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

Subject to compliance by the Authority and the Borrower (each as defined herein) with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2025 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 2025 Bonds may affect the corporate alternative minimum tax for certain corporations. The interest on the Series 2025 Bonds is not exempt from present Illinois income taxes. See "Tax Exemption" herein for a more complete discussion.

$101,770,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025
(THE MOORINGS OF ARLINGTON HEIGHTS)

Consisting of

$63,870,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025A
(THE MOORINGS OF ARLINGTON HEIGHTS)

$15,600,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025B-1
(TAX EXEMPT MANDATORY PAYDOWN SECURITIES (TEMPS–85℠))
(THE MOORINGS OF ARLINGTON HEIGHTS)

$22,300,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025B-2
(TAX EXEMPT MANDATORY PAYDOWN SECURITIES (TEMPS–50℠))
(THE MOORINGS OF ARLINGTON HEIGHTS)

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

The above-referenced bonds (the "***Series 2025 Bonds***") are issuable in the denominations of $5,000 and integral multiples in excess thereof. Principal of and interest on the Series 2025 Bonds will be paid from moneys available therefor under the Bond Indenture described herein with Amalgamated Bank of Chicago, as Bond Trustee. Principal on the Series 2025 Bonds is payable on each May 1 and November 1, commencing May 1, 2026. Interest on the Series 2025 Bonds is payable on each May 1 and November 1, commencing May 1, 2026.

The Series 2025 Bonds are subject to redemption prior to maturity as described herein.

The Series 2025 Bonds are limited obligations of the Illinois Finance Authority, secured under the provisions of the Master Indenture and Bond Indenture as further described herein, and will be equally and ratably payable from payments to be made by the Borrower named herein under the Loan Agreement described herein and certain funds held under the Bond Indenture.

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2025 BONDS AND OTHER COSTS INCIDENTAL THERETO ONLY FROM THE SOURCES SPECIFIED IN THE BOND INDENTURE, AND EXCEPT TO SUCH LIMITED EXTENT, THE SERIES 2025 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 2025 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 INDENTURE. 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 2025 BONDS OR OTHER COSTS INCIDENTAL THERETO. NO OWNER OF ANY SERIES 2025 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 2025 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 2025 Bonds. See "**BONDHOLDERS' RISKS**."

The Series 2025 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 2025 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 Borrower 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 2025 Bonds will occur through DTC on or about December 30, 2025.

Ziegler

This Official Statement is dated December 9, 2025.

MATURITY SCHEDULE

$63,870,000 SERIES 2025A BONDS

$13,025,000 5.000% Series 2025A Term Bonds due November 1, 2036, Priced: 107.340% to yield 4.120%*;
CUSIP[†]: 45204FT62

$20,590,000 5.125% Series 2025A Term Bonds due November 1, 2046, Priced: 99.675% to yield 5.150%;
CUSIP[†]: 45204FT70

$11,690,000 5.375% Series 2025A Term Bonds due November 1, 2050, Priced: 100.110% to yield 5.360%*;
CUSIP[†]: 45204FT88

$18,565,000 5.375% Series 2025A Term Bonds due November 1, 2055, Priced: 99.183% to yield 5.430%;
CUSIP[†]: 45204FT96

$15,600,000 SERIES 2025B-1 BONDS

$15,600,000 4.100% Series 2025B-1 Term Bonds due May 1, 2031, Priced: 100.000% to yield 4.100%;
CUSIP[†]: 45204FT54

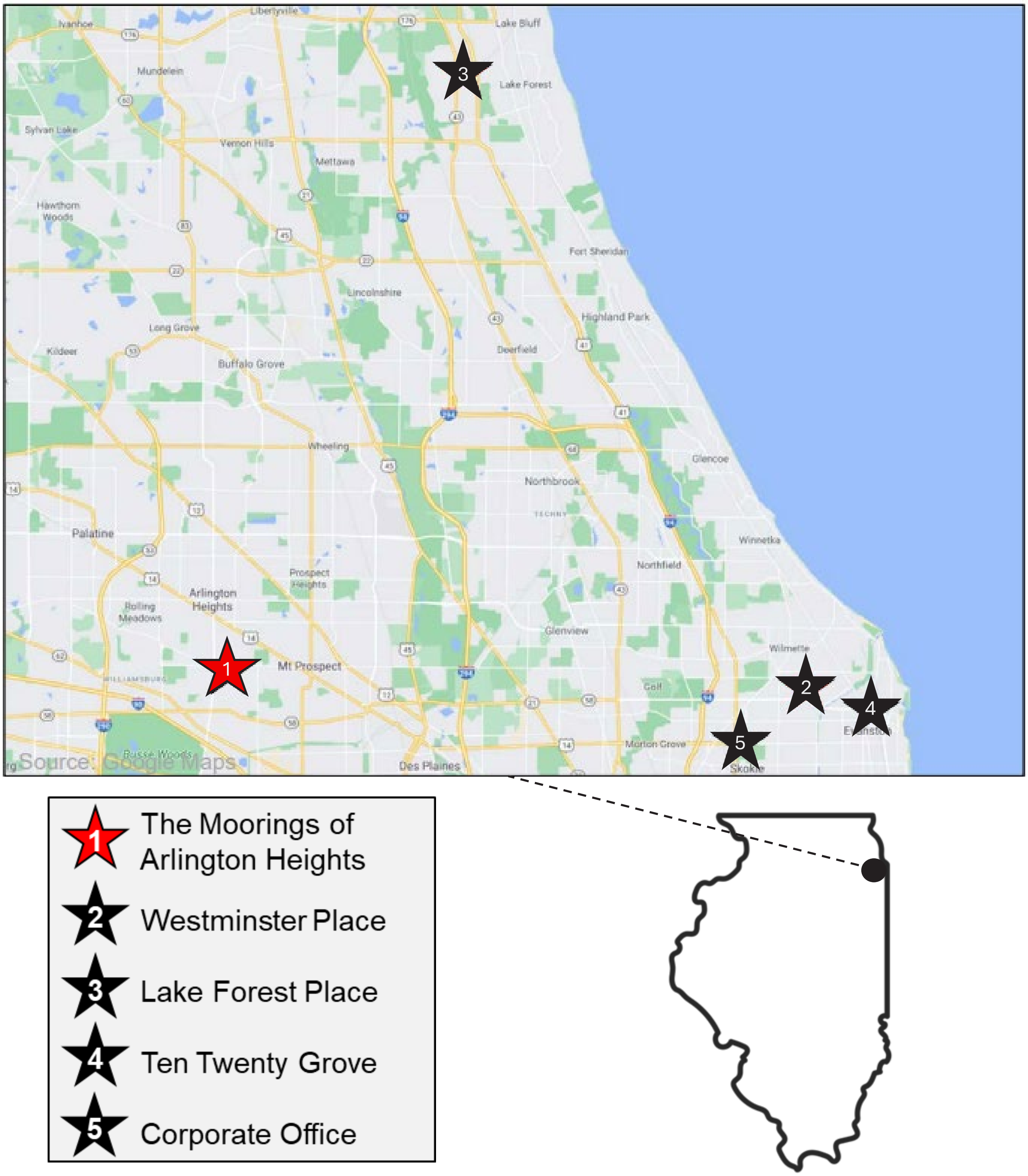
$22,300,000 SERIES 2025B-2 BONDS

$22,300,000 3.650% Series 2025B-2 Term Bonds due May 1, 2031, Priced: 100.000% to yield 3.650%;
CUSIP[†]: 45204FT47

* Yield calculated to May 1, 2036, the first par optional redemption date.

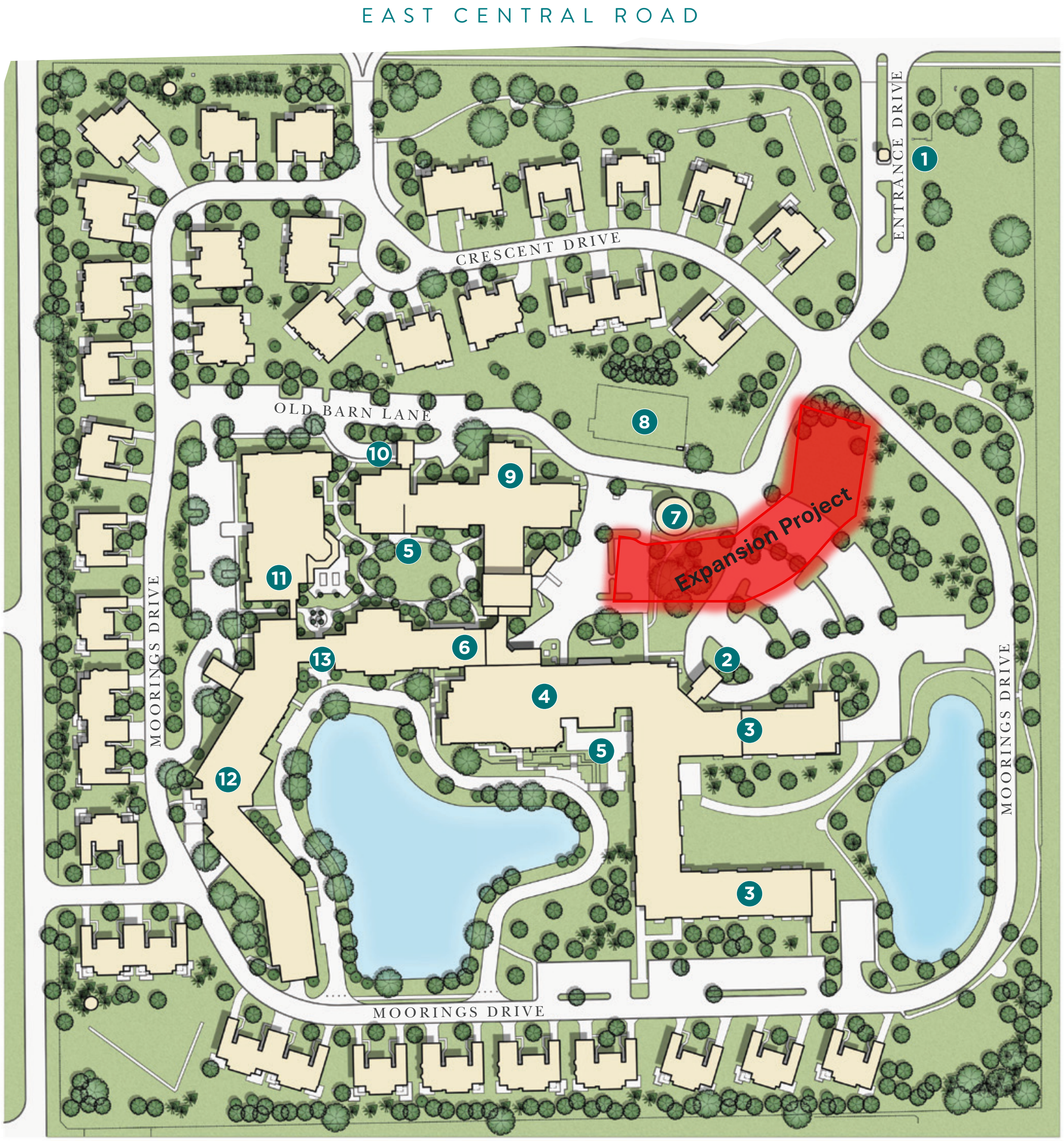
[†] A registered trademark of the American Bankers Association. CUSIP numbers have been assigned to this issue by CUSIP Global Services, as managed on behalf of the American Bankers Associations by S&P Global Market Intelligence, a division of S&P Global Inc. The CUSIP numbers have been assigned by an 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.

Presbyterian Living – Campus Locations



Note: The Obligated Group for the Series 2025 Bonds consists only of The Moorings of Arlington Heights. The other entities in the System are not members of the Obligated Group and have no liability with respect to the Series 2025 Bonds or the Series 2025 Obligations.

The Moorings – Existing Community Map



1 Gatehouse
2 Main Entrance to Midrise Apartment Building
3 Midrise Apartment Building
4 Dining, Activities Center
5 Outdoor Terrace
6 Indoor Pool, Fitness Center
7 Historic Round Barn
8 Gardening Area
9 Health Care Center
10 Main Entrance to Health Care Center
11 The Highlands Memory Support Assisted Living
12 The Highlands Assisted Living Apartments
13 Fellowship Hall

The Moorings – Existing Campus

Aerial Campus View

Pond View

Dining Room

Lounge

Independent Living Villa – Exterior

Independent Living Villa – Interior

The Moorings – Expansion Site Plan

The Moorings – Series 2025 Project Renderings

New Aerial Campus View

New Independent Living Building

Supper Club

Bistro Bar

Lobby

Unit Interior

REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesman or other person has been authorized by the Authority, the Borrower 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 2025 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 2025 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 Underwriter from the Obligated Group, the Underwriter and other sources deemed by the Underwriter 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 2025 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 INDENTURE 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 2025 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.

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, including particularly the information and financial projections in the Financial Forecast. 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 Financial Forecast should be read in its entirety, including management's notes and assumptions set forth therein.

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 REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure."

TABLE OF CONTENTS

	Page
SUMMARY STATEMENT	i
INTRODUCTION	1
Purpose of this Official Statement	1
The Authority	1
The Series 2025 Bonds	1
The Series 2025C Bonds; Additional Covenants Agreement	1
Purpose of the Series 2025 Bonds	2
The Obligated Group and the System	2
The Foundation	3
The Master Indenture	3
The Mortgage	4
The Liquidity Support Agreement	4
Financial Forecast	4
THE AUTHORITY	4
Description of the Authority	4
Bonds of the Authority	5
Authority Counsel	5
PLAN OF FINANCE	5
General	5
The Project	5
The Refunded Bonds	6
Termination of the Series 2016 Swap	6
Sources and Uses of Funds	6
DEBT SERVICE REQUIREMENTS	7
THE SERIES 2025 BONDS	8
General	8
Redemption of the Series 2025A Bonds	9
Redemption of the Series 2025B Bonds	12
Provisions Applicable to all Series 2025 Bonds	12
Exchange and Transfer	14
Defeasance of the Series 2025 Bonds	14
Retained Call Rights	14
BOOK-ENTRY-ONLY SYSTEM	15
General	15
DTC and its Participants	15
Purchase of Ownership Interests	16
Transfers	16
Notices	16
Voting	16
Payments of Principal and Interest	16
Discontinuation of Book-Entry-Only System	17
SECURITY FOR THE SERIES 2025 BONDS	17
General	17
The Bond Indenture	18
The Loan Agreement	18
The Master Indenture	18
Entrance Fee Fund	19
The Mortgage	20
The Liquidity Support Agreement	20
Additional Indebtedness	24
Amendments to the Master Indenture	24
Certain Covenants of the Obligated Group	25
THE SERIES 2025C BONDS AND THE ADDITIONAL COVENANTS AGREEMENT	30
BONDHOLDERS' RISKS	31
General	31
Uncertainty of Revenues	31
Failure to Achieve or Maintain Turnover or Occupancy	32
Utilization Demand	32
Competition	33
Financial Forecast	33
Construction Consultant Approval of Construction Draws	35

Sale of Personal Residences ... 35
Public Health Emergencies ... 35
Regulation of Health Care and Long-Term Care Industries ... 36
Health Facilities Planning Act ... 38
Political Headwinds Affecting Senior Living and Health Care Industry ... 38
Limited Value of Facilities upon Default ... 39
Limited Assets of the Obligated Group ... 39
Continuing Inflation ... 39
Cybersecurity Risks ... 39
Risks Inherent in Bank-Credit ... 40
Interest Rate Swap and Other Hedge Risk ... 41
Federal Debt Limit; Government Shutdowns ... 41
Certain Matters Relating to Enforceability of the Master Indenture ... 41
Future Expansion; Additional Indebtedness ... 43
Changes in the Composition of the Obligated Group ... 43
No Debt Service Reserve Fund ... 43
Insurance ... 43
Environmental Laws and Regulations ... 44
Intermediate Sanctions ... 44
Risks Related to Tax-Exempt Status ... 45
Below-Market Loan Safe Harbor ... 47
Amendments, Changes and Modifications to the Principal Financing Documents ... 47
Redemption or Acceleration Prior to Maturity ... 47
Secondary Market ... 48
Other Considerations ... 48
TAX EXEMPTION ... 50
LITIGATION ... 52
The Authority ... 52
The Borrower ... 52
LEGAL MATTERS ... 52
FINANCIAL STATEMENTS ... 53
FINANCIAL FORECAST ... 54
FINANCIAL REPORTING AND CONTINUTING DISCLOSURE ... 56
Financial Reporting ... 56
Continuing Discolsure ... 58
RATING ... 58
CERTAIN RELATIONSHIPS ... 59
UNDERWRITING ... 59
FINANCIAL ADVISOR ... 59
MISCELLANEOUS ... 60
Appendix A: The Moorings of Arlington Heights, LLC Organization and Operations
Appendix B: Audited Financial Statements of the Borrower
Appendix C: Financial Forecast
Appendix D: Summary of Certain Provisions of the Master Indenture and the Mortgage
Appendix E: Summary of Certain Provisions of the Bond Indenture and the Loan Agreement
Appendix F: Form of Continuing Disclosure Agreement
Appendix G: Form of Opinions of Bond Counsel

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 2025 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 D*** and "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT – Definitions of Certain Terms"** in ***Appendix E***.

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 2025 Bonds

The Authority proposes to issue its (i) Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) in the aggregate principal amount of $63,870,000 (the ***"Series 2025A Bonds"***), (ii) Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85[SM])) (The Moorings of Arlington Heights) in the aggregate principal amount of $15,600,000 (the ***"Series 2025B-1 Bonds"***), and (iii) Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50[SM])) (The Moorings of Arlington Heights) in the aggregate principal amount of $22,300,000 (the ***"Series 2025B-2 Bonds"*** and together with the Series 2025A Bonds and the Series 2025B-1 Bonds, the ***"Series 2025 Bonds"***).

The Series 2025 Bonds will be issued and secured under a Bond Trust Indenture, dated as of December 1, 2025 (the ***"Bond Indenture"***) between the Authority and Amalgamated Bank of Chicago, as bond trustee (the ***"Bond Trustee"***). The Authority will loan the proceeds of the Series 2025 Bonds to The Moorings of Arlington Heights, LLC, an Illinois limited liability company (the ***"Borrower"***), pursuant to a Loan Agreement, dated as of December 1, 2025 (the ***"Loan Agreement"***) between the Authority and the Borrower.

The Series 2025C Bonds; Additional Covenants Agreement

Concurrently with the issuance of the Series 2025 Bonds, the Authority will issue its $61,090,000 maximum principal amount of Variable Rate Revenue Bonds, Series 2025C (The Moorings of Arlington Heights) (the ***"Series 2025C Bonds,"***) pursuant to a separate Bond Trust Indenture dated as of December 1, 2025 (the ***"Series 2025C Bond Indenture"***) between the Authority and the Amalgamated Bank of Chicago, as bond trustee (the ***"Series 2025C Bond Trustee"***) and loan the proceeds thereof to the Borrower pursuant to a separate Loan Agreement dated as of December 1, 2025 (the ***"Series 2025C Loan Agreement"***) between the Authority and the Borrower. The Series 2025C Bonds will be sold to Old National Bank (the ***"2025C Purchaser"***) pursuant to an Additional Covenants Agreement with respect to the Series 2025C Bonds (the ***"Additional Covenants Agreement"***) between the Borrower, on its own behalf and as Obligated Group Representative, and the 2025C Purchaser, which sets forth certain covenants and agreements of the Borrower and the Obligated Group with the 2025C Purchaser. The Additional Covenants Agreement provides for, among other things, certain representations, warranties, covenants, events of default, and remedies in addition to those contained in the Master Indenture (the ***"ACA Covenants"***). The ACA Covenants will run solely to the benefit of the 2025C Purchaser and the ACA Covenants may be amended, modified or waived without the consent of the Series 2025 Bondowners. The Borrower's obligations in connection with the Series 2025C Bonds and the Additional Covenants Agreement will be secured by the Series 2025C Obligations defined below. It is possible that a default with respect to the Series 2025C Obligations, including with respect to a breach of the ACA Covenants under the Additional Covenants Agreement could lead to a default under the Master Indenture and an acceleration of all Outstanding Obligations thereunder, including the Series 2025 Obligations.

