for a small, woman-owned law firm in the western suburbs of Chicago where she devoted a substantial portion of her practice to healthcare regulatory and transactional matters; she also previously worked in the legal department of Brookdale Senior Living. She received a Bachelor of Arts in History from the University of Illinois at Chicago, and Juris Doctor from Loyola University Chicago School of Law.

Courtney Bayron, Vice President of Sales and Marketing. Courtney joined Presbyterian Living as Vice President of Sales and Marketing in May 2025, bringing over 20 years of experience in the senior living industry. She has worked across both Life Plan Communities and rental communities and in for-profit and nonprofit licensed care sectors. Courtney specializes in enhancing census and revenue, reversing negative occupancy trends, sales training, and implementing the best industry practices that transform communities and improve residents' lives.

Throughout her career in sales, marketing, and consulting, Courtney has demonstrated a proven ability to increase census and achieve results in every position. Additionally, her operational background as a Licensed Nursing Home Administrator adds valuable perspective to her marketing approach. Courtney graduated from Kansas State University with degrees in Business Administration/Marketing and Long-Term Care Administration. Courtney has received multiple industry awards.

Hui Meng, Vice President of Finance. Hui joined Presbyterian Living as Vice President of Finance in January 2026. She oversees key finance functions, including financial strategy, planning and analysis, accounting, reporting, treasury, and audit coordination, and brings more than 13 years of progressive leadership experience in senior living and healthcare finance.

Prior to joining Presbyterian Living, Hui served in senior finance leadership roles at Lutheran Life Communities, including Vice President of Accounting and Vice President of Financial Planning & Analysis. In those roles, she partnered closely with executive and operational leadership on financial planning and performance management initiatives and led major financial system implementations that enhanced transparency, strengthened financial acumen across teams, and improved organizational efficiency.

Hui is a Certified Public Accountant (Illinois) and holds a Master of Science in Accountancy from Loyola University Chicago and a Master of Applied Data Science from the University of Chicago.

Seth Awes, Executive Director, Westminster Place and Ten Twenty Grove. Seth joined Presbyterian Living in 2018 as Director of Sales & Marketing at Westminster Place & Ten Twenty Grove. In 2021, he transitioned to The Moorings, where he served as Administrator of Community Life and in 2024, he was appointed Executive Director of Westminster Place and Ten Twenty Grove, bringing nearly 20 years of senior living leadership experience with a strong focus on operations and sales & marketing. In this role, he oversees the day-to-day operations of the communities, ensuring excellence in resident care and organizational performance.

Seth holds a Master of Nonprofit Administration and a Master of Business Administration from North Park University in Chicago and is a Licensed Nursing Home Administrator.

Anthony Madl, Executive Director, Lake Forest Place. Anthony was named Executive Director of Lake Forest Place in 2023. He has more than 24 years of experience in senior living operations leadership, including 17 years as Nursing Home Administrator and over seven years as an Executive Director. He is responsible for operations management, organizational change, strategic planning, resident engagement and delivering financial results.

Anthony began his professional career at Resurrection Health Care in 2001 where he operated 5 of their 11 communities ranging from their highest acuity level community to their largest community (298 units). Anthony then joined Friendship Senior Options as Administrator in 2012 before promotion to Executive Director at Greenfields of Geneva in 2018, where he provided leadership in the areas of operations management, organizational change, leadership development and census development. Through his leadership, the organization targeted marketing efforts that boosted post-COVID sales and played a key role in the ownership transition for both residents and employees.

Anthony obtained a Bachelor of Science in Sociology, Health and Aging from Northern Illinois University and a Master of Business Administration from the Keller Graduate School of Management. He is a Licensed Nursing Home Administrator and has served as President and an Executive Board Member of the Niles Chamber of Commerce.

FACILITIES AND OPERATIONS

Facilities of the Obligated Group

The following chart shows average occupancy rates for the fiscal years ended March 31, 2023, 2024 and 2025 and the nine months ended December 31, 2025 for each of the facilities in the Obligated Group.

Facility Occupancy Rates

Community & Type of Facility	Total Units [1]	Fiscal Year Ended March 31, 2023	2024	2025	Avg. YTD Nine Months Ended December 31, 2025
Westminster Place					
Independent Living	234	90.5%	91.2%	91.5%	92.2%
Assisted Living	95	81.5%	80.7%	86.3%	88.7%
Memory Support & Intermediate Nursing [2]	95	82.9%	77.8%	62.3%	65.8%
Skilled Nursing [2]	100	54.5%	58.2%	68.1%	58.0%
Total/Wtd. Average	**524**	**80.7%**	**80.6%**	**80.8%**	**80.3%**
Lake Forest Place					
Independent Living	272	85.1%	94.4%	96.8%	95.8%
Assisted Living	31	90.6%	88.0%	94.6%	90.7%
Assisted Living – Memory Support	20	91.6%	88.4%	92.4%	82.5%
Skilled Nursing	50	86.1%	90.7%	92.6%	95.1%
Total/Wtd. Average	**373**	**86.0%**	**93.1%**	**95.8%**	**94.6%**

(1) As of December 31, 2025.

(2) Combined occupancy of Memory Support & Intermediate Nursing and Skilled Nursing at Westminster Place has increased above 70% in the two completed months in calendar year 2026 as a result of Westminster Place being "in-network" for a hospital system, and the impact of other intentional programmatic changes.

Westminster Place and Lake Forest Place both have two waitlists for independent living: priority and standard. The priority wait list requires a deposit of $15,000 per unit and is a new program started in 2024 designed for prospective residents that are ready to move in as soon as their priority unit becomes available. If the priority unit becomes available and is turned down, the prospective resident forfeits a portion of their deposit. The standard waitlist requires a refundable deposit of $2,500 and is for prospective residents who have expressed interest in the community at some point in the future.

As of December 2025, Westminster Place has 15 prospective residents on the priority waitlist and 53 prospective residents on the standard waitlist for independent living. Lake Forest Place has 31 prospective residents on the priority waitlist and 111 prospective residents on the standard waitlist for independent living.

Admissions

Each of the Obligated Group's facilities has been designated for persons 62 years of age and older. Prospective residents seeking residency in "independent living" must be functionally independent and capable of completing independent activities of daily living without the aid or assistance of another person. They must be ambulatory and in good physical and mental health. The Obligated Group has a well-structured admissions process and maintains regular contact with all its applicants. The admissions process begins when a prospective resident completes a Personal Financial Statement and Health History Form. Once approved medically and financially, applicants for Lake Forest Place and Westminster Place select a unit and pay a non-refundable deposit equal to 10% of the unit's Entrance Fee. See **"Entrance and Monthly Fees and Types of Units"** below.

All residents are required to maintain coverage under Medicare Parts A and B or Medicare Advantage and are strongly encouraged to establish prescription coverage under Medicare Part D.

Independent Living

Residency Contracts. The Obligated Group's relationship with its independent living residents is governed by the Residence and Services Agreement signed at admission (the ***"IL Agreement"***). The IL Agreement outlines the specific rights and obligations of both the resident and the Obligated Group Member. These rights and obligations include (i) payment of the Entrance Fee and ongoing Monthly Service Fees (as defined herein), (ii) the supportive services and specific amenities offered, including housing, maintenance and hospitality, and (iii) the level of care and nursing services provided. Title to the Member's property remains at all times with the Member. The Member utilizes a LifeCare contract structure under which residents who have entered into an IL Agreement maintain access to assisted living, nursing care and memory care (in accordance with each resident's IL Agreement, as generally described below) for as long as the residents remain at the respective Obligated Group facility, provided that residents fulfill their obligations set forth in the IL Agreement. The IL Agreement terminates upon the death or departure of the last resident party to the respective IL Agreement. Generally, the Member provides two Entrance Fee plan options (the ***"LifeCare Plans"***): LifeCare Plan A and LifeCare Plan B, and the choice of three levels of refundability (0%, 50% and 90%), as described in more detail below. Over the years, the details of the agreements under which residents have occupied the Obligated Group's facilities have varied. The descriptions below are for those agreements in place as of the date of this Official Statement and which plans apply to approximately 85% of the Obligated Group's independent living residents as of December 31, 2025.

Entrance Fees. Residents are required to pay an entrance fee as a condition of becoming a resident (the "***Entrance Fee"***) which varies based on the type of unit, location of unit, refundability and LifeCare Plan selected. Pursuant to the IL Agreement, residents may choose from three Entrance Fee refund plans: the Ninety Percent (90%) Refund Plan, the Fifty Percent (50%) Refund Plan, and the Traditional (0%) Refund Plan. Upon move-in, four percent (4%) of the Entrance Fee shall amortize to the respective Member of the Obligated Group and will not be available as a refund, no matter the Refund Plan chosen. In cases of double occupancy, the second resident's Entrance Fee is non-refundable and shall be fully amortized upon move-in. The refundable portion of the Entrance Fee is payable, without interest, upon the termination of the IL Agreement and re-occupancy of the applicable unit. Entrance Fee refunds are not payable upon transfer to a higher level of care.

Under the Ninety Percent (90%) Refund Plan, the Fifty Percent (50%) Refund Plan, and the Traditional (0%) Refund Plan, an additional 2% per month of the Entrance Fee amortizes to the applicable Member of the Obligated Group for the first three months, twenty-three months, and forty-eight months, respectively. After such time, the remainder of the Entrance Fee shall be refundable under the Ninety Percent (90%) Refund Plan and Fifty Percent (50%) Refund Plan and no refund of the Entrance Fee shall be available under the Traditional (0%) Refund Plan.

Monthly Service Fees. Residents are also required to pay a monthly service fee (the ***"Monthly Service Fee"***) which varies based on unit and level of care and covers but is not limited to certain utilities, certain meals and services, basic housekeeping services, maintenance and groundskeeping, transportation, safety and emergency call system, administrative services, and a variety of social, educational and wellness programming.

Transfer to Higher Level of Care. The Obligated Group utilizes a LifeCare structure for IL Agreements, under which the LifeCare Plans provide for a lifetime of care in assisted living, memory care and the Health Care Center, as necessary, and provide the resident with predictability in their future health care expenses. Should a resident need a higher level of care, the respective LifeCare Plan governs what payments they will be responsible for upon transfer. LifeCare Plan A is designed to provide financial security for those not covered by a long-term care insurance policy. LifeCare Plan B complements long-term care insurance policies and benefits those individuals who plan to "self-insure" against the cost of long-term nursing care. The LifeCare Plan B option offers a lower Entrance Fee and lower Monthly Service Fee. The respective Member of the Obligated Group determines whether transfer to a higher level of care is permanent or temporary according to current policy and consultation with the resident, the resident's physician, and family.

Upon permanent transfer to healthcare, the resident agrees to vacate the associated independent living unit and pay the published rate for healthcare associated with the respective LifeCare Plan (the ***"Resident Healthcare Rate"***), with charges made for ancillary services and charges personal to the resident. Under LifeCare Plan A, should a resident qualify for healthcare services, such resident shall, when residing in a higher level of care, pay the Resident Healthcare Rate associated with the respective Entrance Fee refund plan. Under LifeCare Plan B, should a resident qualify for healthcare services, such resident shall, when residing in a higher level of care, pay the then-current Monthly Service Fee associated with LifeCare Plan B, minus a 5% discount. During a temporary stay, the resident shall continue to pay their full Monthly Service Fee. Upon the 31st day of a temporary stay, residents shall pay their respective Monthly Service Fee in addition to the Resident Healthcare Rate associated with their respective LifeCare Plan.

In the case of two residents living in one unit, should one resident need a higher level of care, the resident entering health care is responsible for the Monthly Service Fee as stated in the immediately preceding paragraph, however, upon permanent transfer to a higher level of care, and the second resident remains in independent living, the second resident will begin paying the Monthly Service Fee as reduced to the single person occupancy fee.

Upon transfer to a higher level of care, whether permanent or temporary, the respective resident shall execute the applicable residency agreement for such level of care. To the extent that provisions of the IL Agreement and the additional residency agreement conflict, the terms of the IL Agreement shall prevail.

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The chart below sets forth detailed information regarding the number of residential LifeCare Plans, as of December 31, 2025.

Entrance Fee Plans

Westminster Place	**Number of Contracts**	**% of Total***
Traditional (0%) Refund Plan		
LifeCare Plan A	*53*	*19.3%*
LifeCare Plan B	*130*	*47.4%*
Total - Traditional Refund Plan	**183**	**66.8%**
Fifty Percent (50%) Refund Plan		
LifeCare Plan A	*12*	*4.4%*
LifeCare Plan B	*22*	*8.0%*
Total - Fifty Percent Refund Plan	**34**	**12.4%**
Ninety Percent (90%) Refund Plan		
LifeCare Plan A	*18*	*6.6%*
LifeCare Plan B	*38*	*13.9%*
Total - Ninety Percent Refund Plan	**56**	**20.4%**
Rentals	**1**	**0.4%**
TOTAL – Westminster Place	**274**	**100.0%**

Lake Forest Place	**Number of Contracts**	**% of Total***
Traditional (0%) Refund Plan		
LifeCare Plan A	*55*	*19.1%*
LifeCare Plan B	*120*	*41.7%*
Total - Traditional Refund Plan	**175**	**60.8%**
Fifty Percent (50%) Refund Plan		
LifeCare Plan A	*14*	*4.9%*
LifeCare Plan B	*22*	*7.6%*
Total - Fifty Percent Refund Plan	**36**	**12.5%**
Ninety Percent (90%) Refund Plan		
LifeCare Plan A	*21*	*7.3%*
LifeCare Plan B	*50*	*17.4%*
Total - Ninety Percent Refund Plan	**71**	**24.7%**
Rentals	**6**	**2.1%**
TOTAL – Lake Forest Place	**288**	**100.0%**

* Totals may not foot due to rounding.

The independent living unit mix and pricing for each of the Members is set forth below with the number of units, approximate square footage per unit and associated Entrance Fees and Monthly Service Fees for the available LifeCare Plans and refund options.

Westminster Place – Independent Living Unit Mix and Pricing

				LifeCare Plan A				LifeCare Plan B			
		Square Feet	# Units	0% Refund	50% Refund	90% Refund	Monthly Fee	0% Refund	50% Refund	90% Refund	Monthly Fee
Apartments											
Hamilton	1 Bedroom	585	23	$256,800	$369,400	$554,900	$5,670	$147,400	$208,000	$315,700	$4,760
Ingleside	1 Bedroom	675	6	287,300	413,100	620,700	5,765	176,000	248,300	376,700	4,855
Judson	1 Bedroom	780	10	294,300	423,300	635,600	6,165	183,900	259,700	393,800	5,255
Benson	1 Bedroom	838	2	313,200	450,800	677,200	6,485	199,300	281,100	426,500	5,575
Asbury	1 Bedroom	856	4	332,200	475,800	711,600	6,420	216,000	299,500	455,000	5,510
Laurel	1 Bedroom	965	7	351,100	505,100	758,800	6,845	238,600	336,900	510,600	5,935
Northwestern	1 Bedroom/Den	1100	11	424,800	611,000	917,500	7,015	294,500	415,600	630,400	6,105
Keystone	2 Bedroom	780	9	315,000	453,200	680,900	6,205	198,000	279,400	423,800	5,295
Milburn	2 Bedroom	825	6	327,200	470,900	707,200	6,405	208,300	293,600	445,500	5,495
Emerson	2 Bedroom	1,170	6	435,900	627,000	941,500	7,050	305,000	430,600	653,000	6,140
Elmwood	2 Bedroom	1,435	17	633,400	911,500	1,368,200	7,465	494,800	698,400	1,059,200	6,555
Chestnut	2 Bedroom	1,510	6	673,100	968,400	1,453,800	7,535	533,700	753,300	1,142,500	6,625
Forestview	2 Bedroom/Den	1,750	7	737,000	1,060,200	1,591,800	8,570	598,300	844,600	1,280,900	7,660
Birchwood	2 Bedroom/Den	1,979	8	846,500	1,217,700	1,827,800	8,910	708,000	999,000	1,515,600	8,000
Dawes	2 Bedroom/Den	2,166	2	929,600	1,337,100	2,007,500	9,115	789,400	1,114,000	1,690,100	8,205
Ashland	2 Bedroom/Den	2,377	8	994,200	1,430,200	2,147,300	9,375	852,900	1,203,600	1,826,100	8,465
Subtotal / Wtd. Average:			132	$481,990	$693,335	$1,040,975	$6,997	$357,479	$504,351	$765,058	$6,087
Townhouses											
(Unexpanded)	1 Bedroom	710	1	$334,100	$480,700	$721,800	$5,705	$234,900	$331,400	$502,800	$4,795
Ridgeway	1 Bedroom	850	11	389,800	560,700	842,100	6,355	274,100	386,600	586,400	5,445
Sheridan	2 Bedroom	1,100	33	503,200	723,700	1,086,700	6,895	375,700	530,400	804,600	5,985
Lincoln	2 Bedroom	1,300	2	564,100	811,500	1,218,500	7,630	518,100	731,100	1,109,100	6,720
Grant	2 Bedroom/Den	2,100	4	919,400	1,322,500	1,985,800	9,040	668,300	942,800	1,430,300	8,130
Golf	2 Bedroom/Den	2,200	1	996,800	1,434,200	2,153,600	9,155	744,900	1,051,200	1,595,000	8,245
Subtotal / Wtd. Average:			52	$519,810	$747,648	$1,122,688	$6,995	$386,585	$545,612	$827,681	$6,085
Cottages											
Orrington	2 Bedroom	1,300	8	$542,500	$780,500	$1,172,000	$7,620	$403,900	$570,100	$864,600	$6,710
Park Place Jr.	2 Bedroom/Den	1,546	1	654,300	941,300	1,413,800	8,040	515,400	727,200	1,103,500	7,130
Park Place	2 Bedroom/Den	1,600	40	677,200	974,100	1,463,100	8,290	533,400	752,500	1,142,000	7,380
Normandy	2 Bedroom/Den	2,162	1	1,009,200	1,451,700	2,180,100	9,115	731,900	1,032,800	1,566,900	8,205
Subtotal / Wtd. Average:			50	$661,830	$952,020	$1,429,878	$8,194	$516,290	$728,416	$1,105,344	$7,284
Total Units / Wtd. Average Fees			**234**	**$528,822**	**$760,679**	**$1,142,232**	**$7,252**	**$397,881**	**$561,397**	**$851,685**	**$6,342**
Second Occupant Fee				$148,400	$148,400	$148,400	$3,055	$34,100	$34,100	$34,100	$2,145

Lake Forest Place - Independent Living Unit Mix and Pricing

		Square Feet	# Units	LifeCare Plan A 0% Refund	LifeCare Plan A 50% Refund	LifeCare Plan A 90% Refund	LifeCare Plan A Monthly Fee	LifeCare Plan B 0% Refund	LifeCare Plan B 50% Refund	LifeCare Plan B 90% Refund	LifeCare Plan B Monthly Fee
Apartments											
Barat	1 Bedroom	720	8	$297,400	$427,200	$635,700	$5,600	$245,900	$336,800	$501,400	$5,055
Coventry	1 Bedroom	760	3	317,500	452,000	672,400	5,725	262,000	358,800	534,300	5,180
Deerpath	1 Bedroom	855	6	342,900	488,100	726,200	5,780	287,700	394,100	586,700	5,235
Everett	1 Bedroom	890	6	348,400	496,000	738,100	5,905	293,000	401,500	598,000	5,360
Illinois	1 Bedroom/Den	990	12	400,500	570,100	848,200	6,380	340,900	467,000	695,400	5,835
Lake	1 Bedroom/Den	995	23	417,200	582,900	867,400	6,390	342,700	469,400	698,900	5,845
Laurel	2 Bedroom	1,060	23	427,100	596,500	887,800	6,440	358,600	491,500	731,800	5,895
Mayflower	2 Bedroom	1,080	4	433,700	605,900	901,600	6,520	365,300	500,500	745,400	5,975
McKinley	2 Bedroom	1,225	6	475,000	663,600	987,400	6,800	407,200	557,800	830,700	6,255
Morningside	2 Bedroom/Den	1,335	4	502,200	701,600	1,043,700	6,945	434,500	595,400	886,500	6,400
Northshore	2 Bedroom/Den	1,350	6	541,600	756,400	1,125,500	6,995	473,800	648,900	966,500	6,450
Sheridan	2 Bedroom	1,450	8	603,500	842,800	1,254,100	7,165	535,000	732,900	1,091,300	6,620
Armour	2 Bedroom	1,520	16	648,400	905,800	1,347,600	7,380	578,700	792,900	1,180,700	6,835
Walden	2 Bedroom	1,710	3	740,900	1,035,000	1,539,900	7,530	631,800	833,300	1,240,800	6,985
Maplewood	2 Bedroom/Den	1,750	3	757,700	1,058,300	1,574,500	7,595	635,800	854,600	1,272,600	7,050
Cambridge	2 Bedroom/Den	1,845	2	785,600	1,097,200	1,632,600	8,045	651,600	892,700	1,329,200	7,500
Glenwood	2 Bedroom/Den	2,200	1	840,000	1,173,200	1,745,500	8,725	708,000	969,900	1,444,300	8,180
Breckenridge	2 Bedroom/Den	2,220	24	876,700	1,224,500	1,821,900	8,795	798,300	1,093,700	1,628,600	8,250
Subtotal / Wtd. Average:			158	$536,062	$751,053	$1,117,526	$6,943	$464,909	$636,015	$947,056	$6,398
Cottages											
Knollwood	2 Bedroom	1,722	30	$806,900	$1,127,000	$1,676,900	$8,000	$735,400	$1,007,500	$1,500,200	$7,455
Onwentsia	2 Bedroom/Den	2,019	18	885,700	1,237,100	1,840,800	8,340	817,000	1,119,300	1,666,400	7,795
McCormick	2 Bedroom/Den	2,019	6	939,500	1,312,200	1,952,500	8,370	886,500	1,191,400	1,774,100	7,825
Westleigh	2 Bedroom/Den	2,134	10	925,000	1,292,000	1,922,600	8,400	855,600	1,172,200	1,745,400	7,855
Westleigh III	2 Bedroom/Den	2,158	11	984,700	1,375,500	2,046,700	8,460	915,600	1,254,300	1,867,800	7,915
Ahwahnee	2 Bedroom/Den	2,118	8	1,006,400	1,392,500	2,071,700	8,585	905,400	1,240,300	1,847,100	8,040
Ahwahnee III	2 Bedroom/Den	2,200	9	1,104,500	1,542,900	2,295,800	8,660	1,043,800	1,430,000	2,129,400	8,115
Oakwood II	2 Bedroom/Den	2,346	12	1,110,300	1,550,800	2,307,400	8,690	1,071,000	1,467,200	2,184,700	8,145
Westminster	3 Bedroom/Loft	2,392	10	1,114,500	1,556,500	2,316,200	8,770	1,036,600	1,420,200	2,114,600	8,225
Subtotal / Wtd. Average:			114	$950,251	$1,326,335	$1,973,532	$8,386	$882,193	$1,207,376	$1,797,802	$7,841
Total Units / Wtd. Average Fees			**272**	**$709,656**	**$992,164**	**$1,476,293**	**$7,548**	**$639,800**	**$875,482**	**$1,303,619**	**$7,003**
Second Occupant Fee				$95,000	$95,000	$95,000	$2,690	$29,900	$29,900	$29,900	$2,145

Assisted Living

Residency Contracts. The Members' relationship with its assisted living residents is governed by the Assisted Living Establishment Contract (the ***"AL Agreement"***). The AL Agreement outlines the specific rights and obligations of both the resident and the respective Member. These rights and obligations include (i) payment of the ongoing Monthly Service Fee, (ii) the supportive services and specific amenities offered, and (iii) the level of care and nursing services provided. Title to the respective Member's property remains at all times with the respective Member. The AL Agreement terminates upon the death or departure of the last resident in a unit.

Monthly Service Fees. Pursuant to the AL Agreement, residents are required to pay a Monthly Service Fee which consists of certain service fees that range from $655 to $2,580 per month based on the specific resident's acuity and needs, medication administration fees ranging from $525 to $905 per month based on the number of daily medicine administrations involved in the resident's plan of care, in addition to the monthly base fee based on unit type and size, and which covers but is not limited to certain utilities, certain meals and services, basic housekeeping services, maintenance and groundskeeping, transportation, safety and emergency call system, administrative services, and a variety of social, educational and wellness programming.

Transfer to a Lower or Higher Level of Care. If the resident's condition changes so that the previously assessed level of care is no longer appropriate, the respective Member will reevaluate the resident's needs to determine which level of service is appropriate and notify the resident of such reevaluation. The rate charged will vary according to the level of service provided. Should the resident wish to decrease the services received, prior approval from the respective Member is required. Should the resident no longer be appropriate for assisted living services, the AL Agreement will be terminated and if the resident wishes to transfer to an independent or skilled care facility of the Member, the resident must apply for admission and, if accepted, execute a new residency agreement. Such acceptance shall be at the Member's sole discretion.

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The assisted living master price list for each of the Members, including assisted living with memory support at Lake Forest Place, is set forth below with the number of units, approximate square footage per unit, and monthly base fee.

Assisted Living Unit Mix and Pricing

	Square Feet	# of Units	Monthly Base Fee [(1)]
Westminster Place			
Studio	257-382	12	$6,020
Deluxe Studio	506-545	4	6,705
Studio with Kitchen	319	3	6,360
1 Bedroom	364-557	15	6,815
1 Bedroom with Kitchen	465-653	22	7,730
Deluxe 1 Bedroom with 2 Baths	748	4	8,520
Deluxe 1 Bedroom with 2 Baths and Kitchen	742	6	9,315
Deluxe 1 Bedroom with Kitchen	700-746	17	8,520
2 Bedroom	713-850	12	10,105
Total Units / Wtd. Average Fees (Westminster Place)		**95**	**$7,858**
Lake Forest Place Traditional Assisted Living			
Studio (1)	429	3	$9,590
Studio (2)	446	7	9,590
Studio (3)	460	3	9,590
1 Bedroom (4)	543	4	11,725
1 Bedroom (5)	587	1	11,725
1 Bedroom (6)	589	2	11,725
1 Bedroom (7)	655	4	11,725
1 Bedroom (8)	675	3	11,725
1 Bedroom (9 - Combo with Living Room)	750	4	11,725
Subtotal (Traditional AL) / Wtd. Average		31	$10,830
Lake Forest Place Assisted Living with Memory Support			
Private Room	200	20	$15,760
Total Units / Wtd. Average Fees (Lake Forest Place)		**51**	**$12,763**

(1) The Monthly Service Fee for assisted living residents includes the monthly base fee reflected in this table and is adjusted for the level of service needed by each individual resident, based upon their respective service plan.

Health Care Services

General. Health care services at the facilities of the Obligated Group provide personal care and maintenance, including physical, emotional, social, and other restorative services for individuals who may no longer need the type of care and treatment provided in a hospital, but require frequent medical supervision and skilled nursing observations.

Residency Contracts. The Obligated Group Member's relationship with its health care residents is governed by the Contract for Nursing Services (the ***"Health Care Agreement"***). The Health Care Agreement outlines the specific rights and obligations of both the resident and the respective Member. These rights and obligations include (i) payment of the ongoing Daily Service Fee, (ii) the supportive services and specific amenities offered, and (iii) the level of care and nursing services provided. Title to the Member's property remains at all times with the Member. The Health Care Agreement terminates upon the death or departure of the resident.

Daily Service Fees. Pursuant to the Health Care Agreement, residents are required to pay a daily service fee (the ***"Daily Service Fee"***) which includes the room, board, towels and linens, nursing care, and such personal care services as may be reasonably necessary for the health and safety of the resident, in addition to the daily base rate based on whether a resident is in a private or semi-private room.

The master price list for the health care services at the Obligated Group facilities, including memory care services at Westminster Place, is set forth below with the number of beds, approximate square footage per unit, and the daily base rate.

Health Care Bed Mix and Pricing

	Square Feet	# of Beds	Daily Rate	Monthly Base Fee (1)
Westminster Place				
McGaw Care Center (Skilled Nursing)				
Semi Private Room	161	8	$488	-
Private Room	161	87	642	-
Deluxe Room	233	5	665	-
Foster Pavilion (Intermediate / Memory Care)				
Private Room – 1st Floor	251	30	595	-
Deluxe Room – 1st Floor	271	2	620	-
Private Room – 2nd Floor and 3rd Floor	251	60	-	$10,500
Deluxe Room – 2nd Floor and 3rd Floor	271	3	-	11,900
Total Units / Wtd. Average Fees (Westminster Place)		**195**	**$617**	**$10,588**
LifeCare Plan A Resident Preferred Rate			$6,500	
Lake Forest Place				
Balmoral Care Center (Skilled Nursing)				
Private Room	200	47	$699	-
Deluxe Room	250	3	832	-
Total Units / Wtd. Average Fees (Lake Forest Place)		**50**	**$707**	-
LifeCare Plan A Resident Preferred Rate			$6,600	-

(1) Westminster Place is in the process of converting the memory care units located on the second and third floors of the Foster Pavillion to a more assisted living-like structure and setting and, as such, the fee structure has changed from a daily rate to a monthly base fee and the establishment of level of care fees ranging from $2,000 to $5,500 depending on a resident's acuity. Full implementation of this program change is expected to be completed by mid-2026. Plans for the first floor of Foster Pavilion are currently underway to implement a more tiered approach to intermediate care.

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Resident Revenues Payor Mix

The Obligated Group's net resident revenues for licensed skilled and intermediate care nursing are derived from a variety of sources as shown in the chart below.

Health Care - Average Payor Mix of the Obligated Group
(by % of revenue)

	Fiscal Year Ended March 31,			9 Months Ended
	2023	**2024**	**2025**	**December 31, 2025**
Westminster Place				
Private Pay and Other	81.89%	82.86%	76.16%	78.74%
Medicare A	13.79%	13.78%	20.36%	16.43%
Medicare Advantage	1.87%	2.36%	3.34%	4.83%
Medicaid	2.45%	1.00%	0.14%	-
Total	100.0%	100.0%	100.0%	100.0%
Lake Forest Place				
Private Pay and Other	48.86%	66.15%	64.87%	78.56%
Medicare	49.94%	32.51%	30.98%	18.49%
Medicare Advantage	1.20%	1.34%	4.15%	2.95%
Medicaid	-	-	-	-
Total	100.0%	100.0%	100.0%	100.0%
Obligated Group Total				
Private Pay and Other	72.51%	77.96%	72.66%	78.68%
Medicare	24.05%	19.27%	23.65%	17.11%
Medicare Advantage	1.68%	2.06%	3.59%	4.21%
Medicaid	1.76%	0.71%	0.10%	-
Total	100.0%	100.0%	100.0%	100.0%

Service Area and Competition

Westminster Place

Obligated Group management generally considers the Westminster Place primary market area to encompass an area extending from the Westminster Place campus 5-6 miles to the north, 5 miles to the south, 3 miles to the east, and 0.5 miles to the west, which includes all or part of the cities of Kenilworth, Wilmette, Winnetka, and Evanston, Illinois. Westminster Place competition includes multiple retirement facilities that include independent living services, assisted living, and nursing, and offer similar services and amenities that compete for similar age-and-income qualified residents in or near the Westminster Place primary market area. While The Mather in Downtown Evanston, a non-profit Life Care Community is the primary competitor, The Vi in Glenview and Three Crowns Park nearby in Evanston are also considered competition.

Lake Forest Place

Obligated Group management generally considers the Lake Forest Place primary market area to encompass an area extending from the Lake Forest Place campus 2-4 miles to the north, 8 miles to the south, 2 miles to the east, and 5-7 miles to the west, which includes all or part of the cities of Deerfield, Highland Park, Highwood, Lake Bluff, Lake Forest, and Lincolnshire, Illinois. Lake Forest Place competition includes multiple retirement facilities that include independent living services, assisted living, and nursing, and offer similar services and amenities that compete for similar age-and-income qualified residents in the Lake Forest Place primary market area. While Sedgebrook, a for-profit Life Care Community is the only continuum of care in the primary market, The Sheridan, a rental community in Lake Bluff, competes with Lake Forest Place on smaller (less expensive) apartments. In addition, Lake Forest Place also competes with The Vi in Glenview and The Mather Downtown Evanston.

Licensure

Westminster Place's McGaw Care Center/Frank Foster Pavilion and The Balmoral Care Center at Lake Forest Place, have received the appropriate licenses from the Illinois Department of Public Health and are therefore registered to operate as skilled and/or intermediate nursing facilities. Westminster Place's assisted living beds are also licensed by the Illinois Department of Public Health. Each facility has been licensed as required by law continuously from its establishment. The facilities are also in compliance with applicable Illinois Life Care Act requirements.

Accreditation and Affiliations

Each of Lake Forest Place and Westminster Place is a member of LeadingAge, LeadingAge Illinois, and Presbyterian Association of Homes and Services for the Aging (PAHSA). In addition, Lake Forest Place and Westminster Place currently hold 5-Star Quality Rating System designations from the Centers for Medicare & Medicaid Services.

Insurance Coverage

The Obligated Group Members maintain insurance for property, operations and business against such casualties, contingencies and risks in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated. Beginning in early 2025, the Members joined the Caring Communities Reciprocal Risk Retention Group, a reciprocal risk retention group insurance company based in Chicago, Illinois. Eighty-four other Life Plan Communities are program participants. Caring Communities Reciprocal Risk Retention Group is incorporated under District of Columbia law pursuant to the Risk Retention Act of 1993. The insurance company is an A.M. Best rated insurance company with an A (Excellent) rating.

Employees

As of December 31, 2025, the Obligated Group employed approximately 611 full-time equivalent employees. The employees are not represented by a union or subject to any collective bargaining agreements. Management is not aware of any organizing efforts and believes its relations with employees are good.

Future Plans

Management of the Obligated Group has no definitive plans for future expansions to or extensive renovations of the Obligated Group's facilities. Management has conducted preliminary plans for a potential repositioning of Westminster Place which, if pursued, would likely require a multi-year zoning approval process and additional planning before management would pursue any such repositioning.

SUMMARY OF FINANCIAL DATA

The following Summary Statements of Operations and Changes in Net Assets without donor restrictions of the Obligated Group for the fiscal years ended March 31, 2023, 2024 and 2025 have been derived from the consolidated financial statements audited by independent auditors and from the internal consolidated financial statements, respectively. The summary also includes unaudited financial information and for the nine months ended December 31, 2024 and 2025. The summary information presented below should be read in conjunction with the audited consolidated financial statements and related notes thereto for the fiscal years ended March 31, 2024 and 2025. Such audited financial statements, which were reissued in March 2026 to reflect The Moorings' recent financing, are included as ***Appendix B*** of this Official Statement and are available, together with certain other information, from the Municipal Securities Rulemaking Board ("***MSRB***") through its Electronic Municipal Market Access ("***EMMA***") system, found at http://emma.msrb.org. Such audited financial statements are of Presbyterian Living and Affiliates and the Obligated Group financials are reported within the supplementary information. Plante & Moran, PLLC has consented to the inclusion of the audited financial statements and their reports thereon appearing in ***Appendix B***, but has not been requested to perform additional procedures on the information contained in this Official Statement.

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Presbyterian Living Obligated Group
Statement of Operations and Changes in Net Assets Without Donor Restrictions
(In Thousands)

	Fiscal Year Ended March 31,			9 Months Ended December 31,	
	2023	2024	2025	2024	2025
Operating Revenue					
Independent living	$28,963	$32,786	$34,907	$26,459	$27,382
Amortization of entrance fees	13,155	13,907	14,846	11,249	13,753
Assisted living	14,703	15,138	15,979	11,981	12,242
Healthcare fees	35,515	37,711	37,130	28,200	27,720
Other revenues	3,600	3,117	3,516	2,637	2,906
Contributions from the Foundation	2,905	2,884	3,227	2,266	1,890
Total Operating Revenue	**$98,841**	**$105,543**	**$109,605**	**$82,792**	**$85,893**
Operating Expenses					
Salaries and benefits	$41,403	$43,796	$45,088	$34,357	$35,038
Supplies	6,015	6,134	6,255	4,784	4,663
Purchased services	15,491	14,767	14,414	10,922	11,459
Utilities	2,385	3,566	3,865	2,759	2,413
Other expenses	4,245	2,549	3,110	2,320	2,833
Management fee expense	6,234	6,883	6,924	5,193	5,326
Depreciation	21,514	23,878	23,988	18,007	18,406
Total Operating Expenses	**$97,287**	**$101,573**	**$103,644**	**$78,342**	**$80,138**
Net Operating Income	**$1,554**	**$3,970**	**$5,961**	**$4,450**	**$5,755**
Nonoperating Revenue (Expense)					
Net realized gain (loss) on investments	$788	$2,919	$432	$188	$502
Unrealized gain (loss) on investments	(9,885)	4,525	2,302	1,971	8,051
Investment income	3,573	5,024	5,232	4,265	4,498
Interest and financing expense	(3,165)	(3,975)	(3,743)	(2,883)	(2,597)
Other nonoperating income (expenses)	(3)	149	267	191	-
Total Nonoperating Revenue (Expense)	**$(8,692)**	**$8,642**	**$4,490**	**$3,732**	**$10,454**
Excess of Revenue (Under) Over Expenses	**$(7,138)**	**$12,612**	**$10,451**	**$8,182**	**$16,209**
Capital Support from the Foundation	$24	$3,175	$124	$73	$699
(Decrease) Increase in Net Assets Without Donor Restrictions	**$(7,114)**	**$15,787**	**$10,575**	**$8,255**	**$16,908**
Net Assets without Donor Restrictions - Beginning of year	$77,343	$70,229	$86,016	$86,016	$96,591
Net Assets without Donor Restrictions - End of year	**$70,229**	**$86,016**	**$96,591**	**$94,271**	**$113,499**

Certain Financial Ratios

The following three tables show the Historical Debt Service Coverage Ratio, Days Cash on Hand and Cash to Debt Ratio, respectively, for the fiscal years ended March 31, 2023, 2024 and 2025 and have been derived from the consolidated financial statements audited by independent auditors and from the internal consolidated financial statements. The tables also include unaudited financial information for the nine months ended December 31, 2024 and 2025. The tables presented below should be read in conjunction with ***Appendix B***.

Debt Service Coverage Ratio (in thousands)

	Fiscal Year Ended March 31,			9 Months Ended December 31,	
	2023	**2024**	**2025**	**2024**	**2025**
Revenues					
Net operating income	$1,554	$3,970	$5,961	$4,450	$5,755
Add:					
Depreciation and amortization	21,514	23,878	23,988	18,007	18,406
Credit loss expense	441	317	302	234	234
Investment income	3,573	5,024	5,232	4,265	4,498
Net realized gain on investments	788	2,919	432	188	502
Net entrance fee received - turnover units	17,407	24,820	15,318	6,366	17,902
Less:					
Other bond expense					
Amortization of entrance fees	(13,155)	(13,907)	(14,846)	(11,249)	(13,753)
Net Income Available for Debt Service[(1)]	**$32,122**	**$47,021**	**$36,387**	**$22,261**	**$33,544**
Debt Service Requirement	$8,843	$9,632	$9,556	$7,241	$7,036
Historical Debt Service Coverage Ratio	**3.63x**	**4.88x**	**3.81x**	**3.07x**	**4.77x**
Pro Forma Debt Service Requirement	**$9,656**	**$9,656**	**$9,656**	**$7,242**	**$7,242**
Pro Forma Debt Service Coverage Ratio	**3.33x**	**4.87x**	**3.77x**	**3.07x**	**4.63x**

(1) Contributions from Geneva Foundation are included in net income available for debt service because they represent net assets released from restricted contributions to fund operating program expenses.

Days Cash on Hand (in thousands)

	Fiscal Year Ended March 31,			9 Months Ended December 31,	
	2023	**2024**	**2025**	**2024**	**2025**
Cash and cash equivalents	$9,070	$5,092	$8,661	$8,599	$9,121
Investments - short term / long term	125,572	146,633	145,661	143,113	159,119
Illinois Life Care Facilities Act escrow	4,671	4,886	5,118	5,067	5,270
Total Unrestricted Cash & Investments	**$139,313**	**$156,611**	**$159,440**	**$156,779**	**$173,510**
Total operating expenses	$97,287	$101,573	$103,644	$78,342	$80,138
Add:					
Interest expenses	$3,165	$3,975	$3,743	$2,883	$2,597
Capitalized Interest	462	-	-	-	-
Amortization of Bond Premium	1,088	1,005	918	691	623
Less:					
Amortization of deferred financing fees	(128)	(127)	(127)	(95)	(95)
Depreciation and amortization	(21,514)	(23,878)	(23,988)	(18,007)	(18,406)
Credit loss expense	(441)	(317)	(302)	(234)	(234)
Cash Operating Expenses	**$79,919**	**$82,231**	**$83,888**	**$63,580**	**$64,623**
Days in the period	365	366	365	275	275
Average daily cash expenses	219	225	230	231	235
Days Cash on Hand	**636**	**696**	**693**	**679**	**738**

Cash to Debt Ratios (in thousands)

	Fiscal Year Ended March 31,			9 Months Ended December 31,	
	2023	**2024**	**2025**	**2024**	**2025**
Historical Cash to Debt Ratio					
Total unrestricted cash & investments	$139,313	$156,611	$159,440	$156,779	$173,510
Total debt, including current portion at year-end	118,264	112,685	106,984	107,178	101,326
Historical Cash to Debt (%)	**117.8%**	**139.0%**	**149.0%**	**146.3%**	**171.2%**
Pro Forma Cash to Debt Ratio					
Total unrestricted cash & investments	$139,313	$156,611	$159,440	$156,779	$173,510
Pro forma debt, including current portion as of 8/4/2026	93,755	93,755	93,755	93,755	93,755
Pro Forma Cash to Debt (%)	**148.6%**	**167.0%**	**170.1%**	**167.2%**	**185.1%**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCES AND OPERATIONS

Results of Operations for the Nine Months ended December 31, 2025 Compared to the Nine Months ended December 31, 2024

Total operating revenue increased 3.8% ($3.1 million) from $82.8 million for the nine months ended December 31, 2024 to $85.9 million for the nine months ended December 31, 2025. The increase was primarily driven by $2.5 million in higher accelerated amortization of Entrance Fees at Lake Forest Place and a 4.5% increase in service fee rates. Additionally, Lake Forest Place received $800 thousand more in resident-funded upgrades as of December 2025 compared to the prior year. These increases were partially offset by a $1.0 million decline in revenue resulting from lower healthcare occupancy at Westminster Place, as well as the absence of FEMA grant revenue in 2025, compared to $449 thousand received in 2024.

Total operating expenses increased 2.3% ($1.8 million) from $78.3 million for the nine months ended December 31, 2024 to $80.1 million for the nine months ended December 31, 2025. The increase was primarily driven by approximately $1.2 million in annual merit-based salary increase and $513 thousand in higher employee medical insurance costs. Additionally, real estate taxes at Westminster Place increased by $543 thousand in 2025. The increases were partially offset by a $554 thousand decrease in workers' compensation expenses, as well as a $317 thousand reduction in census-driven expenses due to lower healthcare occupancy at Westminster Place.

Net non-operating revenue increased by $6.7 million from $3.7 million for the nine months ended December 31, 2024 to $10.4 million for the nine months ended December 31, 2025, primarily driven by favorable market conditions, which resulted in a $6 million higher unrealized gain on investments.

Historical debt service coverage increased to 4.5x as of December 31, 2025, up from 2.8x as of December 31, 2024. The improvement was largely attributable to an $11.5 million increase in net Entrance Fee receipts from unit turnover, nearly three times the amount received in the same period in 2024. Unrestricted cash and investments totaled $173.5 million at December 31, 2025, equivalent to 738 days cash on hand, compared to 679 days as of December 31, 2024.

Results of Operations for the Year ended March 31, 2025 Compared to the Year ended March 31, 2024

Total operating revenue increased 3.9% ($4.1 million) from $105.5 million in fiscal year 2024 to $109.6 million in fiscal year 2025. The growth was driven primarily by higher occupancy in independent living and assisted living, rate increases ranging from 4.0 to 4.5%, and a 6.8% increase in the amortization of Entrance Fees. These increases were partially offset by the lower healthcare occupancy at Westminster Place, particularly in memory care, which resulted in an approximately $500 thousand decline in healthcare revenue.

Total operating expenses increased 2.0% ($2.1 million) from $101.6 million in fiscal year 2024 to $103.6 million in fiscal year 2025. The increase was largely attributable to annual merit-based salary increase. Fiscal year 2024 also included a one-time expense write-off for $614 thousand sales taxes accrual, following Lake Forest Place's receipt of its sales tax exemption status in August 2023.

Net non-operating revenue declined from $8.6 million in fiscal year 2024 to $4.5 million in fiscal year 2025, reflecting stabilized market conditions resulting in lower realized and unrealized investment gains.

Historical debt service coverage decreased from 4.6x in fiscal year 2024 to 3.5x in fiscal year 2025, primarily due to lower net Entrance Fee receipts from unit turnover. Unrestricted cash and investments totaled $159.4 million at March 31, 2025, representing 693 days cash on hand, compared to 696 days for fiscal year 2024.

Results of Operations for the Year ended March 31, 2024 Compared to the Year ended March 31, 2023

Total operating revenue increased 6.8% ($6.7 million) from $98.8 million in fiscal year 2023 to $105.5 million in fiscal year 2024, reflecting a 4% rate increase and continued occupancy recovery across all levels of care following the COVID-19 pandemic.

Total operating expenses increased 4.4% ($4.3 million) from $97.3 million in fiscal year 2023 to $101.6 million in fiscal year 2024. The increase was primarily attributable to annual merit-based wage increases and a 4% increase in average full-time equivalent employees, consistent with higher post-pandemic occupancy and service demand. Utility costs also increased by $1.2 million, driven largely by higher electricity costs amid broader inflationary pressures. These increases were partially offset by a $385 thousand reduction in real estate taxes and a $595 thousand decrease in service incentives provided to Westminster Place residents affected by fiscal year 2023 capital renewal projects. In addition, Lake Forest Place recorded a one-time expense reduction of $614 thousand. This reduction was related to the reversal of previously accrued sales tax liabilities following Lake Forest Place's receipt of its sales tax exemption status in August 2023.

Non-operating revenue, net of non-operating expenses, improved significantly from a net expense of $8.7 million in fiscal year 2023 to a net revenue of $8.6 million in fiscal year 2024, driven primarily by strong investment market performance as conditions continued to improve post-pandemic.

Historical debt service coverage strengthened to 4.6x in fiscal year 2024, compared to 3.3x in fiscal year 2023, reflecting improved operating results and higher net entrance fee receipts from unit turnover. Unrestricted cash and investments totaled $156.6 million at March 31, 2024, representing 696 days cash on hand, an increase from 636 days in 2023. The improvement was driven by enhanced operating performance and positive investment returns during the year.

INVESTMENT POLICY

The Investment Committee of the Board of Directors oversees the management of the investments of the Obligated Group. The Investment Committee, along with management moved from an investment consultant model to an outside chief investment officer (***"OCIO"***) model in June 2019. The Investment Committee responsibilities include oversight of the OCIO; collaborating with the OCIO to determine investment objectives, developing investment strategies and implementing performance guidelines; setting and revising the investment policy statement (***"IPS"***); selection and review of the OCIO and custodian; and review and evaluation of investment results. The OCIO's responsibilities include assisting with review of the IPS; proactively recommending changes to enhance the effectiveness of the IPS, investment strategy and asset allocation; making proactive investment manager hiring and firing decisions; monitoring compliance to ensure compliance with stated objectives; overseeing and managing fees and expenses associated with the investment program; and executing trades in accordance with objectives of the investment strategy.

Asset allocation targets of the Obligated Group's investments by policy and the current allocation of the Obligated Group's investments as of December 31, 2025 are set forth below.

			Target		Allocation		
Asset Category	Minimum	Maximum	Westminster Place	Lake Forest Place	Westminster Place	Lake Forest Place	Total
Cash and cash equivalents	0%	16%	2%	3%	1%	2%	2%
Global fixed income (including U.S.)	35%	65%	54%	52%	52%	50%	50%
Global equities (including U.S.)	15%	55%	37%	38%	40%	41%	41%
Real assets	0%	15%	7%	7%	7%	7%	7%
TOTAL			100%	100%	100%	100%	100%

* * * * *

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF PRESBYTERIAN LIVING AND AFFILIATES

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Presbyterian Living and Affiliates

Consolidated Financial Report
with Supplementary Information
March 31, 2025

Contents

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Independent Auditor's Report

To the Board of Directors
Presbyterian Living and Affiliates

Opinion

We have audited the consolidated financial statements of Presbyterian Living and Affiliates (the "Organization"), which comprise the consolidated statement of financial position as of March 31, 2025 and 2024 and the related consolidated statements of operations and changes in net assets without donor restrictions, changes in net assets, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of March 31, 2025 and 2024 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Consolidated Financial Statements* section of our report. We are required to be independent of the Organization and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

To the Board of Directors
Presbyterian Living and Affiliates

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moran, PLLC

July 8, 2025, except for Note 21, as to which the date is March 12, 2026

Consolidated Statement of Financial Position

March 31, 2025 and 2024
(In Thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 18,322	$ 12,187
Short-term investments	55,465	63,853
Accounts receivable - Net of allowance of $1,624 and $1,681, respectively	4,528	3,392
Cash on deposit for future contracts and agency funds	499	500
Assets limited as to use - Current portion	1,932	1,957
Prepaid expenses and other	2,678	4,621
Total current assets	83,424	86,510
Investments	300,768	286,092
Property and Equipment - Net	400,228	395,010
Right-of-use Operating Lease Assets	518	829
Beneficial Interest in Perpetual Trusts	41,386	41,203
Interest in Irrevocable Trusts	228	219
Other Long-term Assets		
Other assets	1,664	1,600
Entrance fees receivable	4,338	2,197
Interest rate swap	1,137	2,433
Assets limited as to use	8,620	6,888
Total other long-term assets	15,759	13,118
Total assets	**$ 842,311**	**$ 822,981**

See notes to consolidated financial statements.