No offer of or solicitation of offers to purchase the Series 2025C Bonds is made by this Official Statement. The Series 2025C Bonds will be offered solely to the 2025C Purchaser.

Purpose of the Series 2025 Bonds

The Borrower will use the proceeds of the Series 2025 Bonds, together with proceeds of the Series 2025C Bonds and other funds of the Borrower, to (i) pay or reimburse the Borrower for the costs of acquiring, constructing, renovating, remodeling and equipping certain facilities of the Borrower, all to be located at the continuing care retirement community known as The Moorings of Arlington Heights, including, but not limited to (a) the construction of (1) 70 independent living units in a 5 story building with underground parking that will be approximately 172,000 square feet, and (2) new dining, social areas and parking lots and (b) the renovation of the existing Health Care Center (as defined in ***Appendix A***) and common areas, (the ***"Project"***), (ii) refund all of the outstanding (a) $29,615,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016A (The Moorings of Arlington Heights) (the ***"Series 2016A Bonds"***), (b) $30,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016B (The Moorings of Arlington Heights) (the ***"Series 2016B Bonds"***), (c) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016C (The Moorings of Arlington Heights) (the ***"Series 2016C Bonds"***) and (d) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016D (The Moorings of Arlington Heights) (the ***"Series 2016D Bonds"*** and, collectively with the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, the ***"Refunded Bonds"***), (iii) pay a portion of the interest on the Series 2025 Bonds and Series 2025C Bonds, and (iv) pay certain expenses incurred in connection with the refunding of the Refunded Bonds and the issuance of the Series 2025 Bonds and Series 2025C Bonds, all as permitted by the Act. See **"PLAN OF FINANCE"** for a description of the plan of finance relating to the Series 2025 Bonds, including a further description of the Project and the Refunded Bonds.

The Obligated Group and the System

The Borrower is the sole member (the "***Member***" and together, and with any future Members of the Obligated Group, the ***"Obligated Group"***) and the Obligated Group Representative of the Obligated Group created pursuant to the Master Indenture. Presbyterian Homes d/b/a Presbyterian Living (the ***"Parent"***), 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 since 1904. The Borrower owns and operates The Moorings of Arlington Heights ***("The Moorings"*** or the ***"Facilities"*)**, a Life Plan Community located in Arlington Heights, Illinois, a northwest suburb of Chicago. Pursuant to a corporate reorganization conducted in 2015, Parent became the member of or obtained reserve corporate powers over six subsidiaries, including the Borrower, which together provide residential and health care programs for older adults in Illinois (collectively with the Parent, the ***"Operating System"***). The Parent is also the member of the Geneva Foundation of Presbyterian Living d/b/a Geneva Foundation of Presbyterian Homes (the ***"Foundation"*** and, together with the Operating System, the ***"System"*** or ***"Presbyterian Living"***). See "**THE BORROWER AND SYSTEM – History and Background"** and **"-System Members Not in the Obligated Group"** in *Appendix A*.

Parent is *not* a Member of the Obligated Group under the Master Indenture. The Borrower, as the sole Member of the Obligated Group, is the only entity obligated to make payments with respect to the Series 2025 Bonds and the Series 2025 Obligations, as 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. 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 2025 Bonds or the Series 2025 Obligations described below except as set forth under "SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement."** See **"THE BORROWER AND SYSTEM – System Members Not in the Obligated Group – *The Geneva Foundation of Presbyterian Living*"** in ***Appendix A*** for additional information about the Foundation. The Foundation had net assets of $198 million as of September 30, 2025, which included $153 million in cash, cash equivalents and investments, with $133 million of such cash, cash equivalents, and investments being unrestricted.

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, except as required by the Liquidity Support Agreement.

Security for the Series 2025 Bonds

General. The Series 2025 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 2025 Bonds and other costs incidental thereto only from the sources specified in the Bond Indenture. Neither the full faith and credit nor the taxing powers of the Authority, 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 2025 Bonds. No owner of any Series 2025 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 2025 Bonds. The Authority does not have the power to levy taxes for any purpose whatsoever.

The Bond Indenture. The Series 2025 Bonds will be issued by the Authority pursuant to the Bond Indenture. Under the Bond Indenture, 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 2025 Bonds of that series, all of its right, title and interest in and to (i) the Loan Agreement and all payments derived by the Authority from the Borrower under the Loan Agreement (excluding the Authority's Unassigned Rights), (ii) the Series 2025 Obligations described herein, as applicable, and (iii) the funds created under the Bond Indenture and amounts held therein, including investment earnings (but excluding amounts on deposit in the Rebate Fund). See **"SECURITY FOR THE SERIES 2025 BONDS – The Bond Indenture."**

The Loan Agreement. The Loan Agreement will provide that the Borrower shall make designated payments to the Bond Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds when due. The Obligated Group's obligation to make payments on the Series 2025 Obligations shall be satisfied to the extent payments are made by the Borrower under the Loan Agreement. The Loan Agreement will also impose certain restrictions on the actions of the Borrower for the benefit of the Authority and the holders of the Series 2025 Bonds. See **"SECURITY FOR THE SERIES 2025 BONDS – The Loan Agreement."**

The Master Indenture. The Series 2025 Bonds will be secured by the (i) Direct Note Obligation, Series 2025A (Illinois Finance Authority) (the ***"Series 2025A Obligation"***), (ii) Direct Note Obligation, Series 2025B-1 (Illinois Finance Authority) (the ***"Series 2025B-1 Obligation")*** and (iii) Direct Note Obligation, Series 2025B-2 (Illinois Finance Authority) (the ***"Series 2025B-2 Obligation"*** and together with the Series 2025A Obligation and the Series 2025B-1 Obligation, the ***"Series 2025 Obligations"***) to be issued pursuant to the First Supplemental Master Trust Indenture dated as of December 1, 2025 (the ***"First Supplemental Master***

Indenture”) and the Master Trust Indenture dated as of December 1, 2025 (the ***“Master Indenture”***) between the Borrower and Amalgamated Bank of Chicago, as master trustee (the ***“Master Trustee”***) as supplemented and amended from time to time in accordance with its terms. The Borrower is the sole Member of the Obligated Group established under the Master Indenture and will be the only entity initially obligated, directly or indirectly, to make payments with respect to the Series 2025 Bonds or the Series 2025 Obligations. **The other entities in the System are not Members of the Obligated Group and have no liability with respect to the Series 2025 Bonds or the Series 2025 Obligations except as set forth under “SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement.”**

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. The Series 2025 Obligations and any Additional Obligations hereafter issued under the Master Indenture are referred to as the ***“Obligations.”*** After the issuance of the Series 2025 Bonds and the redemption of the Refunded Bonds, the Series 2025 Obligations will be the only Obligations outstanding under the Master Indenture.

The Series 2025 Obligations, the 2025C Obligations, and all Additional Obligations hereafter issued under the Master Indenture are secured on a parity basis by a pledge of the Gross Revenues described below and a Mortgage described below.

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 Series 2025 Obligations and all Additional Obligations hereafter issued under the Master Indenture. See **“SECURITY FOR THE SERIES 2025 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; 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.

The Mortgage. Pursuant to an Amended and Restated Mortgage and Security Agreement dated as of December 1, 2025 (the ***“Mortgage”***), the Borrower has granted to the Master Trustee a first mortgage lien on The Moorings campus and certain personal property of the Borrower, including the machinery and equipment located on the mortgaged campus (collectively, the ***“Mortgaged Property”***) to secure the Series 2025 Obligations and all Additional Obligations hereafter issued in accordance with the Master Indenture.

The Liquidity Support Agreement. The Borrower, the Master Trustee, and the Foundation, will enter into a Liquidity Support Agreement dated as of December 1, 2025 (the ***"Liquidity Support Agreement"***) in connection with the closing of the Series 2025 Bonds pursuant to which the Foundation will agree to provide support in the amount of $10,000,000 if needed to pay certain Project costs, debt service on the Series 2025 Bonds and Series 2025C Bonds (as defined in the Master Indenture) or operating expenses in conjunction with the operation of The Moorings. See **"SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement."** The 2025 Liquidity Support Fund will be unfunded upon delivery of the Series 2025 Bonds.

For further information concerning the security for the Series 2025 Bonds, see **"SECURITY FOR THE SERIES 2025 BONDS – Mortgage."** See **"THE BORROWER AND SYSTEM – The Moorings"** in ***Appendix A*** for a description of the Obligated Group's Facilities, including The Moorings campus. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE"** in ***Appendix D***.

Redemption Prior to Maturity

Pursuant to the terms of the Bond Indenture, the Series 2025 Bonds are subject to redemption prior to maturity. See **"THE SERIES 2025 BONDS – Redemption of the Series 2025A Bonds", "-Redemption of the Series 2025B Bonds"** and **"- Provisions Applicable to all Series 2025 Bonds."**

Certain Covenants of the Obligated Group

For purposes of the following subsections, the following terms shall have such meanings set forth below. For the definitions of certain words and terms used in this section and not otherwise defined, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – DEFINITIONS OF CERTAIN TERMS"** in ***Appendix D***.

"Series 2025 Project Bonds" means the portion of the Series 2025 Bonds and Series 2025C Bonds allocated to financing the Project.

"2025 Project Start-Up Period" means the period commencing on the date of issuance of the Series 2025 Obligations and continuing until the earlier of the end of the Fiscal Year in which 2025 Project Stable Occupancy is achieved (as defined below) and Fiscal Year ended March 31, 2030.

"2025 Project Stable Occupancy" means 90% of the Independent Living Units included in the Project have been Occupied.

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 and each Member further covenants and agrees 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, 2027, and to deliver a copy of such calculation to the Required Information Recipients. 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 D*** for more detail.

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 of the Historical Debt Service Coverage Ratio and in accordance with the requirements for selecting a Consultant under the Master Indenture 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 foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group 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 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.

Notwithstanding any other provision in the Master Indenture to the contrary, during the 2025 Project Start-Up Period, the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group may exclude all principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and all Revenue and Expenses properly allocable to the Project in accordance with GAAP.

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"** and **"– Rates and Charges"** in *Appendix D*.

Liquidity Covenant. The Obligated Group agrees in the Master Indenture that it will conduct its business so that the Obligated Group will have not less than 150 Days Cash on Hand (the ***"Liquidity Requirement"***) on 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, 2026 (each such date being a ***"Testing Date"***). 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.

Notwithstanding anything in the Master Indenture to the contrary, during the 2025 Project Start-Up Period, the calculation of the Days Cash on Hand of the Obligated Group may exclude all interest requirements in respect of the Series 2025 Project Bonds to the extent funded with the proceeds of the Series 2025 Project Bonds (including investment earnings thereon), and all Revenue and Expenses properly allocable to the 2025 Project in accordance with GAAP.

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 above, 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.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to satisfy the Liquidity Requirement 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"*** herein 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 D.***

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Liquidity Covenant"** in ***Appendix D*** (including the requirement to deliver an Officer's Certificate or to retain a Consultant if the Obligated Group fails to satisfy the Liquidity Requirement).

Occupancy Covenant. Within 30 days of receipt of the Occupancy certificate for the Independent Living Units included in the 2025 Project and any necessary licenses to commence occupancy thereof (the ***"2025 Occupancy Certificate"***), the Borrower shall notify the Master Trustee that such occupancy certificate has been received and deliver a copy of the occupancy certificate with such notice. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first full fiscal quarter following the issuance of the 2025 Occupancy Certificate and (b) ending at the end of the first full fiscal quarter following the date on which not less than 75% of all Independent Living Units included in the 2025 Project have been Occupied (an ***"Occupancy***

Quarter"), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units included in the 2025 Project (the ***"Percentage of Units Occupied"***) at or above the requirements set forth below which levels shall be measured as of the last day of the applicable Occupancy Quarter or as an average for such Occupancy Quarter (the ***"Occupancy Requirements"***):

Occupancy Quarter	**Percentage of Units Occupied**
1	12%
2	29
3	47
4	65
5 and thereafter	75

If a Series 2025 Project Report (as defined under **"FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting"** herein) states that the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Agent shall within 45 days after the end of such Occupancy Quarter submit an occupancy corrective action plan prepared by management to the Master Trustee setting forth in detail the reasons therefor and the plan to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above by the Occupancy Quarter immediately succeeding the Occupancy Quarter with respect to which a corrective action plan is being submitted (a ***"Corrective Occupancy Action Plan"***).

If a Series 2025 Project Report states that the Percentage of Units Occupied for any two consecutive Occupancy Quarters is less than the Occupancy Requirement set forth above for those Occupancy Quarters, the Obligated Group Agent shall select a Consultant within 45 days of the end of such second fiscal quarter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above on the earliest date practicable. Such Consultant shall be approved and retained as set forth in the Master Indenture. Within 60 days after retaining any such Consultant, the Obligated Group Agent shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member, the Master Trustee and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Obligated Group shall not be required to obtain a Consultant's report more than one time in any six-month period.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter 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 Corrective Occupancy Action Plan or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) 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"** and "**– SUMMARY OF CERTAIN PROVISIONS OF THE FIRST SUPPLEMENTAL MASTER INDENTURE – 2025 Project Occupancy Covenant"** in ***Appendix D***.

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 D***. 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 Mortgage on a parity basis with the Series 2025 Obligations. The Series 2025 Bonds and the Series 2025 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 D.***

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 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 **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Approval of Consultants"** in ***Appendix D.***

Release and Substitution of Obligations upon Delivery of Replacement Master Indenture. Unless otherwise provided in a Related Supplement or other Related Bond Document, each Related Bond Trustee or other holder of an Obligation issued under the Master Indenture will surrender such Obligation upon presentation to such Related Bond Trustee or Obligation holder prior to such surrender of the following:

(a) a copy of an original executed counterpart of a supplemental master indenture admitting the Borrower and any other then current member of the Obligated Group to the obligated group created under the Presbyterian Living Master Indenture (such obligated group is referred to as the ***"Presbyterian Living Obligated Group"***); (b) an original replacement note or similar obligation issued by or on behalf of the Presbyterian Living Obligated Group (the ***"Substitute Note"***) under and pursuant to and secured by the Presbyterian Living Master Indenture, which Substitute Note has been duly authenticated by the master trustee under the Presbyterian Living Master Indenture; (c) an Opinion of Independent Counsel addressed to each Related Bond Trustee (in form and substance not unacceptable to the Related Bond Trustees) to the effect that: (1) the Presbyterian Living Master Indenture, as supplemented, has been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group, all Substitute Notes have been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group and the Presbyterian Living Master Indenture and the Substitute Notes are each a legal, valid and binding obligation of the Presbyterian Living Obligated Group, subject in each case to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to customary qualifications with respect to the joint and several obligations of the members of the Presbyterian Living Obligated Group to make payments of debt service on the Substitute Notes; (2) all requirements and conditions to the issuance of the Substitute Notes as set forth in the Presbyterian Living Master Indenture have been complied with and satisfied; and (3) registration of the Substitute Notes under the Securities Act of 1933, as amended, is not required or, if registration is required, the Substitute Notes have been so registered; and (d) an Opinion of Bond Counsel that the surrender of the Obligations and the delivery of the Substitute Notes will not adversely affect the validity of any Related Bonds or any exemption for the purposes of federal income taxation to which interest on any Related Bonds would otherwise be entitled. See ***Appendix D*** **– "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Release and Substitution of Obligations upon Delivery of Replacement Master Indenture".**

Historical Occupancy

The table below sets forth the historical average occupancy of each of the Obligated Group's facilities for the Fiscal Years ended March 31, 2025, 2024 and 2023 and the six-month period ended September 30, 2025.

Occupancy of The Moorings

Type of Facility	Total Units	Fiscal Year Ended March 31, 2023	2024	2025	Avg. YTD September 30, 2025
Independent Living	264	91.5%	94.1%	94.4%	90.1%
Assisted Living	73	90.5%	95.5%	96.9%	98.6%
Memory Support (Assisted Living)	20	97.8%	95.9%	99.1%	99.1%
Health Care Center	96	74.0%	78.7%	78.5%	76.7%
Total/Weighted Average	**453**	**87.9%**	**91.2%**	**91.6%**	**89.0%**

Financial Forecast

Plante & Moran, PLLC, independent certified public accountants, has examined a Financial Forecast dated December 17, 2025 for the five fiscal years ending March 31, 2030 (***"Financial Forecast"***), which is included as ***Appendix C*** to this Official Statement. The Financial Forecast includes management's financial forecast of the Borrower for the aforementioned time period. As stated in the Financial Forecast, there will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. **THE FINANCIAL FORECAST SHOULD BE READ IN ITS ENTIRETY, INCLUDING THE NOTES AND ASSUMPTIONS SET FORTH THEREIN.** See ***Appendix C*** hereto.

Forecasted Financial Information of the Borrower

The table on the following page reflects the forecasted funds available for debt service and other financial ratios for the five fiscal years ending March 31, 2030 and has been extracted from the Financial Forecast included in ***Appendix C*** hereto. For purposes of the Financial Forecast, management has made the following assumptions with respect to the Series 2025 Bonds and Series 2025C Bonds:

- The Series 2025A Bonds have semiannual principal payments to begin on May 1, 2026 and continue through final maturity on November 1, 2055, semiannual interest payments to begin on May 1, 2026; and an average coupon rate of 5.28% and an average yield of 5.16%.

- The Series 2025B-1 Bonds have a final maturity date of May 1, 2031; semiannual interest payments to begin on May 1, 2026; and an interest rate of 4.1%. The Series 2025B-1 Bonds are expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on August 1, 2028 through December 1, 2028.

- The Series 2025B-2 Bonds have a final maturity date of May 1, 2031, semiannual interest payments to begin on May 1, 2026, and an interest rate of 3.65%. The Series 2025B-2 Bonds are expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on February 1, 2028 through August 1, 2028.

- The Series 2025C Bonds have a final maturity date of November 1, 2055, monthly interest payments to begin on February 1, 2026, and a SOFR-based variable rate. Draws on the Series 2025C Bonds are expected to commence at or around October 2026 and end at or around November 2027. Draws to pay interest are forecasted for the 30-month period ending June 30, 2028. The Series 2025C Bonds will have a mandatory purchase date of January 1, 2036. The Borrower entered into a forward-starting interest rate swap agreement in December 2025, which will effectively convert the SOFR-based variable rate on 95% of the maximum principal amount of the Series 2025C Bonds to a fixed rate estimated at 4.041%. The interest rate swap has a forward effective date of January 1, 2027 and a scheduled termination date of January 1, 2036.

[Remainder of page intentionally left blank.]

	2026	2027	2028	2029	2030
Increase (decrease) in net assets without donor restrictions	$ 847	$ (1,228)	$ (954)	$ 2,566	$ 2,323
Depreciation	10,130	11,521	12,683	12,828	13,062
Interest expense	2,008	2,897	3,004	5,061	6,108
Proceeds from refundable entrance fees	1,714	1,662	1,615	1,705	1,821
Proceeds from nonrefundable turnover entrance fees	11,410	9,420	9,153	9,664	10,319
Deduct: Amortization of entrance fees	(6,578)	(6,710)	(8,182)	(10,276)	(10,484)
Refunds of entrance fees	(3,600)	(3,480)	(3,360)	(3,240)	(3,120)
Income available for debt service	15,931	14,082	13,959	18,308	20,029
Debt service requirements:					
Principal payments	$ 1,497	$ 1,008	$ 1,143	$ 1,458	$ 2,606
Interest paid	1,244	2,493	2,944	4,853	5,659
Annual debt service	2,741	3,501	4,087	6,311	8,265
Annual Debt Service Coverage Ratio	**5.81**	**4.02**	**3.42**	**2.90**	**2.42**

Days Cash on Hand

	2026	2027	2028	2029	2030
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Investments - Short term	14,377	14,377	12,377	16,377	11,377
Investments	30,136	33,136	33,136	33,136	33,136
Cash and investments	51,806	55,144	53,569	57,993	53,389
Operating expenses	$ 48,681	$ 51,373	$ 54,168	$ 56,745	$ 58,728
Interest expense	2,008	2,897	3,004	5,061	6,108
Deduct: Depreciation	(10,130)	(11,521)	(12,683)	(12,828)	(13,062)
Amortization of debt issuance costs and bond premium	(178)	(13)	(60)	(107)	(107)
Adjusted operating expenses	40,381	42,736	44,429	48,871	51,667
Divided by days	365	365	366	365	365
Daily cash operating expenses	$ 110.6	$ 117.1	$ 121.4	$ 133.9	$ 141.6
Days Cash on Hand	**468**	**471**	**441**	**433**	**377**

Cash to Debt Ratio

	2026	2027	2028	2029	2030
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Investments - Short term	14,377	14,377	12,377	16,377	11,377
Investments	30,136	33,136	33,136	33,136	33,136
Cash and investments	51,806	55,144	53,569	57,993	53,389
Current portion of debt (1)	$ 750	$ 885	$ 1,200	$ 2,348	$ 2,457
Long-term debt (1)	67,201	90,894	122,125	119,777	117,320
Debt	67,951	91,779	123,325	122,125	119,777
Cash to Debt Ratio	**76.2%**	**60.1%**	**43.4%**	**47.5%**	**44.6%**

(1) Current and long-term portion of the debt exclude the 2026B Bonds and the Unidine obligation

The above table should be considered in conjunction with the entire Financial Forecast to understand management's assumptions upon which the Financial Forecast is based. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. **MANAGEMENT'S FINANCIAL FORECAST SHOULD BE READ**

IN ITS ENTIRETY, INCLUDING MANAGEMENT'S NOTES AND ASSUMPTIONS SET FORTH THEREIN.

No party has assumed any responsibility to update the information contained in the Financial Forecast after the delivery of the Series 2025 Bonds.

Financial Statements

Set forth in ***Appendix B*** to this Official Statement are the financial statements of the Borrower as of March 31, 2025 and 2024, and for the two fiscal years then ended, which have been audited by Plante & Moran, PLLC, independent auditors. Certain unaudited financial information of the Borrower as of and for the six-month periods ended September 30, 2024 and 2025 is included in ***Appendix A*** hereto. Such unaudited financial information is not necessarily indicative of the financial results of the Borrower, as applicable, for the fiscal year ending March 31, 2026.

The Master Indenture and Continuing Disclosure Agreement both permit the audited financial statements required to be provided thereunder to contain consolidated financial information of entities that are not Members of the Obligated Group with financial information of one or more Members. The Borrower expects to provide consolidated financial statements to satisfy its requirements under the Master Indenture and Continuing Disclosure Agreement, such consolidated audited financial statements may include, but are not limited to, the financial condition and results of operations of the Parent, the Foundation, Ten Twenty Grove, Westminster Place, Lake Forest Place, PH Manager or PL Outpatient Rehabilitation, none of which are Members of the Obligated Group. In such case, the consolidated financial statements shall contain consolidating statements that reflect the financial condition and results of operations on the individual basis of the Borrower, the sole Member of the Obligated Group as of the date thereof.

See **"FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting – *Annual Financial Statements*"** and ***Appendix F***.

Financial Reporting

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

Series 2025 Project Reports. Until the end of the Fiscal Quarter in which the Obligated Group achieves Stable Occupancy with respect to the Project, a monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 60 days after the completion of such month, including (each, a ***"Series 2025 Project Report"***):

(a) Prior to the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) a summary statement as to the status of construction; (iii) unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis; and (iv) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee), all in reasonable detail, certified by an officer of the Obligated Group Representative;

(b) After the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) occupancy levels of the Project as of the end of such month including the number of units that were occupied and vacated during that month and on an aggregate basis; (iii) a summary statement on the status of construction until the later of the completion of construction or the issuance of the last occupancy certificate for the Project; (iv) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last occupancy certificate for the Project; (v) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee) and (vi) a statement showing the amount of the Series 2025 Bonds that have been redeemed in the aggregate and during that calendar month, all in reasonable detail and certified by an officer of the Obligated Group Representative.

The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described in (a) and (b) above after the end of the fiscal quarter in which Stable Occupancy with respect to the Project has been achieved and the Obligated Group has commenced delivery of the quarterly reports required by the subsection below.

Quarterly Reports. Within 60 days of the end of each Fiscal Quarter of each Fiscal Year (with the fourth Fiscal Quarter subject to final year-end adjustments) commencing with the Fiscal Quarter ending June 30, 2026:

(a) 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.

(b) 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) 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; all prepared in reasonable detail and certified, subject to year-end adjustment by an officer of the Obligated Group Representative.

(c) 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, 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 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 1.20:1 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ending March 31, 2026:

(a) An annual audited financial report for the Obligated Group prepared by a firm of certified public accountants, including a balance sheet, statement of revenues and expenses, and statement of changes in fund balances with, if applicable, an unaudited consolidating balance sheet as of the end of such Fiscal Year and showing for each Fiscal Year commencing March 31, 2026, in comparative form, the financial figures for the preceding Fiscal Year.

(b) 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 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, 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.

Annual Compliance Certificate. On or before the date of delivery of the "Annual Financial Statements" referred in the immediately preceding subsection, commencing with the Fiscal Year ending March 31, 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 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, and (C) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, as required by the subsection entitled "Actuarial Reports" in this section.

Operating and Capital Budgets. Within 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.

Information Promptly Upon Receipt. Copies of (A) any board approved revisions to the annual budget provided pursuant to the immediately preceding subsection entitled "Operating and Capital Budgets", 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.

Actuarial Reports. 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, 2027.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Financial Statements and Related Matters"** in ***Appendix D***.

Continuing Disclosure

The Borrower and the Bond Trustee, as dissemination agent, will enter into a Continuing Disclosure Agreement dated as of December 1, 2025 (the ***"Continuing Disclosure Agreement"***) for the benefit of the holders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the ***"Rule"***). The Borrower is the only "obligated person" 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 Agreement, and has no liability to any person, including any owner or Beneficial Owner of the Series 2025 Bonds, with respect to the Rule. Pursuant to the Continuing Disclosure Agreement, the Borrower has agreed to provide certain annual and quarterly financial information and operating data. The form of Continuing Disclosure Agreement is included as ***Appendix F.***

Bondholders' Risks

An investment in the Series 2025 Bonds involves a certain degree of risk. See **"BONDHOLDERS' RISKS"** for a discussion of certain of these risks. Among other things, careful evaluation should be made of management's assumptions and rationale described in the Financial Forecast, and certain factors that may adversely affect the ability of the Obligated Group to generate sufficient revenues to pay expenses of operation, including the principal of, premium, if any, and interest on the Series 2025 Bonds.

Definitions and Summaries of Legal Documents

Definitions of certain words and terms used in this Official Statement are set forth in ***Appendices D*** and ***E*** of this Official Statement. Summaries of the Master Indenture, the Bond Indenture, the Loan Agreement and the Mortgage are also included in this Official Statement in ***Appendices D*** and ***E***. 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.

[Remainder of page intentionally left blank.]

OFFICIAL STATEMENT

$101,770,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025
(THE MOORINGS OF ARLINGTON HEIGHTS)

Consisting of

$63,870,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025A
(THE MOORINGS OF ARLINGTON HEIGHTS)

$15,600,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025B-1
(TAX EXEMPT MANDATORY PAYDOWN SECURITIES (TEMPS–85^{SM}))
(THE MOORINGS OF ARLINGTON HEIGHTS)

$22,300,000
ILLINOIS FINANCE AUTHORITY
REVENUE BONDS, SERIES 2025B-2
(TAX EXEMPT MANDATORY PAYDOWN SECURITIES (TEMPS–50^{SM}))
(THE MOORINGS OF ARLINGTON HEIGHTS)

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 (i) $63,870,000 aggregate principal amount of Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) (the ***"Series 2025A Bonds"***), (ii) $15,600,000 aggregate principal amount of Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights) (the ***"Series 2025B-1 Bonds"***), and (iii) $22,300,000 aggregate principal amount of Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights) (the ***"Series 2025B-2 Bonds"*** and together with the Series 2025A Bonds and the Series 2025B-1 Bonds, the ***"Series 2025 Bonds"***) and (2) the Obligated Group described herein.

The 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 2025 Bonds

The Series 2025 Bonds will be issued and secured under a Bond Trust Indenture, dated as of December 1, 2025 (the ***"Bond Indenture"***) between the Authority and Amalgamated Bank of Chicago, as bond trustee (the ***"Bond Trustee"***). The Authority will loan the proceeds of the Series 2025 Bonds to The Moorings of Arlington Heights, LLC, an Illinois limited liability company (the ***"Borrower"*** or the ***"Obligated Group Representative"***), pursuant to a Loan Agreement, dated as of December 1, 2025 (the ***"Loan Agreement"***) between the Authority and the Borrower.

The Series 2025C Bonds; Additional Covenants Agreement

Concurrently with the issuance of the Series 2025 Bonds, the Authority will issue its $61,090,000 maximum principal amount of Variable Rate Revenue Bonds, Series 2025C (The Moorings of Arlington Heights) (the ***"Series 2025C Bonds"***), pursuant to a separate Bond Trust Indenture dated as of December 1, 2025 (the ***"Series 2025C Bond Indenture"***) between the Authority and the Amalgamated Bank of Chicago, as bond trustee (the ***"Series 2025C Bond Trustee"***) and loan the proceeds thereof to the Borrower pursuant to a separate

Loan Agreement dated as of December 1, 2025 (the ***"Series 2025C Loan Agreement"***) between the Authority and the Borrower. The Series 2025C Bonds will be sold to Old National Bank (the ***"2025C Purchaser"***) pursuant to an Additional Covenants Agreement with respect to the Series 2025C Bonds (the ***"Additional Covenants Agreement"***) between the Borrower, on its own behalf and as Obligated Group Representative, and the 2025C Purchaser, which sets forth certain covenants and agreements of the Borrower with the 2025C Purchaser. The Additional Covenants Agreement provides for, among other things, certain representations, warranties, covenants, events of default, and remedies in addition to those contained in the Master Indenture (the ***"ACA Covenants"***). The ACA Covenants will run solely to the benefit of the 2025C Purchaser and the ACA Covenants may be amended, modified or waived without the consent of the Series 2025 Bondowners. The Borrower's obligations in connection with the Series 2025C Bonds and the Additional Covenants Agreement will be secured by the Series 2025C Obligations defined below. It is possible that a default with respect to the Series 2025C Obligations, including with respect to a breach of the ACA Covenants under the Additional Covenants Agreement, could lead to a default under the Master Indenture and an acceleration of all Outstanding Obligations thereunder, including the Series 2025 Obligations. See **"THE SERIES 2025C BONDS AND THE ADDITIONAL COVENANTS AGREEMENT"** herein.

No offer of or solicitation of offers to purchase the Series 2025C Bonds is made by this Official Statement. The Series 2025C Bonds will be offered solely to the 2025C Purchaser.

Purpose of the Series 2025 Bonds

The Borrower will use the proceeds of the Series 2025 Bonds, together with proceeds of the Series 2025C Bonds and other funds of the Borrower, to (i) pay or reimburse the Borrower for the costs of acquiring, constructing, renovating, remodeling and equipping certain facilities of the Borrower, all to be located at the continuing care retirement community known as The Moorings of Arlington Heights, including, but not limited to (a) the construction of (1) 70 independent living units in a 5 story building with underground parking that will be approximately 172,000 square feet, and (2) new dining, social areas and parking lots and (b) the renovation of the existing Health Care Center (as defined in ***Appendix A***) and common areas, (the ***"Project"***), (ii) refund all of the outstanding (a) $29,615,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016A (The Moorings of Arlington Heights) (the ***"Series 2016A Bonds"***), (b) $30,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016B (The Moorings of Arlington Heights) (the ***"Series 2016B Bonds"***), (c) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016C (The Moorings of Arlington Heights) (the ***"Series 2016C Bonds"***) and (d) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016D (The Moorings of Arlington Heights) (the ***"Series 2016D Bonds"*** and, collectively with the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, the ***"Refunded Bonds"***), (iii) pay a portion of the interest on the Series 2025 Bonds and Series 2025C Bonds, and (iv) pay certain expenses incurred in connection with the refunding of the Refunded Bonds and the issuance of the Series 2025 Bonds and Series 2025C Bonds, all as permitted by the Act. See **"PLAN OF FINANCE"** for a description of the plan of finance relating to the Series 2025 Bonds, including a further description of the Refunded Bonds.

The Obligated Group and the System

The Borrower is the sole member (the ***"Member"*** and together, and with any future Members of the Obligated Group, the ***"Obligated Group"***) and the Obligated Group Representative of the Obligated Group created pursuant to the Master Indenture. Presbyterian Homes d/b/a Presbyterian Living (the ***"Parent"***), 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 since 1904. Parent is the sole member of the Borrower. The Borrower owns and operates The Moorings of Arlington Heights ***("The Moorings"*** or the ***"Facilities"*)**, a Life Plan Community located in Arlington Heights, Illinois, a northwest suburb of Chicago. Pursuant to a corporate reorganization conducted in 2015, the Parent became the member of or obtained reserve corporate powers over the Borrower and five other subsidiaries, which together provide residential and health care programs for older adults in Illinois (collectively with the Parent, 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"***). See "**THE BORROWER AND SYSTEM"** in ***Appendix A***.

The Parent is *not* a Member of the Obligated Group under the Master Indenture. The Borrower, as the sole Member of the Obligated Group, is the only entity obligated to make payments with respect to the Series 2025 Bonds and the Series 2025 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. 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 2025 Bonds or the Series 2025 Obligations, except as set forth under "SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement."** See **"THE BORROWER AND SYSTEM – System Members Not in the Obligated Group – *The Geneva Foundation of Presbyterian Living*"** in ***Appendix A***, for additional information about the Foundation. The Foundation had net assets of $198 million as of September 30, 2025, which included $153 million in cash, cash equivalents and investments, with $133 million of such cash, cash equivalents, and investments being unrestricted.

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, except as required by the Liquidity Support Agreement.

The Master Indenture

The Series 2025 Bonds will be secured by the (i) Direct Note Obligation, Series 2025A (Illinois Finance Authority) (the ***"Series 2025A Obligation"***), (ii) Direct Note Obligation, Series 2025B-1 (Illinois Finance Authority) (the ***"Series 2025B-1 Obligation")*** and (iii) Direct Note Obligation, Series 2025B-2 (Illinois Finance Authority) (the ***"Series 2025B-2 Obligation"*** and together with the Series 2025A Obligation and the Series 2025B-1 Obligation, the ***"Series 2025 Obligations"***) to be issued pursuant to the First Supplemental Master Trust Indenture dated as of December 1, 2025 (the ***"First Supplemental Master Indenture"***) and the Master Trust Indenture dated as of December 1, 2025 (the ***"Master Indenture"***) between the Borrower and Amalgamated Bank of Chicago, as master trustee (the ***"Master Trustee"***), as supplemented and amended from time to time in accordance with its terms). The Borrower is the sole Member of the Obligated Group established under the Master Indenture and will be the only entity initially obligated, directly or indirectly, to make payments with respect to the Series 2025 Bonds or the Series 2025 Obligations. **The other entities in the System are not Members of the Obligated Group and have no liability with respect to the Series 2025 Bonds or the Series 2025 Obligations, except for the Foundation's commitments under the Liquidity Support Agreement.**

The (i) Series 2025C Bonds will be secured by the Direct Note Obligation, Series 2025C-1 (Illinois Finance Authority) (the ***"Series 2025C Bond Obligation"***), (ii) the Borrower's obligations under the Additional Covenants Agreement will be secured by a Direct Note Obligation, Series 2025C-2 (Old National Bank) (the ***"Series 2025C Bank Obligation***"), and (iii) the Borrower's obligations relating to Series 2025C Swap Agreement (as defined herein under **"SERIES 2025C BONDS AND ADDITIONAL COVENANTS AGREEMENT"**) will be secured by a Direct Note Obligation, Series 2025C-3 (Old National Bank) (the ***"Series 2025C Swap Obligation"***, and together with the Series 2025C Bond Obligation, and the Series 2025C Bank Obligation, the ***"Series 2025C Obligations"***), both to be issued pursuant to the Master Indenture.

The Series 2025 Obligations and the Series 2025C Obligations will be the only Obligations outstanding under the Master Indenture upon their issuance. The Series 2025C Obligations will be on parity with the Series 2025 Obligations under the terms of the Master Indenture.

The Mortgage

Pursuant to an Amended and Restated Mortgage and Security Agreement dated as of December 1, 2025 (the ***"Mortgage"***), the Borrower has granted to the Master Trustee a first mortgage lien on The Moorings campus and certain personal property of the Borrower, including the machinery and equipment located on the mortgaged campus (collectively, the ***"Mortgaged Property"***) to secure the Series 2025 Obligations, the 2025C Obligations and all Additional Obligations hereafter issued in accordance with the Master Indenture. The Mortgage also grants a security interest in certain personal property of the Borrower, including the machinery and equipment on the mortgaged campus. For further information concerning the security for the Series 2025 Bonds, see **"SECURITY FOR THE SERIES 2025 BONDS."** See **"THE BORROWER AND SYSTEM – The Moorings"** in ***Appendix A*** for a description of the Facilities. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE"** in ***Appendix D***.

The Liquidity Support Agreement

The Borrower, the Master Trustee, and the Foundation, will enter into a Liquidity Support Agreement dated as of December 1, 2025 (the ***"Liquidity Support Agreement"***) in connection with the closing of the Series 2025 Bonds pursuant to which the Foundation will agree to provide support in the amount of $10,000,000 if needed to pay certain Project costs, debt service on the Series 2025 Bonds or Series 2025C Bonds (as defined in the Master Indenture) or operating expenses in conjunction with the operation of The Moorings. See **"SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement."** The 2025 Liquidity Support Fund will be unfunded upon delivery of the Series 2025 Bonds.

Financial Forecast

Plante & Moran, PLLC, independent certified public accountants, has examined a Financial Forecast for the five fiscal years ending March 31, 2030 (***"Financial Forecast"***), which is included as ***Appendix C*** to this Official Statement. The Financial Forecast includes management's financial forecast of the Borrower for the aforementioned time period. As stated in the Financial Forecast, there will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. **THE FINANCIAL FORECAST SHOULD BE READ IN ITS ENTIRETY, INCLUDING THE NOTES AND ASSUMPTIONS SET FORTH THEREIN.** See ***Appendix C*** hereto.

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 2025 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 November 12, 2025 (the ***"Bond Resolution"***) and Bond Indenture authorizing the issuance of such Series 2025 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 2025 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 2025 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 2025 Bonds will be passed upon for the Authority by its special counsel, Ice Miller LLP, Chicago, Illinois.

PLAN OF FINANCE

General

The Borrower will use the proceeds of the Series 2025 Bonds, together with proceeds of the Series 2025C Bonds and other funds of the Borrower, to (i) pay or reimburse the Borrower for the costs of the Project, (ii) refund the Refunded Bonds, (iii) pay a portion of the interest on the Series 2025 Bonds and Series 2025C Bonds, and (iv) pay certain expenses incurred in connection with the refunding of the Refunded Bonds and the issuance of the Series 2025 Bonds and Series 2025C Bonds.

The Project

The Project will consist of the following construction to and renovations of The Moorings: construction of 70 new independent living units in a 5-story, approximately 172,000 square foot building with underground parking; construction of new dining and social venues; and renovation of the existing Health Care Center (as defined in ***Appendix A***) and certain common areas.

See **"THE PROJECT"** in ***Appendix A*** and **Note 2** in the Financial Forecast included as ***Appendix C*** for additional information about the Project.

The Refunded Bonds

The Refunded Bonds in the aggregate outstanding principal amount of $57,365,480 will be refunded with a portion of the proceeds of the Series 2025 Bonds and certain other funds of the Borrower concurrently with the issuance of the Series 2025 Bonds, at a redemption price equal to the principal amount thereof, plus accrued and unpaid interest thereon through the redemption dates.

Termination of the Series 2016 Swap

The Borrower previously entered into a ISDA Master Agreement dated as of September 30, 2016 with The Huntington National Bank relating to the Refunded Bonds (the "***Series 2016 Swap***"). Subject to the terms of the Series 2016 Swap, the Borrower expects to apply $529,620 of proceeds received as a result of terminating the Series 2016 Swap to redeem and prepay the Refunded Bonds as detailed herein. See **Note 8** in the audited financial statements in ***Appendix B*** hereto for additional information on the Series 2016 Swap.