Consolidated Statement of Financial Position (Continued)

March 31, 2025 and 2024
(In Thousands)

	2025	2024
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	$ 25,034	$ 26,515
Current portion of long-term debt	7,133	6,857
Current portion of lease liabilities - Operating	239	222
Safekeeping accounts	1,538	1,579
Deposits - Entrance fees	4,199	2,896
Refundable entrance fees payable	13,500	14,200
Total current liabilities	51,643	52,269
Long-term Debt - Net of current portion	158,538	166,345
Lease Liabilities - Operating	558	797
Other Long-term Liabilities	6,007	5,956
Entrance Fees		
Deferred revenue from nonrefundable entrance fees - Net of amortization	146,932	140,955
Refundable entrance fees	116,484	122,433
Total entrance fees	263,416	263,388
Total liabilities	480,162	488,755
Net Assets		
Without donor restrictions	301,124	271,702
With donor restrictions	61,025	62,524
Total net assets	362,149	334,226
Total liabilities and net assets	**$ 842,311**	**$ 822,981**

Presbyterian Living and Affiliates

Consolidated Statement of Operations and Changes in Net Assets without Donor Restrictions

Years Ended March 31, 2025 and 2024

(In Thousands)

	2025	2024
Operating Revenue		
Independent living	$ 49,966	$ 46,737
Amortization of entrance fees	22,187	20,244
Assisted living	28,358	26,841
Health care fees	53,437	52,850
Other	5,000	3,870
Net assets released from restrictions - Operating	3,919	3,942
Total operating revenue	162,867	154,484
Operating Expenses		
Salaries and benefits	74,427	73,605
Supplies	9,209	8,927
Purchased services	22,882	23,058
Utilities	5,584	5,173
Other	4,339	3,138
Depreciation	33,989	33,916
Total operating expenses	150,430	147,817
Net Operating Income	12,437	6,667
Nonoperating Revenue (Expense)		
Realized gain on investments - Net	1,359	7,898
Unrealized gain on investments	7,083	15,919
Contributions	1,138	848
Investment income	12,722	12,150
Fundraising expenses	(779)	(667)
Change in fair value of interest rate swap	(1,296)	(100)
Interest expense	(5,533)	(5,844)
Other	2,167	129
Total nonoperating revenue	16,861	30,333
Excess of Revenue Over Expenses	29,298	37,000
Net Assets Released from Restrictions for Capital Purchases	124	3,182
Increase in Net Assets without Donor Restrictions	**$ 29,422**	**$ 40,182**

Consolidated Statement of Changes in Net Assets

Years Ended March 31, 2025 and 2024

(In Thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets - April 1, 2023	$ 231,520	$ 63,981	$ 295,501
Excess of revenue over expenses	37,000	-	37,000
Restricted investment income	-	594	594
Restricted contributions	-	1,543	1,543
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	3,530	3,530
Net assets released from restrictions - Operating	-	(3,942)	(3,942)
Net assets released from restrictions - Capital	3,182	(3,182)	-
Increase (decrease) in net assets	40,182	(1,457)	38,725
Net Assets - March 31, 2024	271,702	62,524	334,226
Excess of revenue over expenses	29,298	-	29,298
Restricted investment income	-	511	511
Restricted contributions	-	1,841	1,841
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	192	192
Net assets released from restrictions - Operating	-	(3,919)	(3,919)
Net assets released from restrictions - Capital	124	(124)	-
Increase (decrease) in net assets	29,422	(1,499)	27,923
Net Assets - March 31, 2025	**$ 301,124**	**$ 61,025**	**$ 362,149**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Years Ended March 31, 2025 and 2024

(In Thousands)

	2025	2024
Cash Flows from Operating Activities		
Increase in net assets	$ 27,923	$ 38,725
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Net change in realized net gains	(1,359)	(7,898)
Net change in unrealized net gains	(7,083)	(15,919)
Proceeds from the sale of investments	51,466	114,991
Purchase of investments	(49,311)	(135,943)
Restricted contributions	(2)	-
Credit loss expense	381	523
Depreciation	33,989	33,916
Gain on disposal of property and equipment	(2,162)	(80)
Amortization of deferred financing fees	244	244
Amortization of bond premium	(918)	(1,005)
Change in beneficial interest in perpetual trusts and irrevocable trusts	(192)	(3,530)
Change in fair value of interest rate swap	1,296	100
Amortization of entrance fees	(22,187)	(20,244)
Proceeds from nonrefundable turnover entrance fees	29,192	25,978
Bond proceeds released from capital project fund	-	6,018
Payment of lease liability	(222)	(219)
Amortization of right-of-use operating lease assets	196	214
Tenant improvement allowance	114	-
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(1,515)	(1,409)
Prepaid expenses and other	1,939	(2,489)
Pledges and bequests receivable	-	1,441
Entrance fee receivables and deposits	(808)	2,842
Other long-term assets	(1,796)	(359)
Accounts payable and accrued expenses	(136)	1,547
Safekeeping accounts	(42)	(35)
Other long-term liabilities	9	(283)
Net cash and cash equivalents provided by operating activities	59,016	37,126
Cash Flows from Investing Activities		
Purchase of property and equipment	(40,510)	(42,807)
Insurance proceeds from involuntary conversion	2,104	1,795
Proceeds from sale of property, plant, and equipment	58	-
Net cash and cash equivalents used in investing activities	(38,348)	(41,012)
Cash Flows from Financing Activities		
Restricted contributions	2	-
Payment of long-term debt	(6,857)	(6,592)
Proceeds from refundable turnover entrance fees	5,798	15,340
Payment of entrance fee refunds	(13,476)	(10,249)
Net cash and cash equivalents used in financing activities	(14,533)	(1,501)
Net Increase (Decrease) in Cash and Cash Equivalents	6,135	(5,387)
Cash and Cash Equivalents - Beginning of year	12,187	17,574
Cash and Cash Equivalents - End of year	**$ 18,322**	**$ 12,187**
Supplemental Cash Flow Information		
Cash paid for interest	$ 6,315	$ 6,666
Capital expenditures included in accounts payable - Beginning of year	6,343	14,977
Capital expenditures included in accounts payable - End of year	4,996	6,343

Note 1 - Nature of Business

Since 1904, Presbyterian Living and Affiliates has served older adults through its facilities and programs in the Chicago metropolitan area. On December 1, 2015, the entity formerly known as Presbyterian Homes, an Illinois 501(c)(3) nonprofit corporation, was renamed Westminster Place as part of a significant corporate reorganization. In the reorganization, Presbyterian Homes (the "Parent"), a newly formed Illinois 501(c)(3) nonprofit corporation, became the member of or obtained reserve corporate powers over six subsidiaries that together provide residential and health care programs for older adults in Illinois (collectively with the Parent, the "Operating System"). Effective with the year ended March 31, 2025, Presbyterian Homes and Affiliates has changed its operating name to Presbyterian Living and Affiliates. The nature of the entity's business remains unchanged. The Parent is also the member of the Geneva Foundation of Presbyterian Living (the "Foundation") and, together with the Operating System, (the "Organization"), which provides financial support to the members of the Operating System at the direction of the Parent. The Operating System is headquartered in Skokie, Illinois, a suburb north of Chicago, and currently serves approximately 1,600 older adults through its four facilities in the Chicago metropolitan area. Its various facilities and programs include independent living, assisted living, memory care, and skilled and intermediate nursing care units.

The Parent is the sole member of:

- Westminster Place: Independent living consists of 235 apartments, townhouses, and cottages. Assisted living consists of 93 studio and one- and two-bedroom apartments. The balance of the continuum of care includes 100 skilled, Medicare-certified, nursing care beds for those who need skilled nursing care or short-term rehabilitation services. In addition, Westminster Place's campus offers 95 intermediate and memory care beds for those needing less intense nursing care or memory support for cognitive impairments like Alzheimer's disease.
- Lake Forest Place, LLC (Lake Forest Place), an Illinois limited liability company: Independent living consists of 272 units. Assisted living consists of 31 studio and one-bedroom apartments and a 20-bed memory support unit. The balance of the continuum of care includes 50 skilled, Medicare-certified, nursing care beds for those who need skilled nursing care or short-term rehabilitation services.
- The Moorings of Arlington Heights, LLC (The Moorings), an Illinois limited liability company: Consists of 264 independent living apartments and villas; 73 one-bedroom assisted living apartments; a 20-bed assisted living memory support unit; 57 skilled, Medicare-licensed, nursing care beds for those who need skilled nursing care or short-term rehabilitation services; and 39 intermediate and memory care beds for those needing less intense nursing care or memory support for cognitive impairments like Alzheimer's disease.
- Ten Twenty Grove, LLC (Ten Twenty Grove), an Illinois limited liability company: Independent living consists of 48 one-, two-, and three-bedroom apartments with complete kitchens, garages, and activity areas. Medical services for these residents are available at other facilities of Westminster Place.

Note 1 - Nature of Business (Continued)

- Presbyterian Homes Manager, LLC (PH Manager), an Illinois limited liability company: PH Manager employs the management team of the Operating System, operates and manages the Operating System's facilities, and provides a number of services to the Operating System members on a centralized basis under the terms of separate management services agreements. Each member of the Operating System pays PH Manager a fee for the provision of these services, which was 6.25 percent and 6.5 percent of budgeted revenue per year during years ended March 31, 2025 and 2024, respectively. Pursuant to the management services agreements, the fee is determined on an annual basis by agreement between PH Manager and each respective member of the Operating System.
- PH Manager is the sole member of Presbyterian Living Outpatient Rehabilitation Agency, LLC (PL Outpatient Rehabilitation), an Illinois limited liability company. PL Outpatient Rehabilitation makes outpatient rehabilitation available to older adults with referrals for physical, occupational, and speech therapy services. The rehab gym, located on the Westminster Place campus, offers specialized equipment and therapeutic protocols designed for the rehabilitation of older adults. Aquatic therapy services are available in the fitness center therapy pool located in the same building. PL Outpatient Rehabilitation has entered into a service agreement with Westminster Place for the provision of rehabilitation services.
- The Foundation was formally incorporated on March 24, 2003. The Foundation was organized as a supporting organization, as defined in Section 509(a)(3) of the Internal Revenue Code (IRC), and has as its purpose to exclusively carry out the charitable and educational activities of Presbyterian Living. The Foundation leases four employees from PH Manager to run its operations.

Note 2 - Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The consolidated financial statements include the accounts of the Organization. All intercompany transactions and accounts have been eliminated in consolidation. All amounts within the notes are disclosed in thousands.

Use of Estimates

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

Cash and Cash Equivalents

The Organization considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

The Organization maintains cash balances at financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250.

The Organization evaluates the financial institutions with which it deposits funds; however, it is not practical to insure all cash deposits. Cash within investment portfolios is presented as short-term investments on the consolidated statement of financial position.

Note 2 - Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable for residents, insurance companies, and governmental agencies are based on the amount of charges to which the Organization expects to be entitled in exchange for providing services. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Organization collectively evaluates trade receivables to determine the allowance for credit losses based on review of outstanding receivables, historical collection information, and existing economic conditions. The Organization calculates the allowance using an expected loss model that considers the Organization's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Organization considers credit worthiness of the payers and age of outstanding balance when making adjustments for reasonable and supportable forecasts. Accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as credit losses in the period they are determined to be uncollectible based on individual credit evaluation and specific circumstances of the account. Recoveries of amounts previously written off are recognized when received. The opening accounts receivable balance at April 1, 2023 was $2,506.

Cash on Deposit for Future Contracts and Agency Funds

Cash on deposit for future contracts represents entrance fee deposits held in bank accounts in the names of prospective residents. When the prospective resident signs an entrance fee contract, the deposit is applied toward the entrance fee. If a prospective resident decides not to become a resident, the amount on deposit is refunded. Cash on deposit for future contracts is $319 and $349 at March 31, 2025 and 2024, respectively. The liability for these deposits is included in deposits - entrance fees. The remaining balance in deposits - entrance fees of $3,880 and $2,547 at March 31, 2025 and 2024, respectively, represents deposits for health care services and other advance payments.

Agency funds represent cash and investments held by the Organization for the activities of the Women's Board. These agency funds are used upon the direction of the Women's Board. Agency funds were $180 and $151 at March 31, 2025 and 2024, respectively. The liability for these funds is included in safekeeping accounts on the accompanying consolidated statement of financial position. The remaining balance in safekeeping accounts represents health care security deposits.

Pledges and Bequests Receivable

Pledges of cash and other assets, including unconditional promises to give in the future, are reported as revenue when granted or received, measured at the present value of future cash flows. Discount rates are determined based on market conditions, historical information, and experience with the donor. It is the opinion of management that all pledges receivable will be collectible in full; therefore, no allowance for uncollectible pledges is recorded at March 31, 2025 or 2024.

Investments

Investments are recorded at fair value. Net realized and unrealized gains and losses on net assets without donor restrictions are recorded in the consolidated statement of operations and changes in net assets without donor restrictions as a component of nonoperating revenue. Investment income generated from net assets with donor restrictions is allocated to net assets without donor restrictions based on the donor's intent for the investment earnings. The Organization designates its investments as trading securities.

Note 2 - Significant Accounting Policies (Continued)

Other long-term assets as of March 31, 2025 and 2024 (see Note 19) represent investments in entities in which the Organization has less than 20 percent interest or is not able to exercise significant influence. The investments are valued at fair value, which is cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment of the same issuer. Impairment losses due to a decline in the value of the investment that is other than temporary are recognized when incurred. No impairment losses were recognized for the years ended March 31, 2025 and 2024.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized as a component of the cost of acquiring those assets. Interest capitalized for the years ended March 31, 2025 and 2024 was $0.

The Organization evaluates long-lived assets for impairment on an annual basis. Long-lived assets are considered to be impaired whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable from future cash flows. Recoverability of long-lived assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows expected to be generated by the asset. When such assets are considered to be impaired, the impairment loss recognized is measured by the amount by which the carrying value of the asset exceeds the fair value of the asset. The Organization does not believe that there are any factors or circumstances indicating impairment of its long-lived assets as of March 31, 2025 or 2024.

Beneficial Interest in Perpetual Trusts

The Organization records its beneficial interest in perpetual trusts at the fair market value of the underlying trust assets.

Changes in the fair value of the trusts' assets are recognized as unrealized gains or losses with donor restrictions in the period the change occurs within the accompanying consolidated statement of changes in net assets.

Interest in Irrevocable Trusts

Interest in irrevocable trusts represents expected gifts from third parties. Third parties maintain information as to the estimated values of the Foundation's share of these estate planning mechanisms used by donors. Estimates of value as to the underlying assets of the trusts or other arrangements rely on quoted market prices and other reasonable estimates made by the trustees for specific assets. Interests in irrevocable trusts are assets that are not available for use until assets are distributed from the trusts.

Note 2 - Significant Accounting Policies (Continued)

Derivative Instruments

The Organization utilizes derivative instruments to mitigate its exposure to interest rate fluctuations. All derivative instruments are recorded in the consolidated statement of financial position at fair value. The Organization did not elect hedge accounting. Therefore, the change in the fair value of derivative instruments is reflected in nonoperating revenue (expense) in the accompanying consolidated statement of operations and changes in net assets without donor restrictions.

Assets Limited as to Use

Pursuant to the Illinois Life Care Facilities Act, the Organization has established escrow accounts with financial institutions. The accounts are funded with six months of debt service and will be released upon the satisfaction of the obligations of the Presbyterian Homes Obligated Group Series 2016 bonds and The Moorings Obligated Group Series 2016 bonds. The balance of these accounts as of March 31, 2025 and 2024 is $7,215 and $6,888, respectively, and consists of short-term investments.

The Moorings has established an investment account with a financial institution for The Moorings expansion project for prospective residents who enter into a deposit agreement. The deposits will be released upon completion of the project and occupancy by the prospective resident or refunded to the prospective resident if the deposit agreement is terminated. The balance of this account was $1,405 and $0 as of March 31, 2025 and 2024, respectively, and consists of short-term investments.

The Organization also holds depository accounts for certain letter of credit agreements. The balance of these accounts as of March 31, 2025 and 2024 is $1,932 and $1,957, respectively.

Independent Living, Assisted Living, and Health Care Fees

The Organization generates revenue primarily by providing health care services and housing to its residents. The Organization's primary activities are providing services to its residents in independent, assisted, and health care settings. Revenue is recognized when control of the promised good or service is transferred to the resident in an amount that reflects the consideration to which the Organization expects to be entitled from the residents, third-party payors, and others in exchange for those goods and services.

Performance obligations are determined based on the nature of the service provided. The majority of the Organization's health care services represent a bundle of services that are not capable of being distinct and, as such, are treated as a single performance obligation satisfied over time as services are rendered. The Organization also provides certain ancillary services, which are not included in the bundle of services and, as such, are treated as separate performance obligations satisfied over time as services are rendered. The Organization has concluded that each month that a resident received services represents a separate contract and performance obligation based on the fact that the residents have unilateral rights to terminate the contract after each day with no penalty or compensation due. The Organization determines the transaction price based on contractually agreed-upon amounts or rates.

Note 2 - Significant Accounting Policies (Continued)

Entrance Fees

Entrance fees represent fees paid by residents upon entering into life care and other continuing care contracts. The Organization offers several different resident contracts ranging from traditional nonrefundable contracts to contracts with refund provisions of up to 90 percent of the original entry fee. Substantially all refundable entrance fees are refundable only upon termination of the contract and reoccupancy of the unit by a new resident. The nonrefundable portion of the entrance fee represents a right to the resident to access future services. This right is deemed to be the Organization's performance obligation. Nonrefundable entrance fees are recorded as deferred revenue and amortized into income using the straight-line method over the estimated remaining life expectancy, adjusted annually, for each resident. The opening nonrefundable entrance fee balance at April 1, 2023 was $135,789. The refundable portion of entrance fees received is shown as a liability on the consolidated statement of financial position and split between current and long term. The current portion of refundable entrance fees represents a five-year average of refunds paid on terminated contracts. Under the terms of nonrefundable residents' agreements and certain refundable residents' agreements, a pro rata refund of a resident's entrance fee will be made in the event the resident's contract is terminated within the first 50 months of residency, generally subject to reoccupancy of the unit by a new resident. Based on the Organization's experience, actual payment of refunds under this provision has not been and is not expected to be significant, and the entire nonrefundable portion of the entrance fee is included in deferred revenue and amortized over the estimated remaining life expectancy of the resident or residents to whom it applies.

Entrance fees receivable represent amounts due on continuing care contracts entered into during the years ended March 31, 2025 and 2024 and are secured by an interest in the resident's personal real estate or a personal note from the resident. The receivables are due in one year or less and carry an annual service charge of 4 percent. All entrance fee receivables are deemed fully collectible.

Other Considerations

The Organization recognizes revenue under these resident contracts based upon the predominant component, either the lease or the nonlease component, of the contracts rather than allocating the consideration and separately accounting for it. The Organization has concluded that the nonlease component of the contracts with respect to its senior living community is the predominant component of the contract. The nonlease components consist of the stand-ready obligation to provide care, daily meals, and daily health services. Therefore, the Organization recognizes revenue for these contracts under Accounting Standards Codification (ASC) 606.

Deferred Financing Fees

Certain deferred financing fees are capitalized and amortized over the term of the related debt on the straight-line interest method and are reported net of accumulated amortization as a direct reduction in the recorded balance of the related outstanding long-term debt. In conjunction with the issuance of long-term debt (see Note 8), the Organization incurred $3,320 of deferred financing fees.

Obligation to Provide Future Services

Annually, the Organization calculates the present value of the net cost of future services and use of facilities to be provided to current residents and compares that amount to the balance of deferred revenue from entrance fees. If the present value of the net cost of future services and use of facilities were to exceed the deferred revenue from entrance fees, a liability (obligation to provide future services and use of facilities) would be recorded with a corresponding charge to income. The obligation is discounted at 5 percent based on the expected long-term rate of return. No such obligation was required to be recorded as of March 31, 2025 and 2024.

Note 2 - Significant Accounting Policies (Continued)

Asset Retirement Obligation

Asset retirement obligations include those for which the Organization has a legal obligation to perform an asset retirement activity; however, the timing and/or method of settling the obligation are conditional on a future event that may or may not be within the control of the Organization. The Organization records all known asset retirement obligations for which the fair value of the liability can be reasonably estimated, including certain obligations relating to regulatory remediation. As of March 31, 2025 and 2024, the Organization has recorded an asset retirement obligation liability of $4,663 and $4,621, respectively, which is included in other long-term liabilities within the consolidated statement of financial position.

Classification of Net Assets

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of changes in net assets as net assets released from restrictions. When a restriction for the acquisition of capital equipment expires, net assets with donor restrictions are reclassified to net assets released from restrictions - capital.

Grant Revenue

Government grants received by the Organization are accounted for as conditional contributions, being nonexchange in nature. These grants are reported in other operating revenue on the consolidated statement of operations and changes in net assets without donor restrictions and are recognized as revenue, as the conditions of the grants have been met.

Note 2 - Significant Accounting Policies (Continued)

Charity Care

The Organization provides free or reduced cost care and services to residents who have depleted their assets through no fault of their own and who otherwise satisfy the Organization's charity care policy. A resident's eligibility for charity care is based on the satisfaction of objective factors, as determined by management. Only the amount the Organization actually receives from residents (i.e., excluding charity care provided) is recorded as revenue. Charity care equals the unreimbursed costs incurred by the Organization related to the residents receiving charity care, which is calculated on the basis of the estimated total expenses incurred by the Organization related to the recipients of charity care, less the amounts received from those residents. Funds to support these residents are provided to the Organization by the Foundation and are derived primarily from charitable contributions or earnings on investments of charitable contributions.

Functional Expenses

The costs of providing the program and support services are reported on a functional basis (see Note 17). The financial statements report certain expense categories that are attributable to one or more program or supporting functions. These expenses include information technology costs, depreciation, interest expense, insurance expense, and property taxes. The information technology costs are allocated based on units of service. Depreciation, interest expense, insurance expense, and property taxes are allocated based on square footage. Information technology costs are allocated across the following categories: salaries and benefits, supplies, purchased services, utilities, and other expenses. Insurance expense is included within purchased services, and property taxes are included within other expenses. Although the methods of allocation used are considered appropriate, other methods could be used that would produce different amounts.

Income Taxes

The Parent, Westminster Place, and the Foundation are not-for-profit corporations and are exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3). Lake Forest Place, The Moorings, Ten Twenty Grove, PH Manager, and PL Outpatient Rehabilitation are single-member limited liability companies and, therefore, are considered to be disregarded entities for tax purposes. Accordingly, no tax provision is reflected in the accompanying consolidated financial statements.

The Parent, Westminster Place, and the Foundation follow the accounting standards for contingencies in evaluating uncertain tax positions. The Parent, Westminster Place, and the Foundation file informational returns as tax-exempt organizations. The income tax returns are subject to review and examination by federal, state, and local authorities.

Net Operating Income

The consolidated statement of operations and changes in net assets without donor restrictions includes net operating income. Transactions that are ongoing, major, or central to the provision of resident care are reported as operating revenue and expenses. Transactions incidental to the provision of resident care are reported as nonoperating revenue and expenses.

Excess of Revenue Over Expenses

The consolidated statement of operations and changes in net assets without donor restrictions includes excess of revenue over expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenue over expenses, consistent with industry practice, include the acquisition of property and equipment financed by donor-restricted contributions.

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including July 8, 2025, except for Note 21, as to which the date is March 12, 2026, which is the date the consolidated financial statements were available to be issued.

Note 3 - Accounts Receivable

The Organization provides services without collateral to its residents, most of whom are local residents and are insured under third-party agreements. The mix of receivables from residents and third-party payors for the year ended March 31, 2025 was 73 percent from private payors and 27 percent from Medicare/Medicare Advantage. The mix of receivables from residents and third-party payors for the year ended March 31, 2024 was 56 percent from private payors and 44 percent from Medicare/Medicare Advantage.

The activity in the allowance for credit losses is as follows:

	2025	2024
Balance - Beginning of year	$ 1,681	$ 1,233
Additions charged to expense	381	523
Deductions/Write-offs	(438)	(75)
Balance - End of year	$ 1,624	$ 1,681

Note 4 - Investments

The components of the investments are as follows:

	2025	2024
Cash and money market funds	$ 33,514	$ 28,634
Fixed income	141,275	132,848
Equities	141,165	139,152
Balanced	16,855	12,885
U.S. Treasury bills	21,637	34,735
Other	1,787	1,691
Total	$ 356,233	$ 349,945

Note 5 - Beneficial Interest in Perpetual Trusts

The Organization is the sole income beneficiary of the net income of the assets held in the James C. King Home Trust, Sidwell Foundation, and Daniel G. Brown Trust. The trust assets are held and administered by various financial institutions. Under the James C. King Home Trust and Sidwell Foundation agreements, the Organization is to receive all net income of the trust property as income without donor restrictions. Under the Daniel G. Brown Trust, the Organization is to receive all net income of the trust property as income with donor restrictions. The trusts are set up as total return trusts with annual distribution percentages that range from 3.5 percent to 5 percent. The Organization has recorded $41,386 and $41,203 as of March 31, 2025 and 2024, respectively, for its beneficial interest in the trust assets as valued per the trust investment statement, which represent the fair market value, within net assets with donor restrictions on the accompanying consolidated statement of financial position.

(In Thousands)

Note 6 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets and liabilities in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following tables present information about the Organization's assets and liabilities measured at fair value on a recurring basis at March 31, 2025 and 2024 and the valuation techniques used by the Organization to determine those fair values:

	Assets Measured at Fair Value on a Recurring Basis at March 31, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2025
Assets				
Fixed income - Mutual funds	$ 141,275	$ -	$ -	$ 141,275
Equities - Mutual funds	141,165	-	-	141,165
Balanced - Mutual funds	16,855	-	-	16,855
Other investments	-	1,787	-	1,787
Money market funds	32,950	-	-	32,950
U.S. Treasury bills	-	21,637	-	21,637
Total investments	$ 332,245	$ 23,424	$ -	$ 355,669
Beneficial interest in perpetual trusts	$ -	$ -	$ 41,386	$ 41,386
Interest in irrevocable trusts	$ -	$ -	$ 228	$ 228
Money market funds	$ 1,405	$ -	$ -	$ 1,405
U.S. Treasury bills	-	7,215	-	7,215
Total assets limited as to use	$ 1,405	$ 7,215	$ -	$ 8,620
Interest rate swap	$ -	$ 1,137	$ -	$ 1,137

(In Thousands)

Note 6 - Fair Value Measurements (Continued)

Excluded from the table above is $564 of cash and cash equivalents of investments held with financial institutions and $1,932 of assets limited as to use at March 31, 2025.

	Assets Measured at Fair Value on a Recurring Basis at March 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2024
Assets				
Fixed income - Mutual funds	$ 132,848	$ -	$ -	$ 132,848
Equities - Mutual funds	139,152	-	-	139,152
Balanced - Mutual funds	12,855	-	-	12,855
Other investments	-	1,691	-	1,691
Money market funds	26,300	-	-	26,300
U.S. Treasury bills	-	34,735	-	34,735
Total investments	$ 311,155	$ 36,426	$ -	$ 347,581
Beneficial interest in perpetual trusts	$ -	$ -	$ 41,203	$ 41,203
Interest in irrevocable trusts	$ -	$ -	$ 219	$ 219
Assets limited as to use - U.S. Treasury bills	$ -	$ 6,888	$ -	$ 6,888
Interest rate swap	$ -	$ 2,433	$ -	$ 2,433

Excluded from the table above is $2,334 of cash and cash equivalents of investments held with financial institutions and $1,957 of assets limited as to use at March 31, 2024.

The fair value of the government debt securities at March 31, 2025 was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using quoted prices for similar assets in active markets.

The fair value of other investments was determined primarily based on Level 2 inputs. The Organization estimates the fair value of these investments using the surrender value of the contract, net of expected termination charges.

The fair values of the interest rate swap agreement were determined primarily based on Level 2 inputs. The Level 2 inputs used in estimating the fair values of the swap agreement included the notional amounts, effective interest rate, and maturity date.

(In Thousands)

Note 6 - Fair Value Measurements (Continued)

Changes in Level 3 assets measured at fair value on a recurring basis for the years ended March 31, 2025 and 2024 are as follows:

	Beneficial Interest in Perpetual Trusts	Interest in Irrevocable Trusts
Balance at April 1, 2024	$ 41,203	$ 219
Total unrealized gains	183	9
Balance at March 31, 2025	$ 41,386	$ 228

	Beneficial Interest in Perpetual Trusts	Interest in Irrevocable Trusts
Balance at April 1, 2023	$ 37,681	$ 195
Total unrealized gains	3,522	24
Balance at March 31, 2024	$ 41,203	$ 219

Note 7 - Property and Equipment

Property and equipment at March 31, 2025 and 2024 consisted of the following:

	2025	2024	Depreciable Life - Years
Land and land improvements	$ 43,643	$ 41,912	0-25
Buildings and building improvements	688,477	663,970	5-50
Equipment	104,981	96,407	4-10
Construction in progress	8,190	3,837	-
Total cost	845,291	806,126	
Less accumulated depreciation	(445,063)	(411,116)	
Net property and equipment	$ 400,228	$ 395,010	

As of March 31, 2025, construction in progress relates to ongoing construction projects at Westminster Place, Lake Forest Place, and The Moorings. As of March 31, 2025, outstanding construction commitments total $2,875.

(In Thousands)

Note 8 - Long-term Debt

Long-term debt at March 31 is as follows:

	2025	2024
The Moorings Variable Rate Revenue Bonds, Series 2016A	$ 25,041	$ 25,869
The Moorings Variable Rate Revenue Bonds, Series 2016B	25,366	26,205
The Moorings Variable Rate Revenue Bonds, Series 2016C	4,228	4,368
The Moorings Variable Rate Revenue Bonds, Series 2016D	4,228	4,368
Presbyterian Homes Obligated Group Series 2016A Bonds	36,800	41,310
Presbyterian Homes Obligated Group Series 2021A Bonds	32,590	32,990
Presbyterian Homes Obligated Group Series 2021B Bonds	33,600	33,600
Total long-term debt	161,853	168,710
Plus unamortized bond premium	5,377	6,295
Less unamortized deferred financing fees	(1,559)	(1,803)
Less current maturities	(7,133)	(6,857)
Total long-term debt - Less current maturities	$ 158,538	$ 166,345

Presbyterian Homes Obligated Group

On April 27, 2016, Westminster Place and Lake Forest Place (collectively, the "Presbyterian Homes Obligated Group") entered into loan agreements with the Illinois Finance Authority (the "Authority") covering the Authority's issuance of revenue bonds, Series 2016A Obligation, and Series 2016B Obligation (the "Series 2016 Obligations" or the "Master Indenture") totaling $102,945. Westminster Place and Lake Forest Place are the only members of the Presbyterian Homes Obligated Group established under the Master Indenture and the only entities obligated to make payments on the Series 2016 Obligations.

The Series 2016A Obligation consists of $42,870 of serial bonds and $27,075 of term bonds. The serial bonds mature semiannually from November 1, 2016 through November 1, 2026, with semiannual interest payments beginning on November 1, 2016, with interest rates ranging from 1.0 to 5.0 percent. The term bonds mature semiannually from November 1, 2027 through November 1, 2031, with semiannual interest payments beginning on November 1, 2016 and semiannual principal payments beginning on May 1, 2027 through May 1, 2031.

The Series 2016A Obligation term bonds are subject to mandatory sinking fund redemptions in varying installments, ranging from $2,590 to $3,155, prior to the scheduled maturity dates ranging from November 1, 2027 to November 1, 2031.

The Series 2016A Obligations were sold at a premium of $11,539, which is being amortized over the life of the associated bond term using the effective interest method.

On March 31, 2021, the Presbyterian Homes Obligated Group entered into loan agreements with the Illinois Finance Authority covering the Authority's issuance of revenue bonds, Series 2021A Obligation, and Series 2021B Obligation (the "Series 2021 Obligations" or the "Master Indenture") totaling $67,200. Westminster Place and Lake Forest Place are the only members of the Presbyterian Homes Obligated Group established under the Master Indenture and the only entities obligated to make payments on the Series 2021 Obligations.

Note 8 - Long-term Debt (Continued)

The proceeds from the Series 2021 bonds were used to:

- Fund the costs of acquiring, constructing, renovating, and equipping certain facilities of Westminster Place
- Refund Series 2016B revenue bonds (Presbyterian Homes Obligated Group) in the outstanding principal amount of $33,000
- Pay costs of issuance of the Series 2021 bonds

The Series 2021 bonds consist of $33,600 Series 2021A par value bonds with a bond premium of $3,717 with varying maturities and interest rates. The term bonds range from $1,250 to $11,625 with maturity dates ranging between May 1, 2025 and May 1, 2050 and annual interest rates ranging between 3.00 percent and 4.00 percent.

$33,600 Series 2021B par value bonds with a final maturity of May 1, 2042 with monthly interest payments beginning on May 3, 2021 and semiannual principal payments beginning on November 1, 2031 at an interest rate of 0.70 percent plus 100 percent of Securities Industry and Financial Markets Association (SIFMA). The Series 2021B bonds have an initial mandatory tender date of May 1, 2026. The effective interest rate at March 31, 2025 and 2024 was 3.57 percent and 4.34 percent, respectively.

The gross revenue of the Presbyterian Homes Obligated Group and a first mortgage lien on the Lake Forest Place campus' mortgage (the "Lake Forest Mortgage") are pledged to the Master Trustee, as defined in the Master Indenture, as security for payments on 2016 and 2021 obligations issued under the Master Indenture. Under certain circumstances, as described in the Master Indenture, Westminster Place would be obligated to deliver to the Master Trustee a mortgage on the Westminster Place campus substantially in the form of the Lake Forest Mortgage.

Under the terms of the Series 2016 and 2021 Obligations, the Presbyterian Homes Obligated Group is required to maintain certain financial covenants. At March 31, 2025 and 2024, the Presbyterian Homes Obligated Group was in compliance with these financial covenants, as defined.

The Moorings Obligated Group

On September 30, 2016, The Moorings entered into loan agreements with the Illinois Finance Authority covering the Authority's issuance of revenue bonds, Series 2016A, Series 2016B, Series 2016C, and Series 2016D in an aggregate amount of $69,615 (the "Series 2016 Bonds"). The Moorings is the only member of The Moorings Obligated Group established under the Master Indenture and the only entity obligated to make payments on the Series 2016 Bonds issued under the Master Indenture. Under the terms of a mortgage and security agreement from The Moorings to the Master Trustee, (i) the real estate comprising The Moorings' campus; (ii) fixtures on such mortgaged land; (iii) machinery and equipment on such mortgaged land; (iv) general intangibles of The Moorings; (v) rents, certain entrance fees, income, and profits of the mortgaged property; and (vi) intellectual property of The Moorings and a security interest therein are pledged to the Master Trustee as collateral.

The bonds mature monthly, with interest payments beginning on October 1, 2016 through September 1, 2026 and principal payments beginning on May 1, 2019 through September 1, 2026 at an annual interest rate of the Secured Overnight Financing Rate (SOFR) plus 0.11448 percent. The bonds are subject to mandatory tender on the business day following the present interest rate mode. The bonds are currently under the initial private placement rate period, set to expire on August 31, 2026. The effective interest rate at March 31, 2025 and 2024 was 4.55 percent and 5.25 percent, respectively.

(In Thousands)

Note 8 - Long-term Debt (Continued)

Under the terms of the Series 2016 Obligations, The Moorings is required to maintain certain financial covenants. At March 31, 2025 and 2024, The Moorings was in compliance with these financial covenants, as defined.

In connection with the issuance of The Moorings Series 2016 Bonds, the Foundation entered into a guarantee agreement with The Moorings Series 2016 Bonds' Master Trustee. Under the terms of the guarantee agreement, the Foundation irrevocably guarantees to the Master Trustee the payment and performance of the Series 2016 Bonds up to $5,000.

Maturities of long-term debt for fiscal years subsequent to March 31, 2025 are as shown below:

Years Ending March 31	Amount
2026	$ 7,133
2027	62,224
2028	5,615
2029	5,895
2030	6,185
Thereafter	74,801
Total	$ 161,853

Note 9 - Derivatives

The derivative instrument used by the Organization is an interest rate swap agreement that is used to manage variability in cash flows and to essentially convert variable-rate interest on long-term debt to fixed-rate interest. The variable interest rate on the debt generally exposes the Organization to variability in cash flows in rising or declining interest rate environments. The interest rate swap reduces the variability of the cash flow of the debt.

In September 2016, The Moorings entered into an interest rate swap agreement related to the Series 2016 Bonds, which was effective in April 2019. At March 31, 2025, the notional principal amount of The Moorings' portion of the outstanding interest rate swap agreement was $55,747. The swap agreement essentially converts The Moorings' interest rate exposure on the notional amount to a fixed 1.21 percent with a credit spread of 1.41 percent; the total interest rate is 2.62 percent. The interest differential to be paid or received under the swap agreement will be accrued and recognized as an adjustment to interest expense. The interest rate swap agreement matures in August 2026.

For the years ended March 31, 2025 and 2024, the amounts of gain or loss recognized in the consolidated statement of operations and changes in net assets without donor restrictions attributable to derivative instruments not designated as hedging instruments are as follows:

	2025	2024	Reported in Consolidated Statement of Operations and Changes in Net Assets without Donor Restrictions
Net settlements of interest rate swap	$ 1,328	$ 1,490	Interest expense
Change in value of interest rate swap	(1,296)	(100)	Change in fair value of interest rate swap
Net gain	$ 32	$ 1,390	

(In Thousands)

Note 10 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of investment assets restricted for specific purposes, as designated by the donors or grantors, and investment assets whose principal must be maintained in perpetuity. The investment income earned on the funds is either unrestricted as to use or restricted to support the Organization's charity services and other operational activities based on donor stipulations. The release of restricted earnings is shown on the consolidated statement of changes in net assets. In addition to endowments, the Organization holds certain beneficial interests in perpetual trusts, also recorded as net assets with donor restrictions. The values of those beneficial interests are based on the fair value of the trusts' underlying investments. Accordingly, investment income on net assets with donor restrictions is either included in investment income in net assets without donor restrictions or net assets with donor restrictions, as appropriate, when earned.

Net assets with donor restrictions consist of the following as of March 31:

	2025	2024
Funds designated for a specific purpose:		
Designated giving funds	$ 654	$ 619
Fellowship funds	5,371	6,981
Building and grounds funds	1,061	1,096
Scholarship funds	1,534	1,534
Other funds	1,285	1,359
Total funds designated for a specific purpose	9,905	11,589
Beneficial interests:		
Unrestricted earnings	39,496	39,301
Earnings restricted to designated giving	1,890	1,902
Total beneficial interests	41,386	41,203
Endowment net assets:		
Funds with unrestricted earnings	1,316	1,316
Funds with earnings restricted to designated giving	491	491
Funds with earnings restricted to fellowship	7,688	7,687
Funds with earnings restricted to other	239	238
Total endowment net assets	9,734	9,732
Total net assets with donor restrictions	$ 61,025	$ 62,524

Note 11 - Donor-restricted Endowments

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

(In Thousands)

Note 11 - Donor-restricted Endowments (Continued)

Interpretation of Relevant Law

The board of directors of the Organization have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as donor-restricted endowment funds (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. The remaining portion of the donor-restricted endowment fund includes gifts made with temporary purpose or time restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

	Changes in Endowment Net Assets for the Fiscal Year Ended March 31, 2025	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year	$ -	$ 9,732
Investment return	66	421
Contributions	-	2
Appropriation of endowment assets for expenditure	(66)	(421)
Endowment net assets - End of year	$ -	$ 9,734

	Changes in Endowment Net Assets for the Fiscal Year Ended March 31, 2024	
	Without Donor Restrictions	With Donor Restrictions
Endowment net assets - Beginning of year	$ -	$ 9,732
Investment return	66	421
Appropriation of endowment assets for expenditure	(66)	(421)
Endowment net assets - End of year	$ -	$ 9,732

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to retain as a fund of perpetual duration. As of March 31, 2025 and 2024, there were no funds with deficiencies.

Note 11 - Donor-restricted Endowments (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to preserve the value of the assets. The secondary investment objective is to maximize total expected returns within risk constraints with a targeted median annualized total expected return of 6.5 percent and target expected annual portfolio volatility of 10 percent. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based and fixed-income-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Organization has a policy of appropriating for distribution each year 5 percent of its endowment fund's average fair value over the prior 16 quarters through the calendar year end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Organization considered the long-term expected rate of return on its endowment. Accordingly, over the long term, the Organization expects the current spending policy to allow its endowment to grow an average of 6.5 percent annually before distributions.

Note 12 - Charity Care

Pursuant to its statement of organization, as described in Note 1, the Organization provides free or discounted residential and health care services to those residents who are unable to pay all or a portion of their charges and who meet certain eligibility criteria. During the years ended March 31, 2025 and 2024, 25 and 29 residents, respectively, received charity services. The Organization's estimated net cost of providing charity care was approximately $2,315 and $2,263 for the years ended March 31, 2025 and 2024, respectively.

Note 13 - Leases

The Organization is obligated as a lessee under an operating lease for the office space used by Presbyterian Homes Manager, LLC, expiring on February 29, 2028. The lease contains renewal options for three successive periods of five years each. The right-of-use asset and related lease liability have been calculated using the risk-free rate of 2.41 percent. The lease requires the Organization to pay taxes, insurance, utilities, and maintenance costs. Total lease expense under the operating lease was $235 for both 2025 and 2024. The weighted-average remaining lease term at March 31, 2025 and 2024 is four years and five years, respectively, for the operating lease. Cash paid for amounts included in the measurement of the lease liability totaled $222 and $206 for 2025 and 2024, respectively.

The Organization made a policy election not to separate lease and nonlease components for operating leases. Therefore, the full amount of the lease payment is included in the recorded right-of-use asset and lease liability.

(In Thousands)

Note 13 - Leases (Continued)

Future office space rent payments for fiscal years subsequent to March 31, 2025 are as follows:

Years Ending March 31	Amount
2026	$ 268
2027	301
2028	281
Total	850
Less amount representing interest	53
Present value of net minimum lease payments	797
Less current obligations	239
Long-term obligations under operating leases	$ 558

Note 14 - Retirement Plans

The Organization has a defined contribution retirement plan that covers substantially all full-time employees and part-time employees who have met certain service and age requirements. The plan provides for an annual discretionary nonelective contribution and matching contribution to 100 percent of the first 3 percent of the employee's compensation contributed by the employee and 50 percent of the next 2 percent of compensation contributed by the employee. Employees have various investment options; however, if an employee does not select an investment option, his or her funds are deposited in the target date fund. Employees are immediately vested in the employer match contribution and, after three years of service, in the employer discretionary nonelective contribution. The Organization's total expense to the plan was $2,312 and $2,331 during the years ended March 31, 2025 and 2024, respectively.

Note 15 - Deferred Compensation

The Organization has a deferred compensation plan that covers selected employees. The Organization, in its discretion, may make nonelective accruals to the plan on behalf of its plan participants. Total amounts accrued to the plan were $409 and $756 for the years ended March 31, 2025 and 2024, respectively. The Organization has $858 and $1,568 recorded as a liability as of March 31, 2025 and 2024, respectively, related to unfunded contributions to the plan, which is included in accrued expenses and other long-term liabilities within the consolidated statement of financial position.

Note 16 - Revenue Recognition

A summary of the payment arrangements with major third-party payors follows:

Medicare/Medicare Advantage - Services rendered to Medicare/Medicare Advantage program beneficiaries are paid at prospectively determined rates based upon clinical assessments completed by each facility.

Note 16 - Revenue Recognition (Continued)

Medicaid - Healthcare and Family Services (HFS) - A daily rate, which may be recalculated on a quarterly basis, is established utilizing three components - capital, support, and nursing services. The capital and support rates are based on the annual cost report filings in accordance with HFS policy. The nursing component of the rate is determined by resident clinical documentation that is derived using mandated software, direct care staffing levels within the facility, and Medicaid utilization and may increase or decrease on a quarterly basis. Quarterly quality incentive payments are also made by Medicaid and Medicaid managed care organizations based on the facility's statewide pro rata share of weighted long-term stay quality ratings from Medicare compare data. Amounts billed under the Medicaid program can take 60 to 120 days or more for collection. The amounts paid are subject to audit and reviewed on a retroactive basis.

Insurance - Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using discounts from established charges and prospectively determined daily rates.

Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. Management believes it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoings. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation. Noncompliance with such laws and regulations may result in significant regulatory action, including fines, penalties, and exclusion from the Medicare and Medicaid programs.

Variable consideration may also exist in the form of settlements with third-party payors as a result of retroactive adjustments due to audits, reviews, or investigations. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity. The Organization has not applied a constraint to the transaction price for settlement estimates, as the Organization has determined that it is not probable that a significant reversal in the amount of the cumulative revenue recognized would not occur in the future.

The Organization makes an initial and ongoing evaluation of a resident's creditworthiness or obtains third-party verification of payment coverage and, as such, considers the credit risks it assumes and any billed amounts not expected to be collected from residents or third parties for services rendered to represent credit loss expense.

For its performance obligations related to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

The Organization has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from residents and third-party payors for the effects of a significant financing component due to the Organization's expectation that the period between the time the resident service is provided to a resident and the time that the resident or a third-party payor pays for that service will be one year or less or is not deemed significant to the contract.

(In Thousands)

Note 16 - Revenue Recognition (Continued)

The composition of independent living, assisted living, health care fees, and other revenue (excluding grant revenue described in Note 20 of $1,062 and $249 in 2025 and 2024, respectively) by primary payor for the years ended March 31 is as follows:

	2025	2024
Payors:		
Private	$ 118,460	$ 115,374
Medicare/Medicare Advantage	17,171	14,417
Medicaid	68	258
Total	$ 135,699	$ 130,049

Note 17 - Functional Expenses

The Organization provides various services to its residents. Expenses related to providing these services are as follows for the years ended March 31:

	2025	2024
Program services:		
Salaries and benefits	$ 61,541	$ 60,026
Supplies	8,835	8,491
Purchased services	17,060	17,050
Utilities	5,436	5,000
Other	4,339	3,138
Depreciation	33,762	33,621
Interest expense	5,270	5,563
Total program services	136,243	132,889
Support services:		
Salaries and benefits	12,886	13,579
Supplies	374	436
Purchased services	5,822	6,008
Utilities	148	173
Depreciation	227	295
Interest expense	263	281
Total support services	19,720	20,772
Fundraising - Other	779	667
Total	$ 156,742	$ 154,328

Note 18 - Liquidity

The Organization’s financial assets available within one year of March 31 for general expenditure are as follows:

	2025	2024
Cash and cash equivalents	$ 18,322	$ 12,187
Short-term investments	55,465	63,853
Accounts receivable - Net	4,528	3,392
Total	$ 78,315	$ 79,432

Note 18 - Liquidity (Continued)

None of these financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the consolidated statement of financial position date.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has certain investments, as noted in Note 4, that may be made available for general expenditures within the next year.

Note 19 - Commitments and Contingencies

Employee Health Insurance

Beginning in the year ended March 31, 2018, the Organization has elected to self-insure certain costs related to employee health programs. The program is administered by a third-party administrator. Costs resulting from noninsured losses are charged to income when incurred. The Organization has purchased insurance that limits its exposure for individual claims and that limits its aggregate exposure to $7,596 annually. As a result of electing to self-insure certain costs related to employee health benefits, the Organization has established a reserve for incurred but not reported claims. The reserve is based upon management's estimate, which considers historical claims data and estimated claims lag. If actual claims are more than expected, the estimated reserve could be adversely affected. The reserve for incurred but not reported claims was approximately $674 and $613 as of March 31, 2025 and 2024, respectively, and is included within accounts payable and accrued expenses on the consolidated statement of financial position.

Litigation

The Organization is subject to asserted and unasserted claims encountered in the normal course of business. The Organization's management and legal counsel assess such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Organization or unasserted claims that may result in such proceedings, the Organization's legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims, as well as the perceived merits of the amount of relief sought or expected to be sought therein. In the opinion of management, disposition of these matters will not have a material effect on the Organization's consolidated financial condition or results of operations.

Captive Insurance

The Organization has professional and general liability insurance coverage through Caring Communities, a reciprocal risk retention group domiciled in the District of Columbia, USA, in which the Organization holds a 2.26 percent interest. The investment is included in other noncurrent assets on the consolidated statement of financial position in the amount of $1,049 and $985 at March 31, 2025 and 2024, respectively. The Organization may be required to contribute additional funds to its subscriber account in connection with the underwriting of additional risks by Caring Communities.

Caring Communities writes primary and excess professional, fiduciary, employment practices, and directors and officers liability insurance on a claims-made basis and general liability on an occurrence basis, with shared limits of $1,000 per loss and $3,000 in policy period aggregate, subject to limited reinstatement. The excess limits of liability for these coverages are up to $10,000 per loss and in the aggregate. There is also excess automobile liability with limits of $10,000 per accident and in the aggregate.

Each of the aforementioned coverages is subject to an individual self-insured retention. The Organization’s retention ranges from $5 to $100 per claim.

Note 19 - Commitments and Contingencies (Continued)

Premiums are actuarially determined based on claims history and were $1,415 and $1,359 for the years ended March 31, 2025 and 2024, respectively. Depending on the profit and the capital adequacy needs, Caring Communities may, but is not obligated to, distribute dividends to its policyholders. Policyholder returns may be distributed in the form of cash policy dividends or contributions to the members' equity accounts. Cash dividends shall be accounted for as returns of premiums. For the years ended March 31, 2025 and 2024, the dividends the Organization received totaled $410 and $308, respectively. In addition to the policyholder dividend, Caring Communities, at the discretion of the board, may provide a Member's Savings Account (MSA) allocation to participating members. For the years ended March 31, 2025 and 2024, the MSA allocation the Organization received totaled $64 and $50, respectively. The MSA allocation is included in other noncurrent assets on the consolidated statement of financial position.

Note 20 - Grant Revenue

The Organization has received funding from other governmental sources for use in response to the COVID-19 pandemic totaling $1,062 and $156 for the years ended March 31, 2025 and 2024, respectively. These payments are not subject to repayment, provided the Organization is able to attest to and comply with the terms and conditions of the funding, including demonstrating that the distributions received have been used for health care-related expenses or lost revenue attributed to COVID-19. Based on an analysis of compliance and reporting requirements of the FEMA and ARP Rural payments and the impact of the pandemic on the Organization's operating results through March 31, 2025 and 2024, the Organization believes that it has complied with the applicable terms and conditions required to retain the funds as of March 31, 2025 and 2024. Therefore, the Organization has recognized $1,062 and $249 of funding from all government sources as other operating revenue on the consolidated statement of operations and changes in net assets without donor restrictions for the years ended March 31, 2025 and 2024, respectively. During the year ended March 31, 2023, the Organization recorded $73 of deferred revenue from other governmental sources within accounts payable and accrued expenses on the consolidated statement of financial position where conditions for recognition had not yet been met. During the year ended March 31, 2024, the Organization earned and recognized $73 in other operating revenue.