Sources and Uses of Funds

The following is a summary of the estimated sources of funds (including the proceeds of the Series 2025 Bonds and Series 2025C Bonds) and the uses of such funds in connection with the plan of finance (numbers may not foot due to rounding):

Sources of Funds:	
Series 2025A Bonds	$ 63,870,000
Series 2025B-1 Bonds	15,600,000
Series 2025B-2 Bonds	22,300,000
Series 2025C Bonds	61,090,000
Series 2016 Swap Termination	529,620
Original Issue Premium	750,300
Equity (1)	17,447,169
Total Sources of Funds	$181,587,090
Uses of Funds:	
Project Fund	$ 96,850,779
Redemption of Refunded Bonds	57,514,590
Funded Interest	7,008,002
Costs of Issuance (2)	2,766,550
Project Costs Funded with Equity (1)	17,447,169
Total Uses of Funds	$181,587,090

(1) Includes an equity contribution from Unidine Corporation, a Delaware Corporation (***"Unidine"***), in the amount of $3,500,000, $2,000,000 of which will be repaid to Unidine at a 0% interest rate.

(2) Costs of issuance includes Underwriter's discount relating to the Series 2025 Bonds and a placement agent fee relating to the Series 2025C Bonds, and other costs and fees.

DEBT SERVICE REQUIREMENTS

The table below 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 2025 Bonds and Series 2025C Bonds. For purposes of the table below, and consistent with the assumptions described in the Financial Forecast, (1) the Series 2025C Bonds are assumed to bear interest at 4.041% through maturity and (2) the Series 2025B Bonds are projected to be repaid from Initial Entrance Fees during the periods shown below. See ***Appendix C*** and **"THE SERIES 2025 BONDS – Redemption of the Series 2025B Bonds -** ***Mandatory Optional Redemption of Series 2025B Bonds from Initial Entrance Fees*****."** The Series 2025C Bonds have a mandatory tender date of January 1, 2036. See **"THE SERIES 2025C BONDS"** and **"BONDHOLDER'S RISKS - Risks Inherent in Bank-Credit"** and ***Appendix C***.

Period Ending March 31,	Series 2025A Bonds		Series 2025B-1 Bonds		Series 2025B-2 Bonds		Series 2025C Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest[1]	Funded Interest	Net Total
2026	-	-	-	-	-	-	-	$18,200	$(18,200)	-
2027	$750,000	$2,777,127	-	$534,777	-	$680,553	-	282,497	(1,781,906)	$3,243,048
2028	885,000	3,284,194	-	639,600	$7,060,000	889,110	-	2,081,190	(3,949,662)	10,889,431
2029	930,000	3,239,444	$15,600,000	587,598	15,240,000	309,824	$270,000	2,506,680	(1,790,499)	36,893,047
2030	1,090,000	3,190,944	-	-	-	-	1,258,307	2,468,390	-	8,007,640
2031	1,145,000	3,135,694	-	-	-	-	1,311,853	2,415,836	-	8,008,383
2032	1,210,000	3,077,569	-	-	-	-	1,356,268	2,367,658	-	8,011,495
2033	1,270,000	3,016,319	-	-	-	-	1,421,080	2,304,481	-	8,011,880
2034	1,330,000	2,952,069	-	-	-	-	1,482,457	2,245,112	-	8,009,638
2035	1,400,000	2,884,694	-	-	-	-	1,541,560	2,183,271	-	8,009,525
2036	1,470,000	2,813,944	-	-	-	-	1,602,775	2,124,692	-	8,011,411
2037	1,545,000	2,739,444	-	-	-	-	1,673,518	2,051,982	-	8,009,943
2038	1,620,000	2,660,688	-	-	-	-	1,747,040	1,982,043	-	8,009,771
2039	1,705,000	2,576,638	-	-	-	-	1,818,963	1,909,123	-	8,009,723
2040	1,795,000	2,488,103	-	-	-	-	1,889,393	1,838,208	-	8,010,704
2041	1,890,000	2,394,828	-	-	-	-	1,973,344	1,754,306	-	8,012,478
2042	1,985,000	2,296,813	-	-	-	-	2,056,304	1,671,907	-	8,010,024
2043	2,090,000	2,193,672	-	-	-	-	2,143,258	1,586,035	-	8,012,965
2044	2,200,000	2,085,150	-	-	-	-	2,225,341	1,500,677	-	8,011,168
2045	2,310,000	1,971,119	-	-	-	-	2,324,610	1,403,664	-	8,009,393
2046	2,435,000	1,851,066	-	-	-	-	2,419,655	1,306,648	-	8,012,369
2047	2,560,000	1,724,606	-	-	-	-	2,524,424	1,205,557	-	8,014,587
2048	2,695,000	1,590,059	-	-	-	-	2,626,246	1,103,106	-	8,014,412
2049	2,840,000	1,443,188	-	-	-	-	2,739,678	990,510	-	8,013,376
2050	2,995,000	1,288,522	-	-	-	-	2,850,645	876,191	-	8,010,358
2051	3,160,000	1,125,256	-	-	-	-	2,972,310	757,126	-	8,014,693
2052	3,330,000	953,122	-	-	-	-	3,093,459	634,661	-	8,011,242
2053	3,510,000	771,716	-	-	-	-	3,228,808	503,818	-	8,014,341
2054	3,705,000	580,366	-	-	-	-	3,359,119	369,098	-	8,013,582
2055	3,905,000	378,534	-	-	-	-	3,501,210	228,819	-	8,013,563
2056	4,115,000	165,953	-	-	-	-	3,678,375	56,906	-	8,016,234
Total	$63,870,000	$63,650,837	$15,600,000	$1,761,975	$22,300,000	$1,879,486	$61,090,000	$44,728,393	$(7,540,267)	$267,340,424

(1) Interest on the Series 2025C Bonds is calculated using the swap rate of 4.041% (inclusive of bank spread) plus a fee of 0.12% on the unutilized balance.

THE SERIES 2025 BONDS

*The following is a summary of certain terms and provisions of the Series 2025 Bonds. Reference is hereby made to the Series 2025 Bonds and the provisions with respect thereto in the Bond Indenture and the Loan Agreement. See **Appendix D** and **Appendix E** for a summary of certain terms and provisions thereof.*

The Series 2025 Bonds will be issued pursuant to the Bond Indenture and the proceeds of the Series 2025 Bonds will be loaned to the Borrower pursuant to the Loan Agreement. Contemporaneously with the issuance of the Series 2025 Bonds and to secure repayment of the loan made by the Authority to the Borrower under the Loan Agreement, the Obligated Group Representative, on behalf of the Borrower, will issue and deliver to the Authority the Series 2025 Obligations.

General

The Series 2025 Bonds will be issued only in fully registered form in denominations of $5,000 and integral multiples in excess thereof (***"Authorized Denominations"***). The Series 2025 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 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2025 Bonds will bear interest from their dated date, payable on May 1 and November 1 (the ***"Interest Payment Dates"*** with respect to the Series 2025 Bonds) of each year, commencing May 1, 2026. The Series 2025 Bonds, as initially issued, will be dated their date of issuance. Except as described in the next sentence, subsequently issued Series 2025 Bonds will be dated as of the later of their date of issuance or the most recent preceding Interest Payment Date to which interest has been paid thereon. Series 2025 Bonds issued on an Interest Payment Date to which interest has been paid will be dated as of such date.

Book Entry-Only Bonds

The Series 2025 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 2025 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 2025 Bonds to DTC, which will remit such principal, redemption price, if any, and interest to the Beneficial Owners (as hereinafter defined) of the Series 2025 Bonds, as described under the heading **"BOOK-ENTRY-ONLY SYSTEM"** herein. Individual purchases of interests in the Series 2025 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 2025 Bonds. For a description of the method of payment of principal, premium, if any, redemption price, if any, and interest on the Series 2025 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 2025 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 2025 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 2025 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 2025A Bonds

The Series 2025A Bonds will be subject to optional and mandatory redemption, all as described below.

Optional Redemption of the Series 2025A Bonds. The Series 2025A Bonds maturing on and after May 1, 2036 are subject to optional redemption, in whole or in part at any time prior to maturity 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 Borrower on behalf of the Authority out of amounts prepaid on the Series 2025A Obligation and deposited in the Optional Redemption Fund established under the Bond Indenture, in whole or in part, and if in part, by maturities or portions thereof designated by the Borrower (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 as shown above plus accrued interest thereon to the date of redemption, without premium.

[Remainder of page intentionally left blank.]

Mandatory Sinking Fund Redemption of the Series 2025A Bonds. The Series 2025A Bonds are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2025A Bonds Maturing November 1, 2036

Redemption Date	Principal Amount
May 1, 2026	$375,000
November 1, 2026	375,000
May 1, 2027	440,000
November 1, 2027	445,000
May 1, 2028	460,000
November 1, 2028	470,000
May 1, 2029	540,000
November 1, 2029	550,000
May 1, 2030	570,000
November 1, 2030	575,000
May 1, 2031	605,000
November 1, 2031	605,000
May 1, 2032	635,000
November 1, 2032	635,000
May 1, 2033	665,000
November 1, 2033	665,000
May 1, 2034	700,000
November 1, 2034	700,000
May 1, 2035	730,000
November 1, 2035	740,000
May 1, 2036	770,000
November 1, 2036†	775,000

†Maturity.

Series 2025A Bonds Maturing November 1, 2046

Redemption Date	Principal Amount
May 1, 2037	$810,000
November 1, 2037	810,000
May 1, 2038	850,000
November 1, 2038	855,000
May 1, 2039	895,000
November 1, 2039	900,000
May 1, 2040	945,000
November 1, 2040	945,000
May 1, 2041	990,000
November 1, 2041	995,000
May 1, 2042	1,045,000
November 1, 2042	1,045,000
May 1, 2043	1,100,000
November 1, 2043	1,100,000
May 1, 2044	1,150,000
November 1, 2044	1,160,000
May 1, 2045	1,215,000

November 1, 2045	1,220,000
May 1, 2046	1,280,000
November 1, 2046†	1,280,000

†Maturity.

Series 2025A Bonds Maturing November 1, 2050

Redemption Date	Principal Amount
May 1, 2047	$1,345,000
November 1, 2047	1,350,000
May 1, 2048	1,420,000
November 1, 2048	1,420,000
May 1, 2049	1,495,000
November 1, 2049	1,500,000
May 1, 2050	1,580,000
November 1, 2050†	1,580,000

†Maturity.

Series 2025A Bonds Maturing November 1, 2055

Redemption Date	Principal Amount
May 1, 2051	$1,665,000
November 1, 2051	1,665,000
May 1, 2052	1,755,000
November 1, 2052	1,755,000
May 1, 2053	1,855,000
November 1, 2053	1,850,000
May 1, 2054	1,955,000
November 1, 2054	1,950,000
May 1, 2055	2,055,000
November 1, 2055†	2,060,000

†Maturity.

The deposits described above shall be reduced (i) by the amount of Series 2025A Bonds acquired and delivered in the open market at a price not exceeding the principal amount of the Series 2025A Bonds being purchased, with such interest being paid from the Interest Fund and principal portion being paid from the Bond Sinking Fund, in satisfaction of such Bond Sinking Fund requirements and (ii) in connection with a partial redemption of Series 2025A Bonds if the Borrower elects to reduce mandatory Bond Sinking Fund redemptions for the Series 2025A Bonds in the manner provided in the Bond Indenture.

In lieu of redeeming Series 2025A Bonds, the Bond Trustee may, at the Written Request of the Borrower, use such funds otherwise available under the Bond Indenture for redemption of Series 2025A Bonds to purchase for cancellation Series 2025A Bonds specifically designated by the Borrower in the open market at a price not exceeding the redemption price then applicable under the Bond Indenture. In the case of any optional or extraordinary redemption or any purchase and cancellation of Series 2025A Bonds, the Authority shall receive credit against its required Bond Sinking Fund deposits with respect to the Series 2025A Bonds of the same maturity in such order as the Borrower elects in writing prior to such optional or extraordinary redemption or purchase and cancellation or, if no such election is made, in the inverse order thereof.

Redemption of the Series 2025B Bonds

Optional Redemption of Series 2025B Bonds. The Series 2025B-1 Bonds are subject to redemption prior to maturity on or after November 1, 2027 at the option of the Authority upon direction of the Borrower out of amounts prepaid on the Series 2025B-1 Obligation and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a single maturity of a series is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2025B-1 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

The Series 2025B-2 Bonds are subject to redemption prior to maturity on or after May 1, 2027 at the option of the Authority upon direction of the Borrower out of amounts prepaid on the Series 2025B-2 Obligation and deposited in the Optional Redemption Fund, in whole or in part at any time, and if in part by maturities or portions thereof designated by the Borrower (and if less than all of a single maturity of a series is being redeemed, in such random manner as the Bond Trustee shall deem appropriate), at a redemption price equal to 100% of the principal amount of the Series 2025B-2 Bonds to be redeemed plus accrued interest thereon to the date of redemption, without premium.

No Mandatory Sinking Fund Redemption of Series 2025B Bonds. The Series 2025B Bonds are not redeemable with sinking fund payments prior to their maturity.

Mandatory Optional Redemption of Series 2025B Bonds from Initial Entrance Fees. To the extent that moneys are on deposit in the Initial Entrance Fees Account of the Optional Redemption Fund following the transfer thereof by the Master Trustee to the Bond Trustee pursuant to the Master Indenture as described under the heading "**SECURITY FOR THE SERIES 2025 OBLIGATIONS – Entrance Fee Fund**," the Series 2025B-1 Bonds and the Series 2025B-2 Bonds are subject to mandatory redemption on the next following Entrance Fee Redemption Date (the twenty-fifth day of each month) at a redemption price equal to the principal amount thereof plus accrued interest to such redemption date. The principal amount of the Series 2025B-1 Bonds and the Series 2025B-2 Bonds to be redeemed on an Entrance Fee Redemption Date shall be equal to the largest Authorized Denomination of the Series 2025B Bonds of the applicable series for which the redemption price thereof is on deposit in the Initial Entrances Fees Account of the Optional Redemption Fund on the day following the immediately preceding Entrance Fee Transfer Date. Notwithstanding the foregoing, the Series 2025B-2 Bonds shall be redeemed first and then, if no Series 2025B-2 Bonds remain Outstanding, the Series 2025B-1 Bonds shall be redeemed. The Series 2025B-1 Bonds and the Series 2025B-2 Bonds shall be subject to mandatory entrance fee redemption by the Bond Trustee pursuant to the provisions of the Bond Indenture summarized under this heading without any notice from or direction by the Authority or the Borrower. The funds transferred to the Initial Entrance Fees Account of the Optional Redemption Fund by the Master Trustee from the Entrance Fee Fund shall not be used to optionally redeem the Series 2025A Bonds. Amounts on deposit in the Series 2025B Special Interest Account may be used to pay the accrued interest of Series 2025B Bonds being redeemed pursuant to this paragraph.

Provisions Applicable to all Series 2025 Bonds

Extraordinary Redemption. The Series 2025 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 2025 Obligations. If called for redemption in such event, the Series 2025 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 Borrower (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 2025 Bonds at the time outstanding shall be made unless the aggregate principal amount of Series 2025 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 2025 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 2025 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 Indenture. 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 2025 Bonds, or portions thereof, thus called for redemption will not bear interest after such redemption date, will no longer be protected by the Bond Indenture and will not be deemed to be outstanding under the Bond Indenture.

Mandatory Tender for Purchase In Lieu of Redemption. The Authority and, by their acceptance of the Series 2025 Bonds, the Bondholders, irrevocably grant to the Borrower and any assigns of the Borrower with respect to this right, the option to purchase, at any time and from time to time, any Series 2025 Bond which is subject to optional redemption as described above under **"Redemption of Series 2025A Bonds –** ***Optional Redemption of Series 2025A Bonds*****"** and **"Redemption of Series 2025B Bonds –** ***Optional Redemption of Series 2025B Bonds*****"** at a purchase price equal to the optional redemption price therefor. To exercise such option, the Borrower shall give the Bond Trustee a Written Request exercising such option within the time period specified in the Bond Indenture as though such Written Request were a written request of the Borrower for redemption, and the Bond Trustee shall thereupon give the holders of the Series 2025 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 Borrower shall pay or cause to be paid the purchase price of the Series 2025 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 Borrower or its nominee or as otherwise directed by the Borrower and shall deliver them to the Borrower or its nominee or as otherwise directed by the Borrower. In the case of the purchase of less than all of the Series 2025 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 2025 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 Borrower 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 2025 Bonds or any exemption from federal income taxation to which the interest on the Series 2025 Bonds would otherwise be entitled.

Exchange and Transfer

Upon surrender for transfer of any Series 2025 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 2025 Bond or Series 2025 Bonds in Authorized Denominations of the same maturity for a like aggregate principal amount which the registered owner is entitled to receive. Series 2025 Bonds may be exchanged at said office of the Bond Trustee for a like aggregate principal amount of registered Series 2025 Bonds of other Authorized Denominations of the same maturity which the registered owner is entitled to receive. All Series 2025 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 2025 Bond requesting an exchange or transfer of any Series 2025 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 2025 Bond or Series 2025 Bonds for the unredeemed portion of a Series 2025 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 2025 Bond after notice calling such Series 2025 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 2025 Bonds of the same maturity.

As to any Series 2025 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 2025 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 2025 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 Bond Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2025 Bond to the extent of the sum or sums so paid.

Defeasance of the Series 2025 Bonds

All or any portion of the Series 2025 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 2025 Bonds. See "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT – SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – Defeasance**" in ***Appendix E***.

Retained Call Rights

All or a portion of the Series 2025 Bonds may, in the future, be refunded or defeased to any redemption date or maturity for the Series 2025 Bonds. In connection with the issuance of the Series 2025 Bonds, the Authority, the Bond Trustee and the Borrower have reserved all of the call rights pertaining thereto. Therefore, subject to certain requirements in the Bond Indenture, 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 2025 Bonds at the respective maturity dates therefor, the Authority may, if directed by the Borrower, elect to call such Series 2025 Bonds (or any portions thereof) on any earlier redemption date applicable to such Series 2025 Bonds unless, in connection with making such deposits, the Authority, at the direction of the Borrower, has irrevocably elected to waive any future right to call the Series 2025 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 2025 Bonds at any redemption date or dates applicable to such Series 2025 Bonds (but prior to the giving of any notice of redemption with respect to such Series 2025 Bonds pursuant to the Bond Indenture), the Authority may, if directed by the Borrower, elect to pay such Series 2025 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 Borrower shall have irrevocably elected to waive the right to provide for the payment of such Series 2025 Bonds on their respective maturity dates. See "**THE SERIES 2025 BONDS – Redemption of the Series 2025A Bonds**" and **"– Redemption of the Series 2025B Bonds"** above, and "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT – SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – Redemption After Satisfaction of Bond Indenture**" in ***Appendix E***.

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 each series of the Series 2025 Bonds. The Series 2025 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 each series of 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 2025 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 2025 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 2025 Bonds is discontinued.

Transfers

To facilitate subsequent transfers, all Series 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 2025 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 Indenture, (a) the Authority or the Borrower may determine that (a) DTC is incapable of discharging its responsibilities described in the Bond Indenture or (b) that it is in the best interest of the beneficial owners of the Series 2025 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 Borrower believe to be reliable, but neither the Authority nor any Member of the Obligated Group takes any responsibility for the accuracy thereof.

None of 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 2025 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 Indenture 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 2025 Bonds; or (v) any consent given or other action taken by DTC as Bondholder.

SECURITY FOR THE SERIES 2025 BONDS

General

The Series 2025 Bonds will be special, limited obligations of the Authority and will be payable solely from (i) payments or prepayments on the related Series 2025 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 Indenture may be transferred to a Rebate Fund established pursuant to the Tax Exemption Agreement related to the Series 2025 Bonds. Amounts held in such Rebate Fund will not be part of the "trust estate" pledged to secure the Series 2025 Bonds, and consequently will not be available to make payments on the Series 2025 Bonds.

The Series 2025 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 2025 Bonds and other costs incidental thereto only from the sources specified in the Bond Indenture. Neither the full faith and credit nor the taxing powers of the Authority, 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 2025 Bonds or other costs incidental thereto. No owner of any Series 2025 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 2025 Bonds. The Authority does not have the power to levy taxes for any purposes whatsoever.

The Bond Indenture

The Series 2025 Bonds will be issued by the Authority pursuant to the Bond Indenture. Under the Bond Indenture, 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 2025 Bonds, all of its right, title and interest in and to (i) the Loan Agreement and all payments derived by the Authority from the Borrower under such Loan Agreement (excluding the Authority's Unassigned Rights), (ii) the Series 2025 Obligations, as applicable, and (iii) the funds created under the Bond Indenture and amounts held therein, including investment earnings (but excluding amounts on deposit in the Rebate Fund). See **"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT – SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE"** in ***Appendix E***.

The Loan Agreement

The Loan Agreement will provide that the Borrower shall make designated payments to the Bond Trustee in amounts sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds when due. The Obligated Group's obligation to make payments on the Series 2025 Obligations shall be satisfied to the extent payments are made by the Borrower under the Loan Agreement. The Loan Agreement will also impose certain restrictions on the actions of the Borrower for the benefit of the Authority and the holders of the Series 2025 Bonds. See **"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT – SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT"** in ***Appendix E***.

The Master Indenture

The Borrower's obligations under the Loan Agreement will be secured by the Series 2025 Obligations which will be issued and secured under the Master Indenture. The Series 2025 Obligations will entitle the Bond Trustee, as the holder of the Series 2025 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 Series 2025 Obligations, the Series 2025C Obligations, and any Additional Obligations hereafter issued under the Master Indenture will be the joint and several obligations of the Borrower and any future Members of the Obligated Group. The accounts of the Borrower 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 Series 2025 Obligations, the Series 2025C Obligations and any Additional Obligations hereafter issued under the Master Indenture 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 D***.

"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; 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.

Entrance Fee Fund

Pursuant to the Master Indenture, the Obligated Group agrees that all Initial Entrance Fees received by the Obligated Group for the independent living units included in the Project shall be transferred to the Master Trustee within ten Business Days of the receipt thereof for deposit into the Entrance Fee Fund described below.

The Master Trustee shall establish and maintain a separate account known as the "2025 Entrance Fee Fund" (the ***"Entrance Fee Fund"***). All moneys received by the Master Trustee and held in the Entrance Fee Fund shall be trust funds under the terms of the Master Indenture for the benefit of the Series 2025 Obligations (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of the Master Indenture but are not bond proceeds (within the meaning of the Code) and are not, except as specifically described under this caption, pledged to payment of principal of and interest on the Series 2025 Bonds.

Moneys in the Entrance Fee Fund on the first Business Day of each month shall be disbursed by the Master Trustee as follows:

FIRST, to the Obligated Group to pay refunds of Initial Entrance Fees as required by residency agreements with respect to the Project. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group is required by a residency agreement to pay refunds within the next 15 days and the amount of such refunds.

SECOND, on the first Business Day of each month, the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall transfer moneys in the Entrance Fee Fund on such date to the Bond Trustee for deposit into the Optional Redemption Fund established under the Bond Indenture for the application to the payment and redemption of the Series 2025B-2 Bonds as soon as practicable following such deposit.

THIRD, after all the Series 2025B-2 Bonds have been redeemed, on the first Business Day of each month, the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall transfer moneys in the Entrance Fee Fund on such date to the Bond Trustee for deposit into the Optional Redemption Fund established under the Bond Indenture for the application to the payment and redemption of the Series 2025B-1 Bonds as soon as practicable following such deposit.

After the Series 2025B-1 Bonds and Series 2025B-2 Bonds have been redeemed and if no Event of Default has occurred and is continuing under the Master Indenture or any Related Loan Document, the Obligated Group need not deposit any Initial Entrance Fees into the Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Obligated Group and the Entrance Fee Fund shall be closed.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE FIRST SUPPLEMENTAL MASTER INDENTURE – 2025 Entrance Fee Fund".**

The Mortgage

All Obligations issued under the Master Indenture, including the Series 2025 Obligations, are secured by the Mortgage. Pursuant to the Mortgage, the Borrower has granted a security interest in the Mortgaged Property, subject only to Permitted Encumbrances. The Mortgage also grants a security interest in certain personal property of the Borrower, including the Machinery and Equipment on the mortgaged campus. For a summary of certain provisions of the Mortgage, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE"** in ***Appendix D***.

In conjunction with the issuance of the Series 2025 Bonds, the Borrower will deliver a mortgagee title insurance policy for the Mortgaged Property to the Master Trustee in an insured amount equal to the aggregate principal amount of the Series 2025 Bonds and Series 2025C Bonds, insuring the first mortgage lien status of the Mortgage on the real property comprising The Moorings. The Master Trustee is the named insured under the title insurance policy.

The Liquidity Support Agreement

The Borrower, the Master Trustee, and the Foundation, will enter into the Liquidity Support Agreement in connection with the closing of the Series 2025 Bonds pursuant to which the Foundation will agree to provide support in the amount of $10,000,000 if needed to pay certain Project costs, debt service on the Series 2025 Bonds and Series 2025C Bonds or operating expenses in conjunction with the operation of The Moorings. Pursuant to the Liquidity Support Agreement and the Master Indenture, the Master Trustee will establish an account (the ***"2025 Liquidity Support Fund")*** that may be funded as described below. The 2025 Liquidity Support Fund will be unfunded upon delivery of the Series 2025 Bonds.

Support Obligation. The Foundation will provide not to exceed $10,000,000, of liquidity support to the Borrower, provided, however, that such obligation may be reduced as provided below (the ***"Support Obligation"***). The Foundation's liability under the Liquidity Support Agreement and the draws made thereunder will not exceed $10,000,000.

Obligation to Maintain Cash and Investments. Except as provided below, the Foundation will not be required to deposit funds to the 2025 Liquidity Support Fund to satisfy the Support Obligation; provided, however, that within 60 days of the end of each fiscal year of the Foundation, the Foundation will furnish to the Master Trustee or will cause to be furnished to the Master Trustee an Officer's Certificate (a ***"Support Obligation Compliance Certificate"***) demonstrating that, as of the end of such Fiscal Year, the Foundation had Cash and Investments of not less than 200% of the Support Obligation.

Obligation to Fund 2025 Liquidity Support Fund. If any Support Obligation Compliance Certificate demonstrates that the Cash and Investments of the Foundation are less than 200% of the Support Obligation (a ***"Funding Event"***), the Foundation will transfer an amount equal to the Support Obligation to the Master Trustee not more than 30 days after submission of such Compliance Certificate for deposit in the 2025 Liquidity Support Fund created under the Master Indenture.

Two Step Reduction of Support Obligation. The Support Obligation will initially be reduced to $5,000,000 when the Borrower delivers to the Master Trustee and the Bond Trustee an Officer's Certificate certifying that:

(A) either (1) the average occupancy of the Independent Living Units included in the Project for each of the last two fiscal quarters of the Obligated Group was not less than 90% or (2) the average occupancy of all of the Facilities operated by the Obligated Group for each of the last two fiscal quarters of the Obligated Group was not less than 88%;

(B) as of the end of the Fiscal Year with respect to which the Officer's Certificate is being delivered, the Historical Debt Service Coverage Ratio of the Obligated Group, was at least 1.20:1 (such calculation shall be made as provided in the Master Indenture except that any exclusion of principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and any exclusion of the Revenue and Expenses properly allocable to the Project in accordance with the provisions of the Master Trust Indenture shall not apply to such calculation);

(C) as of the two most recent testing dates with respect to which the Officer's Certificate is being delivered, the Obligated Group had at least 180 Days Cash on Hand (such calculation shall be made as provided in the Master Indenture except that any exclusion of principal, interest and premium requirements in respect of the Series 2025 Project Bonds and any exclusion of the Revenues and Expenses properly allocable to the Project in accordance with the provisions of the Master Trust Indenture shall not apply to such calculation);

(D) no Event of Default has occurred and is continuing under the Master Indenture or any Related Loan Document and no event has occurred and is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture or any Related Loan Document; and

(E) the Series 2025B-1 Bonds and the Series 2025B-2 Bonds have been redeemed.

If not less than one year after submitting an Officer's Certificate demonstrating compliance with the requirements above, the Borrower delivers to the Master Trustee and the Bond Trustee an Officer's Certificate certifying that the conditions set forth in paragraphs (A)-(D) above have been satisfied for a subsequent Fiscal Year, the Support Obligation will be reduced to zero.

Single Step Reduction of Support Obligation. The Support Obligation will be reduced to zero when the Borrower delivers to the Master Trustee and the Bond Trustee an Officer's Certificate certifying that:

(A) either (1) the average occupancy of the independent living units included in the Project for each of the last two fiscal quarters of the Obligated Group was not less than 90% or (2) the average occupancy of all of the Facilities operated by the Obligated Group for each of the last two fiscal quarters of the Obligated Group was not less than 88%;

(B) as of the end of the Fiscal Year with respect to which the Officer's Certificate is being delivered, the Historical Debt Service Coverage Ratio of the Obligated Group, was at least 1.20:1 (such calculation shall be made as provided in the Master Indenture except that any exclusion of principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and any exclusion of the Revenues and Expenses properly allocable to the Project in accordance with the provisions of the First Supplemental Master Trust Indenture shall not apply to such calculation);

(C) as of the two most recent Testing Dates with respect to which the Officer's Certificate is being delivered, the Obligated Group had at least **250** Days Cash on Hand (such calculation shall be made as provided in the Master Indenture except that any exclusion of principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and all Revenue and Expenses properly allocable to the Project shall not apply to such calculation);

(D) no Event of Default has occurred and is continuing under the Master Indenture or any Related Loan Document and no event has occurred and is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture or any Related Loan Document; and

(E) the Series 2025B-1 Bonds and the Series 2025B-2 Bonds have been redeemed.

Reduction of Support Obligation if Series 2025 Bonds and Series 2025C Bonds are not Outstanding. The Support Obligation shall be reduced to zero when all of the Series 2025 Bonds and Series 2025C Bonds are no longer Outstanding (as defined in the Bond Indenture and the Series 2025C Bond Indenture).

Transfer Upon Closure of the 2025 Liquidity Support Fund. After the reduction of the Support Obligation to zero and upon closure of the 2025 Liquidity Support Fund, the Master Trustee shall transfer all amounts on deposit in the 2025 Liquidity Support Fund to the Foundation.

Draws on the Support Obligation. The Foundation will honor draws on the Liquidity Obligation or, upon deposit, moneys in the 2025 Liquidity Support Fund draws shall be paid out from time to time by the Master Trustee as follows:

(A) Payment of Construction Costs, Operating Expenses. In the event the Obligated Group requires additional funds for the payment of costs of constructing, acquiring and equipping the Project or the payment of operating expenses, the Obligated Group shall deliver a Written Request (i) prior to a Funding Event, to the Foundation requesting the transfer of moneys to the Obligated Group or (ii) after a Funding Event, to the Master Trustee requesting the transfer of moneys from the 2025 Liquidity Support Fund to the Obligated Group, for the payment of any such costs and expenses in an aggregated amount not exceeding the Support Obligation. As soon as practicable, upon receipt of any such Written Request, the Master Trustee or the Foundation, as the case may be, shall make such transfer.

(B) Payment of Principal and Interest on Series 2025 Bonds and Series 2025C Bonds. If on any date five calendar days prior to the date a Debt Service Payment (as defined below) is due on the Series 2025 Bonds and Series 2025C Bonds, funds held in the Interest Fund or Bond Sinking Fund under the Bond Indenture or the Series 2025C Bond Indenture, as applicable, are insufficient to pay the principal of or interest on the Series 2025 Bonds and Series 2025C Bonds as the same become due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise (each, a ***"Debt Service Payment"***), the Bond Trustee shall notify the Borrower, the Foundation and the Master Trustee of such insufficiency which notice shall include (i) prior to a Funding Event, a Written Request that the Foundation transfer immediately available funds to the Bond Trustee to make up any such insufficiency or (ii) after a Funding Event, a Written Request to the Master Trustee requesting the transfer of moneys from the 2025 Liquidity Support Fund to make up any such insufficiency. The Foundation or the Master Trustee shall make payments on such draws not less than three days after receiving a notice of deficiency from the Bond Trustee. If the amount of the funds available hereunder or the amount then on deposit in the 2025 Liquidity Support Fund are insufficient to make such payment related to the Series 2025 Bonds and Series 2025C Bonds, the Support Obligation or funds on deposit in the 2025 Liquidity Support Fund shall be used to make Debt Service Payments on each series of the Series 2025 Bonds and Series 2025C Bonds pro-rata based on the outstanding principal amount of each series of the Series 2025 Bonds and Series 2025C Bonds.

Security Interest in 2025 Liquidity Support Fund. To secure the Support Obligation, the Foundation grants a security interest in, pledges, assigns and transfers in trust to the Master Trustee, upon the terms set forth in the Liquidity Support Agreement, all moneys and investments held in the 2025 Liquidity Support Fund.

Investment of Moneys Held in 2025 Liquidity Support Fund. Moneys held in the Liquidity Support Fund will, pursuant to written direction of the Foundation, be invested and reinvested by the Master Trustee in accordance with the provisions hereof in Permitted Investments (as defined in the Master Indenture). Notwithstanding any other provision of the Liquidity Support Agreement, if the Master Trustee fails to receive written directions of the Foundation regarding investment of funds pursuant to this paragraph, moneys held in the related Liquidity Support Fund shall be invested or reinvested in Permitted Investments described in paragraph (a) of the definition of Permitted Investments in the Master Indenture. The Master Trustee may make any investments permitted by this paragraph through its own bond department or short term investment department and may pool moneys for investment purposes. Any such Permitted Investments will be held by or under the control of the Master Trustee and shall be deemed at all times a part of the related Liquidity Support Fund. The investment earnings on and any profit realized from Permitted Investments held in the Liquidity Support Fund will be transferred to the Foundation upon request of the Foundation.

Valuations. Permitted Investments held in the 2025 Liquidity Support Fund shall be valued as of March 31 of each year within 30 days of such date (the ***"Annual Valuation Date"***), at any other time requested by the Borrower or the Foundation and at such other times as the Master Trustee deems appropriate.

Make-Up of Deficienies. If the value of the Permitted Investments on deposit in the Liquidity Support Fund as of any Annual Valuation Date is less than (i) the Support Obligation (ii) minus the total of all draws on the Support Obligation, the Master Trustee shall inform the Borrower and the Foundation of such deficiency. Within 30 days of receiving notice of any deficiency from the Master Trustee, the Foundation will transfer to the Master Trustee, an amount equal to such deficiency.

Repayment of Draws on the Liquidity Support Obligation. The Obligated Group is obligated to repay the Foundation for any draws on the Support Obligation (the ***"Liquidity Support Repayment Obligation"***). The Liquidity Support Repayment Obligation may be paid if the Borrower delivers to the Master Trustee and the Bond Trustee an Officer's Certificate certifying that: (i) the average occupancy of all of the Facilities operated by the Obligated Group (including the independent living units included in the Project) for each of the last two fiscal quarters of the Obligated Group was not less than 90 percent; (ii) as of the end of the most recent Fiscal Year, the Historical Debt Service Coverage Ratio of the Obligated Group, was at least 1.35:1 (such calculation shall be made as provided in of the Master Indenture); (iii) as of the end of the most recent Fiscal Year, the Historical Debt Service Coverage Ratio of the Obligated Group, taking the proposed repayment of the Liquidity Support Obligation into account, was at least 1.20:1 (such calculation shall be made as provided in Section 409 of the Master Indenture); (iv) as of the most recent Testing Date with respect to which the Officer's Certificate is being delivered, the Obligated Group had at least 180 Days Cash on Hand taking the proposed repayment of the Liquidity Support Obligation into account (such calculation shall be made as provided in Section 424 of the Master); (v) no Event of Default has occurred and is continuing under the Master Indenture or any Related Loan Document and no event has occurred and is continuing which, with the passage of time or giving of notice, would cause an Event of Default to occur under the Master Indenture or any Related Loan Document; and (vi) the Series 2025B-1 Bonds and the Series 2025B-2 Bonds have been redeemed. The Liquidity Support Repayment Obligation shall constitute Subordinated Indebtedness of the Obligated Group and shall survive any termination of the Liquidity Support Agreement. Neither the Support Obligation nor the draws under the Liquidity Support Agreement shall bear interest.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE FIRST SUPPLEMENTAL MASTER INDENTURE – 2025 Liquidity Support Fund."**

Additional Indebtedness

As of the date of issuance of the Series 2025 Bonds, the Series 2025 Obligations and the Series 2025C Obligations 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 Indenture but will be equally and ratably secured by the Master Indenture with the Series 2025 Obligations. In addition, the Master Indenture will permit such Additional Obligations to be secured by security (including Liens on the Property, including letters and lines of credit and insurance), which additional security or Liens need not be extended to secure any other Obligations (including the Series 2025 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"** in ***Appendix D***.

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 D***.

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 2025 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 D***.

Certain Covenants of the Obligated Group

For purposes of the following subsections, the following terms shall have such meanings set forth below. For the definitions of certain words and terms used in this section and not otherwise defined, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – DEFINITIONS OF CERTAIN TERMS"** in ***Appendix D***.

"Series 2025 Project Bonds" means the portion of the Series 2025 Bonds and Series 2025C Bonds allocated to financing the Project.

"2025 Project Start-Up Period" means the period commencing on the date of issuance of the Series 2025 Obligations and continuing until the earlier of the end of the Fiscal Year in which 2025 Project Stable Occupancy is achieved (as defined below) and Fiscal Year ended March 31, 2030.

"2025 Project Stable Occupancy" means 90% of the Independent Living Units included in the Project have been Occupied.

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 and each Member further covenants and agrees 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, 2027, and to deliver a copy of such calculation to the Required Information Recipients. 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 D*** for more detail.

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 of the Historical Debt Service Coverage Ratio and in accordance with the requirements for selecting a Consultant under the Master Indenture 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 foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group 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 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.

Notwithstanding any other provision in the Master Indenture to the contrary, during the 2025 Project Start-Up Period, the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group may exclude all principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and all Revenue and Expenses properly allocable to the Project in accordance with GAAP.

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" and "– Rates and Charges"** in ***Appendix D*.**

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 D*** (including the requirement to deliver an Officer's Certificate or retain a Consultant and certain exclusions from the calculation of Historical Debt Service Coverage Ratio during a Start-up Period).

Liquidity Covenant. The Obligated Group agrees in the Master Indenture that it will conduct its business so that the Obligated Group will have not less than 150 Days Cash on Hand (the ***"Liquidity Requirement"***) on 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, 2026 (each such date being a ***"Testing Date"***). 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.

Notwithstanding anything in the Master Indenture to the contrary, during the 2025 Project Start-Up Period, the calculation of the Days Cash on Hand of the Obligated Group may exclude all interest requirements in respect of the Series 2025 Project Bonds to the extent funded with the proceeds of the Series 2025 Project Bonds (including investment earnings thereon), and all Revenue and Expenses properly allocable to the 2025 Project in accordance with GAAP.

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 above, 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.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to satisfy the Liquidity Requirement 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"*** herein 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 D*.**

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Liquidity Covenant"** in ***Appendix D*** (including the requirement to deliver an Officer's Certificate or to retain a Consultant if the Obligated Group fails to satisfy the Liquidity Requirement and certain exclusions from the calculation of Days Cash on Hand during a Start-up Period).

Occupancy Covenant. Within 30 days of receipt of the Occupancy certificate for the Independent Living Units included in the 2025 Project and any necessary licenses to commence occupancy thereof (the ***"2025 Occupancy Certificate"***), the Borrower shall notify the Master Trustee that such occupancy certificate has been received and deliver a copy of the occupancy certificate with such notice. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first full fiscal quarter following the issuance of the 2025 Occupancy Certificate and (b) ending at the end of the first full fiscal quarter following the date on which not less than 75% of all Independent Living Units included in the 2025 Project have been Occupied (an ***"Occupancy Quarter"***), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units included in the 2025 Project (the ***"Percentage of Units Occupied"***) at or above the requirements set forth below which levels shall be measured as of the last day of the applicable Occupancy Quarter or as an average for such Occupancy Quarter (the ***"Occupancy Requirements"***):

Occupancy Quarter	**Percentage of Units Occupied**
1	12%
2	29
3	47
4	65
5 and thereafter	75

If a Series 2025 Project Report (as defined under **"FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting"** herein) states that the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Agent shall within 45 days after the end of such Occupancy Quarter submit an occupancy corrective action plan prepared by management to the Master Trustee setting forth in detail the reasons therefor and the plan to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above by the Occupancy Quarter immediately succeeding the Occupancy Quarter with respect to which a corrective action plan is being submitted (a ***"Corrective Occupancy Action Plan"***).