Note 21 - Subsequent Events

On December 30, 2025, The Moorings entered into a loan agreement with the Illinois Finance Authority (the “Authority”) covering the Authority's issuance of Series 2025A, Series 2025B and Series 2025C revenue bonds (the “Series 2025 bonds”) totaling $162,860. The proceeds from the Series 2025 bonds were used to refund the Series 2016 Bonds and to finance a portion of a planned expansion project (the “Moorings Project”). The Moorings Project includes construction of a new 70-unit independent living building; renovations and improvements to existing common, dining, and health care areas; marketing; and costs of issuance. The cost estimate for the Moorings Project is approximately $114,000, excluding cost of issuance and funded interest, and related commitments approximate $110,000.

The Series 2025 bonds were sold at a premium of $750.

Note 21 - Subsequent Events (Continued)

The Series 2025 Bonds include $63,870 of tax-exempt fixed-rate bonds maturing in November 2055 requiring semiannual principal and interest payments beginning on May 1, 2026, with interest rates ranging from 5.0 to 5.4 percent; $37,900 of tax-exempt mandatory paydown securities (TEMPS) maturing in 2031, with principal payments required based on initial entrance fees collected on the 70-unit independent living building, and required semiannual principal and interest payments beginning on May 1, 2026, with interest rates ranging between 3.65 and 4.1 percent; a $61,090 bank loan, maturing in 2055, with monthly interest payments beginning on February 1, 2026; and a SOFR-based variable-rate loan. The bank loan will be a drawdown loan, with expected construction and interest draws ending in July 2028. The bank loan has a mandatory tender date in 2035. The Moorings entered into a forward-starting interest rate swap agreement in December 2025, which synthetically converts the variable rate to a fixed rate of 4.04 percent.

Supplementary Information

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Independent Auditor's Report on Supplementary Information

To the Board of Directors
Presbyterian Living and Affiliates

We have audited the consolidated financial statements of Presbyterian Living and Affiliates as of and for the years ended March 31, 2025 and 2024 and have issued our report thereon dated July 8, 2025, except for Note 21, as to which the date is March 12, 2026, which contained an unmodified opinion on those consolidated financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position, consolidating statement of operations and changes in net assets without donor restrictions, consolidating statement of changes in net assets, and consolidating statement of cash flows are presented for the purpose of additional analysis rather than to present the financial position, results of operations, changes in net assets, and cash flows of the individual companies and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Plante & Moran, PLLC

July 8, 2025

Consolidating Statement of Financial Position

March 31, 2025

(In Thousands)

Assets	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Presbyterian Living	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Current Assets													
Cash and cash equivalents	$ 4,853	$ 3,808	$ 8,661	$ 3,747	$ 100	$ 1	$ 3,849	$ -	$ -	$ 16,358	$ 1,964	$ -	$ 18,322
Short-term investments	28,768	8,801	37,569	14,377	-	-	2,322	-	-	54,268	1,197	-	55,465
Accounts receivable - Net of allowance of $1,624	1,769	1,193	2,962	1,506	(6)	66	-	-	-	4,528	-	-	4,528
Cash on deposit for future contracts			-										
and agency funds	180	319	499	-	-	-	-	-	-	499	-	-	499
Due from related parties	918	104	1,022	290	-	-	8,253	-	(8,887)	678	-	(678)	-
Pledges and bequests receivable - Current portion	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets limited as to use - Current portion	-	-	-	-	-	-	1,932	-	-	1,932	-	-	1,932
Prepaid expenses and other	861	455	1,316	436	45	-	881	-	-	2,678	-	-	2,678
Total current assets	37,349	14,680	52,029	20,356	139	67	17,237	-	(8,887)	80,941	3,161	(678)	83,424
Investments	25,320	82,772	108,092	22,136	-	-	35,455	-	-	165,683	135,085	-	300,768
Property and Equipment - Net	120,043	158,457	278,500	116,247	5,014	-	467	-	-	400,228	-	-	400,228
Right of use Operating Lease Assets	-	-	-	-	-	-	518	-	-	518	-	-	518
Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	-	-	-	-	41,386	-	41,386
Interest in Irrevocable Trusts	-	-	-	-	-	-	-	-	-	-	228	-	228
Investment In Affiliates	-	-	-	-	-	-	-	183,070	(183,070)	-	-	-	-
Interest In Net Assets of Foundation	-	-	-	-	-	-	-	179,079	-	179,079	-	(179,079)	-
Other Long-Term Assets													
Other assets	243	162	405	166	-	-	1,074	-	-	1,645	19	-	1,664
Entrance fee receivable	2,233	833	3,066	1,272	-	-	-	-	-	4,338	-	-	4,338
Interest rate swap	-	-	-	1,137	-	-	-	-	-	1,137	-	-	1,137
Assets limited as to use	-	5,118	5,118	3,502	-	-	-	-	-	8,620	-	-	8,620
Total other long-term assets	2,476	6,113	8,589	6,077	-	-	1,074	-	-	15,740	19	-	15,759
Total assets	**$ 185,188**	**$ 262,022**	**$ 447,210**	**$ 164,816**	**$ 5,153**	**$ 67**	**$ 54,751**	**$ 362,149**	**$ (191,957)**	**$ 842,189**	**$ 179,879**	**$ (179,757)**	**$ 842,311**

Consolidating Statement of Financial Position (Continued)

March 31, 2025

(In Thousands)

Liabilities and Net Assets	**Westminster Place**	**Lake Forest Place, LLC**	**Presbyterian Homes Obligated Group Total**	**The Moorings of Arlington Heights, LLC**	**Ten Twenty Grove, LLC**	**Presbyterian Living Outpatient Rehabilitation Agency, LLC**	**Presbyterian Homes Manager, LLC**	**Presbyterian Living**	**Eliminations**	**Total**	**Geneva Foundation of Presbyterian Living**	**Eliminations**	**Consolidated**
Current Liabilities													
Accounts payable and accrued expenses	$ 8,291	$ 8,486	$ 16,777	$ 5,641	$ 265	$ 36	$ 2,193	$ -	$ -	$ 24,912	$ 122	$ -	$ 25,034
Current portion of long-term debt	979	4,151	5,130	2,003	-	-	-	-	-	7,133	-	-	7,133
Current portion of lease liabilities - Operating	-	-	-	-	-	-	239	-	-	239	-	-	239
Safekeeping accounts	594	363	957	581	-	-	-	-	-	1,538	-	-	1,538
Deposits - Entrance fees	915	1,197	2,112	2,068	19	-	-	-	-	4,199	-	-	4,199
Refundable entrance fees payable	3,900	6,500	10,400	2,900	200	-	-	-	-	13,500	-	-	13,500
Due to related parties	-	-	-	-	8,687	200	-	-	(8,887)	-	678	(678)	-
Total current liabilities	14,679	20,697	35,376	13,193	9,171	236	2,432	-	(8,887)	51,521	800	(678)	51,643
Long-term Debt - Net of current portion	43,169	58,685	101,854	56,684	-	-	-	-	-	158,538	-	-	158,538
Lease Liabilities - Operating	-	-	-	-	-	-	558	-	-	558	-	-	558
Other Long-term Liabilities - Net of current portion	4,599	619	5,218	75	-	-	714	-	-	6,007	-	-	6,007
Entrance Fees													
Deferred revenue from nonrefundable entrance fees - Net of amortization	39,285	65,013	104,298	42,230	404	-	-	-	-	146,932	-	-	146,932
Refundable entrance fees	35,064	68,809	103,873	12,487	124	-	-	-	-	116,484	-	-	116,484
Total entrance fees	74,349	133,822	208,171	54,717	528	-	-	-	-	263,416	-	-	263,416
Total liabilities	136,796	213,823	350,619	124,669	9,699	236	3,704	-	(8,887)	480,040	800	(678)	480,162
Net Assets													
Without donor restriction	48,392	48,199	96,591	40,147	(4,546)	(169)	51,047	301,124	(183,070)	301,124	118,054	(118,054)	301,124
With donor restriction	-	-	-	-	-	-	-	61,025	-	61,025	61,025	(61,025)	61,025
Total net assets	48,392	48,199	96,591	40,147	(4,546)	(169)	51,047	362,149	(183,070)	362,149	179,079	(179,079)	362,149
Total liabilities and net assets	**$ 185,188**	**$ 262,022**	**$ 447,210**	**$ 164,816**	**$ 5,153**	**$ 67**	**$ 54,751**	**$ 362,149**	**$ (191,957)**	**$ 842,189**	**$ 179,879**	**$ (179,757)**	**$ 842,311**

Consolidating Statement of Financial Position

March 31, 2024

(In Thousands)

Assets	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Presbyterian Living	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Current Assets													
Cash and cash equivalents	$ 2,883	$ 2,209	$ 5,092	$ 2,982	$ 194	$ 4	$ 1,857	$ -	$ -	$ 10,129	$ 2,058	$ -	$ 12,187
Short-term investments	38,129	8,253	46,382	10,940	-	-	5,232	-	-	62,554	1,299	-	63,853
Accounts receivable - Net of allowance of $1,681	1,576	888	2,464	829	(2)	100	1	-	-	3,392	-	-	3,392
Cash on deposit for future contracts			-										
and agency funds	151	349	500	-	-	-	-	-	-	500	-	-	500
Due from related parties	410	304	714	249	-	-	7,444	-	(7,899)	508	-	(508)	-
Pledges and bequests receivable - Current portion	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets limited as to use - Current portion	-	-	-	-	-	-	1,957	-	-	1,957	-	-	1,957
Prepaid expenses and other	893	448	1,341	2,320	42	-	918	-	-	4,621	-	-	4,621
Total current assets	44,042	12,451	56,493	17,320	234	104	17,409	-	(7,899)	83,661	3,357	(508)	86,510
Investments	23,911	76,340	100,251	25,039	-	-	33,438	-	-	158,728	127,364	-	286,092
Property and Equipment - Net	115,723	161,937	277,660	111,966	4,803	-	581	-	-	395,010	-	-	395,010
Right of use Operating Lease Assets	-	-	-	-	-	-	829	-	-	829	-	-	829
Beneficial Interest in Perpetual Trusts	-	-	-	-	-	-	-	-	-	-	41,203	-	41,203
Interest in Irrevocable Trusts	-	-	-	-	-	-	-	-	-	-	219	-	219
Investment In Affiliates	-	-	-	-	-	-	-	162,678	(162,678)	-	-	-	-
Interest In Net Assets of Foundation	-	-	-	-	-	-	-	171,548	-	171,548	-	(171,548)	-
Other Long-Term Assets													
Other assets	243	162	405	166	-	-	1,010	-	-	1,581	19	-	1,600
Entrance fee receivable	557	896	1,453	744	-	-	-	-	-	2,197	-	-	2,197
Interest rate swap	-	-	-	2,433	-	-	-	-	-	2,433	-	-	2,433
Assets limited as to use	-	4,886	4,886	2,002	-	-	-	-	-	6,888	-	-	6,888
Total other long-term assets	800	5,944	6,744	5,345	-	-	1,010	-	-	13,099	19	-	13,118
Total assets	**$ 184,476**	**$ 256,672**	**$ 441,148**	**$ 159,670**	**$ 5,037**	**$ 104**	**$ 53,267**	**$ 334,226**	**$ (170,577)**	**$ 822,875**	**$ 172,162**	**$ (172,056)**	**$ 822,981**

Presbyterian Living and Affiliates

Consolidating Statement of Financial Position (Continued)

March 31, 2024

(In Thousands)

Liabilities and Net Assets	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Presbyterian Living	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Current Liabilities													
Accounts payable and accrued expenses	$ 9,123	$ 6,664	$ 15,787	$ 6,731	$ 242	$ 33	$ 3,616	$ -	$ -	$ 26,409	$ 106	$ -	$ 26,515
Current portion of long-term debt	961	3,949	4,910	1,947	-	-	-	-	-	6,857	-	-	6,857
Current portion of lease liabilities - Operating	-	-	-	-	-	-	222	-	-	222	-	-	222
Safekeeping accounts	683	359	1,042	537	-	-	-	-	-	1,579	-	-	1,579
Deposits - Entrance fees	1,045	1,329	2,374	502	20	-	-	-	-	2,896	-	-	2,896
Refundable entrance fees payable	3,900	7,200	11,100	2,900	200	-	-	-	-	14,200	-	-	14,200
Due to related parties	-	-	-	-	7,724	175	-	-	(7,899)	-	508	(508)	-
Total current liabilities	15,712	19,501	35,213	12,617	8,186	208	3,838	-	(7,899)	52,163	614	(508)	52,269
Long-term Debt - Net of current portion	44,392	63,383	107,775	58,570	-	-	-	-	-	166,345	-	-	166,345
Lease Liabilities - Operating	-	-	-	-	-	-	797	-	-	797	-	-	797
Other Long-term Liabilities - Net of current portion	4,547	598	5,145	74	-	-	737	-	-	5,956	-	-	5,956
Entrance Fees													
Deferred revenue from nonrefundable entrance fees - Net of amortization	35,847	63,020	98,867	41,534	554	-	-	-	-	140,955	-	-	140,955
Refundable entrance fees	38,810	69,322	108,132	13,997	304	-	-	-	-	122,433	-	-	122,433
Total entrance fees	74,657	132,342	206,999	55,531	858	-	-	-	-	263,388	-	-	263,388
Total liabilities	139,308	215,824	355,132	126,792	9,044	208	5,372	-	(7,899)	488,649	614	(508)	488,755
Net Assets													
Without donor restriction	45,168	40,848	86,016	32,878	(4,007)	(104)	47,895	271,702	(162,678)	271,702	109,024	(109,024)	271,702
With donor restriction	-	-	-	-	-	-	-	62,524	-	62,524	62,524	(62,524)	62,524
Total net assets	45,168	40,848	86,016	32,878	(4,007)	(104)	47,895	334,226	(162,678)	334,226	171,548	(171,548)	334,226
Total liabilities and net assets	**$ 184,476**	**$ 256,672**	**$ 441,148**	**$ 159,670**	**$ 5,037**	**$ 104**	**$ 53,267**	**$ 334,226**	**$ (170,577)**	**$ 822,875**	**$ 172,162**	**$ (172,056)**	**$ 822,981**

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions

Year Ended March 31, 2025

(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Presbyterian Living	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Operating Revenue													
Independent living	$ 14,742	$ 20,165	$ 34,907	$ 13,719	$ 1,340	$ -	$ -	$ 49,966	$ -	$ 49,966	$ -	$ -	$ 49,966
Amortization of entrance fees	6,374	8,472	14,846	7,191	150	-	-	22,187	-	22,187	-	-	22,187
Assisted living	8,278	7,701	15,979	12,379	-	-	-	28,358	-	28,358	-	-	28,358
Health care fees	25,471	11,659	37,130	15,986	-	321	-	53,437	-	53,437	-	-	53,437
Other	1,685	1,831	3,516	1,560	48	-	10,354	15,478	(10,276)	5,202	-	(202)	5,000
Contributions from Geneva Foundation	2,685	542	3,227	688	4	-	-	3,919	-	3,919	-	(3,919)	-
Net assets released from restriction - Operating	-	-	-	-	-	-	-	-	-	-	3,919	-	3,919
Total operating revenue	59,235	50,370	109,605	51,523	1,542	321	10,354	173,345	(10,276)	163,069	3,919	(4,121)	162,867
Operating Expenses													
Salaries and benefits	26,768	18,320	45,088	20,753	245	-	8,341	74,427	-	74,427	-	-	74,427
Supplies	3,603	2,652	6,255	2,880	24	-	50	9,209	-	9,209	-	-	9,209
Purchased services	7,647	6,767	14,414	6,081	617	326	1,650	23,088	(206)	22,882	-	-	22,882
Utilities	2,181	1,684	3,865	1,482	178	-	59	5,584	-	5,584	-	-	5,584
Other	5,594	4,440	10,034	4,741	242	54	(662)	14,409	(10,070)	4,339	-	-	4,339
Depreciation	11,979	12,009	23,988	9,246	528	-	227	33,989	-	33,989	-	-	33,989
Total operating expenses	57,772	45,872	103,644	45,183	1,834	380	9,665	160,706	(10,276)	150,430	-	-	150,430
Net Operating Income	1,463	4,498	5,961	6,340	(292)	(59)	689	12,639	-	12,639	3,919	(4,121)	12,437
Nonoperating Revenue (Expense)													
Realized gain on investments - Net	33	399	432	176	-	-	88	696	-	696	663	-	1,359
Unrealized gains on investments	605	1,697	2,302	523	-	-	856	3,681	-	3,681	3,402	-	7,083
Contributions	-	-	-	-	-	-	-	-	-	-	1,138	-	1,138
Investment income	2,356	2,876	5,232	1,417	-	-	1,265	7,914	-	7,914	4,808	-	12,722
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	(5,024)	4,245	(779)
Change in fair value of interest rate swap	-	-	-	(1,296)	-	-	-	(1,296)	-	(1,296)	-	-	(1,296)
Interest expense	(1,467)	(2,276)	(3,743)	(1,790)	(248)	(6)	254	(5,533)	-	(5,533)	-	-	(5,533)
Other	217	50	267	1,899	1	-		2,167	-	2,167	-	-	2,167
Total nonoperating (expense) revenue	1,744	2,746	4,490	929	(247)	(6)	2,463	7,629	-	7,629	4,987	4,245	16,861
Excess (Deficit) of Revenue Over Expenses	3,207	7,244	10,451	7,269	(539)	(65)	3,152	20,268	-	20,268	8,906	124	29,298
Capital Support from Geneva Foundation	17	107	124	-	-	-	-	124	-	124	-	(124)	-
Net Assets Released from Restriction for Capital Purchases	-	-	-	-	-	-	-	-	-	-	124	-	124
Increase (Decrease) in Net Assets without Donor Restrictions	**$ 3,224**	**$ 7,351**	**$ 10,575**	**$ 7,269**	**$ (539)**	**$ (65)**	**$ 3,152**	**$ 20,392**	**$ -**	**$ 20,392**	**$ 9,030**	**$ -**	**$ 29,422**

Consolidating Statement of Operations and Changes in Net Assets without Donor Restrictions

Year Ended March 31, 2024

(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Presbyterian Living	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Operating Revenue													
Independent living	$ 13,997	$ 18,789	$ 32,786	$ 13,000	$ 951	$ -	$ -	$ 46,737	$ -	$ 46,737	$ -	$ -	$ 46,737
Amortization of entrance fees	5,598	8,309	13,907	6,113	224	-	-	20,244	-	20,244	-	-	20,244
Assisted living	8,011	7,127	15,138	11,703	-	-	-	26,841	-	26,841	-	-	26,841
Health care fees	26,426	11,285	37,711	14,646	-	493	-	52,850	-	52,850	-	-	52,850
Other	1,740	1,377	3,117	787	21	-	10,409	14,334	(10,148)	4,186	-	(316)	3,870
Contributions from Geneva Foundation	2,359	525	2,884	1,062	(5)	-	-	3,941	-	3,941	-	(3,941)	-
Net assets released from restriction - Operating	-	-	-	-	-	-	-	-	-	-	3,942	-	3,942
Total operating revenue	58,131	47,412	105,543	47,311	1,191	493	10,409	164,947	(10,148)	154,799	3,942	(4,257)	154,484
Operating Expenses													
Salaries and benefits	26,485	17,311	43,796	20,191	282	-	9,336	73,605	-	73,605	-	-	73,605
Supplies	3,594	2,540	6,134	2,687	22	-	84	8,927	-	8,927	-	-	8,927
Purchased services	8,048	6,719	14,767	5,794	591	433	1,645	23,230	(172)	23,058	-	-	23,058
Utilities	1,995	1,571	3,566	1,397	142	-	68	5,173	-	5,173	-	-	5,173
Other	5,619	3,813	9,432	3,852	202	76	(448)	13,114	(9,976)	3,138	-	-	3,138
Depreciation	12,200	11,678	23,878	9,217	526	-	295	33,916	-	33,916	-	-	33,916
Total operating expenses	57,941	43,632	101,573	43,138	1,765	509	10,980	157,965	(10,148)	147,817	-	-	147,817
Net Operating Income	190	3,780	3,970	4,173	(574)	(16)	(571)	6,982	-	6,982	3,942	(4,257)	6,667
Nonoperating Revenue (Expense)													
Realized gain on investments - Net	730	2,189	2,919	457	-	-	648	4,024	-	4,024	3,874	-	7,898
Unrealized loss on investments	937	3,588	4,525	1,382	-	-	1,841	7,748	-	7,748	8,171	-	15,919
Contributions	-	-	-	-	-	-	-	-	-	-	848	-	848
Investment income	2,450	2,574	5,024	1,331	-	-	1,175	7,530	-	7,530	4,620	-	12,150
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	(8,106)	7,439	(667)
Change in fair value of interest rate swap	-	-	-	(100)	-	-	-	(100)	-	(100)	-	-	(100)
Interest expense	(1,502)	(2,473)	(3,975)	(1,869)	(210)	(6)	216	(5,844)	-	(5,844)	-	-	(5,844)
Other	138	11	149	(21)	1	-		129	-	129	-	-	129
Total nonoperating (expense) revenue	2,753	5,889	8,642	1,180	(209)	(6)	3,880	13,487	-	13,487	9,407	7,439	30,333
Excess (Deficit) of Revenue Over Expenses	2,943	9,669	12,612	5,353	(783)	(22)	3,309	20,469	-	20,469	13,349	3,182	37,000
Capital Support from Geneva Foundation	168	3,007	3,175	7	-	-	-	3,182	-	3,182	-	(3,182)	-
Net Assets Released from Restriction for Capital Purchases	-	-	-	-	-	-	-	-	-	-	3,182	-	3,182
Increase (Decrease) in Net Assets without Donor Restrictions	**$ 3,111**	**$ 12,676**	**$ 15,787**	**$ 5,360**	**$ (783)**	**$ (22)**	**$ 3,309**	**$ 23,651**	**$ -**	**$ 23,651**	**$ 16,531**	**$ -**	**$ 40,182**

Consolidating Statement of Changes in Net Assets

Year Ended March 31, 2025

(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC
Net Assets (Deficit) - March 31, 2023	$ 45,168	$ 40,848	$ 86,016	$ 32,878	$ (4,007)	$ (104)	$ 47,895
Excess (deficit) of revenue over expenses	3,207	7,244	10,451	7,269	(539)	(65)	3,152
Restricted investment income	-	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	-	-
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	-	-
Capital support from Geneva Foundation	17	107	124	-	-	-	-
Net assets released from restrictions - Operating	-	-	-	-	-	-	-
Net assets released from restrictions - Capital	-	-	-	-	-	-	-
Change in net assets of the affiliate	-	-	-	-	-	-	-
Change in net assets of the Foundation	-	-	-	-	-	-	-
Increase (decrease) in net assets	3,224	7,351	10,575	7,269	(539)	(65)	3,152
Net Assets (Deficit) - March 31, 2024	**$ 48,392**	**$ 48,199**	**$ 96,591**	**$ 40,147**	**$ (4,546)**	**$ (169)**	**$ 51,047**

Consolidating Statement of Changes in Net Assets (Continued)

Year Ended March 31, 2025

(In Thousands)

	Presbyterian Living				Geneva Foundation of Presbyterian Living			
	Net Assets Without Donor Restrictions	**Net Assets With Donor Restrictions**	**Eliminations**	**Total**	**Net Assets Without Donor Restrictions**	**Net Assets With Donor Restrictions**	**Eliminations**	**Consolidated**
Net Assets (Deficit) - March 31, 2023	$ 271,702	$ 62,524	$ (162,678)	$ 334,226	$ 109,024	$ 62,524	$ (171,548)	$ 334,226
Excess (deficit) of revenue over expenses	-	-	-	20,268	8,906	-	124	29,298
Restricted investment income	-	-	-	-	-	511	-	511
Restricted contributions	-	-	-	-	-	1,841	-	1,841
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	192	-	192
Capital support from Geneva Foundation	-	-	-	124	-	-	(124)	-
Net assets released from restrictions - Operating	-	-	-	-	-	(3,919)	-	(3,919)
Net assets released from restrictions - Capital	-	-	-	-	124	(124)	-	-
Change in net assets of the affiliate	20,392	-	(20,392)	-	-	-	-	-
Change in net assets of the Foundation	9,030	(1,499)	-	7,531	-	-	(7,531)	-
Increase (decrease) in net assets	29,422	(1,499)	(20,392)	27,923	9,030	(1,499)	(7,531)	27,923
Net Assets (Deficit) - March 31, 2024	**$ 301,124**	**$ 61,025**	**$ (183,070)**	**$ 362,149**	**$ 118,054**	**$ 61,025**	**$ (179,079)**	**$ 362,149**

Consolidating Statement of Changes in Net Assets

Year Ended March 31, 2024

(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC
Net Assets (Deficit) - March 31, 2023	$ 42,057	$ 28,172	$ 70,229	$ 27,518	$ (3,224)	$ (82)	$ 44,586
Excess of revenue over expenses	2,943	9,669	12,612	5,353	(783)	(22)	3,309
Restricted investment income	-	-	-	-	-	-	-
Restricted contributions	-	-	-	-	-	-	-
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	-	-
Capital support from Geneva Foundation	168	3,007	3,175	7	-	-	-
Net assets released from restrictions - Operating	-	-	-	-	-	-	-
Net assets released from restrictions - Capital	-	-	-	-	-	-	-
Change in net assets of the affiliate	-	-	-	-	-	-	-
Change in net assets of the Foundation	-	-	-	-	-	-	-
Increase (decrease) in net assets	3,111	12,676	15,787	5,360	(783)	(22)	3,309
Net Assets (Deficit) - March 31, 2024	**$ 45,168**	**$ 40,848**	**$ 86,016**	**$ 32,878**	**$ (4,007)**	**$ (104)**	**$ 47,895**

Consolidating Statement of Changes in Net Assets (Continued)

Year Ended March 31, 2024

(In Thousands)

	Presbyterian Living				Geneva Foundation of Presbyterian Living			
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Eliminations	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Eliminations	Consolidated
Net Assets (Deficit) - March 31, 2023	$ 231,520	$ 63,981	$ (139,027)	$ 295,501	$ 92,493	$ 63,981	$ (156,474)	$ 295,501
Excess of revenue over expenses	-	-	-	20,469	13,349	-	3,182	37,000
Restricted investment income	-	-	-	-	-	594	-	594
Restricted contributions	-	-	-	-	-	1,543	-	1,543
Change in valuation of interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	3,530	-	3,530
Capital support from Geneva Foundation	-	-	-	3,182	-	-	(3,182)	-
Net assets released from restrictions - Operating	-	-	-	-	-	(3,942)	-	(3,942)
Net assets released from restrictions - Capital	-	-	-	-	3,182	(3,182)	-	-
Change in net assets of the affiliate	23,651	-	(23,651)	-	-	-	-	-
Change in net assets of the Foundation	16,531	(1,457)	-	15,074	-	-	(15,074)	-
Increase (decrease) in net assets	40,182	(1,457)	(23,651)	38,725	16,531	(1,457)	(15,074)	38,725
Net Assets (Deficit) - March 31, 2024	**$ 271,702**	**$ 62,524**	**$ (162,678)**	**$ 334,226**	**$ 109,024**	**$ 62,524**	**$ (171,548)**	**$ 334,226**

Consolidating Statement of Cash Flows

Year Ended March 31, 2025
(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Cash Flows from Operating Activities												
Increase(decrease) in net assets	$ 3,224	$ 7,351	$ 10,575	$ 7,269	$ (539)	$ (65)	$ 3,152	$ -	$ 20,392	$ 7,531	$ -	$ 27,923
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:												
Net change in realized net gains	(33)	(399)	(432)	(176)	-	-	(88)		(696)	(663)		(1,359)
Net change in unrealized net gains	(605)	(1,697)	(2,302)	(523)	-	-	(856)		(3,681)	(3,402)		(7,083)
Proceeds from the sale of investments	2,462	9,923	12,385	12,730	-	-	7,602		32,717	18,749		51,466
Purchase of investments	6,128	(14,807)	(8,679)	(12,566)	-	-	(5,764)		(27,009)	(22,302)		(49,311)
Restricted contributions	-	-	-	-	-	-	-		-	(2)		(2)
Credit loss expense	244	58	302	67	-	12	-		381	-		381
Depreciation	11,979	12,009	23,988	9,246	528	-	227		33,989	-		33,989
(Gian) loss on disposal of property and equipment	(188)	(35)	(223)	(1,939)	-	-	-	-	(2,162)	-	-	(2,162)
Amortization of deferred financing fees	28	99	127	117	-	-	-		244	-		244
Amortization of bond premium	(272)	(646)	(918)	-	-	-	-		(918)	-		(918)
Change in beneficial interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	-	-		-	(192)		(192)
Change in fair value of interest rate swap	-	-	-	1,296	-	-	-		1,296	-		1,296
Amortization of entrance fees	(6,374)	(8,472)	(14,846)	(7,191)	(150)	-	-		(22,187)	-		(22,187)
Proceeds from nonrefundable turnover entrance fees	10,116	10,665	20,781	8,411	-	-	-		29,192	-		29,192
Payment of lease liability	-	-	-	-	-	-	(222)		(222)	-		(222)
Amortization of right-of-use operating lease assets	-	-	-	-	-	-	196		196	-		196
Tenant improvements allowance	-	-	-	-	-	-	114		114	-		114
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:												
Accounts receivable	(437)	(362)	(799)	(743)	4	22	1		(1,515)	-		(1,515)
Due from/to related parties	(507)	200	(307)	(41)	963	25	(809)		(169)	169		-
Prepaid expenses and other	3	(8)	(5)	1,884	(2)	-	62		1,939	-		1,939
Entrance fee receivables and deposits	(1,806)	(39)	(1,845)	1,038	(1)	-	-		(808)	-		(808)
Other long-term assets	-	(232)	(232)	(1,500)	-	-	(64)		(1,796)	-		(1,796)
Accounts payable and accrued expenses	1,832	440	2,272	(1,216)	153	3	(1,364)		(152)	16		(136)
Safekeeping accounts	(89)	4	(85)	43	-	-	-		(42)	-		(42)
Other long-term liabilities	10	21	31	-	-	-	(22)		9	-		9
Net cash and cash equivalents provided by (used in) operating activities	25,715	14,073	39,788	16,206	956	(3)	2,165	-	59,112	(96)	-	59,016
Cash Flows from Investing Activities												
Purchase of property and equipment	(18,922)	(7,147)	(26,069)	(13,398)	(870)	-	(173)		(40,510)	-		(40,510)
Insurance proceeds from involuntary conversion	188	35	223	1,881	-	-	-	-	2,104	-	-	2,104
Proceeds from sale of property, plant, and equipment	-	-	-	58	-	-	-		58	-		58
Net cash and cash equivalents provided by (used in) investing activities	(18,734)	(7,112)	(25,846)	(11,459)	(870)	-	(173)	-	(38,348)	-	-	(38,348)
Cash Flows from Financing Activities												
Restricted contributions	-	-	-	-	-	-	-		-	2		2
Payment of long-term debt	(961)	(3,949)	(4,910)	(1,947)	-	-	-		(6,857)	-		(6,857)
Proceeds from refundable turnover entrance fees	1,939	3,620	5,559	239	-	-	-		5,798	-		5,798
Payment of entrance fee refunds	(5,989)	(5,033)	(11,022)	(2,274)	(180)	-	-		(13,476)	-		(13,476)
Net cash and cash equivalents provided by (used in) financing activities	(5,011)	(5,362)	(10,373)	(3,982)	(180)	-	-	-	(14,535)	2	-	(14,533)
Net Increase (Decrease) in Cash and Cash Equivalents	1,970	1,599	3,569	765	(94)	(3)	1,992	-	6,229	(94)	-	6,135
Cash and Cash Equivalents - Beginning of year	2,883	2,209	5,092	2,982	194	4	1,857	-	10,129	2,058	-	12,187
Cash and Cash Equivalents - End of year	**$ 4,853**	**$ 3,808**	**$ 8,661**	**$ 3,747**	**$ 100**	**$ 1**	**$ 3,849**	**$ -**	**$ 16,358**	**$ 1,964**	**$ -**	**$ 18,322**
Supplemental Cash Flow Information												
Cash paid for interest	$ 1,725	$ 2,920	$ 4,645	$ 1,670	$ -	$ -	$ -		$ 6,315	$ -		$ 6,315
Capital expenditures included in accounts payable - Beginning of year	3,241	1,643	4,884	1,261	137	-	61		6,343	-		6,343
Capital expenditures included in accounts payable - End of year	576	3,026	3,602	1,389	5	-	-		4,996	-		4,996

Consolidating Statement of Cash Flows

Year Ended March 31, 2024
(In Thousands)

	Westminster Place	Lake Forest Place, LLC	Presbyterian Homes Obligated Group Total	The Moorings of Arlington Heights, LLC	Ten Twenty Grove, LLC	Presbyterian Living Outpatient Rehabilitation Agency, LLC	Presbyterian Homes Manager, LLC	Eliminations	Total	Geneva Foundation of Presbyterian Living	Eliminations	Consolidated
Cash Flows from Operating Activities												
Increase(decrease) in net assets	$ 3,111	$ 12,676	$ 15,787	$ 5,360	$ (783)	$ (22)	$ 3,309	$ -	$ 23,651	$ 15,074	$ -	$ 38,725
Adjustments to reconcile (decrease) increase in net assets to net cash and cash equivalents from operating activities:												
Net change in realized net gains	(730)	(2,189)	(2,919)	(457)	-	-	(648)		(4,024)	(3,874)		(7,898)
Net change in unrealized net losses	(937)	(3,588)	(4,525)	(1,382)	-	-	(1,841)		(7,748)	(8,171)		(15,919)
Proceeds from the sale of investments	8,145	32,457	40,602	8,165	-	-	15,784		64,551	50,440		114,991
Purchase of investments	(17,341)	(36,878)	(54,219)	(10,426)	-	-	(19,940)		(84,585)	(51,358)		(135,943)
Credit loss expense	263	54	317	173	2	31	-		523	-		523
Depreciation	12,200	11,678	23,878	9,217	526	-	295		33,916	-		33,916
(Gain) loss on disposal of property and equipment	(114)	-	(114)	34	-	-	-	-	(80)	-	-	(80)
Amortization of deferred financing fees	28	99	127	117	-	-	-		244	-		244
Amortization of bond premium	(285)	(720)	(1,005)	-	-	-	-		(1,005)	-		(1,005)
Change in beneficial interest in perpetual trusts and irrevocable trusts	-	-	-	-	-	-	-		-	(3,530)		(3,530)
Change in fair value of interest rate swap	-	-	-	100	-	-	-		100	-		100
Amortization of entrance fees	(5,598)	(8,309)	(13,907)	(6,113)	(224)	-	-		(20,244)	-		(20,244)
Proceeds from nonrefundable turnover entrance fees	7,519	9,913	17,432	8,546	-	-	-		25,978	-		25,978
Bond proceeds released from capital project fund	6,018	-	6,018	-	-	-	-		6,018	-		6,018
Payment of lease liability	-	(2)	(2)	(9)	-	-	(208)		(219)	-		(219)
Amortization of right-of-use operating lease assets	8	3	11	11	-	-	192		214	-		214
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:												
Accounts receivable	(568)	(238)	(806)	(614)	1	(28)	38		(1,409)	-		(1,409)
Due from/to related parties	(698)	(1,887)	(2,585)	(331)	1,039	(32)	2,149		240	(240)		-
Prepaid expenses and other	(92)	(26)	(118)	(1,797)	(2)	-	(556)		(2,473)	(16)		(2,489)
Pledges and bequests receivable	-	-	-	-	-	-	-		-	1,441		1,441
Entrance fee receivables and deposits	493	1,634	2,127	715	-	-	-		2,842	-		2,842
Other long-term assets	-	(215)	(215)	(94)	-	-	(50)		(359)	-		(359)
Accounts payable and accrued expenses	289	(54)	235	275	(100)	(59)	1,186		1,537	10		1,547
Safekeeping accounts	(82)	(1)	(83)	48	-	-	-		(35)	-		(35)
Other long-term liabilities	-	9	9	-	-	-	(292)		(283)	-		(283)
Net cash and cash equivalents provided by (used in) operating activities	11,629	14,416	26,045	11,538	459	(110)	(582)	-	37,350	(224)	-	37,126
Cash Flows from Investing Activities												
Purchase of property and equipment	(15,480)	(17,345)	(32,825)	(9,313)	(618)	-	(51)		(42,807)	-		(42,807)
Insurance proceeds from involuntary conversion	114	-	114	1,681	-	-	-	-	1,795	-	-	1,795
Net cash and cash equivalents provided by (used in) investing activities	(15,366)	(17,345)	(32,711)	(7,632)	(618)	-	(51)	-	(41,012)	-	-	(41,012)
Cash Flows from Financing Activities												
Payment of long-term debt	(939)	(3,761)	(4,700)	(1,892)	-	-	-		(6,592)	-		(6,592)
Proceeds from refundable turnover entrance fees	4,632	10,182	14,814	526	-	-	-		15,340	-		15,340
Payment of entrance fee refunds	(3,321)	(4,105)	(7,426)	(2,823)	-	-	-		(10,249)	-		(10,249)
Net cash and cash equivalents provided by (used in) financing activities	372	2,316	2,688	(4,189)	-	-	-	-	(1,501)	-	-	(1,501)
Net Increase (Decrease) in Cash and Cash Equivalents	(3,365)	(613)	(3,978)	(283)	(159)	(110)	(633)	-	(5,163)	(224)	-	(5,387)
Cash and Cash Equivalents - Beginning of year	6,248	2,822	9,070	3,265	353	114	2,490	-	15,292	2,282	-	17,574
Cash and Cash Equivalents - End of year	**$ 2,883**	**$ 2,209**	**$ 5,092**	**$ 2,982**	**$ 194**	**$ 4**	**$ 1,857**	**$ -**	**$ 10,129**	**$ 2,058**	**$ -**	**$ 12,187**
Supplemental Cash Flow Information												
Cash paid for interest	$ 1,771	$ 3,160	$ 4,931	$ 1,735	$ -	$ -	$ -		$ 6,666	$ -		$ 6,666
Capital expenditures included in accounts payable - Beginning of year	7,327	6,251	13,578	1,397	-	-	2		14,977	-		14,977
Capital expenditures included in accounts payable - End of year	3,241	1,643	4,884	1,261	137	-	61		6,343	-		6,343

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE

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TABLE OF CONTENTS

Brief descriptions of the Master Indenture and the Mortgage are included hereafter in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Master Indenture and the Mortgage are qualified in their entirety by reference to each such document, copies of which are available for review prior to the issuance and delivery of the Bonds at the offices of the Authority and thereafter at the offices of the Master Trustee.

The Second Supplemental Master Indenture contains amendments to the Master Indenture (the *"2026 Springing Amendments"*) which will become effective upon receipt of the consent of the holders of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture. The holders of the Series 2026 Obligations shall, by their acceptance thereof, be deemed to have consented to the 2026 Springing Amendments. As of the date hereof, none of the other owners of any Obligations issued prior to the date hereof and currently outstanding have consented to the 2026 Springing Amendments. Therefore, the 2026 Springing Amendments will not be effective until the consent of the owners of not less than a majority in aggregate principal amount of the Obligations Outstanding under the Master Indenture, which is expected to occur on the issuance date of the Series 2026B Obligation.

The 2026 Springing Amendments are described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE" below.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the Master Indenture, the Mortgage and this Official Statement.

See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Definitions Added to the Master Indenture" and "– Amendment of Definitions" below for a description of the definitions to be added and amended in the Master Indenture.

"Accelerable Instrument" means any Obligation or any mortgage, indenture, loan agreement or other instrument under which there has been issued or incurred, or by which there is secured, any Indebtedness evidenced by an Obligation, which Obligation or instrument provides that, upon the occurrence of an event of default under such Obligation or instrument, the holder thereof may request that the Master Trustee declare such Obligation or Indebtedness due and payable prior to the date on which it would otherwise become due and payable.

"Act" means the Illinois Finance Authority Act of the State of Illinois, as from time to time amended.

"Additional Indebtedness" means Indebtedness incurred by any Member subsequent to the issuance of the Series 2016A Obligation.

"Additional Obligations" means any evidence of Indebtedness or evidence of any repayment obligation under any Interest Rate Agreement issued after the issuance of the Series 2016A Obligation authorized to be issued by a Member pursuant to the Master Indenture which has been authenticated by the Master Trustee pursuant to the Master Indenture.

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

"Assisted Living Units" means the assisted living units of the Obligated Group.

"Authority" means the Illinois Finance Authority, a body politic and corporate created and existing under and by virtue of the Act, and its successors and assigns.

"Authorized Officer" means the President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or any other officer or agent authorized to sign certificates or documents on behalf of an entity.

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

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

"Bonds" means, jointly and individually, the Series 2026A Bonds and the Series 2026B Bonds.

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

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

"Capitalized Rentals" means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

"Cash and Investments" means the sum of cash, cash equivalents, marketable securities, including without limitation board-designated assets, and amounts, if any, held in escrow in order to comply with the Illinois Life Care Facilities Act, but excluding (a) trustee-held funds other than those described above in this definition, (b) donor-restricted funds whether permanent or temporary, which prevent the use of such funds or investments for the payment of debt service on the Obligations regardless of whether such funds or investments are considered restricted for purposes of GAAP, (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, and (d) any pension and retirement funds, all as shown on the most recent audited or unaudited financial statements which include the Obligated Group. For purposes of calculations under the Master Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

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

"Commitment Indebtedness" means the obligation of any Member to repay amounts disbursed pursuant to a commitment from a financial institution to refinance or purchase when due, when tendered or when required to be purchased (a) other Indebtedness of such Member, or (b) Indebtedness of a Person who is not a Member, which Indebtedness is guaranteed by a Guaranty of such Member or secured by or payable from amounts paid on Indebtedness of such Member, in either case which Indebtedness or Guaranty of such Member was incurred in accordance with the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," and the obligation of any Member to pay interest payable on amounts disbursed for such purposes, plus any fees, costs or expenses payable to such financial institution for, under or in connection with such commitment, in the event of disbursement pursuant to such commitment or in connection with enforcement thereof, including without limitation any penalties payable in the event of such enforcement.

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

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

"Consultant" means a professional consulting, accounting, investment banking or commercial banking firm selected by the Obligated Group Representative and not objected to by the Master Trustee, having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm is not a Member of the Obligated Group, does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof, it being understood that an arm's length contract between such firm and any Member of the Obligated Group for the performance of consulting or banking services shall not be regarded as creating an interest in having any control over such entity.

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

"Cross-over Date" means, with respect to Cross-over Refunding Indebtedness, the date on which the principal portion of the Cross-over Refunded Indebtedness is paid or redeemed, or on which it is anticipated that such principal portion will be paid or redeemed, from the proceeds of such Cross-over Refunding Indebtedness.

"Cross-over Refunded Indebtedness" means Indebtedness of a Person refunded by Cross-over Refunding Indebtedness.

"Cross-over Refunding Indebtedness" means Indebtedness of a Person issued for the purpose of refunding other Indebtedness of such Person if the proceeds of such Cross-over Refunding Indebtedness are irrevocably deposited in escrow to secure the payment on the applicable Cross-over Date of the

Cross-over Refunded Indebtedness and earnings on such escrow deposit are required to be applied to pay interest or principal on either or both of such Cross-over Refunding Indebtedness or such Cross-over Refunded Indebtedness until the Cross-over Date.

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

"Days Cash on Hand" means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing Expenses (including interest on Indebtedness but excluding provisions for bad debt, amortization, depreciation or any other non-cash expenses) as shown on the consolidating statement of operations within the most recent annual audited financial statements which include the Obligated Group, by 365. (*See SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE –Amendment of Definitions")*

"Debt Service Reserve Fund Requirement" means, during any DSRF Funding Period, an amount equal to the lesser of (i) the Maximum Annual Debt Service Requirement during the current or any future Bond Year of the Series 2016A Bonds then outstanding, (ii) an amount equal to 10% of the outstanding principal amount of the Series 2016A Bonds (determined in accordance with the provisions of U.S. Treasury Regulation Section 1.148-2(f)(1)) or (iii) an amount equal to 125% of the average annual Debt Service Requirements during any Bond Year of the Series 2016A Bonds, provided that the Maximum Annual Debt Service Requirement and the Debt Service Requirement for the Series 2016A Bonds will be calculated in accordance with the provisions of the Master Indenture. For the purposes of this definition "Bond Year" shall mean any 12-month period beginning May 1 of a calendar year and ending April 30 of any year in which Series 2016A Bonds are Outstanding and for the purpose of calculating debt service on the Series 2016A Bonds in any Bond Year, principal and interest payable on the Series Bonds on May 1 of any Bond Year shall be deemed to be payable during the preceding Bond Year.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Funded Indebtedness of each Person or a group of Persons with respect to which

calculated; *provided* that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in the provisions of the Master Indenture summarized under the captions "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" and "– CALCULATION OF DEBT SERVICE AND DEBT SERVICE COVERAGE"; (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which requires that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness, and except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt service; (e) any annual fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements; (f) with respect to any Funded Indebtedness for which the number of actual payments of principal in any Fiscal Year is greater than those in the immediately preceding and/or succeeding Fiscal Years solely by reason of the fact that such principal payments are scheduled to occur other than on a specified date or dates, the first or last principal payment in such Fiscal Year, as the case may be, for which the number of payments is higher shall be deemed to be required to be made in the next preceding or succeeding Fiscal Year, as appropriate, so as to have an equal number of principal payments in each Fiscal Year and (g) debt service payments on the Indebtedness described in subparagraph (O) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" below shall be excluded from Debt Service Requirements. (*See SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE –Amendment of Definitions")*

"DSRF Funding Period" means, the period of time (A) commencing 60 days after the Obligated Group (i) receives notice from any Rating Agency then maintaining a rating on the Series 2016A Bonds, that the credit rating on the Series 2016A Bonds is "BBB-" (or an equivalent rating) or below, (ii) receives notice that all of the credit ratings on the Series 2016A Bonds have been withdrawn (including any voluntary withdrawal at the request of the Obligated Group) and such bonds have become unrated, or (iii) delivers to the Master Trustee an Officer's Certificate required by the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT," stating that the Obligated Group has less than 250 Days Cash on Hand as of any Testing Date and (B) ending on any date the Obligated Group (i) receives notice from any Rating Agency then maintaining a rating on the Series 2016A Bonds, that the credit rating on the Series 2016A Bonds is "BBB" (or an equivalent rating) or higher and (ii) delivers to the Master Trustee an Officer's Certificate required by the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT," stating that the Obligated Group has not less than 250 Days Cash on Hand as of any Testing Date.

"EMMA" means the Electronic Municipal Market Access system as described in the Securities Exchange Act of 1934, as amended by Release No. 59062, and maintained by the Municipal Securities Rulemaking Board for purposes of Rule 15c2-12, or any similar system that is acceptable to the Securities and Exchange Commission.

"Encumbered" means, with respect to Property, subject to a Lien described in the following subsections of the definition of Permitted Encumbrances: (b) other than a Lien securing Non-Recourse Indebtedness, (d) but including only Capitalized Leases, (l)(ii), (s) and (u)(ii), and all other Liens not described in the definition of Permitted Encumbrances; *provided* that any amounts on deposit in a construction fund created in connection with the issuance of an Obligation which are held as security for the payment of such Obligation or any Indebtedness incurred to purchase such Obligation or the proceeds of which are advanced or otherwise made available in connection with the issuance of such Obligation, shall not be deemed to be Encumbered if the amounts are to be applied to construct or otherwise acquire Property which is not subject to a Lien.

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

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

"Excluded Property" means (a) any assets of "employee pension benefit plans" as defined in the Employee Retirement Income Security Act of 1974, as amended, (b) any moneys and securities held as an entrance fee deposit or security deposit, or in a resident trust fund, for any resident of any Facility of a Member prior to such resident's occupancy of any Facility, and (c) the real estate described as excluded in the Master Indenture, as amended as provided in the Master Indenture from time to time, and all

improvements, fixtures, tangible personal property and equipment located thereon and used in connection therewith.

"Existing Master Indenture" means the Original Master Indenture, as amended and supplemented by the First Supplemental Master Indenture.

"Expenses" means, for any period, the aggregate of all expenses calculated under generally accepted accounting principles, including without limitation any taxes, incurred by the Person or group of Persons involved during such period, minus (a) interest on Funded Indebtedness (taking into account any Interest Rate Agreement as provided in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CALCULATION OF DEBT SERVICE AND DEBT SERVICE COVERAGE"), (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination or derisking of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation, write-down or impairment (including without limitation intangibles) of assets other than bad debts, (f) any unrealized losses resulting from changes in the valuation of investment securities and unrealized changes in the value of derivative instruments (including any change in the value of the termination value thereof) or resulting from the temporary impairment of investment securities, (g) any expenses resulting from any discontinued operations or adjustments to the value of assets or liabilities resulting from changes in GAAP, (h) asset retirement obligations (except in the year paid), (i) any other non-cash expenses, including, but not limited to, net periodic pension costs and pension adjustments related to market value fluctuations and discount rates and (j) any development, marketing, operating or other subordinated fees that have been deferred from the year in which they were originally due as a result of subordination, *provided* that such fees shall be treated as an Expense during the period in which such fees are paid. If such calculation is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

"Extendable Indebtedness" means Indebtedness which is repayable or subject to purchase at the option of the holder thereof prior to its stated maturity, but only to the extent of money available for the repayment or purchase therefor and not more frequently than once every year.

"Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person. Facilities shall not include the land, leasehold interests, buildings, fixtures or equipment constituting Excluded Property.

"Favorable Opinion of Bond Counsel" means an unqualified opinion of nationally recognized municipal bond counsel (which counsel and opinion are acceptable to the Master Trustee) to the effect that the action proposed to be taken (or failure to take such action) is permitted under the Master Indenture and will not, in and of itself, adversely affect the validity or enforceability of the Related Bonds or result in the inclusion of interest on the Related Bonds in gross income for federal income tax purposes, to the extent not already so included.

"First Supplemental Master Indenture" means the First Supplemental Master Trust Indenture dated as of March 1, 2021 between Presbyterian Homes, as Obligated Group Representative, and the Master Trustee.

"Fiscal Quarter" means each three month period ended March 31, June 30, September 30 and December 31.

"Fiscal Year" means any 12-month period beginning on April 1 of any calendar year and ending on March 31 of the next calendar year or such other consecutive 12-month period selected by the Obligated Group Representative as the fiscal year for the Members.

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

"Funded Indebtedness" means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed which is not Short-Term; (b) all Short-Term Indebtedness incurred by the Person which is of the type described in subsection (D) of the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS"; (c) the Person's Guaranties of Indebtedness which are not Short-Term; and (d) Capitalized Rentals under Capitalized Leases entered into by the Person; *provided, however,* that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to the Master Indenture.

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

"*GAAP*" or *"generally accepted accounting principles"* means generally accepted accounting principles in the United States.