If a Series 2025 Project Report states that the Percentage of Units Occupied for any two consecutive Occupancy Quarters is less than the Occupancy Requirement set forth above for those Occupancy Quarters, the Obligated Group Agent shall select a Consultant within 45 days of the end of such second fiscal quarter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above on the earliest date practicable. Such Consultant shall be approved and retained as set forth in the Master Indenture. Within 60 days after retaining any such Consultant, the Obligated Group Agent shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member, the Master Trustee and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Obligated Group shall not be required to obtain a Consultant's report more than one time in any six-month period.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter 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 Corrective Occupancy Action Plan or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) 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"** and "**– SUMMARY OF CERTAIN PROVISIONS OF THE FIRST SUPPLEMENTAL MASTER INDENTURE – 2025 Project Occupancy Covenant"** in ***Appendix D***.

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 D***. 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 Mortgage on a parity basis with the Series 2025 Obligations. The Series 2025 Bonds and the Series 2025 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 D***.

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 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 **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Approval of Consultants"** in ***Appendix D.***

Release and Substitution of Obligations upon Delivery of Replacement Master Indenture. Unless otherwise provided in a Related Supplement or other Related Bond Document, each Related Bond Trustee or other holder of an Obligation issued under the Master Indenture will surrender such Obligation upon presentation to such Related Bond Trustee or Obligation holder prior to such surrender of the following:

(a) a copy of an original executed counterpart of a supplemental master indenture admitting the Borrower and any other then current member of the Obligated Group to the obligated group created under the Presbyterian Living Master Indenture (such obligated group is referred to as the ***"Presbyterian Living Obligated Group"***); (b) an original replacement note or similar obligation issued by or on behalf of the Presbyterian Living Obligated Group (the ***"Substitute Note"***) under and pursuant to and secured by the Presbyterian Living Master Indenture, which Substitute Note has been duly authenticated by the master trustee under the Presbyterian Living Master Indenture; (c) an Opinion of Independent Counsel addressed to each Related Bond Trustee (in form and substance not unacceptable to the Related Bond Trustees) to the effect that: (1) the Presbyterian Living Master Indenture, as supplemented, has been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group, all Substitute Notes have been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group and the Presbyterian Living Master Indenture and the Substitute Notes are each a legal, valid and binding obligation of the Presbyterian Living Obligated Group, subject in each case to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to customary qualifications with respect to the joint and several obligations of the members of the Presbyterian Living Obligated Group to make payments of debt service on the Substitute Notes; (2) all requirements and conditions to the issuance of the Substitute Notes as set forth in the Presbyterian Living Master Indenture have been complied with and satisfied; and (3) registration of the Substitute Notes under the Securities Act of 1933, as amended, is not required or, if registration is required, the Substitute Notes have been so registered; and (d) an Opinion of Bond Counsel that the surrender of the Obligations and the delivery of the Substitute Notes will not adversely affect the validity of any Related Bonds or any exemption for the purposes of federal income taxation to which interest on any Related Bonds would otherwise be entitled. See ***Appendix D*** **– "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Release and Substitution of Obligations upon Delivery of Replacement Master Indenture".**

THE SERIES 2025C BONDS AND THE ADDITIONAL COVENANTS AGREEMENT

Concurrently with the issuance of the Series 2025 Bonds, the Authority will issue its $61,090,000 maximum principal amount of Variable Rate Revenue Bonds, Series 2025C (The Moorings of Arlington Heights) (the ***"Series 2025C Bonds,"***) pursuant to a separate Bond Trust Indenture dated as of December 1, 2025 (the ***"Series 2025C Bond Indenture"***) between the Authority and the Amalgamated Bank of Chicago, as bond trustee (the ***"Series 2025C Bond Trustee"***) and loan the proceeds thereof to the Borrower pursuant to a separate Loan Agreement dated as of December 1, 2025 (the ***"Series 2025C Loan Agreement"***) between the Authority and the Borrower. The Series 2025C Bonds will be sold to Old National Bank (the "***2025C Purchaser"***) pursuant to an Additional Covenants Agreement with respect to the Series 2025C Bonds (the ***"Additional Covenants Agreement"***) between the Borrower, on its own behalf and as Obligated Group Representative, and the 2025C Purchaser, which sets forth certain covenants and agreements of the Borrower with the 2025C Purchaser. The Additional Covenants Agreement provides for, among other things, certain representations, warranties, covenants, events of default, and remedies in addition to those contained in the Master Indenture (the ***"ACA Covenants"***). The ACA Covenants will run solely to the benefit of the 2025C Purchaser and the ACA Covenants may be amended, modified or waived without the consent of the Series 2025 Bondowners. The Borrower's obligations in connection with the Series 2025C Bonds and the Additional Covenants Agreement will be secured by the Series 2025C Obligations. It is possible that a default with respect to the Series 2025C Obligations, including with respect to a breach of the ACA Covenants under the Additional Covenants Agreement could lead to a default under the Master Indenture and an acceleration of all Outstanding Obligations thereunder, including the Series 2025 Obligations.

The Series 2025C Bonds are expected to have a maturity date of November 1, 2055, monthly interest payments to begin on February 1, 2026 and bear interest at a variable rate based on daily simple SOFR. Proceeds of the Series 2025C Bonds are expected to be drawn beginning in August 2026 and ending in June 2028. The Series 2025C Bonds are expected to have a mandatory tender date of January 1, 2036. The Borrower has entered into a forward-starting interest rate swap agreement with Old National Bank (the ***"Series 2025C Swap Agreement"***) that will effectively convert the SOFR-based variable rate on approximately 95% of the maximum principal amount of the Series 2025C Bonds to a fixed rate of 4.041%. The Series 2025C Swap Agreement has a forward effective date of January 1, 2027, and a termination date of January 1, 2036, corresponding to the mandatory tender date of the Series 2025C Bonds. **No offer of or solicitation of offers to purchase the Series 2025C Bonds is made by this Official Statement. The Series 2025C Bonds will be offered solely to the 2025C Purchaser.**

The 2025C Purchaser's obligation to purchase the Series 2025C Bonds is contingent on satisfaction of certain requirements in the Additional Covenants Agreement, including the Borrower pre-selling and collecting 10% reservation deposits on at least 75% of the new independent living units to be constructed as part of the Project. If the Series 2025C Bonds are not issued because of the Borrower's inability to satisfy the conditions to closing, the Borrower will need to obtain alternative financing for the portion of the Project to be funded by the Series 2025C Bonds. Approximately 77% of the new independent living units in the Project were pre-sold as of November 20, 2025.

The Borrower's obligations with respect to the Series 2025C Swap Agreement are expected to be secured by a master obligation issued under the Borrower's existing master indenture from the effective date of the Series 2025C Swap Agreement (December 9, 2025) until the date of issuance of the Series 2025C Bonds, at which time it will be replaced by the Series 2025C Swap Obligation.

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 2025 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 2025 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 D*** *and* ***E****, copies of which are available as described herein.*

General

The Series 2025 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 Agreement and the Series 2025 Obligations and certain other funds held by the Bond Trustee under the Bond Indenture. No representation or assurance can be made that the Obligated Group will realize sufficient revenues to make such payments under the Loan Agreement and the Series 2025 Obligations with respect to the Series 2025 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 Agreement and the Series 2025 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 Moorings 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 Moorings; and unpredictable future economic and other conditions. Any of these factors may affect revenues and payment of debt service on the Series 2025 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 2025 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 Moorings in the amounts necessary to make the required payments on the Series 2025 Bonds. The economic viability of The Moorings depends upon the ability of the Obligated Group to maintain substantial occupancy of The Moorings throughout the term of the Series 2025 Bonds. See **"THE BORROWER AND SYSTEM – The Moorings"** in ***Appendix A*** for more information. As the residents die, withdraw from the independent units or transfer to either the assisted living or the Health Care Center, 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 2025 Bonds.

Various forms of agreements between a resident and the Borrower (each a ***"Residency and Services Agreement"***) have historically been used by the Borrower. 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 2025 Bonds. The Moorings obtained an actuarial report as of March 31, 2025 stating that The Moorings is in satisfactory actuarial balance as defined by Actuarial Standards of Practice No. 3.

The occupancy assumptions for The Moorings are critical management assumptions for the Financial Forecast included as ***Appendix C***.

Utilization Demand

Several factors could, if implemented, affect demand for services of The Moorings, 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 area of The Moorings. Decreased demand may adversely affect the Obligated Group's ability to generate sufficient revenues to make the required payments on the Series 2025 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 Borrower 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 2025 Bonds.

Competition

The financial strength of the Obligated Group will depend in large part upon the ability of the Borrower to attract sufficient numbers of residents and to achieve and maintain substantial occupancy throughout the term of the Series 2025 Bonds. Because the services provided by the Borrower 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 the Borrower. See Note 8 in ***Appendix C*** for a discussion of the Borrower's market and competition. 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 The Borrower may determine that their needs will be better served by a stand-alone assisted living facility. Additionally, the Borrower 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.

Financial Forecast

The Financial Forecast included in ***Appendix C*** hereto is based upon assumptions made by the management of the Borrower. As stated in such Financial Forecast, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In addition, the financial forecast is only for the five years ending March 31, 2030 and consequently does not cover the whole period during which the Series 2025 Bonds may be outstanding. See the Financial Forecast included herein as ***Appendix C***, which should be read in its entirety, including management's notes and assumptions set forth therein.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE, NO GUARANTEE CAN BE MADE THAT THE FINANCIAL FORECAST IN THE FINANCIAL FORECAST WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES, EMPLOYEE RELATIONS, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION AND REIMBURSEMENT, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN THE RETIREMENT LIVING AND HEALTH CARE INDUSTRIES, AND GENERAL ECONOMIC CONDITIONS.

Mortgage and Mortgaged Property

Pursuant to the Mortgage, the Borrower will grant 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. For a summary of certain provisions of the Mortgage, see **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE"** in ***Appendix D***.

The Mortgaged Property under the 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 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 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 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 the Borrower, (including the Master Trustee, if such party was to acquire the interest of the Borrower 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 the Borrower, as applicable, because such purchaser may not enjoy the favorable financing rates associated with the Series 2025 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 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 Borrower's obligations under the Master Indenture.

Construction Risks

There can be no assurances given that the Project will be completed, or that it can be completed for the cost and within the time as set forth in this Official Statement. Failure to complete the Project, or to complete it in a timely fashion at the estimated cost could adversely affect the ability of the Borrower to generate sufficient revenues to continue its planned operations and to make payments with respect to the Series 2025 Bonds and Series 2025C Bonds. For example, the plan of finance assumes that Initial Entrance Fees will be used to redeem Series 2025B Bonds. If the completion of the Project is delayed, the receipt of Initial Entrance Fees necessary for such purposes, may be adversely impacted.

Whether or not the Project will be completed on schedule depends upon a large number of factors, many of which may be beyond the control of the Borrower. These include, but are not limited to, adverse weather, strikes, delays in the delivery of or shortages of materials, delays in the issuance of required building permits, environmental restrictions or similar unknown or unforeseeable contingencies. Further, although construction work will be inspected periodically by the Construction Consultant, there can be no assurance that the Project will conform to construction specifications or state or local regulations. The occurrence of any of the foregoing could result in increases in construction costs or considerable delays in, or complete impossibility of, completion of the Project, resulting in a failure to achieve anticipated operating results. Construction costs could exceed the amounts originally projected due to a number of factors. See **"THE LIQUIDITY SUPPORT AGREEMENT"** above with respect to certain situations where the Borrower can access certain funds to cover any increased construction costs.

Construction of the Project is subject to the usual risks associated with construction projects, including, but not limited to, delays in issuance of the required building permits or other necessary approvals or permits, strikes, shortages of materials and adverse weather conditions. Such events could result in delaying occupancy of the Project and thus the Initial Entrance Fees and other revenue flow therefrom. It is anticipated that the proceeds from the sale of the Series 2025 Bonds and Series 2025C Bonds, together with anticipated investment earnings thereon and certain funds of the Borrower, will be sufficient to complete the construction and equipping of the Project based upon the fixed price obtained from the general contractor for the Project. However, cost overruns for projects of this nature may occur due to change orders and other factors. In addition, the date of substantial completion may be extended by reason of changes authorized by the Borrower, delays due to acts or neglect of the Borrower or by independent contractors employed by the Borrower or by labor disputes, fire, unusual delay in transportation, adverse conditions not reasonably anticipated, unavoidable casualties or any causes beyond the control of the contractors. Cost overruns could also result in the Borrower not having sufficient moneys to complete construction of the Project, thereby materially affecting the receipt of revenues needed to pay debt service on the Series 2025 Bonds and Series 2025C Bonds.

Construction Consultant Approval of Construction Draws

The ability of the Borrower to receive disbursements from the Project Fund held under the Bond Indentures is subject to compliance by the Borrower with various requirements of the Construction Disbursement and Monitoring Agreement by and among the Borrower, the Construction Consultant and the Master Trustee. If the conditions to receipt of disbursements are not met, the Construction Consultant may temporarily suspend certain items within a construction draw or the entire construction draw. A temporary suspension of funding might cause delay in completion and related cost overruns. Proceeds remaining in the Project Fund together with other funds held under the Bond Indenture may not be sufficient to pay the principal of the Series 2025 Bonds and Series 2025C Bonds upon acceleration.

Sale of Personal Residences

Many prospective residents of The Moorings 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 Moorings 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.

Public Health Emergencies

The occurrence of a public health emergency, including a pandemic similar to the COVID-19 pandemic discussed below, 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 Borrower. 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.

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 Agreement, the Master Indenture, the 2025C Obligations and the Series 2025 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 2025 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 Borrower is required to comply. Because of the complexity of these regulations, there can be no assurances that the Borrower 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, including any capital expenditure contemplated as part of the Project, the Obligated Group's ability to generate revenues could be adversely affected.

Political Headwinds Affecting Senior Living and Health Care Industry

The evolving priorities and policies of the new 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, may create 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 ACA and will 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 Value of Facilities upon Default

Current appraisals have not been made for any of the Obligated Group's Facilities and virtually all of The Moorings 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.

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 the Borrower consistently seeks and has received donations from groups and individuals, as well as consistent support from the Foundation, the Borrower has no guaranteed sources of funds if revenues from operation of The Moorings are not sufficient to cover expenses, including debt service on the Series 2025 Bonds. There can be no assurance that the Obligated Group will have sufficient revenues to make the payments under the Loan Agreement in amounts sufficient to pay debt service on the Series 2025 Bonds or that the Members of the Obligated Group will have revenues sufficient to pay amounts owing under the Series 2025 Obligations issued under the Master Indenture. The Foundation is not obligated to assist the Obligated Group with such required payments, except pursuant to the Liquidity Support Agreement. See **"SECURITY FOR THE SERIES 2025 BONDS – The Liquidity Support Agreement."**

Continuing Inflation

The Borrower, 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 Borrower anticipates that inflation, particularly in food and energy prices, may continue for the foreseeable future. The Borrower is permitted under its residency agreements to increase monthly service fees, but its ability to do so to cover these increased inflationary costs may be limited by competition and other factors. The inability of the Borrower to increase fees and charges to keep pace with inflation could adversely affect the financial condition and results of operations of the Borrower. The Borrower cannot predict the extent of inflationary pressures on its 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 Borrower maintains and implements network security measures with respect to its information technology.

While the Borrower 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

Borrower's information technology systems, and the systems of organizations the Borrower 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 Borrower or the release of other confidential information. Any such events may have adverse financial impacts on the Borrower's revenues and may have an adverse financial impact on the ability of the Borrower to pay debt service on the Series 2025 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.

Risks Inherent in Bank-Credit

The Series 2025C Bonds are bank-held debt and, together with any future bank-held debt of the Obligated Group (together, the ***"Bank-Credit"***), expose the Obligated Group to certain risks, including, but not limited to:

(a) To the extent the Series 2025C Bonds bear interest at variable rates, or bear interest at rates that are re-determined periodically, such bonds present "interest rate risk" – the risk that the interest rates on the Series 2025C Bonds and/or annual bank fees will increase. While the Series 2025C Bonds are expected to be subject to an interest rate swap through January 2036, no assurances can be given that the Series 2025C Bonds will not be subject to such risk at the end of the initial private placement rate period or otherwise.

(b) The Series 2025C Bonds are expected to be subject to mandatory tender on January 1, 2036, and no assurances can be provided with respect to the Series 2025C Bonds or any other Bank-Credit that the Obligated Group will be able to renew or replace the bank purchaser on commercially reasonable terms.

(c) *Covenant Risk.* The Additional Covenants Agreement with respect to the Series 2025C Bonds contains certain financial covenants and covenants regarding the incurrence of additional indebtedness more restrictive or in addition to those contained in the Master Indenture and future bank covenant agreements relating to Bank-Credit may contain certain consent rights or covenants in favor of Bank-Credit purchasers beyond those granted by the Master Indenture. Failure by the Obligated Group to obtain necessary consents or otherwise meet such covenants, as applicable, could cause an event of default under those covenant agreements.

(d) *Cross-Default Risk*. There is a risk that an event of default under the applicable bank agreements governing the Bank-Credit during the period such bonds are held by banks as the purchasers thereof could cause an event of default under the Master Indenture.

(e) *Tax Risk.* Future legislation could lower the corporate tax rate and eliminate certain tax preferences, which in turn could result in changes to the interest rate on Bank-Credit.

Interest Rate Swap and Other Hedge Risk

The Borrower has entered into a swap arrangement to achieve an effective fixed rate of interest on approximately 95% of the maximum principal amount of the Series 2025C Bonds with a scheduled termination date corresponding to the mandatory tender date of the Series 2025C Bonds. See **"FINANCIAL FORECAST"** herein for additional information on the expected swap agreement. Additionally, the Borrower may enter into interest rate swap or hedge agreements relating to future bond issues or other indebtedness.

Any interest rate swap or other hedge agreement to which the Borrower is a party may, at any time, have a negative value. If either a swap or other hedge counterparty or the Borrower terminates such an agreement when the agreement has a negative value to the Borrower, the Borrower 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 Borrower, 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 Borrower's indebtedness.

While the swap agreement relating to the Series 2025C Bonds is not expected to have additional security, many swap agreements do 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 Borrower to grant a security interest and lien on collateral for this purpose.

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 Borrower 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.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Borrower to make payments on the Series 2025 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 Borrower and any future Member 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 2025 Obligations pledged under the Bond Indenture as security for the Series 2025 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 2025 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 2025 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 Mortgage, 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.

Future Expansion; Additional Indebtedness

The Borrower may construct or acquire additional new or existing facilities to add to its existing system of senior living communities. Additionally, the Borrower 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 an existing facility. Although the Borrower 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 Borrower or PH Manager's ability to manage the Borrower.

The Master Indenture permits the Borrower to issue or incur Additional Indebtedness, which may be secured by Obligations on a parity with the Series 2025 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 D***. 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 2025 Bonds.

Changes in the Composition of the Obligated Group

The Borrower is currently the only Member 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 D***. 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.

No 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 (other than to the limited extent pursuant to the Liquidity Support Agreement) will be issued to ensure payment of the Series 2025 Bonds. See **"SECURITY FOR THE SERIES 2025 BONDS."**

Insurance

The Master Indenture requires each Member of the Obligated Group to maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property (including Excluded 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 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 Borrower has 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 Borrower believes its 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 Borrower (premiums plus payments of retention on future claims) may substantially exceed the historical costs to the Borrower 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 Borrower. 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 2025 Bonds, resulting in the loss, in whole or in part, of a Bondholder's investment. Beginning in early 2025, the Borrower and other members of the Operating System 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 transition to 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.

In its role as the owner and operator of The Moorings, the Borrower 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 Borrower will not encounter such risks in the future, and such risks may result in adverse consequences to the operation or financial condition of the Borrower.

The Borrower has covenanted in the Master Indenture and the Loan Agreement to comply with all applicable environmental laws.

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 Borrower to remain qualified as a Tax-Exempt Organization would affect the funds available to the Borrower for payments to be made under the Obligations issued under the Master Indenture. Failure of the Borrower 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 2025 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 Borrower by requiring it 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 Borrower, 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 Borrower 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 2025 Bonds could potentially result in loss of the tax exemption of the interest on the Series 2025 Bonds, and defaults in covenants regarding the Series 2025 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 2025 Bonds. If the Series 2025 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 2025 Bonds and as to certain factual matters, Bond Counsel will deliver its opinions in the form attached as ***Appendix G***. See the captions "**TAX EXEMPTION**" and "**LEGAL MATTERS.**"

Tax-Exempt Status of the Series 2025 Bonds. The tax-exempt status of the Series 2025 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 2025 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 2025 Bonds could cause interest on the Series 2025 Bonds to become subject to federal income taxation retroactive to the original date of issue of the Series 2025 Bonds. In such event, the Series 2025 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 2025 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 2025 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 2025 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 Indenture and the Loan Agreement may be made with the consent of the holders of a majority of the outstanding principal amount of the related series of Series 2025 Bonds and certain amendments to the Master Indenture and the 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 Mortgage, such percentage may be composed wholly or partially of the holders of Obligations other than the Series 2025 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 INDENTURE AND THE LOAN AGREEMENT – SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – Supplemental Bond Indentures,"** and **"- SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT – Supplements and Amendments to the Loan Agreement,"** in ***Appendix D***.

Redemption or Acceleration Prior to Maturity

Pursuant to the terms of the Bond Indenture, the Series 2025 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 2025 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 Indenture and Loan Agreement. See **"THE SERIES 2025 BONDS – Provisions Applicable to all Series 2025 Bonds – *Extraordinary Redemption*."**

The default by the Obligated Group of its obligations under the Loan Agreement or the Master Indenture, including a default with respect to Obligations other than the Series 2025 Obligations, may result in acceleration of the Series 2025 Obligations and, as a result, the Series 2025 Bonds. See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Acceleration"** in ***Appendix D***.

Secondary Market

If and when an owner of a Bond elects to sell a Bond prior to its maturity, there is no assurance that a market will be in existence for the purchase and sale of the Series 2025 Bonds. Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to make a market in the Series 2025 Bonds. There is presently no secondary market for the Series 2025 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 Borrower available to make payments under the Loan Agreement 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 Borrower has had negligent care claims made against it from time to time, and currently has fewer than 10 pending negligent care claims. Although the Borrower maintains 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 the Parent, PH Manager or the Borrower could affect the capability of management of the Borrower. 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 Borrower 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 Borrower has 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 Borrower, which cannot always be recovered from increased charges, and may continue to adversely affect the expenses of the Borrower. Although the Borrower has not had any meaningful levels of agency (or temporary) staffing at The Moorings in the last five fiscal years, there can be no assurance that the Borrower 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 Borrower 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 Borrower, which would have an adverse effect on the revenues of the Borrower and its ability to repay the Series 2025 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 Borrower has 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 Borrower.

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 Borrower.

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

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

Natural Disasters. The Moorings is located in an area that could suffer a natural disaster, such as a tornado, earthquake or flood. While management of the Borrower believes it maintains adequate 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 or near The Moorings. Such decisions could have a material adverse impact on the Borrower.

NO REPRESENTATION OR ASSURANCE CAN BE MADE OR GIVEN THAT REVENUES WILL BE REALIZED BY THE BORROWER IN AMOUNTS NECESSARY TO MAKE THE PAYMENTS REQUIRED UNDER THE LOAN AGREEMENT OR TO MAKE OTHER PAYMENTS IN AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2025 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 THE MOORINGS 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 AGREEMENT AND THE BOND TRUSTEE IS UNABLE TO SELL OR LEASE THE MOORINGS 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 2025 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 2025 BONDS. Prospective purchasers of the Series 2025 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.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Series 2025 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 Borrower have covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2025 Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants relating to the Series 2025 Bonds could cause interest on the Series 2025 Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds.

Subject to compliance by the Authority and the Borrower with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2025 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 2025 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 Borrower with respect to certain material facts within their respective knowledge, and will rely on opinion of Dentons US LLP, counsel to the Borrower, that the Borrower 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 2025 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 2025 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 each Series of the Series 2025 Bonds is the price at which a substantial amount of such maturity of such Series of Series 2025 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 2025 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 2025 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 2025 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 Borrower 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 2025 Bonds who dispose of Series 2025 Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2025 Bonds in the public offering, but at a price different from the OID Issue Price or purchase Series 2025 Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2025 Bond is purchased at any time for a price that is less than the Series 2025 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 2025 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 2025 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 2025 Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2025 Bonds.

An investor may purchase a Series 2025 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 2025 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 2025 Bond. Investors who purchase a Series 2025 Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2025 Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2025 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 2025 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 2025 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 2025 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 2025 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 2025 Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Series 2025 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 2025 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 2025 Bonds is not exempt from present Illinois income taxes. Ownership of the Series 2025 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 2025 Bonds. Prospective purchasers of the Series 2025 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 2025 Bonds or questioning or affecting the validity of the Series 2025 Bonds or the proceedings or authority under which the Series 2025 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 officers 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 actual knowledge of the Authority, threatened, which in any manner questions the right of the Authority to enter into the Bond Indenture, the Loan Agreement or the Purchase Contract or to secure the Series 2025 Bonds in the manner provided in the Bond Indenture, the Bond Resolution and the Act.

The Borrower

The Borrower 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 Borrower. The Borrower 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 Borrower or Parent, threatened, which in any manner questions the right of the Borrower to enter into the financing described herein.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2025 Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the ***"Bond Counsel"***), who has been retained by, and acts as, Bond Counsel to the Authority. A form of Bond Counsel's opinion with respect to the issuance of the Series 2025 Bonds is attached hereto as ***Appendix G***. 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 2025 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 Underwriter, reviewed or supplied, as applicable, the information under the headings "**THE SERIES 2025 BONDS"** (excluding any information relating to DTC and its book-entry only system), "**SEURITY FOR THE SERIES 2025 BONDS**" (excluding any information relating to the Mortgage) and in ***Appendices D*** (excluding the summary of the Mortgage therein) and ***E*** to this Official Statement solely to determine whether such information and summary conform to the provisions of the Series 2025 Bonds, the Master Indenture, the Bond Indenture and the Loan Agreement (apart from any information relating to DTC and its book-entry only system and the Mortgage) and are accurate in all material respects. In addition, Bond Counsel will opine that the information appearing under the caption "**TAX EXEMPTION**" purporting to describe or summarize Bond Counsel's opinions concerning federal and state tax matters relating to the Series 2025 Bonds has been reviewed by Bond Counsel and is accurate in all material respects.

FINANCIAL STATEMENTS

Set forth in ***Appendix B*** to this Official Statement are the financial statements of the Borrower as of March 31, 2025 and 2024, and for the two fiscal years then ended, which have been audited by Plante & Moran, PLLC, independent auditors. Certain unaudited financial information of the Borrower as of and for the six-month periods ended September 30, 2024 and 2025 is included in ***Appendix A*** hereto. Such unaudited financial information is not necessarily indicative of the financial results of the Borrower, as applicable, for the fiscal year ending March 31, 2026.

The Master Indenture and Continuing Disclosure Agreement both permit the audited financial statements required to be provided thereunder to contain consolidated financial information of entities that are not Members of the Obligated Group with financial information of one or more Members. Such consolidated audited financial statements may include, but are not limited to, the financial condition and results of operations of the Parent, the Foundation, Ten Twenty Grove, Westminster Place, Lake Forest Place, PH Manager or PL Outpatient Rehabilitation, none of which are Members of the Obligated Group. In such case, the consolidated financial statements shall contain consolidating statements that reflect the financial condition and results of operations on the individual basis of the Borrower, the sole Member of the Obligated Group, as of the date thereof. The Borrower expects to provide consolidated financial statements to satisfy its requirements under the Master Indenture and Continuing Disclosure Agreement, with consolidating statements reflecting the financial condition and results of operations of the Borrower.

See **"FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting –** ***Annual Financial Statements"*** and ***Appendix F***.

[Remainder of page intentionally left blank.]

FINANCIAL FORECAST

Plante & Moran, PLLC, independent certified public accountants, has examined a Financial Forecast for the five fiscal years ending March 31, 2030, which is included as ***Appendix C*** to this Official Statement. The Financial Forecast includes management's financial forecast of the Borrower for the aforementioned time period. As stated in the Financial Forecast, there will usually be differences between the forecast and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. **THE FINANCIAL FORECAST SHOULD BE READ IN ITS ENTIRETY, INCLUDING THE NOTES AND ASSUMPTIONS SET FORTH THEREIN.** See ***Appendix C*** hereto.

The table on the following page reflects the forecasted funds available for debt service and other financial ratios for the five fiscal years ending March 31, 2030 and has been extracted from the Financial Forecast included in ***Appendix C*** hereto. For purposes of the Financial Forecast, management has made the following assumptions with respect to the Series 2025 Bonds and Series 2025C Bonds:

- The Series 2025A Bonds have semiannual principal payments to begin on May 1, 2026 and continue through final maturity on November 1, 2055, semiannual interest payments to begin on May 1, 2026; and an average coupon rate of 5.28% and an average yield of 5.16%.

- The Series 2025B-1 Bonds have a final maturity date of May 1, 2031; semiannual interest payments to begin on May 1, 2026; and an interest rate of 4.1%. The Series 2025B-1 Bonds are expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on August 1, 2028 through December 1, 2028.

- The Series 2025B-2 Bonds have a final maturity date of May 1, 2031, semiannual interest payments to begin on May 1, 2026, and an interest rate of 3.65%. The Series 2025B-2 Bonds are expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on February 1, 2028 through August 1, 2028.

- The Series 2025C Bonds have a final maturity date of November 1, 2055, monthly interest payments to begin on February 1, 2026, and a SOFR-based variable rate. Draws on the Series 2025C Bonds are expected to commence at or around October 2026 and end at or around November 2027. Draws to pay interest are forecasted for the 30-month period ending June 30, 2028. The Series 2025C Bonds will have a mandatory purchase date of January 1, 2036. The Borrower entered into a forward-starting interest rate swap agreement in December 2025, which will effectively convert the SOFR-based variable rate on 95% of the maximum principal amount of the Series 2025C Bonds to a fixed rate estimated at 4.041%. The interest rate swap has a forward effective date of January 1, 2027 and a scheduled termination date of January 1, 2036.

		2026	2027	2028	2029	2030
Increase (decrease) in net assets without donor restrictions		$ 847	$ (1,228)	$ (954)	$ 2,566	$ 2,323
	Depreciation	10,130	11,521	12,683	12,828	13,062
	Interest expense	2,008	2,897	3,004	5,061	6,108
	Proceeds from refundable entrance fees	1,714	1,662	1,615	1,705	1,821
	Proceeds from nonrefundable turnover entrance fees	11,410	9,420	9,153	9,664	10,319
Deduct:	Amortization of entrance fees	(6,578)	(6,710)	(8,182)	(10,276)	(10,484)
	Refunds of entrance fees	(3,600)	(3,480)	(3,360)	(3,240)	(3,120)
	Income available for debt service	15,931	14,082	13,959	18,308	20,029
	Debt service requirements:					
	Principal payments	$ 1,497	$ 1,008	$ 1,143	$ 1,458	$ 2,606
	Interest paid	1,244	2,493	2,944	4,853	5,659
	Annual debt service	2,741	3,501	4,087	6,311	8,265
	Annual Debt Service Coverage Ratio	**5.81**	**4.02**	**3.42**	**2.90**	**2.42**

Days Cash on Hand

		2026	2027	2028	2029	2030
	Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
	Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
	Investments - Short term	14,377	14,377	12,377	16,377	11,377
	Investments	30,136	33,136	33,136	33,136	33,136
	Cash and investments	51,806	55,144	53,569	57,993	53,389
	Operating expenses	$ 48,681	$ 51,373	$ 54,168	$ 56,745	$ 58,728
	Interest expense	2,008	2,897	3,004	5,061	6,108
Deduct:	Depreciation	(10,130)	(11,521)	(12,683)	(12,828)	(13,062)
	Amortization of debt issuance costs and bond premium	(178)	(13)	(60)	(107)	(107)
	Adjusted operating expenses	40,381	42,736	44,429	48,871	51,667
	Divided by days	365	365	366	365	365
	Daily cash operating expenses	$ 110.6	$ 117.1	$ 121.4	$ 133.9	$ 141.6
	Days Cash on Hand	**468**	**471**	**441**	**433**	**377**

Cash to Debt Ratio

	2026	2027	2028	2029	2030
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Investments - Short term	14,377	14,377	12,377	16,377	11,377
Investments	30,136	33,136	33,136	33,136	33,136
Cash and investments	51,806	55,144	53,569	57,993	53,389
Current portion of debt (1)	$ 750	$ 885	$ 1,200	$ 2,348	$ 2,457
Long-term debt (1)	67,201	90,894	122,125	119,777	117,320
Debt	67,951	91,779	123,325	122,125	119,777
Cash to Debt Ratio	**76.2%**	**60.1%**	**43.4%**	**47.5%**	**44.6%**

(1) Current and long-term portion of the debt exclude the 2026B Bonds and the Unidine obligation

The above table should be considered in conjunction with the entire Financial Forecast to understand management's assumptions upon which the Financial Forecast are based. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. **MANAGEMENT'S FINANCIAL FORECAST SHOULD BE READ IN ITS ENTIRETY, INCLUDING MANAGEMENT'S NOTES AND ASSUMPTIONS SET FORTH THEREIN.**

No party has assumed any responsibility to update the information contained in the Financial Forecast after the delivery of the Series 2025 Bonds.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

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

Series 2025 Project Reports. Until the end of the fiscal quarter in which the Obligated Group achieves Stable Occupancy with respect to the Project, a monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 60 days after the completion of such month, including (each, a ***"Series 2025 Project Report"***):

(a) Prior to the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) a summary statement as to the status of construction; (iii) unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis; and (iv) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee), all in reasonable detail, certified by an officer of the Obligated Group Representative;

(b) After the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) occupancy levels of the Project as of the end of such month including the number of units that were occupied and vacated during that month and on an aggregate basis; (iii) a summary statement on the status of construction until the later of the completion of construction or the issuance of the last occupancy certificate for the Project; (iv) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last occupancy certificate for the Project; (v) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee) and (vi) a statement showing the amount of the Series 2025 Bonds that have been redeemed in the aggregate and during that calendar month, all in reasonable detail and certified by an officer of the Obligated Group Representative.

The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described above in (a) and (b) after the end of the fiscal quarter in which Stable Occupancy with respect to the Project has been achieved and the Obligated Group has commenced delivery of the quarterly reports required by the subsection below.

Quarterly Reports. Within 60 days of the end of each Fiscal Quarter (which may be subject to final year-end adjustments) commencing with the Fiscal Quarter ending June 30, 2026:

(a) 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.

(b) 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) 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; all prepared in reasonable detail and certified, subject to year end adjustment by an officer of the Obligated Group Representative.

(c) 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, 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 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 1.20:1 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

Annual Financial Statements. Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ending March 31, 2026:

(a) An annual audited financial report for the Obligated Group prepared by a firm of certified public accountants, including a balance sheet, statement of revenues and expenses, and statement of changes in fund balances with, if applicable, an unaudited consolidating balance sheet as of the end of such Fiscal Year and showing for each Fiscal Year commencing March 31, 2026, in comparative form, the financial figures for the preceding Fiscal Year.

(b) 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 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, 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.

Annual Compliance Certificate. On or before the date of delivery of the "Annual Financial Statements" referred in the immediately preceding subsection, commencing with the Fiscal Year ending March 31, 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 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, and (C) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, as required by the subsection entitled "Actuarial Reports" in this section.

Operating and Capital Budgets. Within 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.

Information Promptly Upon Receipt. Copies of (A) any board approved revisions to the annual budget provided pursuant to the immediately preceding subsection entitled "Operating and Capital Budgets", 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.

Actuarial Reports. 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, 2028.

See **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE – SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – Financial Statements and Related Matters"** in ***Appendix D***.

Continuing Disclosure

Continuing Disclosure Agreement. Borrower and the Bond Trustee, as dissemination agent (together with its successors, the ***"Dissemination Agent"***), will enter into a Continuing Disclosure Agreement dated as of December 1, 2025 (the ***"Continuing Disclosure Agreement"***) for the benefit of the holders and Beneficial Owners of the Series 2025 Bonds and in order to assist the Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission (the ***"Rule"***). The Borrower is the only "obligated person" 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 Agreement, and has no liability to any person, including any owner or Beneficial Owner of the Series 2025 Bonds, with respect to the Rule. The form of Continuing Disclosure Agreement is included as ***Appendix F*** to this Official Statement.

Secondary Market Disclosure. The Authority has not made and will not make any provision to provide any annual financial statements or other credit information of the Borrower to investors on a periodic basis.

Prior Compliance. The Borrower has not been subject to a continuing disclosure undertaking required by the Rule in the last five years.

RATING

Fitch Ratings Inc. (**"*Fitch*"**) has assigned its rating of "BBB-" to the Series 2025 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 2025 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 2025 Bonds a proposed revision or withdrawal of the rating on the Series 2025 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 2025 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 2025 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 2025 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 2025 Bonds.

UNDERWRITING

The Series 2025 Bonds are being purchased for reoffering by B.C. Ziegler and Company (the ***"Underwriter"***). The Underwriter has agreed to purchase the Series 2025 Bonds at an aggregate purchase price of $101,578,927.95 (which takes into account an underwriter's discount of $941,372.50 and net original issue premium of $750,300.45). The Purchase Contract with respect to the Series 2025 Bonds provides that the Underwriter will purchase all the Series 2025 Bonds if any are purchased.

The Underwriter intends to offer the Series 2025 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 2025 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.

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 2025 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.

MISCELLANEOUS

The information set out in **"SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE"** in ***Appendix D*** and in "**SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT**" in ***Appendix E*** 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 D*** and ***E***. 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 2025 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 Borrower or operation of The Moorings. Further, neither the Authority nor any of its officials, officers or employees assume any duties, responsibilities or obligations with respect to the Series 2025 Bonds other than those imposed, either expressly or by fair implication, upon the Authority by the Bond Indenture and the Loan Agreement.

THE MOORINGS OF ARLINGTON HEIGHTS, LLC,
as Obligated Group Representative and as Borrower

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

APPENDIX A

THE MOORINGS OF ARLINGTON HEIGHTS, LLC
ORGANIZATION AND OPERATIONS

The information provided in this Appendix A was provided by the Borrower.

TABLE OF CONTENTS

Page

THE BORROWER AND SYSTEM A-1
- History and Background A-1
- The Moorings A-2
- System Members Not in the Obligated Group A-2

GOVERNANCE AND MANAGEMENT A-5
- Governance of the Borrower and the System A-5
- Management of the System A-6

THE PROJECT A-9
- General Description A-9
- New Independent Living Units Pricing Summary A-10
- Project Costs A-10
- Marketing A-11
- Project Participants A-11

FACILITIES AND OPERATIONS A-12
- Occupancy of The Moorings A-12
- Admissions A-12
- Independent Living A-13
- Assisted Living A-16
- The Health Care Center A-17
- Resident Revenues Payor Mix A-17
- Service Area and Competition A-18
- Licensure A-18
- Accreditation and Affiliations A-18
- Insurance Coverage A-18
- Employees A-18

SUMMARY OF FINANCIAL DATA A-18
- Certain Financial Ratios A-20

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCES AND OPERATIONS A-21
- Results of Operations for the six months ended September 30, 2025 compared to the six months ended September 30, 2024 ..... A-21
- Results of Operations for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024 ..... A-21
- Results of Operations for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023 ..... A-22

INVESTMENT POLICY A-22

The information provided in this Appendix A was provided by the Borrower.