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

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

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third-party payments), condemnation awards and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; *provided, however,* that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) payments or deposits under a Residency Agreement that by its terms or applicable law are required to be held in escrow or trust for the benefit of a resident until the conditions for the release of such payment or deposit have been satisfied, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units or other areas of the Facilities to be leased to residents or tenants and received prior to receipt of such certificate and licenses for occupancy of such units.

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

"Historical Debt Service Coverage Ratio" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Debt Service Requirement for such period and a denominator of one; *provided, however,* that in calculating the Debt Service Requirements for such period, the principal amount of any Indebtedness, and the interest thereon, included in such calculation which is paid during such period shall be excluded to the extent such principal amount and the interest thereon is paid from the proceeds of other Indebtedness incurred in accordance with the provisions of the Master Indenture.

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

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

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

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for any Related Issuer, any Member, the Master Trustee or any Related Bond Trustee.

"Independent Living Units" means the independent living units of the Obligated Group.

"Initial Entrance Fees" means Entrance Fees, including any premiums above published Entrance Fee levels, received upon the initial occupancy of any Independent Living Unit or assisted living unit (including any such fees collected for the purpose of obtaining parking space) not previously occupied.

"Initial Purchaser" means B.C. Ziegler and Company.

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

"Interest Payment Date" means each date on which a payment of interest on the applicable series of Master DSRF Bonds is due as provided in the Related Bond Indenture for the related series of Master DSRF Bonds.

"Interest Rate Agreement" means an interest rate exchange, hedge or similar agreement, expressly identified in an Officer's Certificate of the Obligated Group Representative delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (*e.g.,* a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness under the Master Indenture.

"Land" means the real Property owned or leased by the Obligated Group upon which the primary operations of the Members are conducted as described in the Master Indenture, as amended as provided therein from time to time, together with all buildings, improvements and fixtures located thereon, but excluding therefrom the Excluded Property.

"LFP" means Lake Forest Place, LLC, a not for profit limited liability company duly organized and existing and in good standing under the laws of the State of Illinois.

"LFP Mortgage" means the Mortgage and Security Agreement dated as of April 1, 2016 by and between LFP, as mortgagor, and the Master Trustee, as mortgagee.

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

"Liquidity Requirement" shall have the meaning set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT."

"Long-Term Indebtedness" means Indebtedness (which also may constitute Balloon Indebtedness or Put Indebtedness) having an original stated maturity or term greater than one year or renewable at the option of the debtor for a period greater than one year from the date of original issuance.

"Master Debt Service Reserve Fund Requirement" means, subject to the limitation set forth in the provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE — MASTER DEBT SERVICE RESERVE FUND" below, an amount equal to: the lesser of (a) the Maximum Annual Debt Service Requirement during any Fiscal Year on all Master DSRF Bonds and any Specified Debt Service Reserve Fund Bonds minus (b) the Specified Debt Service Reserve Funds Balance; provided, however, that, if the Master Debt Service Reserve Fund secures Related Bonds with interest that is excludable from gross income under the Code and the Master Debt Service Reserve Fund Requirement is, in the Opinion of Bond Counsel, greater than the amount permitted by the federal income tax laws to be invested without regard to yield restrictions, the Master Debt Service Reserve Fund Requirement shall be reduced to an amount equal to the maximum amount permitted by the federal

income tax laws to be invested without regard to yield restrictions. Unless otherwise required in order to comply with applicable federal income tax law referred to in the preceding sentence, the Maximum Annual Debt Service Requirement for any of the Master DSRF Bonds or Specified Debt Service Reserve Fund Bonds will be calculated in accordance with the provisions of the Master Indenture.

"Master DSRF Bonds" means the Series 2021A Bonds and any Related Bonds entitled to the benefits of the Master Debt Service Reserve Fund, as provided in a Supplemental Master Indenture after satisfying the requirements of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE — MASTER DEBT SERVICE RESERVE FUND" below.

"Master DSRF Funding Period" means, the period of time (A) commencing 60 days after the Obligated Group (i) receives notice from any Rating Agency then maintaining a rating on any series of the Master DSRF Bonds, that the credit rating on the Master DSRF Bonds is "BBB-" (or an equivalent rating) or below, (ii) receives notice that all of the credit ratings on any Master DSRF Bonds have been withdrawn (including any voluntary withdrawal at the request of the Obligated Group) and such bonds have become unrated, or (iii) delivers to the Master Trustee an Officer's Certificate required by the provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE — LIQUIDITY COVENANT" below, stating that the Obligated Group has less than 250 Days Cash on Hand as of any Testing Date and (B) ending on any date the Obligated Group (i) receives notice from any Rating Agency then maintaining a rating on any series of Master DSRF Bonds, that the credit rating on such Master DSRF Bonds is "BBB" (or an equivalent rating) or higher and (ii) delivers to the Master Trustee an Officer's Certificate required by the provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE — LIQUIDITY COVENANT" below, stating that the Obligated Group has not less than 250 Days Cash on Hand as of any Testing Date.

"Master DSRF Secured Obligation" means the Series 2021A Obligation and any Additional Obligations entitled to the benefits of the Master Debt Service Reserve Fund, as provided in a Supplemental Master Indenture after satisfying the requirements of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE — MASTER DEBT SERVICE RESERVE FUND" below.

"Master Indenture" means the Existing Master Indenture, as amended and supplemented, including as amended and supplemented by the Second Supplemental Master Indenture and the Third Supplemental Master Indenture, in accordance with the terms thereof.

"Master Trustee" means Amalgamated Bank of Chicago, its successors and assigns, or any successor trustee under the Master Indenture.

"*Maximum Annual Debt Service Coverage Ratio*" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for such period and a denominator of one.

"Maximum Annual Debt Service Requirement" means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year.

"Member," "Member of the Obligated Group" or *"Obligated Group Member"* means any Person who is listed in the Master Indenture after designation as a Member of the Obligated Group pursuant to the terms of the Master Indenture.

"MMD Index" means the Municipal Market Data "AAA" scale published by Thomson Reuters for the maturity that most closely matches the Indebtedness to which the calculation relates, or if such index is no longer published, any similar index selected by the Obligated Group Representative, published in a nationally recognized financial publication and acceptable to the Master Trustee.

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

"Mortgage" means, collectively, the LFP Mortgage and the Westminster Mortgage, if any.

"Mortgaged Property" means the real property and personal property of the Obligated Group which is subject to the Lien and security interest of the Mortgage.

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

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

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

"Obligated Group" means Westminster, LFP and any other Person which has fulfilled the requirements for entry into the Obligated Group set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – ENTRANCE INTO THE OBLIGATED GROUP" and which has not ceased such status pursuant to the

provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CESSATION OF STATUS AS A MEMBER OF THE OBLIGATED GROUP."

"Obligated Group Agent" means the Obligated Group Representative.

"Obligated Group Representative" means the Parent or such other Member or Person as may be designated from time to time pursuant to written notice to the Master Trustee, executed by the President or Chairman of the Governing Body of the Parent or, if the Parent is no longer acting as the Obligated Group Representative, of each Member of the Obligated Group.

"Obligations" means (i) the Series 2016A Obligation, (ii) the Series 2021A Obligation, (iii) the Series 2026A Obligation, (iv) the Series 2026B Obligation, (v) any Additional Obligations and (vi) any Obligation or Obligations issued in exchange for any then Outstanding Obligation.

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

"Occupied" means (i) with respect to any Independent Living Unit or Assisted Living Unit for which an Entrance Fee is charged, as applicable, any unit for which a Residency Agreement has been executed and for which any Entrance Fee payable upon occupancy has been paid or (ii) with respect to any other type of living unit (including Independent Living Units or Assisted Living Units for which Entrance Fees are not charged), physical possession of such unit by a resident.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by the Obligated Group Agent or a Member of the Obligated Group, by an Authorized Officer of Obligated Group Agent or any Member of the Obligated Group or in the case of a certificate delivered by any other Person, an Authorized Officer of such other Person, in any case whose authority to execute such certificate shall be evidenced to the satisfaction of the Master Trustee.

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

"Original Master Indenture" means the Master Trust Indenture dated as of April 1, 2016, among the Parent, as Obligated Group Representative, Westminster and LFP, as the initial Members of the Obligated Group, and the Master Trustee.

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

"Outstanding Obligations" or *"Obligations outstanding"* means all Obligations which have been duly authenticated and delivered by the Master Trustee under the Master Indenture, except:

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

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

(c) Obligations in lieu of which others have been authenticated under the Master Indenture; and

(d) Obligations held by a Member.

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

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

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

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

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

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

"Parent" means Presbyterian Homes, an Illinois not-for-profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

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

"Permitted Encumbrances" means the Master Indenture, any Related Loan Document, any Related Bond Indenture and, as of any particular time:

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

(b) any Lien on the Property of any Member permitted under the provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIENS ON PROPERTY";

(c) the Mortgage and any other security agreement or document securing the Master Trustee in connection with the issuance of the Series 2016A Bonds, and any other Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;

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

(e) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – COVENANTS AS TO CORPORATE EXISTENCE, MAINTENANCE OF PROPERTIES, AND SIMILAR MATTERS; RIGHT OF CONTEST";

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

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

(h) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof, including without limitation statutory liens granted to banks or other financial institutions, which liens have not been specifically granted to secure Indebtedness and which do not apply to Property which has been deposited as part of a plan to secure Indebtedness;

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

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

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

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

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

(n) Liens on moneys deposited by residents or others with a Member as security for or as prepayment of the cost of resident or patient care or any rights of residents of life care, elderly housing or similar facilities to endowment, prepayment or similar funds deposited by or on behalf of such residents;

(o) Liens on Excluded Property;

(p) Liens on Property due to rights of third-party payors for recoupment of excess reimbursement paid;

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

(r) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures Commitment Indebtedness and only Commitment Indebtedness;

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

(t) Liens on accounts receivable arising as a result of the sale of such accounts receivable with or without recourse, *provided* that the principal amount of Indebtedness secured by any such Lien does not exceed the face amount of such accounts receivable sold;

(u) Liens on Property of a Person existing at the time such Person is merged into or consolidated with a Member, or at the time of a sale, lease or other disposition of the properties of a Person as an entirety or substantially as an entirety to a Member which becomes part of a Property that secures Indebtedness that is assumed by a Member as a result of any such merger, consolidation or acquisition; provided, that no such Lien maybe increased, extended, renewed or modified after such date to apply to any Property of a Member not subject to such lien on such date unless such Lien as so increased, extended, renewed or modified is otherwise permitted under the Master Indenture;

(v) Liens on Property of a Member securing the obligation of a Member to repay amounts owing under Interest Rate Agreements or otherwise serving as collateral with respect thereto;

(w) Liens resulting from a right of set-off granted to a financial institution in connection with credit or Indebtedness;

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

(y) the items set forth in the title insurance policy delivered in connection with the issuance of the Series 2016A Bonds and attached as an exhibit to the Master Indenture.

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

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency;

(c) any bond, debenture, note, participation certificate or other similar obligation issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank) which is either (i) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Master Trustee or any Related Bond Trustee or their affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and, which mature not more than 365 days after the date of purchase;

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

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) asset-backed securities, commercial mortgage-backed securities, or mortgage-backed securities which are, at the time of purchase, rated by any Rating Agency in any of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(h) investment agreements with banks that at the time the agreement is executed are at the time of purchase rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency or investment agreements with non-bank financial institutions, provided that (1) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time the agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if the non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of the non-bank financial institution is at the time of purchase rated by any Rating Agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by any Rating Agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(i) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including, without limitation, any Related Bond Trustee, the Master Trustee or their affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and that the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Master Trustee or the Master Trustee's agent;

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

(k) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and whose investments consist solely of Permitted Investments as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Master Trustee, a Related Bond Trustee or their affiliates derive a fee for investment advisory or other services to the fund.

The Related Bond Trustee and the Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent receipt of written notice or information to the contrary.

For the purposes of this definition, obligations issued or held in the name of the Related Bond Trustee or the Master Trustee (or in the name of the Issuer and payable to the Related Bond Trustee or the Master Trustee) in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Related Bond Trustee or the Master Trustee, as applicable.

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

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another person.

"Principal Payment Date" means each date on which a payment of principal on the applicable series of Master DSRF Bonds is due as provided in in the Related Bond Indenture for the related series of Master DSRF Bonds.

"Projected Debt Service Coverage Ratio" means, for any future period, the ratio consisting of a numerator equal to the amount determined by dividing the projected Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the Funded Indebtedness expected to be outstanding during such period and a denominator of one.

"Projected Rate" means the projected yield at par of an obligation as set forth, in the case of (i) and (ii) below, in a certificate of the Obligated Group Representative or, in the case of (iii) below, in a report of a Consultant (which Consultant and report are not objected to by the Master Trustee). At the option of the Obligated Group Representative, the Projected Rate shall be based on (i) in the case of obligations the interest on which is expected to be exempt from federal income taxes, the MMD Index plus 1.0% per annum as published not more than seven Business Days prior to the calculation date, (ii) for taxable indebtedness, the rate on U.S. Treasuries with a maturity as close as available to the Indebtedness for which the Proposed Rate is being determined plus a spread provided by a Consultant which spread will result in a Projected Rate that is reasonably comparable in the view of the Consultant to

the current market rate for other similar taxable indebtedness or (iii) a Consultant's report stating that in determining the Projected Rate such Consultant reviewed the yield evaluations at par of not less than three obligations selected by such Consultant, the interest on which is entitled to the exemption from federal income tax afforded by Section 103(a) of the Code or any successor thereto (or, if it is not expected that it will be reasonably possible to issue such tax-exempt obligations, then obligations the interest on which is subject to federal income taxation) which obligations such Consultant states in its report are reasonable comparators for utilizing in developing such Projected Rate and which obligations: (i) were outstanding on a date selected by the Consultant which date so selected occurred during the 90-day period preceding the date of the calculation utilizing the Projected Rate in question, (ii) to the extent practicable, are obligations of Persons engaged in operations similar to those of the Obligated Group and having a credit rating similar to that of the Obligated Group, (iii) are not entitled to the benefits of any credit enhancement, including without limitation any letter or line of credit or insurance policy, and (iv) to the extent practicable, have a remaining term and amortization schedule substantially the same as the obligation with respect to which such Projected Rate is being developed.

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

"Property, Plant and Equipment" means all Property of each Member which is classified as property, plant and equipment under generally accepted accounting principles.

"Put Date" means (a) any date on which an owner of Put Indebtedness may elect to have such Put Indebtedness paid, purchased or redeemed by or on behalf of the underlying obligor prior to its stated maturity date or (b) any date on which Put Indebtedness is required to be paid, purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund or other than by reason of acceleration upon the occurrence of an event of default.

"Put Indebtedness" means Indebtedness which is (a) payable or required to be purchased or redeemed by or on behalf of the underlying obligor, at the option of the owner thereof, prior to its stated maturity date or (b) payable or required to be purchased or redeemed from the owner by or on behalf of the underlying obligor (other than at the option of the owner) prior to its stated maturity date, other than pursuant to any mandatory sinking fund or other similar fund, other than by reason of an event of taxability with respect to any Related Bond or other than by reason of acceleration upon the occurrence of an event of default.

"Rating Agency" means Moody's, S&P or Fitch.

"Rebate Fund" means any Rebate Fund created by a Related Bond Indenture.

"Related Bond Indenture" means any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

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

"Related Bonds" means the Series 2026A Bonds, the Series 2026B Bonds, the Series 2021A Bonds and the Series 2016A Bonds and any other revenue bonds or similar obligations the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations.

"Related Issuer" means the Authority and any other issuer of a series of Related Bonds.

"Related Loan Document" means any document or documents (including without limitation any lease, sublease or installment sales contract) pursuant to which any proceeds of any Related Bonds are advanced to any Member (or any Property financed or refinanced with such proceeds is leased, subleased or sold to a Member).

"Released Property" has the meaning set forth as described by the first paragraph summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE – CONDITIONS FOR RELEASE."

"Required Information Recipients" shall have the meaning set forth as provided by the provision summarized under subsection (b) of caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS."

"Required Payments" means Interest Payment Dates and Principal Payment Dates, as applicable, for the Master DSRF Bonds.

"Residency Agreement" means any written agreement or contract, as amended from time to time, between a Member and a resident of a Facility giving the resident certain rights of occupancy in the Facility, including without limitation, independent living units, assisted living units, skilled nursing beds or specialty care beds and providing for certain services to such resident.

"Revenues" means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) resident service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business or any gain from the extinguishment of debt or other extraordinary item or earnings on deposits which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), plus (iv) Unrestricted Contributions, plus (v) any other Entrance Fees received (other than Initial Entrance Fees) minus (A) Entrance Fees amortized during such Fiscal Year and (B) Entrance Fees refunded to residents; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally accepted accounting principles; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative instruments, (ii) earnings resulting from any reappraisal, revaluation, write-up or impairment of assets (including, without limitation, intangibles and pension adjustments related to market value fluctuations and discount rates) of fixed or capital assets, (iii) insurance (other than business interruption) and condemnation proceeds and (iv) adjustments to the value of assets or liabilities resulting from changes in GAAP; *provided, however,* that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between a Member and any other Member. For

purposes of calculations under the Master Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation. For purposes of any calculation under the Master Indenture that is made with reference to both Revenues and Expenses, any deduction from gross resident service revenues otherwise required by this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses. (*See SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Amendment of Definitions")*

"S&P" means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *"S&P"* shall be deemed to refer to any other nationally recognized securities rating agency which has been designated by the Master Trustee, at the direction of the Obligated Group Representative.

"Second Supplemental Master Indenture" means the Second Supplemental Master Trust Indenture between the Obligated Group Representative and the Master Trustee, amending and supplementing the Existing Master Indenture, providing for the issuance of the Series 2026A Obligation and the springing amendments described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE" below.

"Series 2016A Bonds" means the Illinois Finance Authority Revenue Bonds, Series 2016A (Presbyterian Homes Obligated Group) authorized to be issued pursuant to the terms and conditions of the Series 2016A Bond Indenture.

"Series 2016A Obligation" means the Parent's Direct Note Obligation, Series 2016A (Illinois Finance Authority), issued under the Master Indenture in substantially the form attached to the Original Master Indenture, as security for the Series 2016A Bonds.

"Series 2021A Bonds" means the Illinois Finance Authority Revenue Bonds, Series 2021A (Presbyterian Homes Obligated Group) authorized to be issued pursuant to the terms and conditions of the Series 2021A Bond Indenture.

"Series 2021A Obligation" means the Direct Note Obligation, Series 2021A (Illinois Finance Authority) delivered by the Obligated Group Representative on behalf of the Borrowers, in substantially the form attached to the First Supplemental Master Indenture, as security for the Series 2021A Bonds.

"Series 2026 Obligation(s)" means, jointly and individually, the Series 2026A Obligation and the Series 2026B Obligation.

"Series 2026A Bonds" means the Illinois Finance Authority Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group) authorized to be issued pursuant to the terms and conditions of the Series 2026A Bond Indenture.

"Series 2026A Obligation" means the Direct Note Obligation, Series 2026A (Illinois Finance Authority) delivered by the Obligated Group Representative on behalf of the Borrowers, in substantially the form attached to the Second Supplemental Master Indenture, as security for the Series 2026A Bonds.

"Series 2026B Bonds" means the Illinois Finance Authority Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group) authorized to be issued pursuant to the terms and conditions of the Series 2026B Bond Indenture.

"Series 2026B Obligation" means the Direct Note Obligation, Series 2026B (Illinois Finance Authority) delivered by the Obligated Group Representative on behalf of the Borrowers, in substantially the form attached to the Third Supplemental Master Indenture, as security for the Series 2026B Bonds.

"Short-Term," when used in connection with Indebtedness, means having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

"Specified Debt Service Reserve Fund" means any debt service reserve fund held by a Related Bond Trustee for the benefit of a particular series of Related Bonds. As of the issuance date of the Series 2026A Bonds, debt service reserve funds are held by a Related Bond Trustee for the Series 2016A Bonds. *See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – DEBT SERVICE RESERVE FUND" regarding the termination of the Specified Debt Service Reserve Fund upon the refunding of the Series 2016A Bonds which is expected to be accomplished with proceeds of the Series 2026B Bonds when issued.*

"Specified Debt Service Reserve Funds Balance" means the aggregate amounts held by Related Bond Trustees in the Specified Debt Service Reserve Funds.

"Specified Debt Service Reserve Fund Bonds" means the Series 2016A Bonds and any Related Bonds entitled to the benefit of a Specified Debt Service Reserve Fund, as provided in a Supplemental Master Indenture.

"Stable Occupancy" means with respect to any facility financed with Indebtedness for which the Master Trustee was furnished a Consultant's report pursuant to the Master Indenture (or, if no Consultant's report was required by the Master Indenture, an Officer's Certificate), the percentage of Occupied units in that facility at the level reflected as substantially at the sustainable capacity for which such facility was designed or "stabilized occupancy" for that facility in the Consultant's report or the Officer's Certificate.

"Subordinated Indebtedness" means Indebtedness which meets the requirements set forth in the Master Indenture.

"Substituted Property" has the meaning set forth as described by the provision summarized under subparagraph (B) of the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE – CONDITIONS FOR RELEASE."

"Supplemental Master Indenture" means an indenture amending or supplementing the Master Indenture entered into pursuant to the provisions of the Master Indenture summarized under the captions "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS TO THE MORTGAGE NOT REQUIRING CONSENT OF OBLIGATION HOLDERS" and "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS OF THE MORTGAGE REQUIRING CONSENT OF OBLIGATION HOLDERS."

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

"Testing Date" means each March 31 and September 30 of each Fiscal Year.

"Third Supplemental Master Indenture" means the Third Supplemental Master Trust Indenture between the Obligated Group Representative and the Master Trustee, amending and supplementing the Existing Master Indenture, providing for the issuance of the Series 2026B Obligation and the amendment and restatement of the Existing Master Indenture to make effective the springing amendments described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE THIRD SUPPLEMENTAL MASTER INDENTURE" below.

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

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

"Westminster" means Westminster Place, formerly known as Presbyterian Homes, a not for profit corporation duly organized and existing and in good standing under the laws of the State of Illinois.

"Westminster Mortgage" means any mortgage and security agreement executed by and between Westminster (or any successor thereto), as mortgagor, and the Master Trustee, as mortgagee, in accordance with the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – WESTMINSTER MORTGAGE."

"Written Request" means, with reference to a Related Issuer, a request in writing signed by the Chairman, Vice-Chairman, Mayor, Clerk, President, Vice President, Executive Director, Associate Executive Director, Secretary or Assistant Secretary of the Related Issuer and with reference to the Obligated Group Representative or any Member means a request in writing signed by the President, Vice President or Treasurer of such Person, or any other officers designated by the Related Issuer or such Person, as the case may be.

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE

The Master Indenture contains various covenants, security provisions, terms and conditions, certain of which are summarized below. Reference is made to the Master Indenture for a full and complete statement of its provisions.

INTERPRETATION OF ACCOUNTING TERMS.

Unless otherwise defined or specified in the Master Indenture, all accounting terms used in the Master Indenture shall be interpreted, all accounting determinations under the Master Indenture shall be made, all financial statements required to be delivered under the Master Indenture shall be prepared, and all financial records shall be maintained, in accordance with GAAP as in effect from time to time, applied on a basis consistent (except for such changes approved by the Obligated Group's independent public accountants) with the audited financial statements delivered as required under the Master Indenture at the time in effect; *provided, however,* that if there is any change in GAAP which results in a material change in the method of making any calculation required by the Master Indenture, including without limitation, in the Master Indenture, and, as a result of such change in GAAP, the Obligated Group Representative notifies the Master Trustee that the Obligated Group wishes to amend any covenant to eliminate the effect of any such change in GAAP on the operation of such covenant, then the Obligated Group and the Master Trustee shall amend the Master Indenture so as to equitably reflect such change, with the desired result that the criteria for making such calculation under the Master Indenture shall be the same after the change in GAAP as if such change in GAAP had not been made and, until such notice is withdrawn or such covenant is amended in a manner satisfactory to the Obligated Group Representative, the Obligated Group's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change became effective. Such notice shall be given to the Master Trustee, in writing, by the Obligated Group Representative in any Fiscal Year after the effective date of such changes to GAAP but shall be made no later than the date on which calculations required by the Master Indenture are provided to the Master Trustee. The provisions of the Master Indenture summarized in subparagraph (n) under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS TO THE MORTGAGE NOT REQUIRING CONSENT OF OBLIGATION HOLDERS" permits amendments to the Master Indenture to reflect the provisions of the Master Indenture summarized in this paragraph.

PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST

Each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture summarized below under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CESSATION OF STATUS AS A MEMBER OF THE OBLIGATED GROUP" below), jointly and severally covenants that it will promptly pay the principal of, premium, if any, and interest on every Obligation issued under the Master Indenture at the place, on the dates and in the manner provided therein and in said Obligations according to the true intent and meaning thereof. Notwithstanding any schedule of payments upon the Obligations set forth in the Master Indenture or in the Obligations, each Member unconditionally and irrevocably (subject to the right of such Member to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CESSATION OF STATUS AS A

MEMBER OF THE OBLIGATED GROUP" below), jointly and severally agrees to make payments upon each Obligation and be liable therefor at the times and in the amounts (including principal, interest and premium, if any) equal to the amounts to be paid as interest, principal at maturity or by mandatory sinking fund redemption, or premium, if any, upon any Related Bonds from time to time outstanding.

COVENANTS AS TO CORPORATE EXISTENCE, MAINTENANCE OF PROPERTIES, AND SIMILAR MATTERS; RIGHT OF CONTEST

Each Member covenants in the Master Indenture to:

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

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

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

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

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

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

(g) Promptly pay or otherwise satisfy and discharge all of its obligations and Indebtedness and all demands and claims against it as and when the same become due and payable which if not so paid, satisfied or discharged would constitute a default or an Event of Default under subsection (d) of the provisions of the Master Indenture summarized below under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – EVENTS OF DEFAULT."

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

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

(j) In the case of the Parent and each Member which is a Tax-Exempt Organization at the time it becomes a Member, so long as the Master Indenture shall remain in force and effect and so long as all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or provision for such payment has not been made, to take no action or suffer any action to be taken by others, including any action which would result in the alteration or loss of its status as a Tax-Exempt Organization, which could result in any such Related Bond being declared invalid or result in the interest on any Related Bond, which is otherwise exempt from federal or state income taxation, becoming subject to such taxation.

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

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

The foregoing notwithstanding, any Member may (i) cease to be a not for profit corporation, (ii) take actions which could result in the alteration or loss of its status as a Tax-Exempt Organization or (iii) distribute its revenues, income or profits to any of its members, directors or officers or allow the same to inure to the benefit of a private person, association or corporation if (1) prior thereto there is delivered to the Master Trustee an Opinion of Bond Counsel to the effect that such actions would not adversely affect the validity of any Related Bond, the exemption from federal or state income taxation of interest payable on any Related Bond otherwise entitled to such exemption or adversely affect the enforceability in accordance with its terms of the Master Indenture against any Member and (2) after such action the Obligated Group could meet the conditions described in subsection (A) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" for the incurrence of one dollar of additional Funded Indebtedness.

For the purposes of the provisions of the Master Indenture summarized under this caption (other than subparagraph (e) thereof), the terms Property and Facilities shall be deemed to include Excluded Property.

No Member shall be required to pay any tax, levy, charge, fee, rate, assessment or imposition referred to above, to remove any Lien required to be removed by the provisions summarized under this caption, pay or otherwise satisfy and discharge its obligations, Indebtedness (other than Indebtedness evidenced by Obligations), demands and claims against it or to comply with any Lien, law, ordinance, rule, order, decree, decision, regulation or requirement referred to under this caption, so long as such Member shall contest, in good faith and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof to prevent the collection of or other realization upon the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien so contested, and the sale, forfeiture, or loss of its Property or any part thereof, *provided,* that no such contest shall subject any Related Issuer, any Obligation Holder or the Master Trustee to the risk of any liability. While any such matters are pending, such Member shall not be required to pay, remove or cause to be discharged the tax, levy, charge, fee, rate, assessment, imposition, obligation, Indebtedness, demand, claim or Lien being contested, unless such Member agrees to settle such contest and payments under such settlement agreement are deemed to be due and payable. Each such contest shall be promptly prosecuted to final conclusion (subject to the right of such Member engaging in such a contest to settle such contest), and in any event the Member will save all Related Issuers, all Related Bond Trustees, all Obligation Holders and the Master Trustee harmless from and against all losses, judgments, decrees and costs (including attorneys' fees and expenses in connection therewith) as a result of such contest and will, promptly after the final determination of such contest or settlement thereof, pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable therein, together with all penalties, fines, interests, costs and expenses thereon or incurred in connection therewith. The Member engaging in such a contest shall give the Master Trustee prompt written notice of any such contest. Each Member waives, to the extent permitted by law, any right which it may have to contest (i) any Obligation issued for the benefit of another Member or (ii) any Obligation issued to secure or in connection with Related Bonds.

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

INSURANCE

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – <u>Insurance</u>*" below for a description of the amendments.*

Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated and as is adequate to protect its Property and operations. For purposes of the provisions of the Master Indenture summarized under this caption, the term Property shall be deemed to include Excluded Property. The Obligated Group Representative shall annually review the insurance each Member maintains to determine whether such insurance is customary and adequate. In addition, the Obligated Group Representative shall (commencing with its Fiscal Year ending March 31, 2017) cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 120 days of the end of each Fiscal Year which certificate indicates that the insurance then being maintained by the Members is customary in the case of corporations engaged in the same or similar activities and similarly situated and is adequate to protect the Obligated Group's Property and operations. The Obligated Group Representative shall cause copies of the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances; *provided, however,* that no Member of the Obligated Group shall self-insure any of its Property, Plant and Equipment.

RATES AND CHARGES

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Rates and Charges" below for a description of the amendments.

Each Member covenants and agrees to operate all of its Facilities on a revenue-producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it pursuant to the Master Indenture to the extent permitted by law. Each Member further covenants and agrees that it will from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of the Master Indenture summarized under this caption.

The Members covenant and agree that the Obligated Group Representative will calculate the Historical Debt Service Coverage Ratio of the Obligated Group for each Fiscal Year, commencing with the Fiscal Year ending March 31, 2017, and to deliver a copy of such calculation to the Required Information Recipients in connection with the delivery of the reports required by subparagraph (d) of the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS."

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 for such year, the Master Trustee shall require the Obligated Group, at the Obligated Group's expense, to select a Consultant within 30 days following the calculation described in the preceding paragraph to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 for the following Fiscal Year. The Consultant selected as required by the provisions of the Master Indenture summarized under this caption shall be approved and retained as set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS."

A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and the Master Trustee within 60 days of retaining the Consultant and a summary of such Consultant's report shall be provided to each Required Information Recipient. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of such Member) and permitted by law. The provisions of the Master Indenture summarized under this caption shall not be construed to prohibit any Member from serving indigent patients or residents to the extent required for such Member to continue its qualification as a Tax-Exempt Organization (or, in the case of a limited liability company, a disregarded entity) or from serving any other class or classes of patients or residents without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of the Master Indenture described under this caption.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1, the Master Trustee shall not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a summary to each Required Information Recipient) a written report addressed to them of a Consultant (which Consultant and report, including without limitation the scope, form, substance and other aspects of such report, are not objected to by the Master Trustee) which contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the requirements of the provisions of the Master Indenture summarized under this caption, and, if requested by the Master Trustee, such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Related Bond Trustee) an opinion of Independent Counsel (which Counsel and opinion, including without limitation the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20:1 for any Fiscal Year, such failure shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year, such failure shall constitute an event of default under the Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any two consecutive Fiscal Years, such failure shall constitute an event of default under the Master Indenture.

Notwithstanding any other provisions of the Master Indenture, in the event that any Member of the Obligated Group incurs any Additional Indebtedness for any acquisition, construction, renovation or replacement project pursuant to any other provision of the Master Indenture, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the project or projects financed with the proceeds of such Additional Indebtedness shall be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with the provisions of the Master Indenture summarized under this caption, until the first full

Fiscal Year following the later of (i) the estimated completion of the acquisition, construction, renovation or replacement project being paid for with the proceeds of such Additional Indebtedness provided that such completion occurs no later than six months following the completion date for such project set forth in the Consultant's report described in (A) below, or (ii) the first full year in which Stable Occupancy is achieved in the case of construction, renovation or replacement of elderly housing facilities or nursing facilities financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected in the report of the Consultant referred to in paragraph (A) below to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fourth full Fiscal Year after the incurrence of such Additional Indebtedness, if the following conditions are met:

(A) there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the Projected Debt Service Coverage Ratio for each of the first two full Fiscal Years following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II) the first full Fiscal Year following the year in which Stable Occupancy is achieved in the case of construction, renovation or replacement of elderly housing facilities or nursing facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness, will be not less than 1.20:1 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; *provided, however,* that in the event that a Consultant shall deliver a report to the Master Trustee to the effect that state or Federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio shall be reduced to the highest practicable ratio which, in the opinion of the Consultant, is then permitted by such laws or regulations but in no event less than 1.00:1; *provided, however,* that in the event a Consultant's report is not required to incur such Additional Indebtedness, the Obligated Group may deliver an Officer's Certificate to the Master Trustee in lieu of the Consultant's report described in this subparagraph (A); and

(B) there is delivered to the Master Trustee an Officer's Certificate on the date on which Financial Statements are required to be delivered to the Master Trustee pursuant to the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS." until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year, and demonstrating that such Historical Debt Service Coverage Ratio is not less than 1.00:1, such Historical Debt Service Coverage Ratio to be computed without taking into account (I) the Additional Indebtedness to be incurred if (x) the interest on such Additional Indebtedness during such period is funded from proceeds thereof or other funds of the Member then on hand and available therefor and (y) no principal of such Additional Indebtedness is payable during such period, and (II) the Revenues to be derived from the project to be financed from the proceeds of such Additional Indebtedness.

DAMAGE OR DESTRUCTION

Each Member agrees to notify the Master Trustee immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000 plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016. Each Member irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds relating to such damage or destruction, which exceeds the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000 plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as provided by the Master Indenture. If such Net Proceeds do not exceed the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000, plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016, such Net Proceeds may be paid directly to the Member suffering such casualty or loss. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed facilities, (ii) acquire or construct additional capital assets for any one or more Members, or (iii) prepay Obligations or repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000, the Member suffering such casualty or loss shall within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Master Trustee one of the following three options:

(a) *Option A–Repair and Restoration*. Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or acquire additional Facilities for the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event an amount equal to the Net Proceeds of any insurance relating thereto shall be deposited, when received, with the Master Trustee and such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, improvement or acquisition or to the repayment of such Indebtedness. So long as the Members are not in default under the Master Indenture, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member upon the receipt by the Master Trustee of:

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

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

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

(b) *Option B–Prepayment of Obligations*. Subject to the obligations of the Members summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – COVENANTS AS TO CORPORATE EXISTENCE, MAINTENANCE OF PROPERTIES, AND SIMILAR MATTERS; RIGHT OF CONTEST," such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of the Mater Indenture.

(c) *Option C–Partial Restoration and Partial Prepayment of Obligations*. Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Obligations, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) above and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) above.

CONDEMNATION

The Master Trustee shall cooperate fully with the Members in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. Each Member irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an *"award"*), which exceeds the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000 plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016. Such Net Proceeds shall be initially paid to the Master Trustee for disbursement or use as provided in the Master Indenture. If such Net Proceeds do not exceed the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000 plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, (ii) acquire or construct additional capital assets, or (iii) prepay Obligations or repay the principal portion of Indebtedness incurred by one or more Members of the Obligated Group to acquire or construct capital assets or to refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the greater of (i) 3% of the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (ii) $1,000,000 plus an amount equal to $1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of April 1, 2016, the Member in question shall within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) *Option A–Repairs and Improvements*. The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event, so long as the Obligated Group is not in default under the Master Indenture, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time upon the receipt by the Master Trustee of:

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

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

(b) *Option B–Prepayment of Obligations*. Subject to the obligation of such Member summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – COVENANTS AS TO CORPORATE EXISTENCE, MAINTENANCE OF PROPERTIES, AND SIMILAR MATTERS; RIGHT OF CONTEST," such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations in accordance with the provisions of the Master Indenture.

(c) *Option C–Partial Restoration and Partial Prepayment of Obligations*. Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) above and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) above.

OTHER PROVISIONS WITH RESPECT TO NET PROCEEDS

Amounts received by the Master Trustee in respect of any awards shall, at the Written Request of the Obligated Group Representative, be deposited with the Master Trustee in a special trust account and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments subject to any Member's right to receive the same pursuant to the Master Indenture. If any Member elects to repair and replace facilities under the Master Indenture, any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations. Notwithstanding anything in the Master Indenture to the contrary, any moneys on deposit with the Master Trustee shall be invested in accordance with, and subject to the terms of, the Tax Exemption Agreement (as defined in the Related Bond Indenture) to the extent applicable.

FINANCIAL STATEMENTS AND RELATED MATTERS

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Financial Statements and Related Matters" below for a description of the amendments.

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

(b) The Obligated Group Representative will furnish or cause to be furnished to the Master Trustee, the Initial Purchaser, each Related Bond Trustee, EMMA and the Authority (*provided* that the Authority will be provided only the items set forth in subparagraph (i) and (ii) below unless the Authority requests other information being provided in accordance with the provisions of the Master Indenture summarized under this caption) (collectively, *"Required Information Recipients"*), the following:

(i) Within 45 days of the end of the first three Fiscal Quarters of each Fiscal Year and within 60 days of the end of the fourth Fiscal Quarter (which may be subject to final year end adjustments), quarterly unaudited financial statements of the Obligated Group which shall include a combined or combining statement of revenues and expenses and statement of cash flows, designating Initial Entrance Fees, which includes the Obligated Group during such period, a combined or combining balance sheet as of the end of each such Fiscal Quarter, which, in each case, shall include comparisons to the annual budget of the Obligated Group provided pursuant to subsection (v) below.

(ii) Within 45 days after the end of the first three Fiscal Quarters of each Fiscal Year, and within 60 days of the end of the fourth Fiscal Quarter (which information may be subject to final year end adjustments), (A) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis, (B) information with respect to the payor mix for the Obligated Group's licensed nursing beds, (C) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter, (D) a schedule showing debt service requirements for any Funded Indebtedness of the Obligated Group incurred during such Fiscal Quarter including all scheduled payments of principal and interest on such Funded Indebtedness and (E) a summary of the status of any construction projects with respect to the Facilities of a Member of the Obligated Group which exceed ten percent of the Obligated Group's annual capital expenditure budget which summaries shall be delivered commencing with the Fiscal Quarter in which work on the construction project commenced and ending with the Fiscal Quarter during which such project was completed; all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

(iii) If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date as provided in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT," the Obligated Group will deliver the financial information described in paragraph (i) above, together with the calculations described in (ii) above, on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on fiscal year-to-date basis each month and the Days Cash on Hand as of the end of each month, within 45 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20:1 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

(iv) Within 150 days of the end of each Fiscal Year, an annual audited financial report which includes the Obligated Group prepared by a firm of certified public accountants, including a consolidated and an unaudited consolidating balance sheet as of the end of such Fiscal Year, a consolidated and an unaudited consolidating statement of changes in fund balances for such Fiscal Year, a consolidated and an unaudited consolidating statement of cash flows for such Fiscal Year and a consolidated and an unaudited consolidating statement of revenues and expenses for such Fiscal Year, showing for each Fiscal Year commencing March 31, 2017, in comparative form the financial figures for the preceding Fiscal Year.

(v) On or before the date of delivery of the financial reports referred to in subsection (iv) above, commencing with the Fiscal Year ending March 31, 2017, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of the Master Indenture or if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, (C) a comparison of the audited Financial Statements with the operating budget for the preceding Fiscal Year, (D) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, as required by subparagraph (viii) below, (E) a management's discussion and analysis of results, (F) providing any five-star quality rating assigned to the Facilities of Members of the Obligated Group by the Centers for Medicare and Medicaid Services, and (G) calculating the Maximum Annual Debt Service Coverage Ratio of the Obligated Group as of the end of such Fiscal Year.

(vi) Within 45 days of the end of each Fiscal Year, the Obligated Group Representative shall deliver a summary of the operating and capital budgets for the Fiscal Year then started.

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

(viii) Within 150 days of the end of the applicable Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities every three years commencing with the Fiscal Year ending March 31, 2019.

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

(d) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with each Required Information Recipient a copy of each Consultant's report (or a summary thereof as required by the Master Indenture) or counsel's opinion required to be prepared under the terms of the Master Indenture; *provided* that the Obligated Group Representative may redact any such copy provided to EMMA to the extent appropriate or necessary to protect confidential or sensitive information.

(e) The Obligated Group Representative shall give prompt written notice of a change of accountants by the Obligated Group to each Required Information Recipient. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Bond Trustee or the Master Trustee may reasonably request.

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

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

(h) (i) If a Westminster Mortgage is delivered as required by the provisions of the Master Indenture summarized under the subheading "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – WESTMINSTER MORTGAGE" below, or (ii) upon the commencement or termination of a DSRF Funding Period as set forth in the Master Indenture and summarized under the subheading "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – DEBT SERVICE RESERVE FUND" below, or (iii) upon the commencement or termination of a Master DSRF Funding Period as set forth in the Master Indenture and summarized under the subheading "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – MASTER DEBT SERVICE RESERVE FUND" below, the Obligated Group Representative shall, as soon as practicable, post a notice of such event on EMMA.

PERMITTED ADDITIONAL INDEBTEDNESS

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – <u>Permitted Additional Indebtedness</u>" below for a description of the amendments.

Subject to the last paragraph summarized under this caption, so long as any Obligations are Outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than:

(A) Funded Indebtedness, if prior to incurrence thereof or, if such Funded Indebtedness was incurred in accordance with another subsection set forth below and any Member wishes to have such Indebtedness classified as having been issued under this subsection (A), prior to such classification, there is delivered to the Master Trustee:

(i) An Officer's Certificate stating that the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined Financial Statements reported upon by independent certified public accountants are available was not less than 1.20:1; or

(ii) (a) An Officer's Certificate stating that the Historical Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year preceding the date of delivery of the report for which combined Financial Statements reported upon by independent certified public accountants are available was not less than 1.20:1; and (b) a written Consultant's report prepared in accordance with industry standards (which report is not objected to by the Master Trustee) to the effect that the Projected Debt Service Coverage Ratio of the Obligated Group is not less than 1.25:1 for the next succeeding Fiscal Year following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness or (II) the first full Fiscal Year following Stable Occupancy in the case of construction, renovation or replacement of elderly housing facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness or (III) the Fiscal Year in which such Funded Indebtedness for other purposes is being incurred; *provided* that such report shall include forecast balance sheets, statements of revenues and expenses and statements of changes in financial position for such Fiscal Year and a statement of the relevant assumptions upon which such forecasted statements are based, which financial statements must indicate that sufficient revenues and cash flow could be generated to pay the operating expenses of the Obligated Group's proposed and existing Facilities and the debt service on the Obligated Group's other existing Indebtedness during such Fiscal Year.

(B) Completion Funded Indebtedness if there is delivered to the Master Trustee: (i) an Officer's Certificate of the Member for whose benefit such Indebtedness is being issued stating that at the time the original Funded Indebtedness for the Facilities to be completed was incurred, such Member had reason to believe that the proceeds of such Funded Indebtedness together with other moneys then expected to be available would provide sufficient moneys for the completion of such Facilities, (ii) a statement of an Independent Architect or an expert not objected to by the Master Trustee setting forth the amount estimated to be needed to complete the Facilities, and (iii) an Officer's Certificate of such Member stating that the proceeds of such Completion Funded Indebtedness to be applied to the completion of the Facilities, together with a reasonable estimate of investment income to be earned on such proceeds and available to pay such costs, the amount of moneys, if any, committed to such completion from available cash or marketable securities and reasonably estimated earnings thereon, enumerated loans from Affiliates or bank loans (including letters or lines of credit) and federal or state grants reasonably expected to be available, will be in an amount not less than the amount set forth in the statement of an Independent Architect or other expert, as the case may be, referred to in (ii), which amount shall be no more than 10% of Funded Indebtedness originally incurred to finance the construction of such Facilities.

(C) Funded Indebtedness for the purpose of refunding (whether in advance or otherwise, including without limitation refunding through the issuance of Cross-over Refunding Indebtedness) any outstanding Funded Indebtedness if prior to the incurrence thereof an Officer's Certificate of a Member is delivered to the Master Trustee stating that, taking into account the issuance of the proposed Funded Indebtedness and the application of the proceeds thereof and any other funds available to be applied to such refunding, the Maximum Annual Debt Service Requirement of the Obligated Group will not be increased by more than 10%.

(D) Short-Term Indebtedness (other than accounts payable under subsection (I) below), in a total principal amount which at the time incurred does not, together with the principal amount of all other such Short-Term Indebtedness of the Obligated Group then outstanding under the provisions of the Master Indenture summarized in this subsection (D) but excluding the principal payable on all Funded Indebtedness during the next succeeding 12 months and also excluding such principal to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increments to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal, exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; *provided, however,* that for a period of 20 consecutive calendar days in each Fiscal Year the total amount of such Short-Term Indebtedness of the Obligated Group outstanding under the provisions of the Master Indenture summarized in this subsection (D) shall be not more than 5% of the Revenues of the Obligated Group during the preceding Fiscal Year plus such additional amount as the Obligated Group Representative certifies in an Officer's Certificate is (a) attributable to Short-Term Indebtedness incurred to offset a temporary delay in the receipt of funds due from third party payors and (b) in the minimum amount reasonably practicable taking into account such delay. For the purposes of this subsection, Short-Term Indebtedness shall not include overdrafts to banks to the extent there are immediately available funds of the Obligated Group sufficient to pay such overdrafts and such overdrafts are incurred and corrected in the normal course of business.

(E) Balloon Indebtedness if:

(i) (1) there is in effect at the time such Balloon Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Balloon Indebtedness coming due in each consecutive 12-month period in which 25% or more of the original principal amount of such Balloon Indebtedness comes due; and

(2) the conditions set forth in subsection (A) above are met for any Fiscal Year in which 25% or more of the original principal amount of such Balloon Indebtedness comes due when it is assumed that (a) the portion of Balloon Indebtedness coming due in such Fiscal Year matures over 30 years from the date of issuance of the Balloon Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Balloon Indebtedness coming due in such Fiscal Year matures according to its actual principal amortization schedule and bears interest on the unpaid balance at the Projected Rate, but this subsection (b) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Balloon Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than 10% per year or (c) the portion of Balloon Indebtedness coming due in such Fiscal Year bears interest at the Projected Rate and matures according to the principal amortization schedule set forth in the binding commitment described in subsection (1) above; or

(ii) the aggregate principal amount of all Balloon Indebtedness issued pursuant to this subsection (E) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported upon by independent certified public accountants are available; or

(iii) the Balloon Indebtedness to be incurred has a remaining term of five years or greater beginning in such fiscal year, and

(1) the Member incurring such Balloon Indebtedness establishes in an Officer's Certificate filed with the Master Trustee an amortization schedule for such Balloon Indebtedness, which amortization schedule shall provide for payments of principal and interest for each Fiscal Year that are not less than the amounts required to make any actual payments required to be made in such Fiscal Year by the terms of such Balloon Indebtedness;

(2) such Member agrees in such Officer's Certificate to deposit each Fiscal Year with a bank or trust company (pursuant to an agreement between

such Member and such bank or trust company, which agreement shall be satisfactory in form and substance to the Master Trustee) the amount of principal shown on such amortization schedule net of any amount of principal actually paid on such Balloon Indebtedness during such Fiscal Year (other than from amounts on deposit with such bank or trust company) which deposit shall be made prior to any such required actual payment during such Fiscal Year if the amounts so on deposit are intended to be the source of such actual payments; and

(3) the conditions described in subsection (A) above are met with respect to such Balloon Indebtedness when it is assumed that such Balloon Indebtedness is actually payable in accordance with such amortization schedule.

(F) Put Indebtedness if:

(i) the amount of such Put Indebtedness does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which Financial Statements reported upon by independent certified public accountants are available and the conditions set forth in subsection (A) above are met with respect to such Put Indebtedness when it is assumed that (a) such Put Indebtedness bears interest at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years commencing with the next succeeding Put Date, or (b) such Put Indebtedness bears interest at the Projected Rate and is payable according to its actual principal amortization schedule, but this subsection (b) shall only be used if the debt service of all Indebtedness of the Obligated Group outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b) varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in subsection (F)(ii)(1) below; or

(ii) (1) there is in effect at any time such Put Indebtedness is incurred a binding commitment (including without limitation letters or lines of credit or insurance) which may be subject only to commercially reasonable contingencies by a financial institution or bond insurer or surety generally regarded as responsible, to provide financing sufficient to pay the principal amount of such Put Indebtedness on any Put Date, and (2) the conditions set forth in subsection (A) above are met for any Fiscal Year in which 25% or more of the original principal amount of such Put Indebtedness may come due when it is assumed that (a) the portion of Put Indebtedness which may come due in such Fiscal Year matures over 30 years from the date of issuance of the Put Indebtedness, bears interest on the unpaid balance at the Projected Rate and is payable on a level annual debt service basis over a period of no more than 30 years or (b) the portion of Put Indebtedness which may come due in such Fiscal Year matures according to its actual principal amortization schedule and bears interest on the unpaid balance at the Projected Rate, but this subsection (b) shall only be used if the amortization of all Indebtedness of the Obligated Group outstanding, when the Put Indebtedness debt service being calculated is calculated according to this subsection (b), varies no more than 10% per year or (c) such Put Indebtedness bears interest at the Projected Rate and is payable according to the principal amortization schedule set forth in a binding commitment of the type described in clause (1) above; or

(iii) the aggregate principal amount of all Put Indebtedness issued pursuant to this subsection (F) does not exceed 10% of the Revenues of the Obligated Group for the most recent Fiscal Year for which Financial Statements reported on by independent certified public accountants are available.

(G) Liabilities for contributions to self-insurance or shared or pooled-risk insurance programs required or permitted to be maintained under the Master Indenture.

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

(I) Indebtedness incurred in connection with a sale or pledge of accounts receivable with or without recourse by any Member consisting of an obligation to repurchase all or a portion of such accounts receivable upon certain conditions, *provided* that the principal amount of such Indebtedness permitted by the Master Indenture shall not exceed the aggregate sale price of such accounts receivable received by such Member.

(J) Non-Recourse Indebtedness, without limit.

(K) Extendable Indebtedness if the conditions set forth in subsection (A) above are met when it is assumed that (i) such Indebtedness bears interest at the Projected Rate and is amortized on a level debt service basis over a term equal to the remaining term of the Extendable Indebtedness or (ii) such Indebtedness bears interest at the Projected Rate and is payable in accordance with its actual amortization schedule, but only if the debt service on all Indebtedness of the Obligated Group Outstanding when the Extendable Indebtedness debt service being calculated is calculated in accordance with this subsection (ii), varies by no more than 10% per year.

(L) Subordinated Indebtedness, without limit.

(M) Commitment Indebtedness, without limit.

(N) Indebtedness the principal amount of which at the time incurred, together with the aggregate principal amount of all other Indebtedness then outstanding which was issued pursuant to the provisions of this subsection (N) and which has not been subsequently reclassified as having been issued under subsection (A), (D), (E) or (F) above, does not exceed 10% of the Revenues of the Obligated Group for the latest preceding Fiscal Year for which financial statements reported upon by independent certified public accountants are available; *provided, however,* that the total amount of all Indebtedness outstanding which was issued pursuant to the provisions of subsections (D), (E)(ii), (F)(iii) and this subsection (N) shall not exceed 15% of the

Revenues of the Obligated Group for the most recent Fiscal Year for which financial statements reported on by independent certified public accountants are available.

(O) Indebtedness of LFP to Presbyterian Homes Manager LLC in an amount not exceeding $8,250,000 to pay termination fees for Interest Rate Agreements.

It is agreed and understood by the parties to the Master Indenture that various types of Indebtedness may be incurred under any of the above-referenced subsections with respect to which the tests set forth in such subsection are met and need not be incurred under only a subsection specifically referring to such type of Indebtedness (*e.g.,* Balloon Indebtedness and Put Indebtedness may be incurred under subsection (A) above if the tests therein are satisfied).

Each Member covenants that Indebtedness of the type permitted to be incurred under subparagraph (I) above will not be allowed to become overdue for a period in excess of that which is ordinary for similar institutions without being contested in good faith and by appropriate proceedings.

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection described under this caption pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness; *provided, however,* that this requirement shall not apply to Indebtedness incurred pursuant to subparagraph (G) or (H) above.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than Related Issuers, trade vendors, residents (for transactions in the ordinary course of business), self insurance or pooled risk insurance programs, sellers of real or personal property for purchase money debt, lessors of such property or banks or other institutional lenders, it will provide the Master Trustee with an opinion of Independent Counsel not objected to by the Master Trustee to the effect that, to such Independent Counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the sale of securities in connection with the incurrence of such Additional Indebtedness (including the issuance of any securities or other evidences of indebtedness in connection therewith) and such Independent Counsel has no reason to believe that a right of rescission under such laws exists on the part of the entities to which such Additional Indebtedness is to be incurred.

The provisions of the Master Indenture notwithstanding, the Members of the Obligated Group may not incur any Additional Indebtedness the proceeds of which will be used for the acquisition of real Property or the construction of any Facilities unless the right, title and interest in any assets to be financed or refinanced with the proceeds of such Additional Indebtedness and the real estate upon which such assets will be located have been mortgaged and assigned to the Master Trustee pursuant to a mortgage or deed of trust in substantially the form of the Mortgage and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances.

CALCULATION OF DEBT SERVICE AND DEBT SERVICE COVERAGE

The various calculations of the amount of Indebtedness of a Person, the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness required under certain provisions of the Master Indenture shall be made in a manner consistent with that described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" above and under this caption. In the case of Balloon or Put Indebtedness issued pursuant to subsection (E) or (F) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," unless such Indebtedness is reclassified pursuant to the provisions summarized under this caption as having been issued pursuant to another subsection under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," the amortization schedule of such Indebtedness and the debt service payable with respect to such Indebtedness for future periods shall be calculated on the assumption that such Indebtedness is being issued simultaneously with such calculation. With respect to Put Indebtedness, if the option of the holder to require that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date, or if the requirement that such Indebtedness be paid, purchased or redeemed prior to its stated maturity date (other than at the option of such holder and other than pursuant to any mandatory sinking fund or any similar fund), has expired or lapsed as of the date of calculation, such Put Indebtedness shall be deemed payable in accordance with its terms.

In determining the amount of debt service payable on Indebtedness in the course of the various calculations required under certain provisions of the Master Indenture, if the terms of the Indebtedness being considered are such that interest thereon for any future period of time is expressed to be calculated at a varying rate per annum, a formula rate or a fixed rate per annum based on a varying index, then for the purpose of making such determination of debt service, interest on such Indebtedness for such period (the *"Determination Period"*) shall be computed by assuming that the rate of interest applicable to the Determination Period is equal to the average of the rate of interest (calculated in the manner in which the rate of interest for the Determination Period is expressed to be calculated) which was in effect on the last date of each of the twelve full calendar months immediately preceding the month in which such calculation is made; *provided* that if the index or other basis for calculating such interest was not in existence for at least twelve full calendar months next preceding the date of calculation, the rate of interest for such period shall be deemed to be the average rate of interest that was in effect on the last day of each full calendar month next preceding the date of calculation; and if the average rate of interest borne by such Indebtedness for such shorter period cannot be calculated, the rate of interest for such period shall be deemed to be the Projected Rate. No debt service shall be deemed payable upon the exercise by a holder of Extendable Indebtedness of the option to tender such Indebtedness for payment.

Obligations issued to secure Indebtedness permitted to be incurred under the provisions of the Master Indenture summarized above under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" shall not be treated as Additional Indebtedness in a manner which would require such Indebtedness to be included more than one time in the calculations performed under the Master Indenture.

No debt service shall be deemed payable with respect to Commitment Indebtedness until such time as funding occurs under the commitment which gave rise to such Commitment Indebtedness. From and after such funding, the amount of such debt service shall be calculated in accordance with the actual amount required to be repaid on such Commitment Indebtedness and the actual interest rate and amortization schedule applicable thereto. No Additional Indebtedness shall be deemed to arise when any funding occurs under any such commitment or any such commitment is renewed upon terms which provide for substantially the same terms of repayment of amounts disbursed pursuant to such commitment as obtained prior to such renewal. In addition, no Additional Indebtedness shall be deemed to arise when Indebtedness which bears interest at a variable rate of interest is converted to Indebtedness which bears interest at a fixed rate or the method of computing the variable rate on such Indebtedness is changed or the terms upon which Indebtedness, if Put Indebtedness, may be or is required to be tendered for purchase are changed, if such conversion or change is in accordance with the provisions applicable to such variable rate Indebtedness or Put Indebtedness in effect immediately prior to such conversion or change.

Balloon Indebtedness incurred as provided under subparagraph (B) or (N) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," unless reclassified pursuant to the provisions summarized under this caption, shall be deemed to be payable in accordance with the assumptions set forth in subparagraph (E)(i)(2) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS." Put Indebtedness incurred as provided under subparagraph (B) or (N) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," unless reclassified pursuant to the provisions summarized under this caption, shall be deemed to be payable in accordance with the assumptions set forth in subparagraph (F)(i) of "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS."

For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Funded Indebtedness of the guarantor under such Guaranty. For the purpose of calculating any historical Debt Service Requirements, the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor. For any other purpose, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; *provided, however,* if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed.

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

Each Member may elect to have Indebtedness issued pursuant to one provision summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," including without limitation subparagraph (N) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," reclassified as having been incurred under another provision under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision including the certification of any applicable Projected Rate. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

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

SALE, LEASE OR OTHER DISPOSITION OF PROPERTY

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Sale, Lease or Other Disposition of Property" below for a description of the amendments.

Each Member agrees that it will not, in any consecutive 12-month period, sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including cash and investments) unless the Obligated Group Representative determines that the Property has been transferred in one or more of the following transfers or other dispositions of Property:

(a) In return for other Property of equal or greater value;

(b) In the ordinary course of business upon fair and reasonable terms;

(c) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(d) From a Member to another Member; *provided, however,* that none of the Land or any other Property financed with the proceeds of any Related Bonds shall be transferred to any other Member unless each Related Bond Trustee has received an Opinion of Bond Counsel to the effect that such transfer shall not adversely affect the validity of the Related Bonds or, with respect to any tax-exempt bonds, any exemption from federal income taxation to which such Related Bonds would otherwise be entitled;

(e) Upon fair and reasonable terms no less favorable to the Member than would be obtained in a comparable arm's-length transaction;

(f) The Property sold, leased or otherwise disposed of does not, for any consecutive 12-month period, exceed 3% of the total assets of the Obligated Group (as shown on the most recent audited financial statements of the Obligated Group) and (i) the Historical Debt Service Coverage Ratio was not less than 1.30:1 for the last Fiscal Year for which audited financial statements have been delivered to the Master Trustee, and (ii) as of the end of the last fiscal quarter for which financial statements have been delivered to the Master Trustee as required under the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," the Obligated Group had not less than 300 Days' Cash on Hand after giving effect to the transaction. If the Historical Debt Service Coverage Ratio is not less than 1.30:1, the foregoing percentage of the total assets may be increased as follows under the following conditions:

(i) to 5%, if Days' Cash on Hand would not be less than 400 after the effect of such sale, lease or disposition of assets; or

(ii) to 7.5%, if Days' Cash on Hand would not be less than 600 after the effect of such sale, lease or disposition of assets; or

(iii) to 10%, if Days' Cash on Hand would not be less than 800 after the effect of such sale, lease or disposition of assets;

(g) To any Person, if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations;

(h) If the amount of such Property sold, leased or otherwise disposed of does not, for any consecutive 12-month period, exceed 1% of the total Book Value (or Current Value if the Obligated Group Representative so elects) of all Property of the Obligated Group;

(i) To any Person, cash received in excess of the Book Value of any of the Property, Plant and Equipment of the King Home located in Evanston, Illinois, and owned by Westminster;

(j) Amounts paid on the Indebtedness referred to in subparagraph (O) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS"; and

(k) The transfer of any restricted donations from a Member to any Affiliate.

If the Property to be disposed in accordance with the provisions of the Master Indenture summarized under this caption is Mortgaged Property, the Master Trustee shall, upon the request of the Obligated Group Representative, release such Mortgaged Property from the Mortgage pursuant to the terms of the Mortgage.

LIENS ON PROPERTY

The limitation on Liens in the Master Indenture notwithstanding, a Lien on Property of any Member securing Indebtedness (or any Interest Rate Agreement) shall be classified a Permitted Encumbrance (as provided in clause (b) of the definition thereof) and therefore be permitted if:

(1) such Lien secures Non-Recourse Indebtedness; or

(2) (a) after giving effect to such Lien and all other Liens classified as Permitted Encumbrances under this subsection (2)(a), the Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property of the Obligated Group which is Encumbered is not more than 10% of the value of all of the Property of the Obligated Group (calculated on the same basis as the value of the Encumbered Property) and (b) the conditions described in subsection (A) of the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" are met for allowing the incurrence of one dollar of additional Funded Indebtedness.

RIGHT TO CONSENT

Each Member shall have the right to agree in any Related Bond Indenture, Related Loan Document or Supplemental Master Indenture pursuant to which an Obligation is issued that, so long as any Related Bonds remain outstanding under such Related Bond Indenture or such Obligation remains outstanding, any or all provisions of the Master Indenture which provide for approval, consent, direction or appointment by the Master Trustee, provide that anything must be satisfactory or acceptable to the Master Trustee, allow the Master Trustee to request anything or contain similar provisions granting discretion to the Master Trustee shall be deemed to also require or allow, as the case may be, the approval, consent, appointment, satisfaction, acceptance, request or like exercise of discretion by the Related Bond Trustee, and that all items required to be delivered or addressed to the Master Trustee under the Master Indenture or under the Mortgage shall also be delivered or addressed to the Related Bond Trustee, unless waived thereby. If a Member enters into any such agreements in a Related Bond Indenture, Related Loan Document or Supplemental Master Indenture, such agreements shall be deemed to be included in the Master Indenture as if set forth in the Master Indenture.

LIQUIDITY COVENANT

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Liquidity Covenant" below for a description of the amendments.

The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of March 31 and September 30 of each Fiscal Year (each such date being a *"Testing Date"*). Such calculation as of September 30 of any Fiscal Year shall be included in an Officer's Certificates delivered to the Master Trustee no later than November 15 of that Fiscal Year, and include such calculation as of March 31 in the Officer's Certificate delivered pursuant to the provisions of the Master Indenture summarized in subparagraph (b)(ii) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS."

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have 180 Days Cash on Hand on each Testing Date (the *"Liquidity Requirement"*).

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

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the number of Days Cash on Hand to the Liquidity Requirement for future periods. Such Consultant shall be approved and retained as set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS." A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and the Master Trustee within 60 days after the date such Consultant is retained and a summary of the Consultant's report will be delivered to each Required Information Recipient. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Liquidity Requirement for any Testing Date shall not constitute an event of default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan or retaining a Consultant and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

APPROVAL OF CONSULTANTS

(a) If at any time the Members of the Obligated Group are required to engage a Consultant under the provisions of the Master Indenture, such Consultant shall be engaged in the manner set forth below.

(b) Upon selecting a Consultant as required under the provisions of the Master Indenture, the Obligated Group Representative will notify the Master Trustee of such selection. The Master Trustee shall, as soon as practicable but in no case longer than five Business Days after receipt of such notice, notify the holders of all Obligations Outstanding under the Master Indenture of such selection and the Obligated Group Representative will post a copy of such notice (or cause a copy of such notice to be posted) on EMMA. Such notice shall (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged including a description of the covenant(s) of the Master Indenture that require the Consultant to be engaged, and (iii) state that the holder of the Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Obligation Holder submits an objection to the selected Consultant in writing (in a manner not objected to by the Master Trustee) to the Master Trustee within 15 days of the date that the notice is sent to the Obligation Holders. No later than two Business Days after the end of the 15 day objection period, the Master Trustee shall notify the Obligated Group of the number of objections. If two thirds or more in aggregate principal amount of the holders of the Outstanding Obligations have consented or have been deemed to have consented to the selection of the Consultant, the Obligated Group Representative may engage the Consultant. If more than one third in aggregate principal amount of the owners of the Obligations Outstanding have objected to the Consultant selected, the Obligated Group Representative shall select another Consultant which may be engaged upon compliance with the procedures of the provisions of the Master Indenture summarized under this caption.

(c) When the Master Trustee notifies the holders of Obligations of such selection, the Master Trustee will also request any Related Bond Trustee send a notice containing the information required by subparagraph (b) above to the owners of all of the Related Bonds outstanding. Such Related Bond Trustee shall, as the owner of an Obligation securing such Related Bonds, consent or object to the selection of the Consultant in accordance with the response of the owners of such Related Bonds. If two thirds or more in aggregate principal amount of the Related Bonds have been deemed to have consented to the selection of the Consultant, the Related Bond Trustee shall approve the Consultant. If one third or more in aggregate principal amount of the owners of the Related Bonds have objected to the Consultant selected, the Related Bond Trustee shall not approve the Consultant.

(d) The 15 day notice period described in (b) above may be extended by the Master Trustee in order to permit each Related Bond Trustee to give the owners of the Related Bonds 15 days to respond to the notice given by the Related Bond Trustee. By acceptance of an Obligation securing any Related Bonds, the Related Bond Trustee agrees to comply with the provisions of the Master Indenture summarized under this caption.

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

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

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

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

WESTMINSTER MORTGAGE

Not later than 150 days after receipt by the Obligated Group Representative of notice that (i) any Rating Agency that maintains a rating on all of the Series 2016A Bonds, the Series 2021A Bonds, the Series 2026A Bonds and the Series 2026B Bonds has reduced the credit rating on such bonds to "BBB-" (or an equivalent rating) or lower or (ii) all of the credit ratings on the Series 2016A Bonds, the Series 2021A Bonds, the Series 2026A Bonds and the Series 2026B Bonds have been withdrawn (including any voluntary withdrawal at the request of the Obligated Group) and such bonds have become unrated, the Obligated Group Representative and/or Westminster will deliver a mortgage or cause a mortgage to be delivered, to the Master Trustee granting a security interest in the property of the community currently known as Westminster Place in Evanston, Illinois, as security for all of the Obligations issued under the Master Indenture (the *"Westminster Mortgage"*). The Westminster Mortgage shall be in substantially the form of the LFP Mortgage delivered to the Master Trustee in connection with the execution of the Original Master Indenture and shall be accompanied by (i) a lender's title insurance policy naming the Master Trustee as an insured covering the property for which the security interest of the Westminster Mortgage is granted in the insured amount equal to (a) the principal amount of all Outstanding Obligations evidencing or securing Indebtedness, minus (b) the insured amount under the title insurance policy for the LFP Mortgage and (ii) an opinion of Counsel to the Obligated Group to the effect that the Westminster Mortgage is in a form sufficient to create a lien encumbering the owner's interest in the mortgaged property and is in a form satisfactory for recording and upon recording, the Westminster Mortgage will constitute and create a valid lien upon the mortgaged property in favor of the Master Trustee and all of the rights described therein in which such a valid lien can be created and evidenced by recordation, in each case in form and substance satisfactory to the Master Trustee. Upon delivery of the Westminster Mortgage to the Master Trustee, the Obligated Group Representative will post a notice to EMMA stating that the Westminster Mortgage has been delivered.

OBLIGATED GROUP REPRESENTATIVE

Each Member, by becoming a Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative full and exclusive power to, on behalf of such Member: (i) authorize, negotiate and determine and bind such Member to the terms of, and execute and deliver, Supplemental Master Indentures authorizing the issuance of Obligations or series of Obligations; (ii) as applicable, negotiate and determine the terms of, approve, execute, deliver, perform, amend, waive provisions of, grant consents related to, extend and terminate loan agreements, bond indentures, bond purchase agreements, agreements related to credit, liquidity or insurance, disclosures, and all such other agreements and instruments as are reasonably related to entering into and managing the specific transactions represented by such Supplemental Master Indentures and/or Obligations; (iii) negotiate and determine the terms of, approve, execute, deliver, perform, amend, waive provisions of, grant consents related to, extend and terminate certificates and other undertakings as are reasonably necessary or appropriate to enter into and managing the specific transactions represented by such Supplemental Master Indentures and/or Obligations; (iv) manage, oversee, direct, authorize, control, and implement all Outstanding Indebtedness and financial relationships related in any manner to such Indebtedness, including, but not limited to, Interest Rate Agreements, credit support and liquidity facilities, related insurance products and policies, debt management policy setting and determinations such as the mix of fixed and variable debt and similar determinations, allocation, calculations, accounting for, collections from Members, and payment of debt service, discounts, premiums, costs of issuance and other costs and fees related to Indebtedness, including termination, amendment and similar fees; (v) planning, authorization and implementation of conversions, refundings, defeasances and other debt management or modification activities; (vi) approve, execute and amend all waivers, consents or amendments to any document or agreement, directly or indirectly, related to one or more of the Obligations, the Master Indenture and any Supplemental Master Indenture, including but not limited to, any of the types of documents or agreements mentioned in subparagraphs (ii) and (iii) above and this subparagraph (vi); (vii) direction of agents and control, direction and management of third party relationships (such as trustees, issuing authorities, underwriters, advisors and counsel) related to Indebtedness and/or Obligations, (viii) the power and authority to grant additional security, (ix) the power and authority to issue any Additional Indebtedness, and (x) the power and authority to exercise all corporate authority and take any action in connection therewith which may be necessary or appropriate on behalf of the Obligated Group and each Member thereof to implement any recommendation or commitment made by the Parent, as Obligated Group Representative and Obligated Group Agent. Authority granted in the provisions of the Master Indenture summarized under this caption shall be and remain irrevocable until and unless any Member is permitted to withdraw from the Obligated Group in accordance with the terms of the Master Indenture.

MASTER DEBT SERVICE RESERVE FUND

The Master Trustee has established and maintains a separate fund known as the "Master Debt Service Reserve Fund – Presbyterian Homes Obligated Group" (the *"Master Debt Service Reserve Fund"*) for the benefit of the holders of the Series 2021A Bonds. The 2021A Bonds are also referred to herein as the Master DSRF Bonds. The Bonds will not be secured by a debt service reserve fund, including the Master Reserve Fund created under the Master Indenture. Moneys shall be deposited in the Master Debt Service Reserve Fund during a Master DSRF Funding Period as set forth in the next succeeding paragraph and as otherwise summarized under this caption. All moneys received by the

Master Trustee and held in the Master Debt Service Reserve Fund shall be trust funds under the terms of the Master Indenture for the benefit of all of the Obligations securing Master DSRF Bonds that are Outstanding under the Master Indenture. All moneys in the Master Debt Service Reserve Fund shall be applied in accordance with the provisions of the Master Indenture and shall not be subject to lien or attachment of any creditor of any Member other than by the Related Bond Trustee for any Master DSRF Bonds. Moneys on deposit in the Master Debt Service Reserve Fund shall be used only to make up any deficiencies in the of interest on and principal of (in that order) any Master DSRF Bonds.

On the first Business Day of any Master DSRF Funding Period, the Obligated Group shall deliver funds to the Master Trustee in an amount equal to the Master Debt Service Reserve Fund Requirement and any other documents necessary for the Master Trustee to determine the Master Debt Service Reserve Fund Requirement. Upon receipt of (i) evidence satisfactory to the Master Trustee that a Master DSRF Funding Period has ended and (ii) a Favorable Opinion of Bond Counsel, the Master Trustee shall release any funds held in the Master Debt Service Reserve Fund as directed by the Obligated Group Representative. The Obligated Group Representative shall notify each Required Information Recipient as soon as practicable after the commencement of or termination of any Master DSRF Funding Period.

Upon receipt by the Master Trustee of (i) a Supplemental Master Indenture specifying that a series of Related Bonds is to become Master DSRF Bonds, (ii) an executed copy of the Related Bond Indenture with respect to such newly designated Master DSRF Bonds incorporating the provisions of the Master Indenture summarized under this caption with respect to draws on the Master Debt Service Reserve Fund and any other documents necessary for the Master Trustee to determine the Master Debt Service Reserve Fund Requirement and (iii) during a Master DSRF Funding Period, an amount sufficient to make the value of the Permitted Investments (together with uninvested cash, if any) in the Master Debt Service Reserve Fund equal to the Master Debt Service Reserve Fund Requirement taking the newly designated Master DSRF Bonds into consideration:

(1) the Master Trustee shall deposit any funds received pursuant to the provisions of the Master Indenture in this paragraph in the Master Debt Service Reserve Fund; and

(2) such series of Related Bonds shall be deemed Master DSRF Bonds under the Master Indenture and receive the benefit and security of the Master Debt Service Reserve Fund until the payment, redemption or defeasance of all Master DSRF Bonds of such series in full or as otherwise provided under the Master Indenture.

As of the issuance date of the Series 2026A Bonds, the Series 2021A Bonds will still be designated as Master DSRF Bonds and the Series 2016A Bonds will still be the only Related Bonds with a Specified Debt Service Reserve Fund until their expected refunding as described in the next paragraph.

As of the issuance date of the Series 2026B Bonds (the proceeds of which bonds are expected to be used to refund all of the outstanding Series 2016A Bonds), the Series 2021A Bonds will be designated as Master DSRF Bonds and there will no longer be any Related Bonds with a Specified Debt Service Reserve Fund. The Master Trustee will be directed by the Obligated Group Representative to close the Specified Debt Service Reserve Fund and transfer any funds remaining

therein to the Series 2016A Bond Trustee to be applied to pay the redemption price of the Series 2016A Bonds.

Each Related Bond Indenture with respect to Master DSRF Bonds shall contain provisions to the effect that (which provisions may be modified as necessary to accommodate payment dates with respect to any series of Master DSRF Bonds):

(1) no later than the second (2^{nd}) Business Day before any Principal Payment Date or Interest Payment Date with respect to such Master DSRF Bonds (a "*Master DSRF Bonds Payment Date"*), the Related Bond Trustee shall determine if there are insufficient funds on hand under the Related Bond Indenture to pay the principal of, or interest on, such Master DSRF Bonds on such Master DSRF Bonds Payment Date (any such insufficiency is referred to herein as a *"Deficiency"*);

(2) if a Deficiency exists, the Related Bond Trustee shall, as soon as practicable but no later than the second (2^{nd}) Business Day before any Principal Payment Date or Interest Payment Date, submit to the Master Trustee a written request (a *"Master DSRF Draw Request"*) in substantially the form of the Master DSRF Draw Request attached to the Master Indenture.

(3) if the Related Bond Trustee submits a Master DSRF Draw Request to the Master Trustee per clause (2) above, the Related Bond Trustee shall, as soon as practicable but not later than the next Business Day, send a copy of such Master DSRF Draw Request to the owners of all Master DSRF Bonds outstanding under the Related Bond Indenture along with a notice (a *"Notice of Master DSRF Draw Request"*) in substantially the form of the Notice of Master DSRF Draw Request attached to the Master Indenture. In addition to distributing the Notice of Master DSRF Draw Request to bondholders through its normal processes (including through a securities depository such as The Depository Trust Company) the Related Bond Trustee shall post the Notice of Master DSRF Draw Request to EMMA.

(4) the Related Bond Trustee shall use funds transferred to it by the Master Trustee from the Master Debt Service Reserve Fund, if any, to pay interest on, and the principal of (in that order), the Master DSRF Bonds on the next applicable Interest Payment Date and/or Principal Payment Date.

If the Master Trustee receives a Master DSRF Draw Request referenced in subparagraph (1) above, the Master Trustee will, as soon as practicable but not later than the Business Day following such receipt, send a copy of such Master DSRF Draw Request to all Required Information Recipients and all Related Bond Trustees of Master DSRF Bonds.

One (1) Business Day prior to a Master DSRF Bonds Payment Date specified in a Master DSRF Draw Request, the Master Trustee shall transfer to the applicable Related Bond Trustee an amount from the Master Debt Service Reserve Fund equal to the Deficiency, provided, however, that if the amount on deposit in the Master Debt Service Reserve Fund is insufficient to satisfy all of the Master DSRF Draw Requests received by the Master Trustee, the Master Trustee shall distribute moneys in the Master Debt Service Reserve Fund to such Related Bond Trustees pro-rata based on the actual payments of principal of and interest on the Master DSRF Bonds due and unpaid.

Moneys on deposit in the Master Debt Service Reserve Fund shall be invested in Permitted Investments that mature or are subject to redemption by the owner thereof prior to the date such funds are expected to be needed solely as directed in writing by the Obligated Group Representative. The Master Trustee may conclusively rely upon such directions as to both the suitability and legality of the directed investments. The Master Trustee is authorized, in making or disposing of any investment permitted by the provisions of the Master Indenture summarized under this caption, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Master Trustee or for any third person or dealing as principal for its own account. The Master Trustee may pool moneys for investment purposes, except moneys held in any account for which the Master Trustee has received written notice that the account is required to be yield restricted, in which case such moneys shall be invested separately. Any such Permitted Investments shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the Master Debt Service Reserve Fund. The interest accruing on amounts held in the Master Debt Service Reserve Fund and any profit realized from such Permitted Investments shall be credited to the Master Debt Service Reserve Fund, and any loss resulting from such Permitted Investments shall be charged to the Master Debt Service Reserve Fund. The Master Trustee shall sell or present for redemption and reduce to cash a sufficient amount of such Permitted Investments whenever it shall be necessary to provide moneys for the purposes of the Master Debt Service Reserve Fund and the Master Trustee shall not be liable for any loss resulting from such investments.

Investment earnings on amounts on deposit in the Master Debt Service Reserve Fund in excess of the Master Debt Service Reserve Fund Requirement shall be transferred monthly by the Master Trustee as follows: (1) in a manner described in any Supplemental Master Indenture; or (2) or, if there is no provision set forth in any Supplemental Master Indenture to the contrary, to the interest fund established under each Related Bond Indenture for any Master DSRF Bonds outstanding, on a pro rata basis based on the outstanding par amount of each series of Master DSRF Bonds. In the event of a conflict between any of clauses (1) and (2) of the preceding sentence, the Master Trustee shall deposit such funds in accordance with clause (2).

Permitted Investments in the Master Debt Service Reserve Fund shall be valued by the Master Trustee on December 1 of each year (the *"Master DSRF Valuation Date"*), on the basis of fair market value (which valuation shall take into account any accrued and unpaid interest). In determining the market value of Permitted Investments, the Master Trustee may use and rely conclusively upon any generally recognized pricing information service (including brokers and dealers in securities) available to the Master Trustee. If on any Master DSRF Valuation Date the amount on deposit in the Master Debt Service Reserve Fund is less than 90% of the Master Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Master Debt Service Reserve Fund, the Obligated Group shall deposit in the Master Debt Service Reserve Fund the amount necessary to restore the amount on deposit in the Master Debt Service Reserve Fund to an amount equal to the Master Debt Service Reserve Fund Requirement within 120 days following the date on which the Obligated Group Representative receives notice of such deficiency. If at any time the amount on deposit in the Master Debt Service Reserve Fund is less than 100% of the Master Debt Service Reserve Fund Requirement as a result of the Master Debt Service Reserve Fund having been drawn upon, the Obligated Group shall restore the amount on deposit in the Master Debt Service Reserve Fund to an amount equal to the Master Debt Service Reserve Fund Requirement by the deposit with the Master Trustee of an amount equal to such deficiency in not more than 12 substantially equal monthly installments beginning with the first day of the seventh month after the month in which such draw occurred.

In connection with any partial redemption or defeasance prior to maturity of any Master DSRF Bonds, the Master Trustee may, at the request of the Obligated Group Representative, transfer to the Related Bond Trustee for such Master DSRF Bond any amounts on deposit in the Master Debt Service Reserve Fund in excess of the Master Debt Service Reserve Fund Requirement after such redemption to pay the principal of or the principal portion of the redemption price of said Master DSRF Bonds to be redeemed or defeased. On the final maturity date of any Master DSRF Bonds, any moneys in the Master Debt Service Reserve Fund in excess of the Master Debt Service Reserve Fund Requirement (taking into consideration the application of funds in the Master Debt Service Reserve Fund) may be used to pay the principal of and interest on the applicable Master DSRF Bonds on such final maturity date.

The Master Trustee shall maintain records with respect to any and all moneys or investments held by the Master Trustee in the Master Debt Service Reserve Fund. The Master Trustee shall furnish monthly statements to the Obligated Group Representative showing the status of the Master Debt Service Reserve Fund, showing the balance therein as of the first day of the preceding month, the total of deposits to and the total of disbursements from the Master Debt Service Reserve Fund and the dates of such deposits and disbursements, and the balance in the Master Debt Service Reserve Fund on the last day of the preceding month. The Master Trustee shall render an annual accounting for each twelve-months ending on or about December 1 to the Obligated Group Representative, in the form of its customary account statements, showing in reasonable detail all financial transactions relating to the Master Debt Service Reserve Fund during the accounting period, including investment earnings as of the beginning and close of such accounting period.

Notwithstanding any other provision of the Master Indenture summarized under this caption to the contrary, if, in the Opinion of Bond Counsel, moneys on deposit in the Master Debt Service Reserve Fund would be subject to yield restriction under then current federal income tax or would adversely affect the validity or exemption from federal income taxation to which the interest on any Master DSRF Bonds would otherwise be entitled, the Master Trustee may reduce the Master Debt Service Reserve Fund Requirement to the extent necessary to prevent the moneys on deposit in the Master Debt Service Reserve Fund from becoming yield restricted or to preserve the validity and any exemption from federal income taxation to which the interest on any Master DSRF Bonds would otherwise be entitled. If requested by the Obligated Group Representative or required by any Opinion of Bond Counsel, the Master Trustee and the Obligated Group may execute an amendment to the Master Indenture amending the Master Debt Service Reserve Fund Requirement to comply with any such Opinion of Bond Counsel.

DEBT SERVICE RESERVE FUND

(a) The Master Trustee established with the Series 2016A Bond Trustee and will maintain so long as any of the Series 2016A Bonds are outstanding a separate account to be known as the "Debt Service Reserve Fund – Presbyterian Homes Obligated Group – Series 2016" (the *"Debt Service Reserve Fund"*). Amounts on deposit in the Debt Service Reserve Fund shall be administered by the Series 2016A Bond Trustee as described in the provisions of the Master Indenture summarized under this caption. Except as *provided* herein, moneys on deposit in the Debt Service Reserve Fund shall secure the Series 2016A Obligation and shall be used only to make up any deficiencies in the Interest Fund and the

Bond Sinking Fund (in that order) created under the Series 2016A Bond Indenture. Upon receipt by the Master Trustee of a Written Request of the Series 2016A Bond Trustee stating that there is a deficiency in the Interest Fund or the Bond Sinking Fund created under the Series 2016A Bond Indenture, the Master Trustee shall transfer any available funds from the Debt Service Reserve Fund to the Series 2016A Bond Trustee in an amount equal to such deficiency.

(b) On the first Business Day of any DSRF Funding Period, the Obligated Group shall deliver funds to the Master Trustee in an amount equal to the Debt Service Reserve Fund Requirement. Upon receipt of (i) evidence satisfactory to the Master Trustee that a DSRF Funding Period has ended and (ii) a Favorable Opinion of Bond Counsel, the Master Trustee shall release any funds held in the Debt Service Reserve Fund as directed by the Obligated Group Representative. The Obligated Group Representative is required to post a notice on EMMA as soon as practicable after the commencement of or termination of any DSRF Funding Period.

(c) During any DSRF Funding Period, moneys on deposit in the Debt Service Reserve Fund shall be invested in Permitted Investments. Permitted Investments in the Debt Service Reserve Fund shall be valued by the Master Trustee on March 31 of each Fiscal Year (the *"Series 2016 Valuation Date"*), on the basis of fair market value (which valuation shall take into account any accrued and unpaid interest). If on any Series 2016 Valuation Date during a DSRF Funding Period, the amount on deposit in the Debt Service Reserve Fund is less than 90% of the Debt Service Reserve Fund Requirement as a result of a decline in the market value of investments on deposit in the Debt Service Reserve Fund, the Obligated Group shall deposit in the Debt Service Reserve Fund the amount necessary to restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement within 120 days following the date on which the Obligated Group Representative receives notice of such deficiency. If at any time during a DSRF Funding Period the amount on deposit in the Debt Service Reserve Fund is less than 100% of the Debt Service Reserve Fund Requirement as a result of the Debt Service Reserve Fund having been drawn upon, the Obligated Group shall restore the amount on deposit in the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Fund Requirement by the deposit with the Master Trustee of an amount equal to such deficiency in not more than 12 substantially equal monthly installments beginning with the first day of the seventh month after the month in which such draw occurred.

(d) In connection with any partial redemption or defeasance prior to maturity of the Series 2016A Bonds, the Series 2016A Bond Trustee may, at the request of the Obligated Group Representative, use any amounts on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement after such redemption to pay the principal of or the principal portion of the redemption price of said Series 2016A Bonds to be redeemed or defeased. On the final maturity date of the Series 2016A Bonds, any moneys in the Debt Service Reserve Fund may be used to pay the principal of and interest on the Series 2016A Bonds on such final maturity date.

(e) Upon a Written Request of the Obligated Group Representative filed with the Master Trustee, moneys in the Debt Service Reserve Fund shall be invested only in Permitted Investments. Investment income on such moneys shall be transferred monthly by the Master Trustee in accordance with the provisions of the Master Indenture summarized under this caption. The Master Trustee may trade with itself in the purchase and sale of securities for such investment; *provided, however,* that in no case shall any investment be otherwise than in accordance with the investment limitations contained herein and in the Tax Exemption Agreement (as defined in the Related Bond Indenture) related to the Series 2016A Bonds. The Master Trustee shall not be liable or responsible for any loss resulting from any such investments.

(f) All amounts on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement shall be deposited in the following funds, in the order listed:

(i) The Interest Fund under the Series 2016A Bond Indenture to the extent of the estimated amount required to be deposited therein to make any interest payment on the Series 2016A Bonds occurring within 13 months of the date of deposit;

(ii) The Bond Sinking Fund under the Series 2016A Bond Indenture to the extent of the amount required to be deposited therein to make the next required principal payment on the Series 2016A Bonds occurring within 13 months of the date of deposit; and

(iii) The balance, if any, in the Optional Redemption Fund under the Series 2016A Bond Indenture as directed by the Obligated Group Representative.

Any costs of making any investment of moneys in the Debt Service Reserve Fund, including investment management fees, shall be charged to the Debt Service Reserve Fund.

As of the issuance date of the Series 2026B Bonds (the proceeds of which bonds are expected to refund all of the outstanding Series 2016A Bonds), there will no longer be any Related Bonds with a Specified Debt Service Reserve Fund and the Master Trustee will be directed by the Obligated Group Representative to close such fund and transfer any funds remaining therein to the Series 2016A Bond Trustee to be applied to pay the redemption price of the Series 2016A Bonds.

MERGER, CONSOLIDATION, SALE OR CONVEYANCE

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Merger, Consolidation, Sale or Conveyance" below for a description of the amendments.

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

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

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

(iii) Assuming that any Indebtedness of any successor or acquiring corporation is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other corporation (A) immediately after such merger or consolidation, sale or conveyance, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group is not less than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such merger or consolidation, sale or conveyance and (B) immediately after such merger or consolidation, sale or conveyance, the Days Cash on Hand of the Obligated Group as set forth on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," would be not less than 200 or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such merger or consolidation, sale or conveyance;

(iv) if any Related Bonds were rated by a Rating Agency prior to such merger, consolidation or conveyance, evidence from such Rating Agency, satisfactory to the Master Trustee, that (i) if the credit rating(s) by any Rating Agency is "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds will not be reduced below "BBB-" (or its equivalent) as a result of merger, consolidation or conveyance or (ii) the credit rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such merger, consolidation or conveyance; and

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

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor corporation, such successor corporation shall succeed to and be substituted for its predecessor, with the same effect as if it had been named in the Master Indenture as such Member. Each successor, assignee, surviving, resulting or transferee corporation of a Member must agree to become, and satisfy the conditions of the Master Indenture described under the caption "ENTRANCE INTO THE OBLIGATED GROUP" below to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any successor corporation to such Member thereupon may cause to be signed and may issue in its own name Obligations pursuant to the Master Indenture and the predecessor corporation shall be released from its obligations thereunder and under any Obligations, if such predecessor corporation shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor corporation. All Obligations so issued by such successor corporation pursuant to the Master Indenture shall in all respects have the same legal rank and benefit thereunder as Obligations theretofore or thereafter issued in accordance with the terms of the Master Indenture as though all of such Obligations had been issued thereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

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

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

ENTRANCE INTO THE OBLIGATED GROUP

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Entrance into the Obligated Group" below for a description of the amendments.

As of the date of execution of the Master Indenture, Westminster and LFP are the only Members of the Obligated Group. Any other Person may become a Member of the Obligated Group if:

(a) Such Person shall execute and deliver to the Master Trustee a Supplemental Master Indenture acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing (i) the agreement of such Person (A) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of the Master Indenture and, (B) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions described under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CESSATION OF STATUS AS A MEMBER OF THE OBLIGATED GROUP" below) to jointly and severally make payments upon each Obligation at the times and in the amounts provided in each such Obligation and (ii) representations and warranties by such Person substantially similar to those set forth in the Master Indenture other than those contained in the Master Indenture relating to tax-exempt status if such Person is not a Tax-Exempt Organization (but with such deviations as are acceptable to the Master Trustee);

(b) The Obligated Group Representative, by appropriate action of its Governing Body, shall have approved the admission of such Person to the Obligated Group;

(c) The Master Trustee shall have received (1) an Officer's Certificate of the Obligated Group Representative which (A) demonstrates that (i) immediately upon such Person becoming a Member of the Obligated Group, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group, taking the Person becoming a Member into account, is equal to or greater than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without such Person becoming a Member of the Obligated Group and (ii) immediately upon such Person becoming a Member of the Obligated Group, taking the Person becoming a Member into account, the Obligated Group would be in compliance with the Liquidity Requirement of the Master Indenture described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT" based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," or that the number of Days Cash on Hand of the Obligated Group, taking the Person becoming a Member into account, is greater than the number of Days Cash on Hand would be without such Person becoming a Member of the Obligated Group; (B) states that prior to and immediately after such Person becoming a Member of the Obligated Group, no event of default exists under the Master Indenture and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default; and (C) states that prior to and immediately after such Person becoming a Member of the Obligated Group, the Members would not be in default in the performance or observance of any covenant or condition to be performed or observed under the Master Indenture; (2) an opinion of Independent Counsel in form and substance acceptable to the Master Trustee to the effect that (A) the instrument described in paragraph (a) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to the exceptions set forth in the Master Indenture and (B) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax-Exempt Organization of any Member which otherwise has such status and (3) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an Opinion of Bond Counsel to the effect that under then existing law the addition of such Person to the Obligated Group, whether or not contemplated on the date of delivery of any such Related Bond, would not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable on such Bond otherwise entitled to such exemption; *provided* that in making the calculation called for by the provisions of the Master Indenture summarized in this paragraph, (i) there shall be excluded from Revenues (a) any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs and (b) any Revenues generated by Property of the new Member which at the time of such Member's entry into the Obligated Group will be categorized as Excluded Property and (ii) there shall be excluded from Expenses (a) any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs and (b) any Expenses related to Property of the new Member which at the time of such Member's entry into the Obligated Group will be categorized as Excluded Property;

(d) (i) The Master Indenture is amended to include a description of the real property of the Person becoming a Member upon which the primary operations of such Person are conducted and a description of any Permitted Encumbrances of the type described in paragraph (u)(ii) of the definition thereof, (ii) the Master Indenture is amended to include a description of the Property of the Person becoming a Member which is to be considered Excluded Property (*provided* that such Property may be treated as Excluded Property only if such Property is real or tangible personal property and the primary operations of such Person are not conducted upon such real property), and (iii) the Master Indenture is amended to add such Person as a Member; and

(e) if any Related Bonds were rated by a Rating Agency prior to the Person becoming a Member of the Obligated Group, evidence from such Rating Agency, satisfactory to the Master Trustee, that (i) if the credit rating(s) by any Rating Agency is "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds will not be reduced below "BBB-" (or its equivalent) as a result of such Person becoming a Member of the Obligated Group or (ii) the credit rating(s) on such related Bonds will not be reduced or withdrawn as a result of such Person becoming a member of the Obligated Group.

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

CESSATION OF STATUS AS A MEMBER OF THE OBLIGATED GROUP

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – <u>Cessation of Status as a Member of the Obligated Group</u>" below for a description of the amendments.

Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to cease to be a Member of the Obligated Group unless:

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

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

(c) prior to the cessation of such status, there is delivered to the Master Trustee an Officer's Certificate of the Obligated Group Representative to the effect that: (A) (i) immediately after such cessation the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group, taking such cessation into account, is equal to or greater than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation and (ii) immediately after such cessation, taking such cessation into account, the Obligated Group would be in compliance with the Liquidity Requirement of the Master Indenture described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT" based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS" or that the number of Days Cash on Hand of the Obligated Group, taking such cessation into account, is greater than the number of Days Cash on Hand would be immediately prior to such cessation; and (B) prior to and immediately after such cessation, no event of default exists under the Master Indenture and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an event of default;

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

(e) prior to cessation of such status, each Member consents in writing to the withdrawal by such Member; and

(f) if any Related Bonds were rated by a Rating Agency prior to the Person withdrawing from the Obligated Group, evidence from such Rating Agency, satisfactory to the Master Trustee, that (i) if the credit rating(s) by any Rating Agency is "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds will not be reduced below "BBB-" (or its equivalent) as a result of such Person withdrawing from the Obligated Group or (ii) the credit rating(s) on such Related Bonds will not be reduced or withdrawn as a result of such Person withdrawing from the Obligated Group.

Upon such cessation in accordance with the foregoing provisions, (i) the Master Indenture shall be amended to delete therefrom the description of any real property and of any Permitted Encumbrances of the type described in paragraphs (u) and (v) of the definition of Permitted Encumbrances of the Member which has ceased being a Member of the Obligated Group, (ii) the Master Indenture shall be amended to delete therefrom any Property of the Member which has ceased being a Member, (iii) the Master Indenture shall be amended to delete therefrom the name of such Person and (iv) the Master

Trustee shall be authorized to release any mortgage held by the Master Trustee upon the Property of such Member which has ceased being a Member of the Obligated Group.

EVENTS OF DEFAULT

Each of the following events is declared an "Event of Default" under the Master Indenture:

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

(b) failure of any Member to comply with, observe or perform any of the covenants, conditions, agreements or provisions of the Master Indenture and to remedy such default within 30 days after written notice thereof to such Member and the Obligated Group Representative from the Master Trustee or the holders of at least 25% in aggregate principal amount of the Outstanding Notes, *provided* that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under the Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default thereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default shall thereafter prosecute and complete the same with due diligence and dispatch; or

(c) any representation or warranty made by any Member in the Master Indenture or in any statement or certificate furnished to the Master Trustee or the purchaser of any Obligation in connection with the sale of any Obligation or furnished by any Member pursuant to the Master Indenture proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within 30 days after written notice thereof to the Obligated Group Representative by the Master Trustee or the holders of at least 25% in aggregate principal amount of the Outstanding Obligations; *provided* that, if in the judgment of the Master Trustee, such default cannot with due diligence and dispatch be wholly cured so that such failure no longer constitutes an "event of default" under the Master Indenture within 30 days but can be wholly cured, the failure of the Member to remedy such default within such 30-day period shall not constitute a default thereunder if the Member shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

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

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

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

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

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

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

(j) any event of default shall occur under the Mortgage or any mortgage executed pursuant to the last paragraph under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS."

ACCELERATION

If an event of default has occurred and is continuing, the Master Trustee may, and if requested by either the holders of not less than 25% in aggregate principal amount of Outstanding Obligations or the holder of any Accelerable Instrument under which Accelerable Instrument an event of default exists (which event of default permits the holder thereof to request that the Master Trustee declare such

Indebtedness evidenced by an Obligation due and payable prior to the date on which it would otherwise become due and payable), shall, by notice in writing delivered to the Obligated Group Representative, declare the entire principal amount of all Obligations then Outstanding under the Master Indenture and the interest accrued thereon immediately due and payable, and the entire principal and such interest shall thereupon become immediately due and payable, subject, however, to the provisions of the Master Indenture with respect to waivers of events of default.

REMEDIES; RIGHTS OF OBLIGATION HOLDERS

Upon the occurrence of any event of default, the Master Trustee may pursue any available remedy including a suit, action or proceeding at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Obligations Outstanding under the Master Indenture and any other sums due thereunder and may collect such sums in the manner provided by law out of the Property or the Excluded Property of any Member wherever situated.

If an event of default shall have occurred, and if it shall have been requested so to do by either the holders of 25% or more in aggregate principal amount of Obligations Outstanding or the holder of an Accelerable Instrument who requested or was entitled to request pursuant to the Master Indenture that the Master Trustee accelerate the Obligations and if it shall have been indemnified as provided in the Master Indenture, the Master Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the provisions of the Master Indenture summarized under this caption as the Master Trustee shall deem most expedient in the interests of the holders of Obligations; *provided, however,* that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of Obligations not parties to such request.

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

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

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

DIRECTION OF PROCEEDINGS BY HOLDERS

The holders of a majority in aggregate principal amount of the Obligations then outstanding which have become due and payable in accordance with their terms or have been declared due and payable pursuant the Master Indenture and have not been paid in full in the case of remedies exercised to enforce such payment, or the holders of not less than a majority in aggregate principal amount of the Obligations then outstanding in the case of any other remedy, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Master Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture and the Mortgage, or for the appointment of a receiver or any other proceedings under the Master Indenture; *provided,* that such direction shall not be otherwise than in accordance with the provisions of law and of the Master Indenture and that the Master Trustee shall have the right to decline to comply with any such request if the Master Trustee shall be advised by counsel (who may be its own counsel) that the action so directed may not lawfully be taken or the Master Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Obligations not parties to such direction. Pending such direction from the holders of not less than a majority in aggregate principal amount of the Obligations outstanding, such direction may be given in the same manner and with the same effect by the holder of an Accelerable Instrument upon whose request pursuant to the Master Indenture the Master Trustee has accelerated the Obligations.

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

APPOINTMENT OF RECEIVERS

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

APPLICATION OF MONEYS

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

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

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

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

THIRD: To the payment to the persons entitled thereto of all unpaid principal and interest on Obligations, payment of which was extended by such persons as described in the Master Indenture.

(b) If the principal of all the Obligations shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal, premium, if any, and interest then due and unpaid upon the Obligations without preference or priority of principal, premium or interest over the others, or of any installment of interest over any other installment of interest, or of any Obligation over any other Obligation, ratably, according to the amounts due respectively for principal, premium, if any, and interest to the persons entitled thereto without any discrimination or privilege; *provided* that no amount shall be paid to any Obligation Holder who has extended the time for payment of either principal or interest as described in the Master Indenture until all other principal, premium, if any, and interest owing on Obligations has been paid; and

(c) If the principal of all the Obligations shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Master Indenture, then, subject to the provisions of paragraph (b) above in the event that the principal of all the Obligations shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

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

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

REMEDIES VESTED IN MASTER TRUSTEE

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

RIGHTS AND REMEDIES OF OBLIGATION HOLDERS

No holder of any Obligation shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Master Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy thereunder, unless a default shall have become an event of default and (a) the holders of 25% or more in aggregate principal amount (i) of the Obligations which have become due and payable in accordance with their terms or have been declared due and payable pursuant to the Master Indenture and have not been paid in full in the case of powers exercised to enforce such payment or (ii) the Obligations then outstanding in the case of any other exercise of power or (b) the holder of an Accelerable Instrument who requested or was entitled to request pursuant to the Master Indenture that the Master Trustee accelerate the Obligations, shall have made written request to the Master Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted or to institute such action, suit or proceeding in its own name, and unless also, in each case, such holders have offered to the Master Trustee indemnity as provided in the Master Indenture, and unless the Master Trustee shall thereafter fail or refuse to exercise the powers granted, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are declared in every case at the option of the Master Trustee to be conditions precedent to the execution of the powers and trusts of the Master Indenture and to any action or cause of action for the enforcement of the Master Indenture, or for the appointment of a receiver or for any other remedy thereunder; it being understood and intended that no one or more holders of the Obligations shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Master Indenture by its, his or their action or to enforce any right thereunder except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of the holders of all Obligations Outstanding. Nothing in the Master Indenture contained shall, however, affect or impair the right of any holder to enforce the payment of the principal of, premium, if any, and interest on any Obligation at and after the maturity thereof, or the obligation of the Members to pay the principal, premium, if any, and interest on each of the Obligations issued under the Master Indenture to the respective holders thereof at the time and place, from the source and in the manner in said Obligations expressed.

TERMINATION OF PROCEEDINGS

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

WAIVER OF EVENTS OF DEFAULT

If, at any time after the principal of all Obligations shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as provided below and before the acceleration of any Related Bond, any Member shall pay or shall deposit with the Master Trustee a sum sufficient to pay all matured installments of interest upon all such Obligations and the principal and premium, if any, of all such Obligations that shall have become due otherwise than by acceleration (with interest on overdue installments of interest and on such principal and premium, if any, at the rate borne by such Obligations to the date of such payment or deposit, to the extent permitted by law) and the expenses of the Master Trustee, and any and all events of default under the Master Indenture, other than the nonpayment of principal of and accrued interest on such Obligations that shall have become due by acceleration, shall have been remedied, then and in every such case the holders of not less than a majority in aggregate principal amount of all Obligations then Outstanding and the holder of each Accelerable Instrument who requested or was entitled to request the giving of notice of acceleration, by written notice to the Obligated Group Representative and to the Master Trustee, may waive all events of default and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or affect any subsequent event of default, or shall impair any right consequent thereon.

MEMBERS' RIGHTS OF POSSESSION AND USE OF PROPERTY

So long as each Member is in full compliance with the terms and provisions of the Master Indenture, each Member shall be suffered and permitted to possess, use and enjoy its Property and appurtenances thereto free of claims of the Master Trustee.

RELATED BOND TRUSTEE OR BONDHOLDERS DEEMED TO BE OBLIGATION HOLDERS

Unless a Related Bond Trustee elects to the contrary or contrary provision is made in a Related Bond Indenture, each Related Bond Trustee shall be deemed the holder of the Obligation or Obligations pledged to secure the Related Bonds with respect to which such Related Bond Trustee is acting as trustee. If such a Related Bond Trustee so elects or the Related Bond Indenture so provides, the holders of each series of Related Bonds shall be deemed the holders of the Obligations to the extent of the principal amount of the Obligations to which their Bonds relate.

LOCK-BOX PROVISIONS

The provisions of the Master Indenture described under this caption will be amended upon the effective date of the 2026 Springing Amendments. See "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE – Lock-Box Provisions" below for a description of the amendments.

Upon (a) the occurrence and during the continuance of an Event of Default under the provisions of the Master Indenture described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – EVENTS OF DEFAULT", the Master Trustee shall give to the Obligated Group Representative a notice (the *"Lock-Box Notice"*) referring to the provisions of the Master Indenture summarized under this caption. Upon receipt of a Lock-Box Notice, (a) each Obligated Group Member will immediately commence depositing all Gross Revenues with the Master Trustee and will continue to do so on a daily basis as and when it receives or collects any moneys constituting Gross Revenues and (b) within 30 days the Obligated Group Representative will (i) select a Consultant (which Consultant shall be approved as provided in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS") to review the operating budget of the Obligated Group as required by the provisions of the Master Indenture summarized under this caption and (ii) submit to such Consultant and the Master Trustee a proposed operating budget for the Consultant's approval or modification. The proposed operating budget shall include on a month by month basis all operating expenses to be paid by each Obligated Group Member. Upon review of the proposed budget, the Consultant will notify the Obligated Group Representative and the Master Trustee whether such budget is approved as submitted or of any modifications the Consultant will impose. A copy of the budget, as approved or modified (the "*Lock-Box Budget*"), will be sent to the Obligated Group Representative and the Master Trustee. In the event that the Obligated Group Representative fails to submit a proposed operating budget to the Consultant and the Master Trustee, the Consultant will modify the operating budget as it deems appropriate under the then existing circumstances and such modified operating budget will constitute the Lock-Box Budget. The Lock-Box Budget may be amended and modified by the Consultant at any time and from time to time as the Consultant in its discretion determines is necessary or appropriate under the then existing circumstances. A copy of any amendment or modification to the Lock-Box Budget will be sent by the Consultant to the Obligated

Group Representative and the Master Trustee. The Master Trustee agrees that, upon receipt of a Lock-Box Notice, it will make disbursements (from amounts deposited with it by each Obligated Group Member as provided above) in each month to the Obligated Group Representative to pay operating expenses only in accordance with the Lock-Box Budget.

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

RESIGNATION BY THE MASTER TRUSTEE

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

REMOVAL OF THE MASTER TRUSTEE

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

APPOINTMENT OF SUCCESSOR MASTER TRUSTEE BY THE OBLIGATION HOLDERS; TEMPORARY MASTER TRUSTEE

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

SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS TO THE MORTGAGE NOT REQUIRING CONSENT OF OBLIGATION HOLDERS

Subject to the limitations set forth under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS OF THE MORTGAGE REQUIRING CONSENT OF OBLIGATION HOLDERS," the Members and the Master Trustee may, without the consent of, or notice to, any of the Obligation Holders, amend or supplement the Master Indenture or the Mortgage for any one or more of the following purposes:

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

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

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

(d) To evidence the succession of another corporation to the agreements of a Member or the Master Trustee, or the successor of any thereof under the Master Indenture;

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

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

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

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

(i) To provide for the issuance of Obligations with original issue discount, *provided* such issuance would not materially adversely affect the holders of Outstanding Obligations;

(j) To permit an Obligation to be secured by security which is not extended to all Obligation Holders;

(k) To permit the issuance of Obligations which are not in the form of a promissory note;

(l) Provide for the release in accordance with the provisions of the Mortgage of any Property subject to the lien of such Mortgage;

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

(n) To provide for amendments reflecting the election by the Obligated Group Representative to make calculations under the Master Indenture in accordance with GAAP as of the date of execution of the Master Indenture following changes to GAAP as described in the Master Indenture.

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

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

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

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

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

SUPPLEMENTAL MASTER INDENTURES AND AMENDMENTS OF THE MORTGAGE REQUIRING CONSENT OF OBLIGATION HOLDERS

In addition to Supplemental Master Indentures covered by the provisions of the Master Indenture summarized under the previous caption and subject to the terms and provisions of the Master Indenture summarized under this caption, and not otherwise, the holders of not less than a majority in aggregate principal amount of the Obligations which are outstanding under the Master Indenture at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage or, in case less than all of the several series of Obligations outstanding are affected thereby, the holders of not less than a majority in aggregate principal amount of the Obligations of the series affected thereby which are outstanding under the Master Indenture at the time of the execution of such Supplemental Master Indenture or amendment to the Mortgage, shall have the right, from time to time, anything contained in the Master Indenture or in the Mortgage to the contrary notwithstanding, to consent to and approve the execution by the Members and the Master Trustee of such Supplemental Master Indentures as shall be deemed necessary and desirable by the Members for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Master Indenture or in any Supplemental Master Indenture; *provided, however,* that nothing contained under this caption or under the previous caption shall permit, or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of or reduction in the rate or extension of the time of paying of interest on or reduction of any premium payable on the redemption of, any Obligation, without the consent of the holder of such Obligation, (b) a reduction in the aforesaid aggregate principal amount of Obligations the holders of which are required to consent to any such Supplemental Master Indenture or amendment to the Mortgage or any such amending or supplementing instruments, without the consent of the holders of all the Obligations at the time outstanding which would be affected by the action to be taken, or (c) modification of the rights, duties or immunities of the Master Trustee, without the written consent of the Master Trustee.

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

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

DEFEASANCE

If the Members shall pay or provide for the payment of the entire indebtedness on all Obligations (including, for the purposes of the provisions of the Master Indenture summarized under this caption, any Obligations owned by a Member) outstanding in any one or more of the following ways:

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

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

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

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

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

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

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

PROVISION FOR PAYMENT OF A PARTICULAR SERIES OF OBLIGATIONS OR PORTION THEREOF

If the Obligated Group shall pay or provide for the payment of the entire indebtedness on all Obligations of a particular series or a portion of such a series (including, for the purpose of the provisions of the Master Indenture summarized under this caption, any such Obligations owned by a Member) in one of the following ways:

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

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

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

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

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

SATISFACTION OF RELATED BONDS

The provisions of the Master Indenture summarized under the previous two captions notwithstanding, any Obligation which secures a Related Bond (i) shall be deemed paid and shall cease to be entitled to the lien, benefit and security under the Master Indenture in the circumstances described in subsection (b)(ii) of the definition of "Outstanding Obligations"; and (ii) shall not be deemed paid and shall continue to be entitled to the lien, benefit and security under the Master Indenture unless and until such Related Bond shall cease to be entitled to any lien, benefit or security under the Related Bond Indenture pursuant to the provisions thereof.

SUMMARY OF CERTAIN PROVISIONS OF THE SECOND SUPPLEMENTAL MASTER INDENTURE

A brief description of certain amendments to the Master Indenture contained in the Second Supplemental Master Indenture is set forth below. Reference is made to the Second Supplemental Master Indenture for a full and complete statement of its provisions.

2026 SPRINGING AMENDMENTS TO THE ORIGINAL MASTER INDENTURE

The Second Supplemental Master Indenture contains amendments to the Master Indenture (the *"2026 Springing Amendments"*) which will become effective upon receipt of the consent of the holders of not less than a majority in aggregate principal amount of the Obligations outstanding under the Master Indenture. The holders of the Series 2026 Obligations shall, by their acceptance thereof, be deemed to have consented to the 2026 Springing Amendments. As of the date hereof, none of the other owners of any Obligations issued prior to the date hereof and currently outstanding have consented to the 2026 Springing Amendments. Therefore, the 2026 Springing Amendments will not be effective until the consent of the owners of not less than a majority in aggregate principal amount of the Obligations Outstanding under the Master Indenture, which is expected to occur on the issuance date of the Series 2026B Obligation.

Underlined language indicates additions to the text of the Master Indenture and ~~strikethrough~~ language indicates deletions from the text.

Definitions Added to the Master Indenture

The caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – DEFINITIONS OF CERTAIN TERMS" is amended to include the following definitions:

> *"Industry Restrictions"* means federal, state or other applicable governmental laws or regulations or general industry standards or general industry conditions placing restrictions and limitations on the rates, fees and charges to be fixed, charged and collected by the Members.

"Qualifying Intermediate-Term Indebtedness" means any Indebtedness that (i) matures not more than seven years from its date of issuance or incurrence and (ii) is issued or incurred to finance the expansion of the Facilities or to finance additional Facilities which, in either case, is expected by the Obligated Group to generate Initial Entrance Fees (under Residency Agreements that require or will require deposits of not less than 10% of the applicable Entrance Fee) in an amount not less than 100% of the principal amount of such Qualifying Intermediate-Term Indebtedness, all as certified to the Master Trustee in an Officer's Certificate.

Amendment of Definitions

The following definitions under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – DEFINITIONS OF CERTAIN TERMS" are amended to read as follows:

"Days Cash on Hand" means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing the sum of Expenses ~~(including~~plus all expensed and capitalized interest on Indebtedness ~~but excluding provisions for bad debt, amortization, depreciation or any other non-cash expenses)~~ (other than interest paid from Funded Interest) or the most recent trailing twelve month period, as shown on the consolidating statement of operations ~~within~~in the most recent ~~annual~~ audited financial statements ~~which include the Obligated Group, by 365. For the period ending September 30, 2016, Expenses shall be calculated based on the consolidating schedules included in the March 30, 2016 audited financial statements which include the Members of the Obligated Group divided by 122.~~delivered to the Master Trustee in accordance with the provisions of the Master Indenture described under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," by 365.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of principal (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise) and interest on outstanding Funded Indebtedness of each Person or a group of Persons with respect to which calculated; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in the provisions of the Master Indenture summarized under the captions "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" and "– CALCULATION OF DEBT SERVICE AND DEBT SERVICE COVERAGE;" (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which requires that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness, and except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt

service; (e) any annual fees payable in respect of a Credit Facility (other than annual fees to be paid from proceeds of a bond issue escrowed for such purpose) shall be included in the determination of Debt Service Requirements; (f) debt service for Qualifying Intermediate-Term Indebtedness shall be excluded, provided, however, if the Capital Additions financed with such Qualifying Intermediate-Term Indebtedness have not achieved Stable Occupancy within five years after the issuance of such Qualifying Intermediate-Term Indebtedness, the foregoing exclusion shall no longer apply; and (g) with respect to any Funded Indebtedness for which the number of actual payments of principal in any Fiscal Year is greater than those in the immediately preceding and/or succeeding Fiscal Years solely by reason of the fact that such principal payments are scheduled to occur other than on a specified date or dates, the first or last principal payment in such Fiscal Year, as the case may be, for which the number of payments is higher shall be deemed to be required to be made in the next preceding or succeeding Fiscal Year, as appropriate, so as to have an equal number of principal payments in each Fiscal Year and (g) debt service payments on the Indebtedness in subparagraph (O) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" below shall be excluded from Debt Service Requirements.

"Revenues" means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business or any gain from the extinguishment of debt or other extraordinary item or earnings on deposits which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness), plus (iv) Unrestricted Contributions, plus (v) ~~any other~~ Entrance Fees received ~~(other than Initial Entrance Fees)~~ minus (A) Entrance Fees amortized during such Fiscal Year ~~and~~, (B) Entrance Fees refunded to residents, and (C) Initial Entrance Fees received prior to the repayment of all Qualifying Intermediate-Term Indebtedness; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with generally accepted accounting principles; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative instruments, (ii) earnings resulting from any reappraisal, revaluation, write-up or impairment of assets (including, without limitation, intangibles and pension adjustments related to market value fluctuations and discount rates) of fixed or capital assets, (iii) insurance (other than business interruption) and condemnation proceeds and (iv) adjustments to the value of assets or liabilities resulting from changes in GAAP; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between a Member and any other Member. For purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation. For purposes of any calculation hereunder that is made with reference to both Revenues and Expenses, any deduction from gross resident service revenues otherwise required by this definition shall not be made if and to the extent that the amount of such deduction is included in Expenses.

Entrance into the Obligated Group

The provisions of the Master Indenture summarized above in clause (e) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – ENTRANCE INTO THE OBLIGATED GROUP" are amended to read as follows:

> (e) If any Related Bonds were rated by a Rating Agency prior to the Person becoming a Member of the Obligated Group, ~~evidence from~~the Obligated Group Representative notified any such Rating Agency~~, satisfactory to the Master Trustee, that~~ of the plan to have the Person join the Obligated Group, and after such notice and at the time the Person becomes a Member of the Obligated Group (i) if the at the time of the notice the credit rating(s) by any Rating Agency ~~is~~was "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds ~~will~~was not ~~be~~ reduced below "BBB-" (or its equivalent) ~~as a result of such Person becoming a Member of the Obligated Group~~ or (ii) the credit rating(s) on such Related Bonds ~~will~~at the time of the notice was not ~~be~~ reduced or withdrawn ~~as a result of such Person becoming a member of the Obligated Group~~.

Cessation of Status as a Member of the Obligated Group

The provisions of the Master Indenture summarized above in clause (e) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – CESSATION OF STATUS AS A MEMBER OF THE OBLIGATED GROUP" are amended to read as follows:

> (e) if any Related Bonds were rated by a Rating Agency prior to the Person withdrawing from the Obligated Group, ~~evidence from~~the Obligated Group Representative notified any such Rating Agency~~, satisfactory to the Master Trustee, that~~ of the plan to have the Person withdraw from the Obligated Group, and after such notice and at the time the Person ceases being a Member of the Obligated Group (i) if the at the time of the notice the credit rating(s) by any Rating Agency ~~is~~was "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds ~~will~~was not ~~be~~ reduced below "BBB-" (or its equivalent) ~~as a result of such Person withdrawing from the Obligated Group~~ or (ii) the credit rating(s) on such Related Bonds ~~will~~at the time of the notice was not ~~be~~ reduced or withdrawn ~~as a result of such Person withdrawing from the Obligated Group~~.

Insurance

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – INSURANCE" are amended to read as follows:

INSURANCE

Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of ~~corporations~~Persons engaged in the same or similar activities and similarly situated ~~and as is adequate to protect its Property and operations~~. For purposes of of the provisions of the Master Indenture summarized under this caption, the term Property shall be deemed to include Excluded Property. The Obligated Group Representative shall annually review the insurance each Member maintains to determine whether such insurance is customary~~ or adequate~~. In addition, the Obligated Group Representative shall (commencing with its Fiscal Year ending March 31, ~~2017~~2028) cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within ~~120~~150 days of the end of ~~each~~every two Fiscal ~~Year~~Years which certificate indicates that the insurance then being maintained by the Members is customary in the case of ~~corporations~~Persons engaged in the same or similar activities and similarly situated~~ or is adequate to protect the Obligated Group's Property and operations~~. The Obligated Group Representative shall cause copies of the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is reasonable under the circumstances; *provided, however,* that no Member of the Obligated Group shall self-insure any of its Property, Plant and Equipment.

Rates and Charges

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – RATES AND CHARGES" are amended to read as follows:

RATES AND CHARGES

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

The Members covenant and agree that the Obligated Group Representative will calculate the Historical Debt Service Coverage Ratio of the Obligated Group for each Fiscal Year, commencing with the Fiscal Year ending March 31, ~~2017~~2027, and to deliver a copy of such calculation to the Required Information Recipients in connection with the delivery of the reports required by subparagraph (~~d~~b) of the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS."

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 but at least 1.10:1 for such year, the Obligated Group Representative shall, within 30 days following the delivery date of the calculation described in the preceding paragraph, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons that the Historical Debt Service Coverage Ratio was less than 1.20:1 and adopting a specific plan setting forth steps to be taken designed to raise the Historical Debt Service Coverage Ratio to at least 1.20:1 for future periods.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.10:1 for such year, the Master Trustee shall require the Obligated Group, at the Obligated Group's expense, to select a Consultant within 30 days following the delivery date of the calculation described in the second preceding paragraph to make recommendations with respect to the rates, fees and charges of the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 for the following Fiscal Year. The Consultant selected as required by this Section 409 shall be approved and retained as set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS."

A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and the Master Trustee within 60 days of retaining the Consultant and a summary of such Consultant's report shall be provided to each Required Information Recipient. Each Member shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of such Member) and permitted by law. The provisions of the Master Indenture summarized under this caption shall not be construed to prohibit any Member from serving indigent patients or residents to the extent required for such Member to continue its qualification as a Tax-Exempt Organization (or, in the case of a limited liability company, a disregarded entity) or from serving any other class or classes of patients or residents without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of the Master Indenture described under this caption.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than ~~1.20:1~~1.10:1, the Master Trustee shall not be obligated to require the Obligated Group to retain a Consultant to make such recommendations if: (a) there is filed with the Master Trustee (who shall provide a summary to each Required Information Recipient) a written report addressed to them of a Consultant (which Consultant and report, including, without limitation, the scope, form, substance and other aspects of such report, are not objected to by the Master Trustee) which contains an opinion of such Consultant that ~~applicable laws or regulations~~Industry Restrictions have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the requirements of the provisions of the Master Indenture summarized under this caption, and, if requested by the Master Trustee), such report is accompanied by a concurring opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) as to any conclusions of law supporting the opinion of such Consultant; (b) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such ~~laws or regulations~~Industry Restrictions; and (c) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group shall not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who shall provide a copy to each Related Bond Trustee) an opinion of Independent Counsel (which Counsel and opinion, including, without limitation, the scope, form, substance and other aspects thereof, are not objected to by the Master Trustee) to the effect that the ~~applicable laws and regulations~~Industry Restrictions underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Except as provided in the next paragraph, if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20:1 for any Fiscal Year, such failure shall not constitute an event of default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing ~~a~~an Officer's Certificate or obtaining a Consultant's report and adopting a plan and follows such plan or each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year, such failure shall constitute an event of default under this Master Indenture unless the Obligated Group has not less than 180 Days Cash on Hand as of the end of such Fiscal Year in which case no event of default shall be deemed to have occurred; provided, however, that if the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any two consecutive Fiscal Years, such failure shall constitute an event of default under this Master Indenture.

Notwithstanding any other provisions of this Master Indenture, in the event that any Member of the Obligated Group incurs any Additional Indebtedness for any acquisition, construction, renovation or replacement project ~~pursuant to any other provision of this Master Indenture, the Debt Service Requirements~~or Capital Addition, the Debt Service Requirements on such Additional Indebtedness, and the Revenues and Expenses relating to the project or ~~projects~~Capital Addition financed in whole or in part with the proceeds of such Additional Indebtedness, shall be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group for the purposes of complying with the provisions of this Section 409~~,~~ until the first full Fiscal Year following the later of (i) the estimated completion of the acquisition, construction, renovation or replacement project being paid for with the proceeds of such Additional Indebtedness provided that such completion occurs no later than six (6) months following the completion date for such project set forth in the Consultant's report described in (~~A~~1) below, ~~or~~ (ii) the ~~first full year~~Fiscal Year in which Stable Occupancy is achieved in the case of ~~construction, renovation or replacement of elderly housing facilities or nursing~~revenue producing facilities financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected in the report of the Consultant referred to in paragraph (~~A~~1) below to occur no later than during the ~~fourth~~fifth full Fiscal Year following the incurrence of such Additional Indebtedness~~,~~ or (iii) the end of the ~~fourth~~fifth full Fiscal Year after the incurrence of such Additional Indebtedness (the period commencing on the date of the incurrence of such Additional Indebtedness and ending on the later of (i), (ii) or (iii) above is hereinafter referred to as the *"Start-Up Period"*), if the following conditions are met:

(1) ~~(A)~~ there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the ~~Projected~~projected Historical Debt Service Coverage Ratio for ~~each of the first two full Fiscal Years following the later of (I) the estimated completion of the acquisition, construction, renovation or replacement being paid for with the proceeds of such Additional Indebtedness, or (II)~~ the first full Fiscal Year following the ~~year in which Stable Occupancy is achieved in the case of construction, renovation or replacement of elderly housing facilities or nursing facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy shall be projected to occur no later than during the fourth full Fiscal Year following the incurrence of such Additional Indebtedness,~~Start-Up Period will be not less than ~~1.20:1~~1.25:1 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided, however, that in the event that a Consultant shall deliver a report to the Master Trustee to the effect that ~~state or Federal laws or regulations or administrative interpretations of such laws or regulations then in existence~~Industry Restrictions do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio shall be reduced to the highest practicable ratio ~~which, in the opinion of the Consultant, is~~ then permitted by such laws or regulations but in no event less than 1.00:1; provided further, however, that in the event a Consultant's report is not required to incur such Additional Indebtedness, the Obligated Group may deliver an Officer's Certificate to the Master Trustee in lieu of the Consultant's report described in this subparagraph (~~A~~1); and

(2) ~~(B) there is delivered to the Master Trustee an~~such Consultant's report demonstrates, or Officer's Certificate ~~on the date on which Financial Statements are required to be delivered to the Master Trustee pursuant to Section 414 hereof until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year, and demonstrating that such Historical Debt Service Coverage Ratio is not less than 1.00:1, such Historical Debt Service Coverage Ratio to be computed without taking into account (I) the Additional Indebtedness to be incurred if (x)~~certifies, that the interest on such Additional Indebtedness and any projected start-up losses during ~~such period~~the Start-Up Period is funded from the proceeds ~~thereof~~of Additional Indebtedness or other funds of the ~~Member then on hand~~Obligated Group, and continues to be available ~~therefor and (y)~~for such purposes during the Start-Up Period; and

(3) such Consultant's report demonstrates, or Officer's Certificate certifies, that no principal of such Additional Indebtedness ~~is~~shall be payable during ~~such period, and (II) the Revenues to be derived from the project to be financed from the proceeds of such~~the Start-Up Period, excluding any Additional Indebtedness which may become due as the result of the collection of Entrance Fees during the Start-Up Period.

If the conditions of subparagraph (2) or (3) above are not satisfied because interest is not funded through the end of the Start-Up Period or because principal is due by maturity or bond sinking fund redemption prior to the end of the Start-Up Period, the provisions of the preceding paragraph shall apply only during the portion of the Start-Up Period for which interest has been funded and no principal payments are due.

Merger, Consolidation, Sale or Conveyance

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – MERGER, CONSOLIDATION, SALE OR CONVEYANCE" are amended to read as follows:

(a) Except as provided in paragraph (e) below, each ~~Each~~ Member agrees that it will not merge into, or consolidate with, one or more ~~corporations~~entities/Persons which are not Members, or allow one or more of such ~~corporations~~entities/Person to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

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

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

(iii) Assuming that any Indebtedness of any successor or acquiring ~~corporation~~Person is Indebtedness of such Member and that the Revenues and Expenses of the Member for such most recent Fiscal Year include the Revenues and Expenses of such other ~~corporation~~Person (A) immediately after such merger or consolidation, sale or conveyance, the Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by independent certified public accountants are available would be not less than 1.20:1 or that such Historical Pro Forma Debt Service Coverage Ratio of the Obligated Group is not less than the Historical Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such merger or consolidation, sale or conveyance and (B) immediately after such merger or consolidation, sale or conveyance, the Days Cash on Hand of the Obligated Group as set forth on the most recent quarterly financial statements delivered to the Master Trustee pursuant to the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," would be not less than 200 or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such merger or consolidation, sale or conveyance

(iv) if any Related Bonds were rated by a Rating Agency prior to such merger, consolidation or conveyance, ~~evidence from~~the Obligated Group Representative notified any such Rating Agency~~, satisfactory to the Master Trustee, that~~ of the plan of such merger, consolidation or conveyance, and after such notice and at the time of such merger, consolidation or conveyance (i) if the at the time of the notice the credit rating(s) by any Rating Agency ~~is~~was "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds ~~will~~was not ~~be~~ reduced below "BBB-" (or its equivalent) ~~as a result of such Person withdrawing from the Obligated Group~~ or (ii) the credit rating(s) on such Related Bonds ~~will~~at the time of the notice was not ~~be~~ reduced or as a result of such merger, consolidation or conveyance; and

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

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor ~~corporation~~Person, such successor ~~corporation~~Person shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Each Person that is a successor, assignee, surviving, resulting or transferee ~~corporation~~ of a Member must agree to become, and satisfy the conditions described under the caption "ENTRANCE INTO THE OBLIGATED GROUP" below to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any Person that is a successor ~~corporation~~ to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and the predecessor ~~corporation~~Person shall be released from its obligations hereunder and under any Obligations, if such predecessor ~~corporation~~Person shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor ~~corporation~~Person. All Obligations so issued by such successor ~~corporation~~Person hereunder shall in all respects have the same legal rank and benefit under this Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

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

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

(e) The foregoing provisions of Section 413 notwithstanding, a Member may sell or convey all or substantially all of its Property if such sale or conveyance is in compliance with the provisions of Section 417 of this Master Indenture.

Financial Statements and Related Matters

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS" are amended to read as follows:

FINANCIAL STATEMENTS AND RELATED MATTERS

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

(b) The Obligated Group Representative will furnish or cause to be furnished to the Master Trustee, ~~the Initial Purchaser,~~ each Related Bond Trustee, EMMA and the Authority (provided, however, that the Authority will be provided only the items set forth in subparagraph (i) and (ii) below unless the Authority requests other information being provided in accordance with the provisions of the Master Indenture summarized under this caption) (collectively, "Required Information Recipients"), the following:

(i) Within ~~45~~60 days of the end of ~~the first three~~each Fiscal ~~Quarters~~Quarter of each Fiscal Year ~~and within 60 days of the end of~~(with the fourth ~~Fiscal Quarter (which may be~~quarter subject to final year~~-~~-end adjustments) commencing ~~September~~June 30, ~~2016~~2026, quarterly unaudited financial statements of the Obligated Group which, if applicable, shall include ~~a~~ combined ~~or~~and combining statement of ~~revenues and expenses~~financial position, statement of operations, statement of changes in net assets and statement of cash flows~~, designating~~ for such period and shall designate Initial Entrance Fees, and, which ~~includes the Obligated Group during such period,~~, in each case, shall include a combined or combining balance sheet as of the end of ~~each~~ such Fiscal Quarter~~, which, in each case, shall include~~ and comparisons (on a fiscal year to date basis) to the annual operating budget of the Obligated Group provided pursuant to subsection (~~v~~vii).

(ii) Within ~~45 days after the end of the first three Fiscal Quarters of each Fiscal Year, and within~~ 60 days of the end of ~~the fourth~~each Fiscal Quarter ~~(which information may be~~of each Fiscal Year (with the fourth quarter subject to final year~~-~~-end adjustments) commencing ~~September~~June 30, ~~2016, (A~~2026, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Indenture or if not, specifying all such defaults and the nature thereof, (B) a calculation of Days Cash on Hand as of the last day of such Fiscal Quarter and the Historical Debt Service Coverage Ratio of the Obligated Group on a year-to-date basis, (~~B~~C) information with respect to the payor mix for the Obligated Group's licensed nursing beds, and ~~(C~~(D) occupancy levels of all of the Facilities operated by the Obligated Group by level of care as of the end of each such Fiscal Quarter~~, (D) a schedule showing debt service requirements for any Funded Indebtedness of the Obligated Group incurred during such Fiscal Quarter including all scheduled payments of principal and interest on such Funded Indebtedness and (E) a summary of the status of any construction projects with respect to the Facilities of a Member of the Obligated Group which exceed ten per cent of the Obligated Group's annual capital expenditure budget which summaries shall be delivered commencing with the Fiscal Quarter in which work on the construction project commenced and ending with the Fiscal Quarter during which such project was completed~~; all prepared in reasonable detail and certified, subject to year-end adjustment by an officer of the Obligated Group Representative.

(iii) If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 or the Days Cash on Hand is less than the Liquidity Requirement for any Testing Date as provided in in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT," the Obligated Group will deliver the financial information described in paragraph (i) above together with the calculations described in (ii) above, on a monthly basis, with the Historical Debt Service Coverage Ratio calculated on ~~fiscal~~a year-to-date basis each month and the Days Cash on Hand as of the end of each month, within ~~45~~60 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20:1 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

(iv) Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ended March 31, ~~2016~~2026, an annual audited financial report ~~which includes~~including the Obligated Group prepared by a firm of certified public accountants, including a ~~consolidated and an unaudited consolidating~~ balance sheet as of the end of such Fiscal Year ~~and~~, a ~~consolidated and an unaudited consolidating~~ statement of changes in fund balances for such Fiscal Year, a ~~consolidated and an unaudited consolidating~~ statement of cash flows for such Fiscal Year, and a ~~consolidated and an unaudited consolidating~~ statement of revenues and expenses for such Fiscal ~~Year, showing for each Fiscal~~ Year (which, in each case, may be be audited consolidated information with unaudited consolidating schedules) commencing March 31, ~~2017~~2026, showing the financial figures for the preceding Fiscal Year in comparative form., ~~the financial figures for the preceding Fiscal Year.~~

(v) On or before the date of delivery of the financial reports referred to in subsection (iv) above, commencing with the Fiscal Year ending March 31, ~~2017~~2026, an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Indenture or if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and Historical Debt Service Coverage Ratio as of the end of such Fiscal Year, as appropriate, and (C~~) a comparison of the audited Financial Statements with the operating budget for the preceding Fiscal Year, (D~~) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, as required by subparagraph (~~viii~~ix) below~~, (E) a management's discussion and analysis of results, (F) providing any quality rating assigned to the Facilities of Members of the Obligated Group by the Centers for Medicare and Medicaid Services, and (G) calculating the Maximum Annual Debt Service Coverage Ratio of the Obligated Group as of the end of such Fiscal Year~~.

(vi) Within ~~45~~60 days of the end of each Fiscal Year, the Obligated Group Representative shall deliver a summary of the operating and capital budgets for the Fiscal Year then started.

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

(viii) Within 150 days of the end of the applicable Fiscal Year, an executive summary of an actuarial report regarding the obligations of the Members of the Obligated Group to provide life care services to residents of the Members' communities every three years commencing with the Fiscal Year ending March 31, ~~2019~~2028.

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

(d) The Members also agree that within 10 days after its receipt thereof, the Obligated Group Representative will file with each Required Information Recipient a copy of each Consultant's report (or a summary thereof as required by this Master Indenture) or counsel's opinion required to be prepared under the terms of the Master Indenture; provided that the Obligated Group Representative may redact any such copy provided to EMMA to the extent appropriate or necessary to protect confidential or sensitive information.

(e) The Obligated Group Representative shall give prompt written notice of a change of accountants by the Obligated Group to each Required Information Recipient. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such ~~Related Bond Trustee or the Master Trustee~~Required Information Recipient may reasonably request.

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

(g) The Obligated Group Representative may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by a firm of independent certified public accountants selected by the Obligated Group Representative ~~covering~~including the operations of the Obligated Group for such Interim Period and containing a consolidated and unaudited consolidating balance sheet as of the end of such Interim Period and a consolidated and unaudited consolidating statement of changes in fund balances and changes in financial position for such Interim Period and a consolidated and unaudited consolidating statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate Officer's Certificate containing a calculation of the Obligated Group's Historical Debt Service Coverage Ratio for the Interim Period.

(h) (i) ~~If a Westminster Mortgage is delivered as required by Section 426 hereof or (ii) upon~~ Upon the commencement or termination of a DSRF Funding Period as set forth in Section 428 hereof, the Obligated Group Representative shall, as soon as practicable, post a notice of such event on EMMA.

Permitted Additional Indebtedness

The provisions of the Master Indenture summarized above in "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS" are amended include the following clause (P):

(P) Qualifying Intermediate Term Indebtedness without limit if prior to the incurrence of such Qualifying Intermediate Term Indebtedness there is delivered to the Master Trustee an Officer's Certificate stating that (i) the Obligated Group projects that the principal of such Qualifying Intermediate Term Indebtedness will be paid prior to maturity solely from Initial Entrance Fees expected to be received by the Obligated Group and (ii) the Historical Debt Service Coverage Ratio of the Obligated Group as of the most recent date for which audited financial statements were available was not less than the requirement set forth in Section 409 hereof.

Sale, Lease or Other Disposition of Property

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SALE, LEASE OR OTHER DISPOSITION OF PROPERTY" are amended to read as follows:

SALE, LEASE OR OTHER DISPOSITION OF PROPERTY

Each Member agrees that it will not, in any consecutive 12-month period, sell, lease or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including cash and investments) unless the Obligated Group Representative determines that the Property has been transferred in one or more of the following transfers or other dispositions of Property:

(A) In return for other Property of equal or greater value;

(B) ~~In the ordinary course of business upon~~Upon fair and reasonable terms no less favorable to the Member than would be obtained in a comparable arm's-length transaction;

(C) To any Person, if ~~prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that,~~ in the judgment of ~~the signer~~an Authorized Officer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property;

(D) From a Member to another Member; *provided, however,* that none of the Land or any other Property financed with the proceeds of any Related Bonds shall be transferred to any other Member unless each Related Bond Trustee has received an Opinion of Bond Counsel to the effect that such transfer shall not adversely affect the validity of the Related Bonds or, with respect to any tax-exempt bonds, any exemption from federal income taxation to which such Related Bonds would otherwise be entitled;

(E~~) Upon fair and reasonable terms no less favorable to the Member than would be obtained in a comparable arm's-length transaction;~~

~~(F~~) The Property sold, leased or otherwise disposed of pursuant to this subparagraph (E) does not for any consecutive 12-month period, exceed 3% of the total assets of the Obligated Group (as shown on the most recent audited financial statements of the Obligated Group) and (i) the Historical Debt Service Coverage Ratio was not less than 1.30:1 for the last Fiscal Year for which audited financial statements have been delivered to the Master Trustee, and (ii) as of the end of the last fiscal quarter for which financial statements have been delivered to the Master Trustee as required under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS," the Obligated Group had not less than ~~300~~200 Days' Cash on Hand after giving effect to the transaction. If the Historical Debt Service Coverage Ratio is not less than 1.30:1, the foregoing percentage of the total assets may be increased as follows under the following conditions:

(1) to 5%, if Days' Cash on Hand would not be less than 300 after the effect of such sale, lease or disposition of assets; or

(2) to 7.5%, if Days' Cash on Hand would not be less than 400 after the effect of such sale, lease or disposition of assets; or

~~(2) to 7.5%, if Days' Cash on Hand would not be less than 600 after the effect of such sale, lease or disposition of assets; or~~

(3) to 10%, if Days' Cash on Hand would not be less than ~~800~~500 after the effect of such sale, lease or disposition of assets;

(~~G~~F) To any Person, if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations;

(~~H~~G) If the amount of such Property pursuant to this subparagraph (G) sold, leased or otherwise disposed of does not, for any consecutive twelve~~-~~-month period, exceed 1% of the total Book Value (or Current Value if the Obligated Group Representative so elects) of all Property of the Obligated Group;

~~(I) To any Person, cash received in excess of the Book Value of any of the Property, Plant and Equipment of the King Home located in Evanston, Illinois, and owned by Westminster;~~

(~~J~~H) Amounts paid on the Indebtedness referred to in Section 415(O) hereof; and

(~~K~~I) The transfer of any restricted donations from a Member to any Affiliate.

If the Property to be disposed in accordance with this Section is Mortgaged Property, the Master Trustee shall, upon the request of the Obligated Group Representative, release such Mortgaged Property from the Mortgage pursuant to the terms of the Mortgage.

Liquidity Covenant

The provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT" are amended to read as follows:

LIQUIDITY COVENANT

The Obligated Group covenants that it will calculate the Days Cash on Hand of the Obligated Group as of March 31 and September 30 of each Fiscal Year (or as of the last day of the second and fourth Fiscal Quarters), commencing September 30, ~~2016~~2026 (each such date being a *"Testing Date"*). Such calculation as of September 30 of any Fiscal Year (or as of the last day of the fourth Fiscal Quarter) shall be included in an Officer's Certificate delivered to the Master Trustee no later than November ~~15~~30 of that Fiscal Year (or no later than 60 days after the last day of the fourth Fiscal Quarter) pursuant to the provisions of the Master Indenture summarized in subparagraph 414(b)(~~ii~~vi) hereof. Such calculation as of March 31 of any Fiscal Year (or as of the last day of the second Fiscal Quarter) shall be included in the Officer's Certificate delivered to the Master Trustee pursuant to Section 414(b)(~~v~~iii) hereof.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have ~~180~~150 Days Cash on Hand on each Testing Date (the *"Liquidity Requirement"*).

Any other provision of this Master Indenture notwithstanding, during any Start-Up Period, the calculation of Days Cash on Hand of the Obligated Group shall exclude all interest requirements in respect of Additional Indebtedness issued for the purpose of any acquisition, construction, renovation or replacement project or Capital Addition to the extent that interest is funded with proceeds of such Additional Indebtedness, and all Revenues and Expenses properly allocable to the independent living units included in such project or Capital Addition in accordance with GAAP.

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

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the Testing Date immediately subsequent to the delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative shall, within

30 days after delivery of the Officer's Certificate disclosing such deficiency, select a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the number of Days Cash on Hand to the Liquidity Requirement for future periods. Such Consultant shall be approved and retained as set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS." A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and the Master Trustee within 60 days after the date such Consultant is retained and a summary of the Consultant's report will be delivered to each Required Information Recipient. Each Member of the Obligated Group shall follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

Notwithstanding any other provision of this Master Indenture, failure of the Obligated Group to achieve the Liquidity Requirement for any Testing Date shall not constitute an event of default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan or retaining a Consultant and follows each recommendation contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of an Authorized Officer or the Governing Body of the Obligated Group Representative) and permitted by law.

Lock-Box Provisions

Upon the effective date of the 2026 Springing Amendments, the provisions of the Master Indenture summarized above under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LOCK-BOX PROVISIONS" shall deleted in their entirety.

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE

The following information is a summary of certain provisions of the Mortgage. Reference is made to the Mortgage for a full and complete statement of its provisions.

GENERAL

The Mortgage will secure the obligation of LFP or Westminster, as applicable (the *"Mortgagor"*), to pay all Obligations issued under the Master Indenture.

REPRESENTATION AND WARRANTIES

The Mortgagor represents and warrants in the Mortgage that it has good and marketable fee simple title to the Mortgaged Land (as defined in the Mortgage) and is the lawful owner and is now lawfully seized and possessed of the Mortgaged Property (other than that not presently in existence), free and clear of all Liens whatsoever except Permitted Encumbrances. The Mortgagor further represents and warrants that the Mortgage constitutes (i) a valid first mortgage lien upon the Mortgaged Land, including any fixtures affixed thereto, subject only to Permitted Encumbrances, (ii) a security interest in the Machinery and Equipment (as defined in the Mortgage), General Intangibles (as defined in the Mortgage) and Intellectual Property (as defined in the Mortgage), which security interest is (a) perfected to the extent the same may be perfected by filing under the Uniform Commercial Code and (b) prior to any other security interest in such Machinery and Equipment, General Intangibles and Intellectual Property, subject only to Permitted Encumbrances, and (iii) a legal, valid and binding obligation of the Mortgagor, enforceable in accordance with its terms. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments which are Permitted Encumbrances, if any, now existing with respect to the Mortgaged Land do not materially impair or materially interfere with the operation thereof for the purpose for which they were acquired or are held by the Mortgagor.

AFTER-ACQUIRED PROPERTY

All right, title and interest of the Mortgagor in and to all improvements, betterments, renewals, substitutions and replacements of the Mortgaged Property or any part thereof hereafter constructed or acquired by the Mortgagor, immediately upon such construction or acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien and security interest of the Mortgage as fully and completely and with the same effect as though now owned by the Mortgagor, but at any and all times the Mortgagor will execute and deliver to the Master Trustee all such further assurances, mortgages, conveyances or assignments therefor and other instruments with respect thereto as the Master Trustee may reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of the Mortgage.

MAINTENANCE OF LIEN

The Mortgagor will, at its own expense, take all necessary action to maintain and preserve the lien and security interest of the Mortgage as a first priority lien and security interest, subject only to Permitted Encumbrances, so long as the Obligations are outstanding.

INSPECTION OF MORTGAGED PROPERTY AND RECORDS

The Master Trustee, any Obligation holder and any Bondholder shall have the right to inspect the Mortgaged Property and all books, records and documents relating thereto at all reasonable times with prior notice, and access thereto shall be permitted for that purpose, so long as such access is conducted in a commercially reasonable manner so as to not interfere with the Mortgagor's business operations.

EVENT OF DEFAULT DEFINED

Each and all of the terms and provisions of the Master Indenture relating to defaults and remedies have been and are incorporated into the Mortgage by reference to the same extent as though fully set out therein and that the term "Event of Default" wherever used in the Mortgage shall mean (i) an Event of Default as defined in the Master Indenture, (ii) the failure of the Mortgagor to comply with any covenant, agreement or warranty contained in the Mortgage within 30 days after the Master Trustee shall have given written notice thereof to the Mortgagor and the Obligated Group Agent, *provided* that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, it shall be cured within the time specified in the Master Indenture or (iii) the abandonment of the Mortgaged Property or any portion thereof by the Mortgagor for ten (10) consecutive days.

REMEDIES

When any Event of Default has occurred and is continuing, the Master Trustee may, in addition to the remedies described in the Mortgage, exercise any one or more or all, and in any order, of the remedies set forth in the Master Indenture, including, without limitation, the remedies provided therein with respect to real property; it being expressly understood that no remedy in the Mortgage or in the Master Indenture conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given in the Mortgage or now or hereafter existing at law or in equity or by statute.

POSSESSION BY THE MASTER TRUSTEE

When any Event of Default has occurred and is continuing, the Master Trustee shall, if applicable law permits, have the right to enter into and upon the Mortgaged Property and take possession thereof or to appoint an agent or trustee for the collection of the rents, issues, and profits of the Mortgaged Property.

FORECLOSURE

When any Event of Default has occurred and is continuing, the Master Trustee shall have the right to foreclose the lien of the Mortgage for the indebtedness secured thereby or any part thereof.

RECEIVER

Upon, or at any time after, the acceleration of any series of Obligations or the filing of a complaint to foreclose the Mortgage, a court of competent jurisdiction may, upon the application of the Master Trustee, appoint a receiver (at the Mortgagor's expense) of the Mortgaged Property. Such appointment may be made before the sale, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not; and the Master Trustee or any employee or agent thereof may be appointed as such receiver.

SUPPLEMENTS AND AMENDMENTS TO THE MORTGAGE

The Mortgagor and the Master Trustee may, from time to time, enter into such supplements and amendments to the Mortgage as they may deem necessary or desirable to effectuate the purposes or intent thereof; *provided, however,* that no such amendment shall be effective if not adopted in accordance with the terms of the Master Indenture.

CONDITIONS FOR RELEASE

So long as no Event of Default shall have occurred and be continuing under the Mortgage or under the Master Indenture, the Master Trustee shall release:

(a) Machinery and Equipment in accordance with the Mortgage and the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SALE, LEASE OR OTHER DISPOSITION OF PROPERTY"; and

(b) Mortgaged Land upon receipt by the Master Trustee of:

(i) a written consent to the release of the Mortgaged Land to be released (referred to in the provisions of the Mortgage summarized under this caption as the "Released Property") of a majority in aggregate principal amount of the holders of the outstanding Obligations; or

(ii) in all other cases, the following documents:

1. A Written Request of the Mortgagor for such release, describing the Released Property;

2. A certificate of the Mortgagor to the Master Trustee certifying:

i) The conditions set forth in the provisions of the Master Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SALE, LEASE OR OTHER DISPOSITION OF PROPERTY" for the disposition of the Released Property have been satisfied; and

ii) No default or Event of Default shall exist and be continuing under the Mortgage.

3. A supplement to the Mortgage, a release of the Mortgage or a supplement to the Master Indenture (if necessary) and other documents reasonably requested by, and in form reasonably satisfactory to, the Master Trustee necessary to release the Mortgaged Land from the lien of the Mortgage;

4. An opinion addressed to the Master Trustee from Independent Counsel reasonably satisfactory to the Master Trustee to the effect that:

i) The execution and delivery of the requested release will not violate any provisions of the Mortgage or of the Master Indenture; all necessary action required to be taken by the Mortgagor and the Master Trustee to effect the release of the Released Property has been taken;

ii) The supplemental amendment to the Mortgage or the supplemental indenture to the Master Indenture, if required to effect the release of the Released Property have been duly authorized, executed and delivered and are binding upon the Mortgagor in accordance with their respective terms (subject to customary exceptions for laws affecting creditors' rights and the applicability of equitable principles); and

The Mortgage provides that the foregoing notwithstanding, upon defeasance of the Master Indenture and Obligations thereunder in full, the Mortgage shall be deemed released and the Master Trustee shall cooperate with the Mortgagor to take any and all action appropriate to evidence such release.

CONFLICTS WITH MASTER INDENTURE

In the event any of the terms or provisions of the Mortgage conflict with the Master Indenture, the Master Indenture shall control.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES AND THE LOAN AGREEMENTS

Brief descriptions of certain provisions of the Bond Indentures and the Loan Agreements are included hereafter in this APPENDIX D of this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the provisions of the Bond Indentures and the Loan Agreements are qualified in their entirety by reference to each such document, copies of which are available for review prior to the issuance and delivery of the Bonds at the offices of the Authority and thereafter at the offices of the Bond Trustee. All references to the Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Bond Indentures.

Unless the context indicates otherwise, each reference to the "Bonds," the "Bond Indenture," the "Loan Agreement" and the "Series 2026 Obligation" shall be deemed to refer to the Bonds, the Bond Indenture, the Loan Agreement and the Series 2026 Obligation, respectively, for each of the Series 2026A Bonds and the Series 2026B Bonds.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the Bond Indentures, the Loan Agreements, and this Official Statement.

"Act" means the Illinois Finance Authority Act of the State of Illinois (20 ILCS 3501/801-1 *et seq.*), as from time to time amended.

"Authority" means the Illinois Finance Authority, a body politic and corporate created and existing under and by virtue of the Act, and its successors and assigns.

"Bond Counsel" means any nationally recognized municipal bond counsel selected by the Borrowers and not objected to by the Authority or the Bond Trustee.

"Bond Financed Property" means all of the property of the Borrowers refinanced with the proceeds of the Bonds.

"Bond Indenture(s)" means, jointly and individually, the Series 2026A Bond Indenture and the Series 2026B Bond Indenture.

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

"Bond Registrar" means the Bond Trustee or the Bond Trustee's Agent, as designated by the Bond Trustee, pursuant to the provisions of the Bond Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – BOND TRUSTEE'S AGENT" in this APPENDIX D.

"Bond Trustee" means Amalgamated Bank of Chicago, its successors and assigns, or any successor bond trustee under the Bond Indenture.

"Bond Trustee's Agent" means any agent designated as Bond Trustee's Agent pursuant to the provisions of the Bond Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – BOND TRUSTEE'S AGENT" in this APPENDIX D and at the time serving in that capacity.

"Bondholder," "holder," "owner," "owner of the Bonds" each means the registered owner of any Bond and does not mean any beneficial owner of a Bond whether through a book-entry system or otherwise.

"Bonds" means, jointly and individually, the Series 2026A Bonds and the Series 2026B Bonds authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Borrowers" means, jointly, Westminster and Lake Forest.

"Business Day" means a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions in the State or the State of New York are required or authorized by law to close or (b) a day on which the New York Stock Exchange is closed or Federal Reserve Banks are closed, or banks are otherwise unable to make Federal Reserve wire transfers.

"Closing Date" means the date of the initial issuance and delivery of the respective series of the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Each reference to a section of the Code shall be deemed to include the United States Treasury Regulations, including temporary and proposed regulations relating to such section, which are applicable to the Bonds or the use of the proceeds thereof.

"Continuing Disclosure Agreement" means, jointly and individually, the Series 2026A Continuing Disclosure Agreement and the Series 2026B Continuing Disclosure Agreement.

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

"Electronic Means" means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

"Event of Default" means any occurrence or event specified in the provisions of the Bond Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – EVENTS OF DEFAULT; ACCELERATION; REMEDIES – Events of Default" below.

"Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

"Fiscal Year" means any 12-month period beginning on April 1 and ending on March 31 of the following calendar year or such other consecutive 12-month period selected by the Obligated Group Representative as the fiscal year for the Members.

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

"Governing Body" means the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

"Government Obligations" means (a) United States Government Obligations, (b) evidences of a direct ownership in future interest or principal payments on United States Government Obligations, which United States Government Obligations are held in a custodial account by a custodian satisfactory to the Bond Trustee, (c) principal only or interest only strips issued by the United States Treasury or (d) REFCORP Strips issued by the Federal Reserve Bank of New York.

"Immediate Notice" means notice by Electronic Means to such address as the addressee shall have provided in writing, promptly followed by written notice by first class mail, postage prepaid; *provided, however,* that if any Person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, email transmission or telecopier number of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of any state and, without limitation, may include independent legal counsel for the Authority, the Borrowers, any other Member of the Obligated Group, the Obligated Group Representative, the Bond Trustee or the Master Trustee.

"Initial Purchaser" means B.C. Ziegler and Company, the initial purchaser of the Bonds.

"Interest Payment Date" means each May 1 and November 1, commencing November 1, 2026 with respect to the Series 2026A Bonds and the Series 2026B Bonds, and, if any date so specified is not a Business Day, the Interest Payment Date shall be the immediately following Business Day.

"Lake Forest" means Lake Forest Place, LLC, an Illinois limited liability company the sole member of which is Presbyterian Homes, and its successors and assigns and any surviving, resulting or transferee corporation.

"Loan Agreement(s)" means, jointly and individually, the Series 2026A Loan Agreement and the Series 2026B Loan Agreement.

"Master Indenture" means the Master Trust Indenture dated as of April 1, 2016, among the Borrowers, the Obligated Group Representative, and the Master Trustee, as amended and supplemented in accordance with the terms thereof.

"Master Trustee" means Amalgamated Bank of Chicago, as master trustee, or any other successor trustee under the Master Indenture.

"Member(s)" or *"Member(s) of the Obligated Group"* means the Persons which have executed the Master Indenture or any supplements thereto and thereby have become contractually obligated to comply with the provisions of the Master Indenture and have not withdrawn from the Obligated Group pursuant to the provisions of the Master Indenture.

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

"Mortgage" means that certain Mortgage and Security Agreement dated as of April 1, 2016, as it may be supplemented and amended from time to time, by Lake Forest, as mortgagor, in favor of the Master Trustee, as mortgagee.

"Obligated Group" means, collectively, the Members of the Obligated Group.

"Obligated Group Representative" means Presbyterian Homes or any other entity becoming Obligated Group Representative as set forth in the Master Indenture.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by a corporation, by its President, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, any Vice President, Treasurer or any other officer authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the satisfaction of the Bond Trustee.

"Official Statement" means this Official Statement prepared in connection with the issuance and sale of the Bonds.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel in form and substance acceptable to and addressed to the Authority and the Bond Trustee (which opinion may be based on a ruling or rulings of the Internal Revenue Service).

"Outstanding Bonds" or *"Bonds outstanding"* means, as of any given date, all Bonds which have been duly authenticated and delivered by the Bond Trustee under the Bond Indenture, except:

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

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

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

(d) For the purpose of determining whether the owners of a requisite aggregate principal amount of outstanding Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Bond Indenture, Bonds which are owned or held by a Member. In determining whether a Bond is held by a Member, only Bonds (i) which are registered in the name of a Member (or with respect to which a Member is the beneficial owner) or (ii) which the Bond Trustee knows to be so owned, shall be treated as Bonds owned by a Member.

"Paying Agent" means the bank or banks, if any, designated pursuant to the Bond Indenture to receive and disburse the principal of and interest on the Bonds. The Paying Agent is initially the Bond Trustee.

"*Payment Date"* means an Interest Payment Date or Principal Payment Date, as applicable.

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

"Presbyterian Homes" means Presbyterian Homes (f/k/a PH Transition NFP), an Illinois not for profit corporation d/b/a Presbyterian Living, and its successors and assigns and any surviving, resulting or transferee corporation.

"Principal Payment Date" means each date on which payments of principal on the Bonds are due.

"Project Certificate(s)" means, jointly and individually, the Series 2026A Project Certificate and the Series 2026B Project Certificate.

"Project Certificate Exhibit" means Exhibit A to the Project Certificate.

"Property" has the meaning set forth in the Master Indenture.

"Purchase Contract(s)" means, jointly and individually, the Series 2026A Purchase Contract and the Series 2026B Purchase Contract.

"Qualified Investments" means, if and to the extent the same are at the time legal for investment of funds held under the Bond Indenture, dollar denominated investments in any of the following:

(a) Government Obligations;

(b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency;

(c) any bond, debenture, note, participation certificate or other similar obligation issued by a government sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank) which is either (i) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Master Trustee or the Bond Trustee or their respective affiliates, which have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency, and, which mature not more than 365 days after the date of purchase;

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

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(g) asset-backed securities, commercial mortgage-backed securities, or mortgage-backed securities which are, at the time of purchase, rated by any Rating Agency in any of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);

(h) investment agreements with banks (including, without limitation, the Bond Trustee or the Master Trustee) that at the time the agreement is executed are at the time of purchase rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any Rating Agency or investment agreements with non-bank financial institutions, *provided* that (1) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time the agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if the non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of the non-bank financial institution is at the time of purchase rated by any Rating Agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by any Rating Agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(i) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including, without limitation, the Bond Trustee or its affiliates), a trust company, financial services firm or a broker dealer which is a member of the Securities Investors Protection Corporation, *provided* that (i) the Bond Trustee or a custodial agent of the Bond Trustee has possession of the collateral and that the collateral is, to the knowledge of the Bond Trustee, free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Bond Trustee or the Bond Trustee's agent;

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

(k) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and whose investments consist solely of Qualified Investments as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Bond Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

The Bond Trustee shall be entitled to assume that any investment which at the time of purchase is a Qualified Investment remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary. The Bond Trustee shall have no responsibility to monitor the ratings of Qualified Investments after the initial purchase of or investment in such Qualified Investments.

For the purposes of this definition, obligations issued or held in the name of the Bond Trustee (or in the name of the Authority and payable to the Bond Trustee) in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Bond Trustee.

"Rating Agency" or *"Rating Agencies"* means, individually and collectively, Moody's, S&P or Fitch and their respective successors and assigns.

"Rebate Fund" means the fund created under the Tax Exemption Agreement to comply with Section 148(f) of the Code.

"Record Date" means, with respect to the Bonds, the April 15 or October 15 (whether or not a Business Day) next preceding an Interest Payment Date.

"Series 2026 Obligation(s)" means, jointly and individually, the Series 2026A Obligation and the Series 2026B Obligation.

"Series 2026A Bond Indenture" means the Bond Trust Indenture between the Authority and the Bond Trustee, as it may from time to time be amended or supplemented, relating to the issuance of the Series 2026A Bonds.

"Series 2026A Bonds" means the Illinois Finance Authority Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group), authorized to be issued pursuant to the terms and conditions of the Series 2026A Bond Indenture.

"Series 2026A Continuing Disclosure Agreement" means the Continuing Disclosure Agreement of the Borrowers and Amalgamated Bank of Chicago, as dissemination agent, as it may from time to time be amended further in accordance with the terms thereof, relating to the Series 2026A Bonds.

"Series 2026A Loan Agreement" means the Loan Agreement among the Authority and the Borrowers, as it may from time to time be amended and supplemented, relating to the Series 2026A Bonds.

"Series 2026A Obligation" means the Direct Note Obligation, Series 2026A (Illinois Finance Authority) delivered by the Obligated Group Representative on behalf of the Borrowers, as security for the Series 2026A Bonds.

"Series 2026A Project Certificate" means the Project Certificate delivered by the Borrowers in connection with the initial issuance and delivery of the Series 2026A Bonds.

"Series 2026A Purchase Contract" means the Bond Purchase Agreement among the Initial Purchaser, the Obligated Group Representative and the Authority, providing for the sale of the Series 2026A Bonds.

"Series 2026A Tax Exemption Agreement" means the Tax Exemption Certificate and Agreement among the Borrowers, the Authority and the Bond Trustee and all amendments and supplements thereto, relating to the Series 2026A Bonds.

"Series 2026B Bond Indenture" means the Bond Trust Indenture between the Authority and the Bond Trustee, as it may from time to time be amended or supplemented, relating to the issuance of the Series 2026B Bonds.

"Series 2026B Bonds" means the Illinois Finance Authority Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group), authorized to be issued pursuant to the terms and conditions of the Series 2026B Bond Indenture.

"Series 2026B Continuing Disclosure Agreement" means the Continuing Disclosure Agreement of the Borrowers and Amalgamated Bank of Chicago, as dissemination agent, as it may from time to time be amended further in accordance with the terms thereof, relating to the Series 2026B Bonds.

"Series 2026B Loan Agreement" means the Loan Agreement among the Authority and the Borrowers, as it may from time to time be amended and supplemented, relating to the Series 2026B Bonds.

"Series 2026B Obligation" means the Direct Note Obligation, Series 2026B (Illinois Finance Authority) delivered by the Obligated Group Representative on behalf of the Borrowers, as security for the Series 2026B Bonds.

"Series 2026B Project Certificate" means the Project Certificate delivered by the Borrowers in connection with the initial issuance and delivery of the Series 2026B Bonds.

"Series 2026B Purchase Contract" means the Forward Delivery Bond Purchase Agreement among the Initial Purchaser, the Obligated Group Representative and the Authority, providing for the sale of the Series 2026B Bonds.

"Series 2026B Tax Exemption Agreement" means the Tax Exemption Certificate and Agreement among the Borrowers, the Authority and the Bond Trustee and all amendments and supplements thereto, relating to the Series 2026B Bonds.

"Special Record Date" means the date fixed by the Bond Trustee pursuant to the Bond Indenture for the payment of Defaulted Interest.

"State" means the State of Illinois.

"Supplemental Master Indenture" means, jointly and individually, the two separate supplemental master trust indentures, supplementing and amending the Master Indenture, relating to the issuance of the respective Series 2026 Obligations, each between the Obligated Group Representative and the Master Trustee.

"S&P" means S&P Global Ratings, a division of S&P Global Inc., its successors and their assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *"S&P"* shall be deemed to refer to any other nationally recognized securities rating agency which has been designated by the Obligated Group Representative by notice to the Bond Trustee, the Authority, and the Borrowers.

"Tax-Exempt Organization" means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code and which is not a "private foundation"

within the meaning of Section 509(a) of the Code or corresponding provisions of federal income tax laws from time to time in effect including any disregarded entity treated as such an organization.

"Tax Exemption Agreement(s)" means, jointly and individually, the Series 2026A Tax Agreement and the Series 2026B Tax Agreement.

"Unassigned Rights" means the Authority's right to receive payment of its fees and expenses, the Authority's rights to be indemnified, defended and held harmless as provided in the Loan Agreement, the Authority's right to execute and deliver supplements and amendments to the Loan Agreement, the Authority's rights to receive notices under the Bond Indenture and under the Loan Agreement and the Authority's rights to give consents and make certain appointments under the Bond Indenture and under the Loan Agreement.

"United States Government Obligations" means noncallable direct obligations of, or noncallable obligations (which shall not include shares or investments in unit investment trusts or mutual funds) the timely payment of the principal of and interest on which is fully guaranteed by the United States of America.

"Unrelated Trade or Business" means an activity which constitutes an "unrelated trade or business" within the meaning of Section 513(a) of the Code without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code.

"Westminster" means Westminster Place (f/k/a Presbyterian Homes), an Illinois not for profit corporation, and its successors and assigns and any surviving, resulting or transferee corporation.

"Written Request" means, with reference to the Authority, a request in writing (which may be by Electronic Means not objected to by the Bond Trustee) signed by the Chair, Vice-Chair, Executive Director, Treasurer, Secretary or an Assistant Secretary of the Authority, and with reference to each Borrower, a request in writing signed by the President, a Vice President, Secretary or Assistant Secretary of each Borrower, or any other officers designated by the Authority or the Borrowers, as the case may be.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURES

The following is a summary of certain covenants and provisions of each Bond Indenture. The Bond Indentures contain substantially similar provisions and therefore have been summarized together. This summary does not purport to be complete or definitive and reference is made to each Bond Indenture for the complete terms thereof.

Except as to matters that, by their nature, are specific to a particular series, the provisions of the respective Bond Indentures are substantively identical. Consequently, unless the context indicates otherwise, each reference to the "Bond Indenture," the "Bonds," the "Loan Agreement" and the "Series 2026 Obligation" shall be deemed to refer to the Bond Indenture, the Loan Agreement and the Series 2026 Obligation, respectively, for each of the Series 2026A Bonds and the Series 2026B Bonds.

FUNDS; DISPOSITION OF REVENUES

1. *Revenue Fund.* The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2026A Bonds are outstanding a separate account to be known as the "Revenue Fund – Presbyterian Homes Obligated Group – Series 2026A" and shall also establish with the Bond Trustee and maintain so long as any of the Series 2026B Bonds are outstanding a separate account to be known as "Revenue Fund – Presbyterian Homes Obligated Group – Series 2026B" (together, the *"Revenue Fund"*). All payments upon the Series 2026 Obligation pledged under the Bond Indenture, all payments under the Loan Agreement and all transfers from the Rebate Fund, when received by the Bond Trustee, shall be deposited into the Revenue Fund and shall be held therein until disbursed as provided in the Bond Indenture. Pursuant to the assignment and pledge of payments upon the Series 2026 Obligation set forth in the granting clauses contained in the Bond Indenture, the Authority will direct the Borrowers to make payments upon the Series 2026 Obligation pledged under the Bond Indenture directly to the Bond Trustee when and as the same become due and payable.

2. *Interest Fund.* The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2026A Bonds are outstanding a separate account to be known as the "Interest Fund – Presbyterian Homes Obligated Group – Series 2026A" and shall also establish with the Bond Trustee and maintain so long as any of the Series 2026B Bonds are outstanding a separate account to be known as the "Interest Fund – Presbyterian Homes Obligated Group – Series 2026B" (together, the "*Interest Fund*").

On or before the second Business Day preceding each Interest Payment Date commencing with the November 1, 2026 Interest Payment Date with respect to each series of the Bonds, the Bond Trustee shall deposit in the Interest Fund from moneys in the Revenue Fund an amount which is not less than the interest to become due on each Interest Payment Date of the Bonds. No semi-annual deposit pursuant to this paragraph need be made to the extent that there is a sufficient amount already on deposit in each of the Interest Fund accounts and available for such purpose.

Moneys on deposit in the Interest Fund, other than income thereon which is to be transferred to other funds created under the Bond Indenture or the Rebate Fund, must be used to pay interest on the Bonds as it becomes due.

In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the request of the Borrowers, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Bonds remaining outstanding on the first interest payment date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Bonds to be redeemed or defeased.

3. *Bond Sinking Fund.* The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2026A Bonds are outstanding a separate account to be known as the "Bond Sinking Fund – Presbyterian Homes Obligated Group – Series 2026A" and shall also establish with the Bond Trustee and maintain so long as any of the Series 2026B Bonds are outstanding a separate account to be known as the "Bond Sinking Fund – Presbyterian Homes Obligated Group – Series 2026B" (together, the "*Bond Sinking Fund*").

On or before the second Business Day preceding each May 1 or November 1, as applicable, commencing November 1, 2026 (with respect to the Series 2026B Bonds) and May 1, 2032 (with respect to the Series 2026A Bonds), after making the deposit required by the provisions of the Bond Indenture summarized under "2. *Interest Fund*" above, the Bond Trustee shall deposit in the Bond Sinking Fund from moneys in the Revenue Fund an amount which is not less than the principal to become due on the Bonds on each May 1 or November 1 by maturity or mandatory Bond Sinking Fund redemption pursuant to the Bond Indenture. No such deposit need be made to the extent that there is a sufficient amount already on deposit and available for such purpose in the Bond Sinking Fund.

Moneys on deposit in the Bond Sinking Fund, other than income earned thereon which is to be transferred to other funds created under the Bond Indenture or to the Rebate Fund, shall be applied by the Bond Trustee to pay principal of the Bonds as it becomes due and to redeem the Bonds in accordance with the mandatory Bond Sinking Fund redemption schedule provided in the Bond Indenture. In lieu of such mandatory Bond Sinking Fund redemption, the Bond Trustee may, at the request of and pursuant to specific purchase instructions provided by the Borrowers, purchase for cancellation an equal principal amount of Bonds of the maturity to be redeemed in the open market at prices not exceeding the principal amount of the Bonds being purchased, with such interest portion of the purchase price to be paid from the Interest Fund and the principal portion of such purchase price to be paid from the Bond Sinking Fund. In addition, the amount of Bonds to be redeemed on any date pursuant to the mandatory Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Bonds of the maturity required to be redeemed which are acquired by the Borrowers or any other Member and delivered to the Bond Trustee for cancellation.

In connection with any partial redemption or defeasance prior to maturity of the Bonds, the Bond Trustee may, at the request of the Borrowers, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Bonds remaining outstanding on the first principal or mandatory sinking fund payment date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Bonds to be redeemed or defeased.

4. *Optional Redemption Fund.* The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2026A Bonds are outstanding a separate account to be known as the "Optional Redemption Fund – Presbyterian Homes Obligated Group – Series 2026A" and shall also establish with the Bond Trustee and maintain so long as any of the Series 2026B Bonds are outstanding a separate account to be known as the "Optional Redemption Fund – Presbyterian Homes Obligated Group – Series 2026B" (together, the "*Optional Redemption Fund*"). In the event of (i) prepayment by or on behalf of the Borrowers or any other Member of amounts payable on the Series 2026 Obligation pledged under the Bond Indenture, including prepayment with condemnation, insurance or sale proceeds, or (ii) deposit with the Bond Trustee by the Borrowers or the Authority of moneys from any other source for redeeming Bonds or purchasing Bonds for cancellation, except as otherwise provided in the Bond Indenture, such moneys shall be deposited into the Optional Redemption Fund. Funds received by the Bond Trustee for the prepayment of the Bonds shall be deposited in the Optional Redemption Fund. Moneys on deposit in the Optional Redemption Fund shall be used first to make up any deficiencies existing in the Interest Fund and the Bond Sinking Fund (in the order listed) and second for the redemption of Bonds in accordance with the provisions of the Bond Indenture.

Funds transferred to the Bond Trustee pursuant to the provisions of the Bond Indenture shall be deposited in the Optional Redemption Fund and used to optionally redeem Bonds on the earliest date practicable in accordance with the provisions of the Bond Indenture without further request from the Authority or the Borrowers.

5. *Expense Fund.* The Authority shall establish with the Bond Trustee a separate account to be known as the "Expense Fund – Presbyterian Homes Obligated Group – Series 2026A" and shall also establish with the Bond Trustee a separate account to be known as the "Expense Fund – Presbyterian Homes Obligated Group – Series 2026B" (together, the "*Expense Fund*"). Deposits to the Expense Fund shall be made as set forth in the Bond Indenture. Moneys in the Expense Fund will be disbursed upon receipt of a Written Request for the payment of expenses for any recording, trustee's and depositary's fees and expenses, accounting and legal fees, financing costs and other fees and expenses incurred or to be incurred by or on behalf of the Authority or the Borrowers in connection with or incident to the issuance and sale of the Bonds. At such time as the Bond Trustee is furnished with a Written Request stating that all such fees and expenses have been paid, and in no event later than the one-year anniversary of the Closing Date, the Bond Trustee shall transfer any moneys remaining in the Expense Fund to the Interest Fund and the Expense Fund shall then be closed.

INVESTMENT OF FUNDS

Upon a Written Request of the Borrowers filed with the Bond Trustee, moneys in the Revenue Fund, the Interest Fund, the Bond Sinking Fund, Expense Fund and the Optional Redemption Fund shall be invested only in Qualified Investments. Absent such direction from the Borrowers to invest balances in Qualified Investments under the Bond Indenture, the Bond Trustee shall invest any moneys in a market fund which is a Qualified Investment under subsection (j) in the definition of such term under "DEFINITIONS OF CERTAIN TERMS – Qualified Investments" above. Investment income on such Funds shall be transferred monthly by the Bond Trustee in accordance with the provisions of the Bond Indenture summarized under this caption. All such investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Bond Trustee, when authorized by the Borrowers, may trade with itself in the purchase and sale of securities for such investment; *provided, however,* that in no case shall any investment be otherwise than in accordance with the investment limitations contained in the Bond Indenture and in the Tax Exemption Agreement. The Bond Trustee shall not be liable or responsible for any loss resulting from any such investments.

All amounts in excess of the requirements (in the case of the Revenue Fund, Interest Fund and Bond Sinking Fund, the amounts expected to be used to make required debt service payments within 13 months of the date of deposit) of the funds specified in the first paragraph under this caption derived from the investment of moneys on deposit in any such funds shall be deposited in the following funds, in the order listed:

(i) The Bond Sinking Fund to the extent of the amount required to be deposited therein to make the next required principal payment on the Bonds occurring within 13 months of the date of deposit;

(ii) The Interest Fund to the extent of the estimated amount required to be deposited therein to make any interest payment on the Bonds occurring within 13 months of the date of deposit; and

(iii) The balance, if any, in the Optional Redemption Fund.

Any costs of making any investment of moneys in a fund or account, including investment management fees, shall be charged to that fund or account.

ARBITRAGE; COMPLIANCE WITH TAX EXEMPTION AGREEMENT

The Authority, the Borrowers and the Bond Trustee, to the extent of its discretion under the provisions of the Bond Indenture summarized under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – INVESTMENT OF FUNDS," covenant and agree that they will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under the Bond Indenture or with respect to the payments derived from the Series 2026 Obligation pledged under the Bond Indenture or from the Loan Agreement or any other moneys regardless of the source or where held, which may, notwithstanding compliance with the other provisions of the Bond Indenture, the Loan Agreement and the Tax Exemption Agreement, result in constituting the Bonds "arbitrage bonds" within the meaning of such term as used in Section 148 of the Code. The Authority further covenants and agrees that it will comply with and take all actions required by the Tax Exemption Agreement.

SUPPLEMENTAL BOND INDENTURES

Subject to the limitations set forth in the third paragraph under this caption, the Authority and the Bond Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to the Bond Indenture, as shall not be inconsistent with the terms and provisions of the Bond Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect or omission in the Bond Indenture; (b) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondholders and the Bond Trustee, or either of them; (c) to assign and pledge under or to subject to the Bond Indenture, additional revenues, properties or collateral; (d) to evidence the appointment of a separate trustee or the succession of a new bond trustee under the Bond Indenture; (e) to permit the qualification of the Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States; (f) to permit the issuance of coupon bonds under the Bond Indenture and to permit the exchange of bonds from registered form to coupon form and vice versa; (g) to provide for the refunding or advance refunding of any Bonds including to establish and administer an escrow fund and to take related action in connection therewith; (h) to modify, amend or supplement the Bond Indenture or any indenture supplemental to the Bond Indenture in such manner as to permit certificated Bonds; (i) to modify, amend or supplement the Bond Indenture or any indenture supplemental to the Bond Indenture in such manner as to permit continued compliance with the Tax Exemption Agreement; and (j) to make any other change that, in the judgment of the Bond Trustee, which may be upon reliance on an opinion of counsel or other consultants, does not materially adversely affect the rights of any Bondholders.

The Authority and the Bond Trustee may not enter into a bond indenture or indentures supplemental to the Bond Indenture pursuant to paragraph (f) of the preceding paragraph unless they shall have received an Opinion of Bond Counsel to the effect that the issuance of coupon Bonds will not adversely affect the validity or enforceability in accordance with their terms of such Bonds or adversely affect any exemption for purposes of federal income taxation to which the interest paid on any Bonds would otherwise be entitled. The Bond Trustee shall not be obligated to enter into any supplement or amendment that imposes additional obligations on the Bond Trustee or adversely affects the Bond Trustee's rights, duties or immunities under the Bond Indenture.

In addition to supplemental indentures for the purposes set forth in the previous paragraphs of this caption and subject to the terms and provisions contained in this paragraph, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds which are outstanding under the Bond Indenture at the time of the execution of such supplemental indenture, shall have the right, from time to time, anything contained in the Bond Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Bond Trustee of such indenture or indentures supplemental to the Bond Indenture as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Bond Indenture or in any supplemental indenture; *provided, however,* that nothing contained in the Bond Indenture shall permit, or be construed as permitting, a supplemental indenture to effect: (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of any Bonds without the consent of the owners of such Bonds; (b) a reduction in the amount or extension of the time of any payment required to be made to or from the Interest Fund or the Bond Sinking Fund; (c) the creation of any lien prior to or on a parity with the lien of the Bond Indenture, without the consent of the owners of all of the Bonds at the time outstanding; (d) a reduction in the aforesaid aggregate principal amount of Bonds the owners of which are required to consent to any such supplemental indenture, without the consent of the owners of all the Bonds at the time outstanding which would be affected by the action to be taken; or (e) a modification of the rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee.

If at any time the Authority shall request the Bond Trustee to enter into any such supplemental indenture for any of the purposes described in the preceding paragraph, the Bond Trustee shall, upon being satisfactorily indemnified with respect to fees and expenses, cause notice of the proposed execution of such supplemental indenture to be mailed to each owner of Bonds as shown on the Bond Register. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplemental indenture when consented to and approved as provided under this caption. If the owners of the requisite principal amount of Bonds which are outstanding under the Bond Indenture at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as provided under this caption, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as under this caption permitted and provided, the Bond Indenture shall be and be deemed to be modified and amended in accordance therewith.

Anything in the Bond Indenture to the contrary notwithstanding, so long as the Members of the Obligated Group are not in default under the Master Indenture and the Borrowers are not in default under the Loan Agreement, a supplemental indenture which adversely affects the rights of the Borrowers under the Loan Agreement or the Borrowers or any Member under the Master Indenture shall not become effective unless and until the Borrowers shall have consented in writing to the execution and delivery of such supplemental indenture.

DEFEASANCE

If the Authority shall pay or provide for the payment of the entire indebtedness on all Bonds (including, for these purposes, Bonds held by any Member of the Obligated Group) outstanding in any one or more of the following ways:

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

(b) by depositing with the Bond Trustee, in trust, at or before maturity, moneys in an amount sufficient to pay or redeem (when redeemable) all Bonds outstanding (including the payment of premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof), *provided* that such moneys, if invested, shall be invested in noncallable Government Obligations in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds outstanding at or before their respective maturity dates; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

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

(d) by depositing with the Bond Trustee, in trust, noncallable Government Obligations in such amount as will, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, and any uninvested cash, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds outstanding at or before their respective maturity dates;

and if the Authority shall pay or cause to be paid all other sums payable under the Bond Indenture by the Authority, the Bond Indenture and the estate and rights granted thereunder shall cease, determine, and become null and void, and thereupon the Bond Trustee shall, upon Written Request of the Authority, and upon receipt by the Bond Trustee of an Officer's Certificate and an opinion of Independent Counsel addressed to the Bond Trustee, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of the Bond Indenture have been complied with, and, upon the request of the Authority or the Bond Trustee, a verification report of independent certified public accountants (or other consultant acceptable to the Bond Trustee) with respect to the sufficiency of the moneys and Government Obligations deposited with the Bond Trustee, upon which the Bond Trustee may rely, forthwith execute proper instruments acknowledging satisfaction of and discharging the Bond Indenture and the lien thereof.

The satisfaction and discharge of the Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the Authority and the Borrowers for any fees and expenditures which it may thereafter incur in connection therewith.

Any moneys, funds, securities, or other property remaining on deposit in the Revenue Fund, Interest Fund, Bond Sinking Fund, Optional Redemption Fund, Expense Fund or in any other fund or investment under the Bond Indenture (other than said Government Obligations or other moneys deposited in trust as above provided) shall, upon the full satisfaction of the Bond Indenture, forthwith be transferred, paid over and distributed to the Authority and the Borrowers, as their respective interests may appear.

If the Authority shall pay or provide for the payment of the entire indebtedness on any of the Bonds (including, for these purposes, Bonds held by any Member of the Obligated Group), in one or more of the following ways described in the first paragraph of this caption, such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Indenture. The liability of the Authority in respect of such Bonds shall continue but the owners thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Government Obligations deposited with the Bond Trustee as indicated above.

None of the Bonds outstanding under the Bond Indenture may be refunded nor may the Bond Indenture be discharged if under any circumstances such refunding or discharge would result in the loss of any exemption for purposes of federal income taxation to which interest on the Bonds would otherwise be entitled. As a condition precedent to the refunding of any Bonds outstanding under the Bond Indenture, the Bond Trustee shall receive (i) an Opinion of Bond Counsel to the effect that such refunding will not result in the loss of any exemption for purposes of federal income taxation to which the interest on such Bonds would otherwise be entitled, notwithstanding the satisfaction and discharge of the Bond Indenture and (ii) upon the request of the Authority or the Bond Trustee, a verification report of independent certified public accountants (or other consultant acceptable to the Bond Trustee) with respect to the sufficiency of the moneys and Government Obligations deposited with the Bond Trustee, upon which the Bond Trustee may rely.

REDEMPTION AFTER SATISFACTION OF BOND INDENTURE

Notwithstanding anything in the Bond Indenture to the contrary, upon the provision for payment of the Bonds or a portion thereof as specified in the Bond Indenture, the optional redemption provisions of the Bond Indenture allowing such Bonds to be called prior to maturity upon proper notice (notwithstanding provision for the payment of such Bonds having been made through a date after the first optional redemption date provided for in the Bond Indenture) shall remain available to the Authority, upon direction of the Borrowers unless, in connection with making the deposits referred to in those sections, the Authority, at the direction of the Borrowers, shall have irrevocably elected to waive any future right to call the Bonds or portions thereof for redemption prior to maturity. Notwithstanding anything to the contrary in the Bond Indenture, upon provision for payment of the Bonds or any portion thereof prior to the maturity thereof as specified in the Bond Indenture, the Authority, at the direction of the Borrowers, may elect to restructure any escrow deposit account and to pay such Bonds on the respective maturity dates therefor (but prior to the giving of any notice of redemption with respect to such Bonds pursuant to the Bond Indenture) unless, in connection with making the deposits referred to in such sections, the Authority, at the direction of the Borrowers shall have irrevocably elected to waive the right to provide for the payment of such Bonds on their respective maturity dates. No such redemption or restructuring shall occur, however, unless the Borrowers shall deliver on behalf of the Authority to the Bond Trustee (a) noncallable Government Obligations and/or cash sufficient to discharge such Bonds (or portion thereof) on the redemption date or dates selected, (b) a report from an independent certified public accountant (another consultant acceptable to the Bond Trustee or a financial institution experienced in providing verification reports) verifying that such noncallable Government Obligations, together with the expected earnings thereon, and/or cash will be sufficient to provide for the payment of such Bonds to the redemption or maturity dates, and (c) an opinion of Bond Counsel (which opinion may be based upon a ruling or rulings of the Internal Revenue Service) to the effect that such earlier redemption or restructuring, will not result in the loss of any exemption for purposes of federal income taxation to which interest on the Bonds would otherwise be entitled. The Bond Trustee will give written notice of any such redemption or restructuring to the owners of the Bonds affected thereby.

EVENTS OF DEFAULT; ACCELERATION; REMEDIES

Events of Default. Each of the following events is declared under the Bond Indenture to be an "event of default," that is to say, if:

(a) payment of any installment of interest payable on any of the Bonds shall not be made by the Authority when the same shall become due and payable; or

(b) payment of the principal of or the premium, if any, payable on any of the Bonds shall not be made by the Authority when the same shall become due and payable, either at maturity, by proceedings for redemption, upon acceleration, through failure to make any payment to any fund under the Bond Indenture or otherwise; or

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations under the Bond Indenture; or

(d) an order or decree shall be entered, appointing a receiver, receivers, custodian or custodians for any of the revenues of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Authority, shall not be vacated or discharged or stayed on appeal within 60 days after the entry thereof; or

(e) any proceeding shall be instituted with the consent or acquiescence of the Authority, or any plan shall be entered into by the Authority, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from any part or all of the trust estate, including the revenues and other moneys derived by the Authority under the Series 2026 Obligation pledged under the Bond Indenture or the Loan Agreement; or

(f) the Authority (i) files a petition in bankruptcy or under Title 11 of the United States Code, as amended, (ii) makes an assignment for the benefit of its creditors, or (iii) consents to the appointment of a receiver, custodian or trustee for itself or for the whole or any part of the trust estate, including the revenues and other moneys derived by the Authority under the Series 2026 Obligation pledged under the Bond Indenture or the Loan Agreement; or

(g) (i) the Authority is adjudged insolvent by a court of competent jurisdiction, (ii) on a petition in bankruptcy filed against the Authority, the Authority is adjudged as bankrupt, (iii) an order, judgment or decree is entered by any court of competent jurisdiction appointing, without the consent of the Authority, a receiver, custodian or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof or (iv) the Authority is generally not paying its debts as such debt becomes due; or

(h) the Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(i) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(j) any event of default as defined in the Loan Agreement or in the Master Indenture shall occur and such event of default shall be continuing from and after the date the Authority is entitled under the Loan Agreement to request that the Master Trustee declare the Series 2026 Obligation pledged under the Bond Indenture to be immediately due and payable, or such event of default shall be continuing from and after the date on which the Master Trustee is entitled under the Master Indenture to declare any Obligation immediately due and payable, or the Master Trustee shall declare any Obligation immediately due and payable; or

(k) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Indenture or any indenture supplemental to the Bond Indenture to be performed on the part of the Authority, and such default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Borrowers by the Bond Trustee; the Bond Trustee may give such notice in its discretion and shall give such notice at the written request of the owners of not less than 10% in aggregate principal amount of the Bonds then outstanding under the Bond Indenture; *provided*, that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority to remedy such default within such 30-day period shall not constitute a default under the Bond Indenture if the Authority shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(l) the Authority, the Borrowers or the Bond Trustee shall default in the performance of any covenant, condition, agreement or provision of the Tax Exemption Agreement, and such default shall continue for the period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the party in default, the Borrowers and the other party; *provided* that, if in the judgment of the Bond Trustee such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Authority, the Borrowers or the Bond Trustee to remedy such default within such 30-day period shall not constitute a default under the Bond Indenture if the Borrowers shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(m) the default by the Borrowers in the performance of their covenant under the Loan Agreement relating to the discharge, vacating, bonding or stay of any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture, such default being an event of default specified in the Loan Agreement.

Acceleration. Upon the happening of any event of default specified in paragraphs (c) through (m) of this caption, and the continuance of the same for the period, if any, specified in said paragraphs, the Bond Trustee may, without any action on the part of the Bondholders, and upon the happening of any event of default specified in subparagraphs (a) or (b) above, or upon the happening and continuance of any other event of default and the written request of the owners of not less than 25% in aggregate principal amount of the Bonds then outstanding under the Bond Indenture exclusive of Bonds then owned by the Authority or any Member, and upon being indemnified to its satisfaction, the Bond Trustee shall, by notice in writing delivered to the Authority, declare the entire principal amount of the Bonds then outstanding under the Bond Indenture and the interest accrued thereon, immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions with respect to waivers of events of default described under the heading "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – WAIVER OF EVENTS OF DEFAULT" in this APPENDIX D.

Remedies; Rights of Bondholders. Upon the occurrence of any event of default the Bond Trustee may pursue any available remedy, including a suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds outstanding under the Bond Indenture.

If an event of default shall have occurred, and if the Bond Trustee shall have been requested to do so by the owners of 25% in aggregate principal amount of Bonds then outstanding and the Bond Trustee shall have been indemnified as provided in the Bond Indenture, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by the provisions of the Bond Indenture described under this heading as the Bond Trustee shall deem most expedient in the interests of the owners of Bonds; *provided, however,* that the Bond Trustee shall have the right to decline to comply with any such request if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the owners of Bonds not parties to such request.

No remedy by the terms of the Bond Indenture conferred upon or reserved to the Bond Trustee (or the owners of Bonds) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee (or the owners of Bonds under the Bond Indenture) existing at law or in equity or by statute.

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

No waiver of any default or event of default under the Bond Indenture, whether by the Bond Trustee or by the owners of Bonds, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

WAIVER OF EVENTS OF DEFAULT

The Bond Trustee may in its discretion waive any event of default under the Bond Indenture and its consequences and rescind any declaration of maturity of principal, and shall do so upon being indemnified to its satisfaction and upon written request of the owners of (1) at least a majority in aggregate principal amount of all such Bonds outstanding in respect of which default in the payment of principal and/or interest exists, or (2) at least a majority in aggregate principal amount of all such Bonds outstanding, in the case of any other event of default. The foregoing notwithstanding, in no event shall there be waived (a) any event of default in the payment of the principal of any outstanding Bonds when due whether by mandatory redemption through the Bond Sinking Fund or at the dates of maturity specified therein or (b) any default in the payment, other than by reason of an acceleration of the Bonds, when due of the interest on any such Bonds, unless prior to such waiver or rescission all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such default shall have occurred on overdue installments of interest or all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Bond Trustee and any Paying Agent in connection with such default shall have been paid or provided for, including, but not limited to, the reasonable fees of their counsel. In case of any such waiver or rescission or in case any proceeding taken by the Bond Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every such case the Authority, the Bond Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions and rights under the Bond Indenture respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

DIRECTION OF PROCEEDINGS BY BONDHOLDERS

The owners of a majority in aggregate principal amount of Bonds then outstanding shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Bond Indenture, including the enforcement of the rights of the Authority under the Loan Agreement or the appointment of a receiver or any other proceedings under the Bond Indenture; *provided*, that such direction shall not be otherwise than in accordance with the provisions of law and of the Bond Indenture.

APPLICATION OF MONEYS

All moneys received by the Bond Trustee, by any receiver or by any Bondholder pursuant to any right given or action taken under the provisions of the Bond Indenture shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys and of the fees of, and the expenses, liabilities and advances incurred or made by, the Bond Trustee (including, but not limited to, the reasonable fees of its counsel), be deposited in the Revenue Fund and, together with all moneys in the funds maintained by the Bond Trustee under the Bond Indenture shall be applied as follows:

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

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Exemption Agreement;

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

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

FOURTH: To the payment to the Persons entitled thereto of unpaid principal and interest due and owing on any Bonds, the payment of principal and interest of which has been extended in the manner described in the Bond Indenture;

FIFTH: To the payment of any other sums required to be paid by the Borrowers pursuant to any provision of the Loan Agreement, the Bond Indenture or the Series 2026 Obligation;

SIXTH: To the payment of any other sums required to be paid by the Borrowers pursuant to any provision of the Master Indenture; and

SEVENTH: To the payment of the surplus, if any, to the Borrowers, their successors or assigns upon the written request of the Borrowers or to whomsoever may be lawfully entitled to receive the same upon its written request, or as any court of competent jurisdiction may direct.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Exemption Agreement;

SECOND: To the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal or interest over the other, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; and

THIRD: To the payment of the principal and interest then due and unpaid upon Bonds with respect to which the payment of principal and interest has been extended as described in the Bond Indenture.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of the Bond Indenture, then, subject to the provisions of the preceding subparagraph (b) in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of the preceding subparagraph (a).

Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of the Bond Indenture summarized under this caption, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable, or, with respect to payments of Defaulted Interest, shall be such date as is required by the Bond Indenture) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date in accordance with the provisions of the Bond Indenture. The Bond Trustee shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds and interest thereon have been paid under the provisions of the Bond Indenture summarized under this caption and all expenses and charges of the Bond Trustee have been paid, including, but not limited to, the reasonable fees of its counsel, any balance remaining shall be paid to the Persons entitled to receive the same; if no other Person shall be entitled thereto, then the balance shall be paid to the Borrowers.

RIGHTS AND REMEDIES OF BONDHOLDERS

No owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of the Bond Indenture or for the execution of any trust of the Bond Indenture or for the appointment of a receiver or any other remedy under the Bond Indenture, unless a default shall have become an event of default, and the owners of 25% in aggregate principal amount of Bonds then outstanding shall have made written request to the Bond Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers granted by the Bond Indenture or to institute such action, suit or proceeding in its own name, and unless also they have offered to the Bond Trustee indemnity as provided in the Bond Indenture, and unless the Bond Trustee shall thereafter fail or refuse to exercise the power granted by the Bond Indenture, or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of the Bond Indenture and to any action or cause of action for the enforcement of the Bond Indenture, or for the appointment of a receiver or for any other remedy under the Bond Indenture; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Bond Indenture by any action or to enforce any right under the Bond Indenture except in the manner provided in the Bond Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Bond Indenture and for the equal benefit of the owners of all Bonds outstanding. Nothing in the Bond Indenture contained shall, however, affect or impair the right of any owner to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and interest on each of the Bonds issued under the Bond Indenture to the respective owners thereof at the time and place, from the source and in the manner in said Bonds expressed.

Removal of the Bond Trustee

The Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee and the Authority and signed by the owners of a majority in aggregate principal amount of Bonds then outstanding. The foregoing notwithstanding, the Bond Trustee may be removed at any time by an instrument in writing signed by the Authority; *provided, however* that the Authority may not remove the Bond Trustee without the consent of the Borrowers so long as no event of default has occurred and is continuing under the Bond Indenture or the Loan Agreement. So long as no default has occurred and is continuing under the Bond Indenture or the Loan Agreement, the Bond Trustee may be removed at any time by an instrument in writing signed by the Authority, upon the written request of the Borrowers, and delivered to the Bond Trustee. The foregoing notwithstanding, the Bond Trustee may not be removed by the Authority unless written notice of the delivery of such instrument or instruments signed by the Authority is mailed to the owners of all Bonds outstanding under the Bond Indenture, which notice indicates the Bond Trustee will be removed and replaced by the successor trustee named in such notice, such removal and replacement to become effective upon the later of the acceptance of the appointment by the successor Bond Trustee, or the 60th day next succeeding the date of such notice, unless the owners of 10% or more in aggregate principal amount of such Bonds then outstanding under the Bond Indenture shall object in writing to such removal and replacement. Such notice shall be mailed by first class mail postage prepaid to the owners of such Bonds then outstanding at the address of such owners then shown on the Bond Register.

BOND TRUSTEE'S AGENT

The Bond Trustee may appoint a Bond Trustee's Agent with the power to act subject to its direction in the authentication, delivery, payment, transfer and exchange of Bonds, and in the holding of funds under the Bond Indenture, as fully to all intents and purposes as though the Bond Trustee's Agent had been expressly authorized under the Bond Indenture to authenticate, deliver, transfer and exchange Bonds, make payments on the Bonds or hold funds.

The Bond Trustee may appoint a Bond Trustee's Agent for the Bonds, with the power to act on the Bond Trustee's behalf and subject to its direction in the authentication, delivery, payment, transfer and exchange of Bonds, as fully to all intents and purposes as though the Bond Trustee's Agent had been expressly authorized under the Bond Indenture to authenticate, deliver, transfer and exchange Bonds and make payments on the Bonds. The Bond Trustee shall serve as Bond Registrar for the Bonds but may appoint the Bond Trustee's Agent to act on the Bond Trustee's behalf and subject to its direction in the maintenance of the Bond Register. For all purposes, any such Bond Trustee's Agent shall be deemed to be acting solely as the agent of the Bond Trustee and the authentication, delivery, transfer or exchange of Bonds and payment of Bonds by the Bond Trustee's Agent pursuant to the provisions of the Bond Indenture summarized under this caption shall be deemed to be the authentication, delivery, transfer or exchange of Bonds and payment of Bonds by the Bond Trustee. Such Bond Trustee's Agent shall at all times be a commercial bank or trust company organized under the laws of the United States of America or one of the states thereof and shall at all times be an institution organized and doing business under the laws of the United States or of any state, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authorities and (i) with a combined capital and surplus of at least $20,000,000 or (ii) affiliated with and indemnified by the Bond Trustee. If such institution publishes reports of condition at least annually pursuant to law or the requirements of such authorities, then for the purposes of the provisions of the Bond Indenture summarized under this caption the combined capital and surplus as set forth in its most recent report of condition so published shall be used in determining compliance with the previous sentence. The appointment of a Bond Trustee's Agent under the provisions of the Bond Indenture summarized under this caption shall be effective upon acceptance by the Bond Trustee's Agent and shall continue until the Bond Trustee making such appointment shall rescind such appointment or until the effective date of the resignation or removal of such Bond Trustee pursuant to the Bond Indenture. The Bond Trustee shall rescind such appointment and shall terminate any and all agreements relating to the Bonds between the Bond Trustee and the Bond Trustee's Agent upon the written direction of the Authority. Any successor Bond Trustee's Agent must be approved by the Authority.

BOND TRUSTEE AS HOLDER OF THE SERIES 2026 OBLIGATION

The Bond Trustee shall be considered the holder of the Series 2026 Obligation.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENTS

The following is a summary of certain provisions of each Loan Agreement. The Loan Agreements contain substantially similar provisions and therefore have been summarized together. This summary does not purport to be complete or definitive and reference is made to each Loan Agreement for the complete terms thereof.

Except as to matters that, by their nature, are specific to a particular series, the provisions of the respective Loan Agreements are substantively identical. Consequently, unless the context indicates otherwise, each reference to the "Bond Indenture," the "Bonds," the "Loan Agreement" and the "Series 2026 Obligation" shall be deemed to refer to the Bond Indenture, the Bonds, the Loan Agreement and the Series 2026 Obligation, respectively, for each of the Series 2026A Bonds and the Series 2026B Bonds.

REPRESENTATIONS

The Borrowers are each a not for profit corporation or a limited liability company, as applicable, duly incorporated under the laws of the State, are in good standing and duly authorized to conduct their business in the State, are duly authorized and have full power under all the laws of the State and all other applicable provisions of law and their Articles of Incorporation or Articles of Organization, as applicable, and Bylaws or Operating Agreement, as applicable, to create, issue, enter into, execute, consent to the execution of and deliver, as the case may be, the Supplemental Master Indenture, the Series 2026 Obligation, the Official Statement, the Tax Exemption Agreement, the Purchase Contract, the Continuing Disclosure Agreement and the Loan Agreement (collectively, the *"Borrower Agreements"*), and all action on their part necessary for the valid execution and delivery of the Borrower Agreements has been duly and effectively taken.

PAYMENT OF BONDS; ASSIGNMENT OF RIGHTS UNDER THE LOAN AGREEMENT AND THE SERIES 2026 OBLIGATION

The Borrowers agree that the principal of, the redemption premium, if any, and the interest on the Bonds shall be made payable in accordance with the provisions of the Bond Indenture and the Loan Agreement and that the Loan Agreement and payments to be made thereunder and thereon (excluding Unassigned Rights) and the Series 2026 Obligation shall be assigned and pledged to the Bond Trustee to secure the payment of the Bonds. The foregoing notwithstanding, the Borrowers agree that the moneys and securities, if any, on deposit in the Rebate Fund are not part of the "trust estate" and are not available to make payments of principal, premium, if any, and interest on the Bonds. The Borrowers agree that the Series 2026 Obligation, the Loan Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority under the Series 2026 Obligation and the Loan Agreement (except Unassigned Rights), may be protected and enforced in conformity with the Bond Indenture and may be thereby assigned by the Authority to the Bond Trustee as additional security for the Bonds and may be exercised, protected and enforced for or on behalf of the Bondholders in conformity with the provisions of the Loan Agreement, the Master Indenture and the Bond Indenture.

Payments in Respect of the Series 2026 Obligation and the Loan Agreement

Under the terms of the Loan Agreement, the Borrowers agree to pay the Bond Trustee such amounts at such times as to provide for payment of the principal of, premium, if any, and interest on the Bonds outstanding under the Bond Indenture when due whether upon a scheduled Interest Payment Date, at maturity, by mandatory or optional redemption, acceleration or otherwise. The Loan Agreement also requires that the Borrowers pay certain other charges which may be incurred for such items as the Bond Trustee's and the Master Trustee's fees, the Authority's fees and expenses, taxes and assessments, if any, and costs incurred in connection with the Bonds. All payments due on the Series 2026 Obligation, except for certain enumerated payments described in the Loan Agreement, shall be paid directly to the Bond Trustee and applied in the manner provided in the Bond Indenture.

The Borrowers' Obligations Unconditional

The Authority and the Borrowers agree that the Borrowers shall bear all risk of damage or destruction in whole or in part to their Property or any part thereof including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of such Property, or any manner or thing which for any reason interferes with, prevents or renders burdensome, the use or occupancy of such Property or the compliance by the Borrowers with any of the terms of the Loan Agreement. In furtherance of the foregoing, but without limiting any of the other provisions of the Loan Agreement, the Borrowers agree that their obligations to pay the principal, premium, if any, and interest on the Series 2026 Obligation, to pay the other sums provided for in the Loan Agreement and to perform and observe their other agreements contained in the Loan Agreement shall be absolute and unconditional and that the Borrowers shall not be entitled to any abatement or diminution thereof nor to any termination of the Loan Agreement for any reason whatsoever.

Certain Covenants of the Borrowers Relating to the Use and Operation of the Bond Financed Property

The Borrowers agree under the Loan Agreement that they will use the Bond Financed Property primarily as "health facilities" within the meaning of the Act and related activities and only in furtherance of the lawful corporate purposes of the Borrowers; the Borrowers will use the Bond Financed Property as a "project" within the meaning of the Act; and the Borrowers will operate all of their respective Property on a nondiscriminatory basis.

The Borrowers agree that they will not permit any of the Bond Financed Property to be used (i) by any Person in an "unrelated trade or business" (as defined in Section 513(a) of the Code) of the Borrowers (without regard to whether such activity results in unrelated trade or business income subject to taxation under Section 512(a) of the Code), or (ii) by any Person who is not a Tax-Exempt Organization, in either case in such manner or to such extent as would result in the loss of tax exemption of interest on the Bonds otherwise afforded under Section 103(a) of the Code.

The Borrowers further agree that they will not use or permit to be used any of the Bond Financed Property: (i) primarily for sectarian instruction or study or as a place of devotional activities or religious worship or as a facility used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, nuns, rabbis or other similar persons in the field of religion or (ii) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Illinois and decisions of the Supreme Court of the State interpreting the same.

The Borrowers agree that during the term of the Loan Agreement, the Authority, the Bond Trustee, and their duly authorized agents shall have the right, but shall be under no duty or obligation to exercise this right, during regular business hours, with reasonable notice, to enter upon the premises and examine and inspect the Bond Financed Property, subject to such limitations, restrictions and requirements as the Borrowers may reasonably prescribe.

TRANSFER OF ASSETS

The Borrowers covenant and agree that they will not sell, lease or otherwise dispose of any Property except as permitted by the provisions of the Master Indenture summarized in APPENDIX D under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – SALE, LEASE OR OTHER DISPOSITION OF PROPERTY." The provisions of the Master Indenture notwithstanding, the Borrowers covenant and agree that they will not sell, lease or otherwise dispose, directly or indirectly, in whole or in part, of any portion of the Bond Financed Property unless the conditions set forth in the Project Certificate are satisfied.

INDEMNIFICATION OF THE AUTHORITY AND THE BOND TRUSTEE

The Borrowers will pay, and will protect, indemnify and save the Authority and the Bond Trustee and their respective past, present and future members, officers, directors, employees, agents, successors, assigns and any other person, if any, who "controls" the Authority or Bond Trustee, as the case may be, as that term is defined in Section 15 of the Securities Act of 1933, as amended, (the Authority, the Bond Trustee and the other listed persons, collectively referred to as, the *"Indemnified Persons"*) harmless from and against any and all liabilities, losses, damages, taxes, penalties, costs and expenses (including attorneys' fees and expenses of the Authority and Bond Trustee), causes of action, suits, proceedings, claims, demands, tax reviews, investigations and judgments of whatsoever kind and nature (including, but not limited to, those arising or resulting from any injury to or death of any person or damage to property) arising from or in any manner directly or indirectly growing out of or connected with the following:

(i) the use, financing, non-use, condition or occupancy of the Bond Financed Property, any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto or the condition of any such Bond Financed Property including adjoining sidewalks, streets or alleys and any equipment or facilities at any time located on or connected with such Bond Financed Property or used in connection therewith but which are not the result of the gross negligence of the Authority or the Bond Trustee;

(ii) a violation by any Borrower of any agreement, warranty, covenant or condition of the Loan Agreement or any other agreement executed in connection with the Loan Agreement;

(iii) a violation of any contract, agreement or restriction by the Borrowers relating to the Bond Financed Property;

(iv) a violation of any law, ordinance, rule, regulation or court order affecting the Bond Financed Property or the ownership, occupancy or use thereof or the Bonds or use of the proceeds thereof;

(v) a violation of any law, ordinance, rule, regulation or court order relating to the sale of the Bonds or the use of any official statement (or other disclosure statement) related thereto;

(vi) any statement or information concerning the Borrowers, any of their officers and members, or their operations or financial condition generally or the Bond Financed Property, contained in any official statement or supplement or amendment thereto furnished to the Authority or the purchaser of any Bonds, that is untrue or incorrect in any material respect, and any omission from such official statement or any statement or information which should be contained therein for the purpose for which the same is to be used or which is necessary to make the statements therein concerning the Borrowers, any of their officers and members and the Bond Financed Property not misleading in any material respect, *provided* that such official statement or supplement or amendment has been approved by the Borrowers; and

(vii) the acceptance or administration of the Bond Indenture, including without limitation the enforcement of any remedies under the Bond Indenture and related documents, *provided* that the Bond Trustee shall not be entitled to any indemnity related to liabilities described in this clause (vii) caused solely by the negligence or bad faith of the Bond Trustee.

In case any claim shall be made or any action shall be brought against one or more of the Indemnified Persons in respect of which indemnity can be sought against the Borrowers pursuant to any of the paragraphs above, the Indemnified Person seeking indemnity shall promptly notify the Borrowers, in writing, and the Borrowers shall promptly assume the defense thereof, including the employment of counsel chosen by the Borrowers and approved by the Authority or the Bond Trustee, or both (*provided,* that such approval by the Authority or the Bond Trustee shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Borrowers or that the defense of such Indemnified Person should be handled by separate counsel, the Borrowers shall not have the right to assume the defense of such Indemnified Person, but the Borrowers shall be responsible for the reasonable fees and expenses of counsel retained by such Indemnified Person in assuming its own defense, and *provided* also that, if the Borrowers shall have failed to assume the defense of such action or to retain counsel reasonably satisfactory to the Authority or Bond Trustee within a reasonable time after notice of the commencement of such action, the reasonable fees and expenses of counsel retained by the Indemnified Person shall be paid by the Borrowers. Notwithstanding the foregoing, any one or more of the Indemnified Persons shall have the right to employ separate counsel with respect to any such claim or in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless the employment of such counsel has been specifically authorized in writing by the Borrowers or unless the provisions of the immediately preceding sentence are applicable. The Borrowers shall not be liable for any settlement of any such action affected without the consent of the Borrowers, but if settled with the consent of the Borrowers or if there be a final judgment for the plaintiff in any such action with or without consent, the Borrowers agree to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

The Borrowers shall also indemnify the Authority, the Bond Trustee and such Indemnified Persons for all reasonable costs and expenses, including reasonable counsel fees, incurred in: (i) enforcing any obligation of the Borrowers under the Loan Agreement or any related agreement, (ii) taking any action requested by the Borrowers, (iii) taking any action required by the Loan Agreement or any related agreement, or (iv) taking any action considered necessary by the Authority and which is authorized by the Loan Agreement or any related agreement. If the Authority is to take any action under the Loan Agreement or any other instrument executed in connection with the Loan Agreement for the benefit of the Borrowers, it will do so if and only if (i) the Authority is a necessary party to any such action or proceeding, and (ii) the Authority has received specific written direction from the Borrowers, as required under the Loan Agreement or under any other instrument executed in connection therewith, as to the action to be taken by the Authority.

All amounts payable to the Authority under the provisions of the Loan Agreement summarized under this caption shall be deemed to be fees and expenses payable to the Authority for the purposes of the provisions of the Loan Agreement and of the Bond Indenture dealing with assignment of the Authority's rights under the Loan Agreement. The Authority and its members, officers, agents, employees and their successors and assigns shall not be liable to the Borrowers for any reason. The obligations of the Borrowers shall survive the termination of the Loan Agreement and the resignation or removal of the Bond Trustee.

Any provision of the Loan Agreement or any other instrument or document executed and delivered in connection therewith to the contrary notwithstanding, the Authority retains the right to (i) enforce any applicable Federal or State law or regulation or resolution of the Authority, and (ii) enforce any rights accorded to the Authority by Federal or State law or policy or procedure of the Authority, and nothing in the Loan Agreement shall be construed as an express or implied waiver thereof.

MAINTENANCE OF CORPORATE EXISTENCE AND STATUS

Notwithstanding the provisions of the Master Indenture summarized in APPENDIX D under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – MERGER, CONSOLIDATION, SALE OR CONVEYANCE," unless the Borrowers comply with the following provisions summarized under this caption, each Borrower agrees that as long as any Bonds are outstanding it will maintain its existence, will not dissolve, liquidate or otherwise dispose of all or substantially all of its assets, and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it. Any dissolution, liquidation, disposition, consolidation or merger of either Borrower shall be subject to the following conditions:

(a) no event of default exists under the Loan Agreement or under the Bond Indenture or the Borrower Agreements and no event of default thereunder will be caused by the dissolution, liquidation, disposition, consolidation or merger;

(b) the entity surviving the dissolution, liquidation, disposition, consolidation or merger assumes (or, if the surviving entity is either Borrower, affirms) in writing and without condition or qualification the obligations of the Borrowers under each of the Borrower Agreements;

(c) neither the validity nor the enforceability of the Bonds, the Bond Indenture or the Borrower Agreements is adversely affected by the dissolution, liquidation, disposition, consolidation or merger;

(d) the exclusion of the interest on the Bonds from gross income for federal income tax purposes is not adversely affected by the dissolution, liquidation, disposition, consolidation or merger, and the provisions of the Act and the Bond Indenture are complied with concerning the dissolution, liquidation, disposition, consolidation or merger;

(e) the Bond Financed Property continues to be as described as in the Loan Agreement (except as otherwise permitted in an opinion of Bond Counsel) and continues to constitute a "project" as defined in the Act;

(f) any successor to either Borrower shall be qualified to do business in the State and shall continue to be qualified to do business in the State throughout the term of the Loan Agreement; and

(g) the Bond Trustee has executed a certificate acknowledging receipt of all documents, information and materials required by the provisions of the Loan Agreement summarized under this caption.

As of the effective date of the dissolution, liquidation, disposition, consolidation or merger, the Borrowers (at their cost) shall furnish to the Authority and the Bond Trustee (i) an opinion of Bond Counsel, in form and substance satisfactory to the Authority, as to items (d) and (e) above, (ii) an opinion of counsel (reasonably acceptable to the Authority), in form and substance satisfactory to the Authority, as to the legal, valid and binding nature of items (b) and (c) above, (iii) a certificate of the Borrowers, in form and substance satisfactory to the Authority, as to items (a), (e) and (f), and (iv) a true and complete copy of the instrument of dissolution, liquidation, disposition, consolidation or merger.

DISCHARGE OF ORDERS, ETC.

Each Borrower covenants to cause any order, writ or warrant of attachment, garnishment, execution, replevin or similar process filed against any part of the funds or accounts held by the Bond Trustee under the Bond Indenture to be discharged, vacated, bonded or stayed within 90 days after such filing (which 90-day period shall be extended for so long as such Borrower is contesting such process in good faith), but, notwithstanding the foregoing, in any event not later than five days prior to any proposed execution or enforcement with respect to such filing or any transfer of moneys or investments pursuant to such filing.

RATES AND CHARGES

The Borrowers covenant and agree to operate their respective existing Facilities primarily as revenue producing senior housing or health care related facilities or as facilities related thereto or for any other lawful purpose or activity and to operate all of their respective Property on a nondiscriminatory basis, to charge such fees and rates for their Facilities and services and to exercise such skill and diligence as to provide, collectively, income from such Property together with other available funds sufficient to pay promptly all expenses of operation, maintenance and repair of such Property, all amounts owing on the Series 2026 Obligation and to pay all other payments required to be made by the Borrowers under the Loan Agreement and under the Master Indenture to the extent permitted by law. The Borrowers further covenant and agree that they will from time to time as often as necessary, to the extent permitted by law, revise their rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of the Loan Agreement summarized in this paragraph. The provisions of the Loan Agreement summarized in this paragraph shall not be construed to prohibit the Borrower from serving indigent residents to the extent required for it to continue its qualification as a Tax-Exempt Organization or from serving any other class or classes of residents without charge or at reduced rates so long as such service does not prevent such Borrower from satisfying the other requirements of the Loan Agreement summarized in this paragraph.

LICENSURE

The Borrowers warrant that their existing Facilities have all material state and local licenses required for the operation thereof. The Borrowers will obtain and maintain or cause to be obtained and maintained, all such licenses required for the operation of their Facilities and the Bond Financed Property and will use their best efforts to obtain and maintain or will cause to be obtained and maintained such licensure, so long as it is in the best interests of the Borrowers and the Bondholders.

FINANCIAL STATEMENTS, ETC.

The Borrowers covenant that they will keep proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the Borrowers in accordance with generally accepted principles of accounting consistently applied (except as stated in the notes thereto), and will furnish the materials and notices required to be delivered to the Master Trustee under the provisions of the Master Indenture summarized in APPENDIX D under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS, ETC." to the Authority and to the Bond Trustee.

SUPPLEMENTS AND AMENDMENTS TO THE LOAN AGREEMENT

Subject to the terms and provisions of the Bond Indenture summarized in the following paragraph, the Authority and the Borrowers may amend or modify the Loan Agreement, or any provision thereof, or may consent to the amendment or modification thereof, in any manner not inconsistent with the terms and provisions of the Bond Indenture, for any one or more of the following purposes: (a) to cure any ambiguity or formal defect in the Loan Agreement; (b) to grant to or confer upon the Authority or Bond Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that lawfully may be granted to or conferred upon the Authority or the Bond Trustee; (c) to amend or modify the Loan Agreement, or any part thereof, in any manner specifically required or permitted by the terms thereof, including, without limitation, as may be necessary to maintain the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds; (d) to modify, amend or supplement the Loan Agreement, or any part thereof, or any supplement thereto, in such manner as the Bond Trustee and the Borrowers deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to tax-exempt obligations of the type that includes the Bonds; (e) to provide that Bonds may be secured by additional security not otherwise provided for in the Bond Indenture or the Loan Agreement; (f) to provide for the appointment of a successor securities depository; (g) to provide for the availability of certificated Bonds; (h) to provide for changes in the components of the Project, to the extent permitted by the Bond Indenture and the Loan Agreement and (i) to make any other change which does not, in the opinion of the Bond Trustee, which may be upon reliance on an opinion of counsel or other consultants, have a material adverse effect upon the interests of the Bondholders. In addition, subject to the terms and provisions summarized under this subcaption, the Bond Trustee may grant such waivers of compliance by the Borrowers with the provisions of the Loan Agreement as to which the Bond Trustee may deem necessary or desirable to effectuate the purposes or the intent of the Loan Agreement and which, in the opinion of the Bond Trustee, which may be upon reliance on an opinion of counsel or other consultants, do not have a material adverse effect upon the interests of the Bondholders, *provided* that the Bond Trustee shall file with the Authority any and all such waivers granted by the Bond Trustee within three (3) business days thereof.

Except for the amendments, changes or modifications as summarized in the preceding paragraph, neither the Authority nor the Bond Trustee shall consent to any other amendment, change or modification of the Loan Agreement without the written approval or consent, given and procured as provided in this paragraph, of the owners of not less than a majority in aggregate principal amount of the Bonds which are outstanding under the Bond Indenture at the time of execution of any such amendment, change or modification; provided that if such amendment, change or modification will, by its terms, not take effect so long as any Bonds remain outstanding, the consent of the owners of such Bonds shall not be required. If at any time the Authority and the Borrowers shall request the consent of the Bond Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to fees, expenses and liability, cause notice of such proposed amendment, change or modification to be given in the same manner as summarized in the third paragraph under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE — SUPPLEMENTAL BOND INDENTURES" above with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to give such notice, and any such failure shall not affect the validity of such amendment, change or modification when consented to and approved as provided in this paragraph. If the owners of not less than a majority in aggregate principal amount of the Bonds outstanding under the Bond Indenture at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as provided in the Bond Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Under no circumstances shall any amendment to the Loan Agreement alter the Series 2026 Obligation pledged under the Bond Indenture regarding the payments of principal, premium, if any, and interest thereon, without the consent of the owners of all the Bonds outstanding.

DEFAULTS AND REMEDIES

The occurrence and continuance of any of the following events shall constitute an "event of default" under the Loan Agreement:

(a) failure of the Borrowers to pay any installment of principal, interest or premium on the Series 2026 Obligation or any other payment required by the Loan Agreement when the same shall become due and payable, whether upon a scheduled Interest Payment Date, at maturity, upon any date fixed for prepayment or purchase or by acceleration or otherwise; or

(b) failure by the Borrowers to perform or comply with any of the covenants, conditions or provisions of the Loan Agreement or of the Tax Exemption Agreement and failure to remedy such default within 60 days after notice thereof from the Authority or the Bond Trustee to the Borrowers; *provided, however,* that if failure to comply with or perform such covenants, conditions or provisions cannot be remedied within 60 days, but can be remedied, no "event of default" shall be deemed to have occurred or to exist if the Authority in its sole discretion, shall consent to the Borrowers commencing corrective action and the Borrowers diligently pursue such corrective action until they shall have complied with or performed such covenants, conditions or provisions; or

(c) if any representation or warranty made by the Borrowers in the Loan Agreement or in any statement or certificate furnished to the Authority or the Bond Trustee or the purchaser of any Bonds in connection with the sale of Bonds or furnished by the Borrowers pursuant to the Loan Agreement including, without limitation, statements in the Official Statement proves untrue in any material respect as of the date of the issuance or making thereof and shall not be made good within 60 days after notice thereof to the Borrowers by the Authority or the Bond Trustee; *provided, however,* that if such default cannot be remedied within 60 days, but can be remedied, no "event of default" shall be deemed to have occurred or to exist if the Authority in its sole discretion, shall consent to the Borrowers commencing corrective action and the Borrowers diligently pursue such corrective action until such default has been cured; or

(d) any event of default shall occur under the Master Indenture which would permit the acceleration of the Series 2026 Obligation; or

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

(f) if a trustee, custodian or receiver is appointed for either Borrower or for the major part of its Property and is not discharged within 60 days after such appointment; or

(g) if bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title 11 of the United States Code, as amended, or other proceedings for relief under any bankruptcy law or similar law for the relief of debtors are instituted by or against either Borrower (other than bankruptcy proceedings instituted by either Borrower against third parties), and if instituted against such Borrower are allowed against such Borrower or are consented to or are not dismissed, stayed or otherwise nullified within 60 days after such institution; or

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

(i) failure of the Borrowers to comply with or perform their obligations summarized under the subcaption "SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – DISCHARGE OF ORDERS, ETC."

Whenever any event of default shall have occurred and be continuing under the Loan Agreement:

I. *Acceleration of Maturity; Waiver of Event of Default and Rescission of Acceleration.* The Authority may at its discretion, by written notice to the Borrowers, request that the Master Trustee declare the principal of the Series 2026 Obligation (if not then due and payable) to be due and payable immediately and such principal shall thereupon become immediately due and payable as if all of the sums of money payable thereunder were originally stipulated to be paid on such accelerated payment date, anything in the Series 2026 Obligation or in the Loan Agreement to the contrary notwithstanding. The Authority shall request that the Master Trustee declare the principal of the Series 2026 Obligation due and payable immediately upon the occurrence of any of the defaults described in subparagraphs (a), (e), (f), (g) or (h) above. This provision, however, is subject to the condition that if, at any time after the principal of any of the Series 2026 Obligation shall have been so declared and become due and payable, all arrears of interest, if any, upon the Series 2026 Obligation and the expenses of the Authority shall be paid by the Borrowers, and every other default in the observance or performance of any covenant, condition or agreement in the Series 2026 Obligation or in the Loan Agreement contained shall be made good, or be secured, to the satisfaction of the Authority, or provision deemed by the Authority to be adequate shall be made therefor, then and in every such case the Authority by written notice to the Borrowers may waive the event of default by reason of which the principal of the Series 2026 Obligation shall have been so declared and become due and payable and may rescind and annul such declaration and its consequences; *provided, however,* that there shall not be waived any event of default in the payment of the principal payable on the Bonds when due whether by mandatory or optional redemption or at the date of maturity specified therein; and *provided further* that no such waiver, rescission or annulment shall extend to or affect any subsequent event of default or impair any right consequent thereon. The Authority may, by written notice to the Master Trustee, request that it declare the principal of the Series 2026 Obligation (if not then due and payable) to be due and payable immediately, subject to the provisions of the Master Indenture regarding waiver of events of default, anything in the Series 2026 Obligation or in the Loan Agreement contained to the contrary notwithstanding.

II. *Right to Bring Suit, Etc.* The Authority, personally or by attorney, may in its discretion, proceed to protect and enforce its rights by pursuing any available remedy including a suit or suits in equity or at law, whether for damages or for the specific performance of any obligation, covenant or agreement contained in the Series 2026 Obligation, in the Loan Agreement or in the Master Indenture, or in aid of the execution of any power granted in the Loan Agreement, or for the enforcement of any other appropriate legal or equitable remedy, as the Authority shall deem most effectual to collect the payments then due and thereafter to become due on the Series 2026 Obligation, to enforce performance and observance of any obligation, agreement or covenant of the Borrowers under the Loan Agreement, under the Series 2026 Obligation or under the Master Indenture or to protect and enforce any of the Authority's rights or duties thereunder.

EXCHANGE OF BONDS

In the event the Act or the Authority created thereunder is determined to be unconstitutional under the laws of the State or under the laws of the United States of America, and as a result thereof, the Bonds issued by the Authority are declared to be invalid and unenforceable, and if as a result thereof the obligation of the Borrowers to make payments on the Series 2026 Obligation pledged under the Bond Indenture is determined to be unenforceable, then the Borrowers agree that they will issue their own bonds (the interest on which may not be exempt from federal income tax) in exchange for the Bonds, principal amount for principal amount, having the same rate or rates of interest, maturity, redemption provisions and prepayment provisions as are then applicable to the Bonds being exchanged. The Bonds to be issued by the Borrowers will be issued under an indenture having substantially the same terms and provisions as the Bond Indenture, the Loan Agreement and the Master Indenture and such bonds of the Borrowers will be issued thereunder in exchange for the Bonds surrendered by the holders thereof. Notice of any such exchange shall be given as provided for redemption of the Bonds under the Bond Indenture and the expenses of such exchange, including the printing of the Bonds and other reasonable expenses in connection therewith, shall be borne by the Borrowers.

APPENDIX E-1

FORM OF SERIES 2026A OPINION OF BOND COUNSEL

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Form of Opinion of Bond Counsel
Series 2026A Bonds

April 8, 2026

Illinois Finance Authority
Chicago, Illinois

B.C. Ziegler and Company
Chicago, Illinois

Presbyterian Homes
d/b/a Presbyterian Living
Skokie, Illinois

Amalgamated Bank of Chicago, as bond trustee
Chicago, Illinois

Re: $32,220,000 Illinois Finance Authority
Revenue Refunding Bonds, Series 2026A
(Presbyterian Living Obligated Group)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Illinois Finance Authority (the *"Authority"*) of its $32,220,000 Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group) (the *"Series 2026A Bonds"*). The Series 2026A Bonds are issued under the provisions of the Illinois Finance Authority Act, as amended (the *"Act"*), and under and pursuant to that certain Bond Trust Indenture dated as of April 1, 2026 (the *"Bond Indenture"*), between the Authority and Amalgamated Bank of Chicago, as bond trustee (the *"Bond Trustee"*).

The proceeds from the sale of the Series 2026A Bonds are being loaned by the Authority to Westminster Place, an Illinois not for profit corporation (*"Westminster"*), and Lake Forest Place, LLC, an Illinois limited liability company (*"Lake Forest"* and, together with Westminster, the *"Borrowers"*), pursuant to the Loan Agreement dated as of April 1, 2026 (the *"Loan Agreement"*), among the Borrowers and the Authority for the purpose of providing funds to be used to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2021B (Presbyterian Homes Obligated Group) (the "*Prior Bonds*") and (ii) pay certain expenses incurred in connection with the refunding of the Prior Bonds and the issuance of the Series 2026A Bonds.

In order to secure the payment of the Series 2026A Bonds, Presbyterian Homes (d/b/a Presbyterian Living), as obligated group representative (the *"Obligated Group Representative"*), will issue, on behalf of the Borrowers, the $32,220,000 Direct Note Obligation, Series 2026A (Illinois Finance Authority) (the *"Series 2026A Obligation"*) pursuant to the Second Supplemental Master Trust Indenture dated as of April 1, 2026 (the "*Second Supplemental Master Indenture*"), between the Obligated Group Representative and Amalgamated Bank of Chicago, as master trustee (the "*Master Trustee*"), amending and supplementing the Master Trust Indenture dated as of April 1, 2016, as amended and supplemented (the "*Original Master Indenture*" and, together with the Second Supplemental Master Indenture, the "*Master Indenture*"), among the Obligated Group Representative, the Borrowers, as the current members of the obligated group created thereunder, and the Master Trustee. Pursuant to the terms of the Loan Agreement and the Series 2026A Obligation, the Borrowers are obligated to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2026A Bonds. Pursuant to the terms of the Master Indenture, the Borrowers and each other entity that hereafter executes the Master Indenture (individually, a *"Member"* and, collectively, the *"Obligated Group"* or the *"Members of the Obligated Group"*) agree to be jointly and severally liable (subject to the Master Indenture's provisions permitting a Member to leave the Obligated Group) on all Obligations (as defined in the Master Indenture) issued under the Master Indenture, including the Series 2026A Obligation.

The Series 2026A Obligation and all other Obligations heretofore and hereinafter issued under the Master Indenture are secured by a Mortgage and Security Agreement dated as of April 1, 2016 (the *"Original Mortgage"*), as supplemented and amended by the First Supplemental Mortgage and Security Agreement dated as of April 1, 2026 (the *"Supplemental Mortgage Agreement"* and, together with the Original Mortgage, the *"Mortgage"*), each between Lake Forest, as mortgagor, and the Master Trustee, as mortgagee.

The Series 2026A Bonds have been sold to B.C. Ziegler and Company (the *"Underwriter"*), pursuant to the Bond Purchase Agreement dated March 25, 2026 (the *"Purchase Contract"*), among the Underwriter, the Authority and the Obligated Group Representative.

In connection with the sale of the Series 2026A Bonds, the Obligated Group Representative has executed and delivered an Official Statement dated March 25, 2026 (the *"Official Statement"*).

In connection with the issuance of the Series 2026A Bonds, the Borrowers, the Authority and the Bond Trustee have executed a Tax Exemption Certificate and Agreement dated the date hereof (the *"Tax Agreement"*). The Tax Agreement places certain restrictions on the investment of moneys held in the funds established by the Bond Indenture and which, under certain circumstances, would require the transfer of certain moneys held in such funds to a Rebate Fund created under the Tax Agreement.

The Authority, the Obligated Group Representative and the Underwriter have executed a separate Forward Delivery Bond Purchase Agreement dated March 25, 2026 (the *"Series 2026B Purchase Contract"*), among the Underwriter, the Authority and the Obligated Group Representative with respect to the anticipated issuance of the Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group) (the *"Series 2026B Bonds"* and, together with the Series 2026A Bonds, the *Series 2026 Bonds*) on August 4, 2026. The Series 2026 Bonds will be considered a single bond issue for federal income tax purposes.

As bond counsel, we have examined the following:

a. certified copies of the proceedings of the Authority authorizing or approving, among other things, the execution and delivery of the Bond Indenture, the Loan Agreement, the Purchase Contract and the Tax Agreement, the use and distribution of the Preliminary Official Statement dated March 13, 2026 and the Official Statement and the issuance and sale of the Series 2026A Bonds;

b. an executed Official Statement, the executed Series 2026A Obligation and executed counterparts of the Bond Indenture, the Loan Agreement, the Supplemental Mortgage, the Purchase Contract, the Second Supplemental Master Indenture and the Tax Agreement;

c. specimen Series 2026A Bonds;

d. executed opinions, each dated the date hereof, of Ice Miller LLP, special counsel to the Authority; and Dentons US LLP, special counsel to the Borrowers and the Obligated Group Representative; and

e. such other documents and showings and related matters of law as we have deemed necessary in order to enable us to render this opinion.

Based upon the foregoing and in reliance upon certain documents and showings hereinafter referred to, we are of the opinion that:

1. The Bond Indenture, the Loan Agreement, the Purchase Contract and the Tax Agreement have been duly authorized by all necessary action on the part of the Authority, have been duly executed and delivered by authorized officers of the Authority and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and except to the extent that the enforcement of the indemnification provisions of the Loan Agreement and the Purchase Contract may be limited by federal or state securities laws.

2. The Series 2026A Bonds have been duly authorized by all necessary action on the part of the Authority, have been duly executed by authorized officers of the Authority, authenticated by the Bond Trustee and validly issued by the Authority and constitute, under the laws of the State of Illinois now in force, the legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms, except to the extent limited by bankruptcy, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies, and the Series 2026A Bonds are entitled to the benefits and security of the Bond Indenture.

3. Subject to compliance by the Authority and the Borrowers with certain covenants, under present law, interest on the Series 2026A Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Series 2026A Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such covenants by the Authority and the Borrowers with respect to the Series 2026 Bonds could cause the interest on the Series 2026A Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026A Bonds. Ownership of the Series 2026A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences. Interest on the Series 2026A Bonds is not exempt from present Illinois income taxation. Ownership of the Series 2026A Bonds

may result in other state and local income tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences.

4. The Bond Indenture creates a valid assignment to the Bond Trustee of the rights of the Authority in and to the Loan Agreement (with certain limited exceptions referred to in the Bond Indenture).

We make no statement and render no opinion with respect to the enforceability, the effectiveness or the priority of the Mortgage.

In rendering this opinion, we have relied upon the opinion of Dentons US LLP, special counsel to the Borrowers, referred to in paragraph (d) above, with respect to, among other things, (i) the status of Westminster and the Obligated Group Representative as organizations described in Section 501(c)(3) of the Code that are exempt from federal income taxation under Section 501(a) of the Code, (ii) the status of Lake Forest Place, the sole member of which is the Obligated Group Representative, as a disregarded entity for federal income tax purposes, and (iii) the validity and binding effect upon and enforceability against each Borrower, as applicable, of the Master Indenture, the Mortgage, the Loan Agreement, the Series 2026A Obligation, the Tax Agreement, and the Purchase Contract, subject to the exceptions set forth in said opinion.

In rendering the opinions in paragraph 3 hereof, we have relied upon certificates of even date herewith of the Borrowers and the Obligated Group Representative with respect to certain material facts solely within the knowledge of the Borrowers and the Obligated Group Representative relating to the property to be refinanced with the proceeds of the Series 2026 Bonds and the application of the proceeds of the Series 2026 Bonds.

In rendering this opinion, we have also relied upon certifications of the Authority with respect to certain material facts within the knowledge of the Authority.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX E-2

FORM OF SERIES 2026B OPINION OF BOND COUNSEL

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Form of Opinion of Bond Counsel
Series 2026B Bonds

August 4, 2026

Illinois Finance Authority
Chicago, Illinois

B.C. Ziegler and Company
Chicago, Illinois

Presbyterian Homes
d/b/a Presbyterian Living
Skokie, Illinois

Amalgamated Bank of Chicago, as bond trustee
Chicago, Illinois

Re: $29,335,000 Illinois Finance Authority
Revenue Refunding Bonds, Series 2026B
(Presbyterian Living Obligated Group)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Illinois Finance Authority (the *"Authority"*) of its $29,335,000 Revenue Refunding Bonds, Series 2026B (Presbyterian Living Obligated Group) (the *"Series 2026B Bonds"*). The Series 2026B Bonds are issued under the provisions of the Illinois Finance Authority Act, as amended (the *"Act"*), and under and pursuant to that certain Bond Trust Indenture dated as of August 1, 2026 (the *"Bond Indenture"*), between the Authority and Amalgamated Bank of Chicago, as bond trustee (the *"Bond Trustee"*).

The proceeds from the sale of the Series 2026B Bonds are being loaned by the Authority to Westminster Place, an Illinois not for profit corporation (*"Westminster"*), and Lake Forest Place, LLC, an Illinois limited liability company (*"Lake Forest"* and, together with Westminster, the *"Borrowers"*), pursuant to the Loan Agreement dated as of August 1, 2026 (the *"Loan Agreement"*), among the Borrowers and the Authority for the purpose of providing funds to be used to (i) refund all of the outstanding Illinois Finance Authority Revenue Bonds, Series 2016A (Presbyterian Homes Obligated Group) (the "*Prior Bonds*") and (ii) pay certain expenses incurred in connection with the refunding of the Prior Bonds and the issuance of the Series 2026B Bonds.

In order to secure the payment of the Series 2026B Bonds, Presbyterian Homes (d/b/a Presbyterian Living), as obligated group representative (the *"Obligated Group Representative"*), will issue, on behalf of the Borrowers, the $29,335,000 Direct Note Obligation, Series 2026B (Illinois Finance Authority) (the *"Series 2026B Obligation"*) pursuant to the Third Supplemental Master Trust Indenture dated as of August 1, 2026 (the "*Third Supplemental Master Indenture*"), between the Obligated Group Representative and Amalgamated Bank of Chicago, as master trustee (the "*Master Trustee*"), amending and supplementing the Master Trust Indenture dated as of April 1, 2016, as amended and supplemented (the "*Original Master Indenture*" and, together with the Third Supplemental Master Indenture, the "*Previous Master Indenture*"), among the Obligated Group Representative, the Borrowers, as the current members of the obligated group created thereunder, and the Master Trustee. The Previous Master Indenture will be amended and restated by the Amended and Restated Master Trust Indenture dated as of August 1, 2026 (the *"Amended and Restated Master Indenture"* and, together with the Previous Master Indenture, the *"Master Indenture"*) among the Obligated Group Representative, the Borrowers and the Master Trustee. Pursuant to the terms of the Loan Agreement and the Series 2026B Obligation, the Borrowers are obligated to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2026B Bonds. Pursuant to the terms of the Master Indenture, the Borrowers and each other entity that hereafter executes the Master Indenture (individually, a *"Member"* and, collectively, the *"Obligated Group"* or the *"Members of the Obligated Group"*) agree to be jointly and severally liable (subject to the Master Indenture's provisions permitting a Member to leave the Obligated Group) on all Obligations (as defined in the Master Indenture) issued under the Master Indenture, including the Series 2026B Obligation.

The Series 2026B Obligation and all other Obligations heretofore and hereinafter issued under the Master Indenture are secured by a Mortgage and Security Agreement dated as of April 1, 2016 (the *"Original Mortgage"*), as supplemented and amended by the First Supplemental Mortgage and Security Agreement dated as of April 1, 2026 (the *"Supplemental Mortgage Agreement"* and, together with the Original Mortgage, the *"Mortgage"*), each between Lake Forest, as mortgagor, and the Master Trustee, as mortgagee.

The Series 2026B Bonds have been sold to B.C. Ziegler and Company (the *"Underwriter"*), pursuant to the Forward Delivery Bond Purchase Agreement dated March 25, 2026 (the *"Purchase Contract"*), among the Underwriter, the Authority and the Obligated Group Representative.

In connection with the sale of the Series 2026B Bonds, the Obligated Group Representative has executed and delivered an Official Statement dated March 25, 2026 (the *"Official Statement"*).

In connection with the issuance of the Series 2026B Bonds, the Borrowers, the Authority and the Bond Trustee have executed a Tax Exemption Certificate and Agreement dated the date hereof (the *"Tax Agreement"*). The Tax Agreement places certain restrictions on the investment of moneys held in the funds established by the Bond Indenture and which, under certain circumstances, would require the transfer of certain moneys held in such funds to a Rebate Fund created under the Tax Agreement.

The Authority, the Obligated Group Representative and the Underwriter have executed a separate Bond Purchase Agreement dated March 25, 2026 (the *"Series 2026A Purchase Contract"*), among the Underwriter, the Authority and the Obligated Group Representative with respect to the anticipated issuance of the Revenue Refunding Bonds, Series 2026A (Presbyterian Living Obligated Group) (the *"Series 2026A Bonds"* and, together with the Series 2026B Bonds, the *Series 2026 Bonds*) on April 8, 2026. The Series 2026 Bonds will be considered a single bond issue for federal income tax purposes.

As bond counsel, we have examined the following:

a. certified copies of the proceedings of the Authority authorizing or approving, among other things, the execution and delivery of the Bond Indenture, the Loan Agreement, the

Purchase Contract and the Tax Agreement, the use and distribution of the Preliminary Official Statement dated March 13, 2026 and the Official Statement and the issuance and sale of the Series 2026B Bonds;

b. an executed Official Statement, the executed Series 2026B Obligation and executed counterparts of the Bond Indenture, the Loan Agreement, the Purchase Contract, the Third Supplemental Master Indenture, the Amended and Restated Master Indenture and the Tax Agreement;

c. specimen Series 2026B Bonds;

d. executed opinions, each dated the date hereof, of Ice Miller LLP, special counsel to the Authority; and Dentons US LLP, special counsel to the Borrowers and the Obligated Group Representative; and

e. such other documents and showings and related matters of law as we have deemed necessary in order to enable us to render this opinion.

Based upon the foregoing and in reliance upon certain documents and showings hereinafter referred to, we are of the opinion that:

1. The Bond Indenture, the Loan Agreement, the Purchase Contract and the Tax Agreement have been duly authorized by all necessary action on the part of the Authority, have been duly executed and delivered by authorized officers of the Authority and, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, and except to the extent that the enforcement of the indemnification provisions of the Loan Agreement and the Purchase Contract may be limited by federal or state securities laws.

2. The Series 2026B Bonds have been duly authorized by all necessary action on the part of the Authority, have been duly executed by authorized officers of the Authority, authenticated by the Bond Trustee and validly issued by the Authority and constitute, under the laws of the State of Illinois now in force, the legal, valid and binding limited obligations of the Authority enforceable in accordance with their terms, except to the extent limited by bankruptcy, reorganization or other similar laws affecting the enforcement of creditors' rights generally and by the availability of equitable remedies, and the Series 2026B Bonds are entitled to the benefits and security of the Bond Indenture.

3. Subject to compliance by the Authority and the Borrowers with certain covenants, under present law, interest on the Series 2026B Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the Series 2026B Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such covenants by the Authority and the Borrowers with respect to the Series 2026 Bonds could cause the interest on the Series 2026B Bonds to be includible in

gross income for federal income tax purposes retroactively to the date of issuance of the Series 2026B Bonds. Ownership of the Series 2026B Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences. Interest on the Series 2026B Bonds is not exempt from present Illinois income taxation. Ownership of the Series 2026B Bonds may result in other state and local income tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences.

4. The Bond Indenture creates a valid assignment to the Bond Trustee of the rights of the Authority in and to the Loan Agreement (with certain limited exceptions referred to in the Bond Indenture).

We make no statement and render no opinion with respect to the enforceability, the effectiveness or the priority of the Mortgage.

In rendering this opinion, we have relied upon the opinion of Dentons US LLP, special counsel to the Borrowers, referred to in paragraph (d) above, with respect to, among other things, (i) the status of Westminster and the Obligated Group Representative as organizations described in Section 501(c)(3) of the Code that are exempt from federal income taxation under Section 501(a) of the Code, (ii) the status of Lake Forest Place, the sole member of which is the Obligated Group Representative, as a disregarded entity for federal income tax purposes, and (iii) the validity and binding effect upon and enforceability against each Borrower, as applicable, of the Master Indenture, the Mortgage, the Loan Agreement, the Series 2026B Obligation, the Tax Agreement, and the Purchase Contract, subject to the exceptions set forth in said opinion.

In rendering the opinions in paragraph 3 hereof, we have relied upon certificates of even date herewith of the Borrowers and the Obligated Group Representative with respect to certain material facts solely within the knowledge of the Borrowers and the Obligated Group Representative relating to the property to be refinanced with the proceeds of the Series 2026 Bonds and the application of the proceeds of the Series 2026 Bonds.

In rendering this opinion, we have also relied upon certifications of the Authority with respect to certain material facts within the knowledge of the Authority.

Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

DELAYED DELIVERY AGREEMENT

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APPENDIX F

DELAYED DELIVERY AGREEMENT

April __, 2026

B.C. Ziegler and Company
One North Wacker Drive, Suite 2000
Chicago, Illinois 60606

Telephone No. (312) 596-1510
Attn: Municipal Underwriting Desk

Re: Illinois Finance Authority Revenue Bonds, Series 2026B (Presbyterian Living Obligated Group)

Ladies and Gentlemen:

This letter agreement (the "Contract"), together with the related confirmation (the "Confirmation"), shall apply to the purchase by the undersigned purchaser[, not on its own behalf but in its capacity as investment advisor to the funds identified opposite its signature hereto,] (the "Purchaser") of the Bonds set forth in the Confirmation (the "Bonds"), on or about August 4, 2026 (the "Settlement Date") from B.C. Ziegler and Company ("Ziegler"), when, as, and if issued and delivered to Ziegler from the Illinois Finance Authority (the "Authority") for the benefit of Westminster Place, an Illinois not for profit corporation ("Westminster Place"), and Lake Forest Place, LLC, an Illinois limited liability company ("Lake Forest Place," and together with Westminster Place, the "Borrowers"), and Ziegler agrees to sell to the Purchaser the above-referenced Bonds offered by the Authority under the Preliminary Official Statement, dated March __, 2026 (the "Preliminary Official Statement"), and the Official Statement, dated March __, 2026 (the "Official Statement"), at the purchase price specified in the Confirmation. Any capitalized term not otherwise defined herein shall have the respective meaning given to such term as set forth in the Official Statement.

The Purchaser acknowledges that, on or prior to the date hereof, the Purchaser has received the Preliminary Official Statement and the Confirmation. The Purchaser acknowledges further that it has reviewed the Preliminary Official Statement (including the sections entitled "CERTAIN FORWARD DELIVERY CONSIDERATIONS RELATED TO THE SERIES 2026B BONDS" and "ADDITIONAL RISKS RELATED TO THE FORWARD DELIVERY PERIOD FOR THE SERIES 2026B BONDS" therein) and the Confirmation.

Payment for the Bonds, which the Purchaser has agreed to purchase on the Settlement Date, shall be made to Ziegler or its order on the Settlement Date upon delivery to the Purchaser of the Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company. The Purchaser agrees that in no event shall Ziegler be responsible or liable for any claim or loss, whether direct or consequential, which the Purchaser may suffer in the event the Authority, for any reason, does not issue and deliver the Bonds, unless such failure is a direct result of Ziegler's gross negligence or intentional misconduct.

1. Purchase and Settlement. Unless otherwise agreed in writing by Ziegler and the Purchaser, on the Settlement Date the Purchaser shall pay for and accept delivery of the Bonds if the Bonds shall have been issued and delivered by the Authority and purchased, accepted and paid for by Ziegler.

The Bonds will be issued pursuant to, and secured under the Bond Trust Indenture expected to be dated as of August 1, 2026 (the "Bond Indenture") between the Authority and Amalgamated Bank of Chicago, as bond trustee. The proceeds of the Bonds are being loaned by the Authority to the Borrowers, as Members of the Obligated Group, pursuant to a Loan Agreement expected to be dated as of August 1, 2026 (the "Agreement") by and between the Authority and the Borrowers. Upon issuance of the Bonds by the Authority and purchase thereof by Ziegler, the obligation of the Purchaser to take delivery hereunder shall be unconditional except in the event that:

a. At any time subsequent to the date of this Contract and on or prior to the Settlement Date, legislation shall be enacted, or a final court decision announced, or a final ruling, regulation or decision by or on behalf of a governmental agency having jurisdiction of the subject matter shall be made to the effect that the revenue or other income of the general character to be derived from the Borrowers or by any similar body under the Bond Indenture, as amended and supplemented, or similar instrument, or interest on obligations of the general character of the Bonds, shall not be excludable from gross income for federal income tax purposes;

b. For any other reason on the Settlement Date, Bond Counsel cannot issue its opinion for the Bonds substantially in the form and to the effect attached as Appendix E-2 to the Official Statement;

c. The Bonds are not exempt from registration under the Securities Act of 1933, as amended and then in effect (the "Securities Act"), or the Bond Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended and then in effect (the "Trust Indenture Act"), or the offering or sale of the Bonds would be in violation of the Securities Act, the Securities Exchange Act of 1934, as amended and then in effect, the Trust Indenture Act, or similar federal laws;

d. An Event of Default shall have occurred under the Master Indenture or any Obligation issued under the Amended and Restated Master Trust Indenture dated as of [August] 1, 2026 (the "Amended and Restated Master Indenture," and as thereafter supplemented and amended in accordance with its terms, the "Master Indenture"), among Presbyterian Homes d/b/a Presbyterian Living, an Illinois not for profit corporation (the "Obligated Group Representative"), as the Obligated Group Representative, the Borrowers, as the members of the obligated group (each a "Member" and, collectively, the "Obligated Group" or "Members"), and Amalgamated Bank of Chicago, as master trustee (the "Master Trustee"), that has not been cured or waived by the Master Trustee as of the Settlement Date;

e. Any event shall have occurred, or information become known, prior to the Settlement Date, which makes untrue, incorrect or misleading in any material respect any statement or information contained in the Official Statement, as updated by any updates to the Official Statement, or has the effect that the Official Statement, as updated by any updates to the Official Statement, contains an untrue, incorrect or misleading statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and which statement requires, as determined by Ziegler in its sole but reasonable discretion, a supplement to the

Official Statement, as updated by any updates to the Official Statement, and such supplement has not been delivered to the Purchaser on or prior to the Settlement Date.

The Purchaser's obligation to pay for and accept the Bonds in accordance herewith is not subject to any other condition not otherwise set forth herein, including an adverse change in the market price or marketability of the Bonds or any adverse change in the business, affairs or financial condition of the Authority, the Borrowers, the Obligated Group or any other obligor.

Settlement of the Bonds shall occur on a delivery versus payment basis. Payment shall be made in federal funds to an account or otherwise as designated by Ziegler and the Bonds shall be transferred to an account designated by the Purchaser.

The Purchaser acknowledges and agrees that the Bonds are being sold on a "forward" or "delayed delivery" basis for delivery on the Settlement Date and that the Purchaser is obligated to take up and pay for the Bonds on the Settlement Date unless the Authority has not issued the Bonds to Ziegler or the Purchaser terminates its obligation to purchase the Bonds to the extent permitted herein. In the event of a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Contract to Ziegler before Settlement (i.e. delivery of the Bonds to, and payment for the Bonds by, Ziegler) on the Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after the Settlement. The Purchaser is not a third party beneficiary under the Forward Delivery Bond Purchase Agreement for the Bonds dated April __, 2026 (the "Bond Purchase Agreement") among the Authority, the Borrowers and Ziegler, and has no rights to enforce, or cause Ziegler to enforce, any of the terms thereof. The Purchaser acknowledges that it will not be able to withdraw its order except as provided herein, and will not otherwise be excused from performance of its obligations to take up and pay for the Bonds on the Settlement Date because of market or credit changes, including specifically, but not limited to, (a) except as set forth in paragraph 1(e) above, changes in the rating assigned to the Bonds between the date of this Contract and the Settlement Date or changes in the credit associated with the Bonds generally, and (b) changes in the financial condition, operations, performance, properties or prospects of the Obligated Group from the date of this Contract to the Settlement Date. The Purchaser acknowledges and agrees that it will remain obligated to purchase the Bonds in accordance with the terms hereof, even if the Purchaser decides to sell the Bonds following the date hereof, unless the Purchaser sells Bonds to another institution and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser acknowledges that Ziegler is entering into the Bond Purchase Agreement with the Authority to purchase the Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

2. <u>Representations and Warranties.</u> The Purchaser represents and warrants that: (a) it is duly authorized to execute and deliver this Contract and to perform its obligations hereunder and has taken all necessary action (corporate and otherwise) to authorize such execution, delivery and performance; (b) it is acting hereunder as principal (or, if previously agreed in writing by Ziegler, as agent for a disclosed principal); (c) the person signing this Contract on the Purchaser's behalf is duly authorized to do so on the Purchaser's behalf and is a Vice President or more senior officer of the Purchaser; (d) it has obtained all authorizations of any governmental body required in connection with this Contract and such authorizations are in full force and effect; (e) this Contract constitutes a legal, valid and binding obligation of the Purchaser

enforceable against the Purchaser in accordance with the terms hereof (except as such enforcement may be limited by general principles of equity and to bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditor's rights generally); (f) the execution, delivery and performance of this Contract do not and will not violate any law, regulation, ordinance, charter, by-law or rule applicable to the Purchaser or any agreement by which the Purchaser is bound or by which any of its assets are affected; and (g) the Purchaser is knowledgeable of and experienced in the investment risks of entering into this Contract and purchasing bonds on a forward delivery basis, is capable of evaluating the merits and risks of this Contract and is able to bear the economic risks associated with this Contract.

Ziegler represents and warrants that: (i) it is duly authorized to execute and deliver this Contract and to perform its obligations hereunder and has taken all necessary action (corporate and otherwise) to authorize such execution, delivery and performance; (ii) the person signing this Contract on Ziegler's behalf is, as of the date hereof, duly authorized to do so on Ziegler' behalf and is a Vice President or more senior officer of Ziegler; (iii) it has obtained all authorizations of any governmental body required in connection with this Contract and such authorizations are in full force and effect; (iv) this Contract constitutes a legal, valid and binding obligation of Ziegler enforceable against Ziegler in accordance with the terms hereof; (v) the execution, delivery and performance of this Contract do not and will not violate any law, regulation, ordinance, charter, by-law or rule applicable to Ziegler or any agreement by which Ziegler is bound or by which any of its assets are affected and (vi) Ziegler is an underwriter of the Bonds and has no knowledge of any material fact or circumstances that it is required to disclose under relevant securities laws. Ziegler shall be deemed to repeat all of the foregoing representations and warranties on each day prior to and including the Settlement Date.

3. Provision of Official Statement and Other Information. The Purchaser acknowledges that, as described in the Official Statement, the Obligated Group has agreed to update the Official Statement, to the extent necessary in order to correct any untrue statement of a material fact contained in the Official Statement or to make the statements herein, in light of the circumstances under which they were made, not misleading, and to provide the same to prospective purchasers of the Bonds at least one week prior to the Settlement Date. The Purchaser acknowledges that, except for such updates, none of the Authority, the Obligated Group or Ziegler has agreed to or is obligated to provide updates to the information contained in the Official Statement during the period between the date of this Contract and the Settlement Date. The Purchaser agrees that, except for the updates above, between the date hereof and the Settlement Date, none of Ziegler, the Authority or the Obligated Group shall be required by the Purchaser to deliver to the Purchaser additional information or supplements to the Official Statement.

4. Default. Upon any Event of Default, the non-defaulting party shall be entitled (without limiting any other rights or remedies the non-defaulting party may have under applicable law or regulation or by reason of normal business practice) to (i) cancel and otherwise liquidate and close out the transaction without prior notice to the defaulting party, whereupon the defaulting party shall be liable to the non-defaulting party for any resulting loss equal to the cost of entering into replacement transactions and any damages directly resulting from the non-defaulting party's entering into or canceling, or otherwise liquidating or closing out, any related hedge transactions; and (ii) take any other action necessary or appropriate to protect and enforce its rights and preserve the benefits of its bargain under this Contract.

Solely for purposes of this paragraph 4, “Event of Default” means (i) the occurrence of an Insolvency Event (as defined below); (ii) any representation made by a party in paragraph 2 hereof is incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated; or (iii) a party disaffirms, rejects or repudiates any of its obligations under this Contract.

For purposes hereof, “Insolvency Event” means (i) the commencement by a party as debtor of any case or proceeding under any bankruptcy, insolvency, rehabilitation, delinquency, reorganization, liquidation, dissolution or similar law, or the seeking by a party of the appointment of a receiver, conservator, administrator, rehabilitator, custodian, liquidator, trustee, or similar official for such party or any part of such party’s property; (ii) the commencement of any such case or proceeding against a party, or the seeking of such an appointment by another, or the filing against a party, of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970; or (iii) an acknowledgment by a party that such party has a negative net worth or is insolvent or is not paying or is unable to pay its debts as they become due.

5. Governing Law. THIS CONTRACT SHALL BE DEEMED TO HAVE BEEN MADE IN THE STATE OF ILLINOIS AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAW PRINCIPLES THAT WOULD RESULT IN THE APPLICATION OF ANY LAW OTHER THAN THE LAW OF THE STATE OF ILLINOIS.

6. Counterparts. This Contract may be executed by either of the parties thereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

7. Miscellaneous. Any and all notices, statements, demands or other communications hereunder may be sent by a party to the other by mail (electronic or via post), facsimile, messenger or otherwise to the address specified on the face of this Contract, or so sent to such party at any other place specified in a notice of change of address hereafter received by the other. All notices and requests hereunder may be made orally, to be confirmed promptly in writing. The rights of Ziegler and the Purchaser under this Contract shall not be assigned without the prior written consent of the other party hereto and any purported assignment without such consent shall be null and void.

It is understood that the acceptance by Ziegler of any letter agreement, including this Contract is in Ziegler's sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Contract is acceptable to Ziegler, it is requested that Ziegler sign the form of acceptance below and mail to its regular business address or deliver by electronic delivery one of the counterparts hereof to the Purchaser. This will become a binding contract between Ziegler and the Purchaser when such counterpart is so mailed or delivered by Ziegler. This Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

Purchaser:
__________________________________ [, not on its own behalf but in its capacity as investment advisor to the Funds listed below]

By: __________________________________
Title: __________________________________
Date: __________________________________

Insert names of Funds (if applicable):

____

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____

____

____

____

____

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Agreed and accepted:

B.C. Ziegler and Company

By: ______________________________
Title: ______________________________
Date: ______________________________

ILLINOIS FINANCE AUTHORITY • REVENUE REFUNDING BONDS, SERIES 2026
(PRESBYTERIAN LIVING OBLIGATED GROUP), SERIES 2026A AND SERIES 2026B

Presbyterian Living
PEOPLE.
COMMUNITY.
MISSION.

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