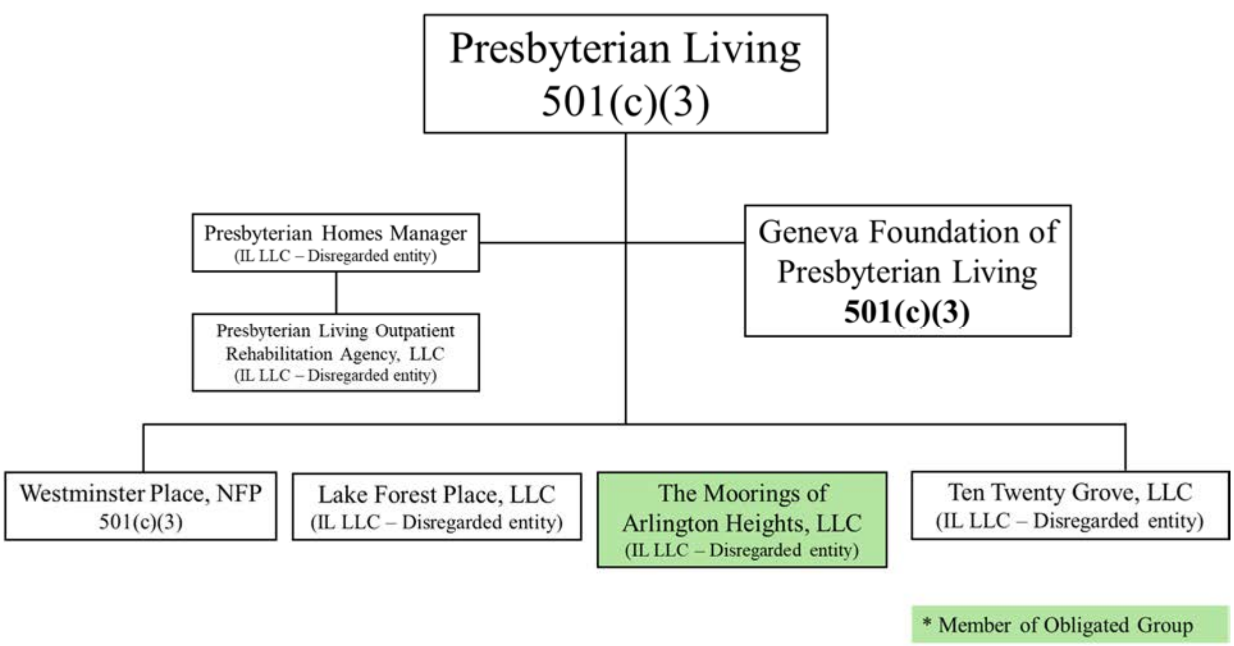
THE BORROWER AND SYSTEM

History and Background

Presbyterian Homes d/b/a Presbyterian Living (the ***"Parent"***), 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 since 1904. The Parent is the sole member of The Moorings of Arlington Heights, LLC (the ***"Borrower"***), an Illinois limited liability company. The Borrower owns and operates The Moorings of Arlington Heights ***("The Moorings"***), a Life Plan Community located in Arlington Heights, Illinois, a northwest suburb of Chicago. Pursuant to a corporate reorganization conducted in 2015, the Parent became the member of or obtained reserve corporate powers over six subsidiaries which together provide residential and health care programs for older adults in Illinois (collectively with the Parent, the ***"Operating System"***). The Parent is also the sole 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 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. Its various facilities and programs include independent living, assisted living, memory care and skilled and intermediate nursing care units.

The Operating System also includes (i) Westminster Place, an Illinois not-for-profit corporation (***"Westminster Place"***), (ii) Lake Forest Place, LLC, an Illinois limited liability company (***"Lake Forest Place"***), (iii) Ten Twenty Grove, LLC, an Illinois limited liability company (***"Ten Twenty Grove"***), and (iv) Presbyterian Homes Manager, LLC, an Illinois limited liability company (***"PH Manager"***). PH Manager is the sole member of Presbyterian Homes Outpatient Rehabilitation Agency, LLC d/b/a Presbyterian Living Outpatient Rehabilitation Agency, an Illinois limited liability company (***"PL Outpatient Rehabilitation"***). The System consists of the Parent, Westminster Place, Lake Forest Place, the Borrower, Ten-Twenty Grove, PH Manager, the Foundation, and PL Outpatient Rehabilitation. **The Borrower is the only member of the "Obligated Group" established under the Master Indenture and is the only entity obligated to make payments on the Series 2025 Bonds and the Series 2025 Obligations**. **The other entities in the System are not members of the Obligated Group and have no liability with respect to the Series 2025 Bonds or the Series 2025 Obligations**. See **"SECURITY FOR THE SERIES 2025 BONDS - The Master Indenture"** in the front part of this Official Statement and **"GOVERNANCE AND MANAGEMENT"** herein.

The following is an organizational chart showing the System:



The Moorings

The Moorings of Arlington Heights is located in Arlington Heights, Illinois, a suburb of Chicago located about 25 miles northwest of downtown. The Moorings occupies a 45-acre parcel of land located on the former site of the historic Magnus Farm. The property was purchased in 1986 by Lutheran General Health Systems (later Advocate) who developed the site into The Moorings and sold the site to the Parent in 2000.

The Moorings now offers a full continuum of care, including independent living, assisted living, assisted living with memory support, and the health care center (the ***"Health Care Center"***), which offers rehabilitation services, intermediate and memory care as well as skilled nursing care, on both a short- and long-term basis.

In 1989, an expansion on The Moorings campus resulted in construction of a 5-story independent living structure, along with twenty-five independent living villas. The remaining villas were added in 2002. In 2015, the prior assisted living building and two independent living villas were demolished and replaced with the current assisted living and memory care structure. In 2019, construction was completed of a $75 million addition consisting of 73 assisted living units, 20 memory support assisted living units, and a fellowship center, which was financed with proceeds of the Refunded Bonds.

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. See "**THE PROJECT – General Description**" for more information on renovations to the common areas and amenities at 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.

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 57 skilled nursing care beds for those who need skilled nursing care or short-term rehabilitation services, all of which are Medicare licensed and eight of which are Medicaid certified. Additionally, the Health Care Center offers 39 intermediate and memory care beds for those needing less intense nursing care or memory care for cognitive impairments like Alzheimer's disease. Skilled nursing care beds not occupied by contractual residents are marketed to the outside community.

System Members Not in the Obligated Group

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. Set forth below is an overview description of the primary facilities owned by Westminster Place, Lake Forest Place, and Ten Twenty Grove and the primary operations of PH Manager and PL Outpatient Rehabilitation. **These entities are not in the Obligated Group and do not have any liability with respect to the Series 2025 Bonds or the Series 2025 Obligations.**

Westminster Place is a Life Plan Community located on Chicago's North Shore, surrounded by a neighborhood of homes on tree-lined streets. Westminster Place occupies a 40-acre parcel in northwest Evanston, Illinois 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 235 apartments, townhouses and cottages, ranging in size from 585 square feet to approximately 2,400 square feet. In addition, 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's campus includes 100 skilled nursing-care beds for those who need skilled nursing care or short-term rehabilitation services, all of which are Medicare certified and 6 of which are Medicaid certified. 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. 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 immediately north of Northwestern Lake Forest Hospital 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. In addition, Lake Forest Place offers 20 assisted living memory support beds for those needing memory care for cognitive impairments like Alzheimer's disease.

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

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

[Remainder of this page left intentionally blank.]

PH Manager employs the management team of the System, operates and manages the System's 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's facilities and entities, including the Borrower, access to expertise and resources that might not otherwise be available to them at the campus level. The Borrower 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 agreement, the fee is determined on an annual basis by agreement between PH Manager and the respective members of the System. Certain of these services 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 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.

The Geneva Foundation of Presbyterian Living 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 six months ended September 30, 2025, the Foundation raised $4.7 million, $2.4 million, $3 million, and $1.3 million, respectively, and granted $4.2 million, $7.1 million, $4 million and $1.2 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 $198 million as of September 30, 2025, which included $153 million in cash, cash equivalents and investments. See "**THE LIQUIDITY SUPPORT AGREEMENT"** in this Official Statement for a description of the Foundation's obligation to provide liquidity support to the Borrower.

GOVERNANCE AND MANAGEMENT

Governance of the Borrower and the System

The Board of Directors of the Parent (the ***"Board"***), the sole Member of the Borrower, consists of Chicago Metropolitan Area corporate, community and religious leaders. The Board currently consists of 14 elected and one ex-officio member who collectively are responsible for the charge, control and management of the property, affairs and funds of the Parent. The Board exercises ultimate authority and responsibility for the Parent in legal, financial, and ethical matters. The Board establishes policies that determine the types of services the System offers and regularly reviews the quality of those services. The Board, together with management, is responsible for the Parent's and the System's fiscal viability and ensures that the Parent engages in effective and continuous planning.

The 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 of the Board, the Vice Chair of the Board, Secretary, and Treasurer, has the authority of the Board in emergencies between Board meetings. The other committees of the Board are the Audit, Compensation, Finance, Governance, Investment and Strategic Planning committees.

The individuals serving on the Board, the number of years served, and their occupations 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	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)
Ex-Officio Directors		
Mr. Nadim Abi-Antoun*	2	President and CEO, Presbyterian Living

* *Members of the Executive Committee*
** *Service as of September 30, 2025*

Management of the System

The System's management team, employed by PH Manager, provides the Borrower with management and administration experience. The following summarizes the background of key members of the System's management team in addition to the executive director of The Moorings.

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, a supporting organization to Presbyterian Living and its three campus communities.

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.

Lisa Vandermark, Executive Director, the Moorings of Arlington Heights. Lisa oversees all community operations, manages staff and fosters resident relations at the Moorings. She also serves on the corporate leadership committee. Lisa has worked for Presbyterian Living for nearly 30 years in multiple roles. Before joining Presbyterian Living, Lisa was a crisis worker at both Evanston and Ravenswood hospitals. As a member of the adjunct faculty at Kendall College in Evanston, she also developed curriculum for and taught courses on aging. Lisa obtained her Bachelor of Science degree from Ball State University and Master of Arts from the University of Chicago, The School of Social Service.

THE PROJECT

General Description

The Project will consist of the following expansion of and renovations to The Moorings:

- Construction of 70 new independent living units with one- or two-bedroom plus den floorplans ranging in size from 1,050-1,900 square feet in a new 5-story, approximately 172,000 square foot, building with underground parking (the ***"IL Expansion"***);
- construction of new dining and social venues, including but not limited to a coffee bar, outdoor terrace, and courtyard; and
- renovation of the existing Health Care Center units and certain common areas, including the atrium, reception, mailroom, library, lounge, game room, and entryway between buildings.

The IL Expansion is expected to be completed in November 2027. As set forth in the Financial Forecast, management of the Borrower projects the IL Expansion will achieve 95% cumulative occupancy in October 2028. Additionally, management of the Borrower projects that the portion of the Project attributable to renovating the existing Health Care Center is expected to begin construction in November 2028 and complete construction in July 2030. The remaining components of the Project are expected to be substantially completed by April 2026.

In the event that Skender Construction, LLC, the construction manager for the IL Expansion (the ***"Construction Manager"***) fails to achieve substantial completion of the IL Expansion by the date scheduled and agreed to in the herein defined Construction Manager Agreement (the ***"Substantial Completion Date"***), the Borrower shall issue a deductive change order to reduce the Contract Sum (as herein defined) at the following rates; provided, however, that in no event shall any assessed liquidated damages exceed fifty percent (50%) of the Contractor's Fee (as defined below) earned as of completion of the IL Expansion:

Days After Substantial Completion Date	***Liquidated Damages***
Within sixty (60) days of Substantial Completion Date	Grace period
After and beyond sixty (60) day grace period until ninety (90) days after Substantial Completion Date	$12,500.00 per day
After and beyond ninety (90) days after Substantial Completion Date, until substantial completion is achieved	$25,000.00 per day

The Borrower has obtained zoning and other governmental approvals necessary for the IL Expansion. Building permits necessary to commence construction have been obtained from the Village of Arlington Heights. Management of the Borrower believes that all licenses and approvals necessary for the continued construction of the Project have been issued and obtained or will be obtained as necessary for the respective portions of the Project.

The table below provides the projected unit mix upon completion of the Project:

Pro Forma Unit Mix

Accommodation	Current Structure	Projected Configuration	Difference
Independent Living	264	334	+70
Assisted Living	73	73	-
Memory Care (Assisted Living)	20	20	-
Memory/Intermediate Care (Health Care Center)	39	34	-5
Skilled Nursing (Health Care Center)	57	50	-7
Total Campus	**453**	**511**	**+58**

New Independent Living Units Pricing Summary

The table below provides a detailed unit mix and proposed pricing for the IL Expansion.

New Independent Living Unit Mix and Pricing

			LifeCare Plan A				LifeCare Plan B			
	Sq. Feet	*# Units*	*0% Refund*	*50% Refund*	*90% Refund*	*Monthly Fee*	*0% Refund*	*50% Refund*	*90% Refund*	*Monthly Fee*
1 bed, 1.5 bath, den	1,050	5	$577,000	$859,000	$1,394,000	$6,835	$472,000	$676,000	$1,056,000	$6,260
2 bed, 2 baths	1,200	25	649,000	966,000	1,568,000	6,955	539,000	774,000	1,213,000	6,380
2 bed, 2 baths, den	1,400	20	684,000	1,020,000	1,655,000	7,310	574,000	823,000	1,292,000	6,735
2 bed, 2 baths, den	1,600	15	784,000	1,168,000	1,897,000	8,015	670,000	960,000	1,508,000	7,440
2 bed, 2 baths, den	1,900	5	907,000	1,364,000	2,212,000	8,729	785,000	1,120,000	1,825,000	8,155
Subtotal / Wtd. Average:		**70**	**$701,214**	**$1,045,000**	**$1,696,929**	**$7,402**	**$589,857**	**$845,571**	**$1,331,286**	**$6,827**
Second Occupant Fee			$95,530	$95,530	$95,530	$2,865	$29,925	$29,925	$29,925	$2,290

Project Costs

The Project costs are estimated to be approximately $114 million (without accounting for any funded interest on the Series 2025 Bonds and the Series 2025C Bonds), consisting of the following:

Projected Costs of the Project

Construction	$90,744,462
Kitchen	950,000
Furniture, Fixtures, Equipment	2,393,500
IT	1,065,000
Professional Fees	7,174,711
Due Diligence	2,944,118
Owner's Contingency	6,221,565
Marketing Sales Center	950,000
Marketing Operations Costs	1,850,000
TOTAL	**$114,293,356**

Marketing

The following table shows the cumulative deposits received related to the IL Expansion:

Month/Year	Number of Deposits Received (A)	Number of Cancellations or Refunds (B)	Net Reservations per Month (A)-(B)	Cumulative Deposits Received	Cumulative % of Total New IL Units
03/2025	21	0	21	21	30.0%
04/2025	8	0	8	29	41.4
05/2025	4	0	4	33	47.1
06/2025	5	0	5	38	54.3
07/2025	4	1	3	41	58.6
08/2025	8	0	8	49	70.0
09/2025	4	1	3	52	74.3
10/2025	1	0	1	53	75.7
11/2025[(1)]	1	0	1	54	77.1

(1) *As of November 20, 2025.*

Project Participants

Development Consultant. The Borrower has entered into a Master Services Agreement (the ***"Development Consulting Agreement"***) with Plante Moran Living Forward (the ***"Development Consultant"***) pursuant to which the Development Consultant is providing, among other services, certain pre-development consulting services to the Borrower.

Architect. The Borrower has entered into a Standard Form of Agreement between Owner and Architect (the ***"Architect Agreement"***) with Perkins Eastman Architects, DPC (the ***"Architect"***) pursuant to which the Architect is providing architectural design and related services for the Project.

Construction Manager.

IL Expansion. The Borrower has entered into a AIA Document A102-2017 Standard Form Agreement between Owner and Contractor (the ***"Construction Manager Agreement"***) with the Construction Manager for the IL Expansion, which has a guaranteed not to exceed price of $70,801,980.00 (the ***"Contract Sum"***) and a contractor's fee of 3.25% of the Cost of the Work (as defined in the Construction Manager Agreement) (the ***"Contractor's Fee"***). Under the Construction Manager Agreement, the Construction Manager is providing certain pre-construction consulting services to the Borrower and under which the Construction Manager will oversee construction of the IL Expansion. The Construction Manager Agreement covers the direct construction costs of the IL Expansion and does not include furnishings and equipment, pre-opening marketing, development, management and related expenses, or architectural, engineering or similar professional fees and expenses for the IL Expansion or any services with respect to other components of the Project.

Non-IL Expansion Portion of the Project. The Borrower has entered into an AIA Document A102-2017 Standard Form of Agreement Between Owner and Contractor with Leopardo Construction, Inc., as construction manager, with a guaranteed not to exceed price of $10,563,615.00, for such portions of the Project and relating to renovations to certain areas within the assisted living building, including the common areas, the main kitchen, and the terrace, as well as renovations to the south parking lot and surrounding landscape and the sales and marketing center. The Borrower anticipates entering into additional engagements for the improvements to the Health Care Center.

Construction Monitor. The construction consulting firm of CD Construction Consulting (the ***"Construction Monitor"***), a full-service national construction consulting company who has provided services over the past 40 years and is actively monitoring construction projects valued at approximately $10 billion across the United States, has been selected and retained by the Borrower to review construction progress, quality, and contractor requisition requests on a monthly basis for the Borrower during construction of the Project. The Construction Monitor has developed unique and proprietary, industry-specific due-diligence, construction consulting and facility assessment services to fulfill financial institutions' requirements for start-up, expansion and renovation projects.

FACILITIES AND OPERATIONS

Occupancy of The Moorings

The following chart shows average occupancy rates for the fiscal years ended March 31, 2023, 2024 and 2025 and the six months ended September 30, 2025 for The Moorings.

Occupancy of The Moorings

		Fiscal Year Ended March 31,			Avg. YTD September 30,
Type of Facility	**Total Units**	**2023**	**2024**	**2025**	**2025**
Independent Living	264	91.5%	94.1%	94.4%	90.1%
Assisted Living	73	90.5%	95.5%	96.9%	98.6%
Memory Support (Assisted Living)	20	97.8%	95.9%	99.1%	99.1%
Health Care Center	96	74.0%	78.7%	78.5%	76.7%
Total/Weighted Average	**453**	**87.9%**	**91.2%**	**91.6%**	**89.0%**

The Moorings has two waitlists for independent living: preferred and standard. The preferred 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 preferred unit becomes available. If the preferred 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 November 2025, there are 27 prospective residents on the preferred waitlist, 24 prospective residents on the standard waitlist for independent living, and 9 prospective residents on the waitlist for assisted living and assisted living memory support units.

Admissions

The Moorings is 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 Borrower 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 The Moorings select a unit and pay a non-refundable deposit equal to 10% of the unit's Entrance Fee (as defined herein). 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 Borrower'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 Borrower. 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 Borrower's property remains at all times with the Borrower. The Borrower 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 Moorings, 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 Borrower 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 Moorings 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 87% of the Borrower's independent living residents as of September 30, 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 Moorings 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 $85,700 under LifeCare Plan A and $26,950 under LifeCare Plan B and is non-refundable and shall be fully amortized upon move-in.

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 Borrower 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 Borrower 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 Moorings 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.

The chart below sets forth detailed information regarding the number of residential LifeCare contracts as of September 30, 2025.

The Moorings Entrance Fee Plans

	Number of Contracts	% of Total
Traditional (0%) Refund Plan		
LifeCare Plan A	*32*	*10.8%*
LifeCare Plan B	*216*	*72.8*
Total – Traditional Refund Plan	**248**	**83.6%**
Fifty Percent (50%) Refund Plan		
LifeCare Plan A	*9*	*3.0*
LifeCare Plan B	*18*	*6.1*
Total – Fifty Percent Refund Plan	**27**	**9.1%**
Ninety Percent (90%) Refund Plan		
LifeCare Plan A	*1*	*0.3*
LifeCare Plan B	*12*	*4.0*
Total – Ninety Percent Refund Plan	**13**	**4.3%**
Eighty Percent (80%) Refund Plan – LifeCare Plan B (1)	**6**	**2.0%**
Rentals	**3**	**1.0%**
TOTAL	**297**	**100.0%**

(1) The Eighty Percent Refund Plan is no longer offered for new residents.

[Remainder of this page left intentionally blank.]

The following table shows the master price list for independent living at The Moorings (without taking into account the IL Expansion) with the number of units, square footage per unit, Entrance Fees and Monthly Service Fees based on LifeCare Plan and Entrance Fee Refund Plan options. See "**THE PROJECT** – **New Independent Living Units Pricing Summary**" above for expected pricing for the IL Expansion.

The Moorings Independent Living Unit Mix and Pricing

			LifeCare Plan A				**LifeCare Plan B**			
	Sq. Feet	**# Units**	**0% Refund**	**50% Refund**	**90% Refund**	**Monthly Service Fee**	**0% Refund**	**50% Refund**	**90% Refund**	**Monthly Service Fee**
Apartments										
1 Bedroom - The Pine	530	1	$ 207,800	$ 310,500	$ 505,100	$ 4,810	$ 159,200	$ 229,000	$ 360,700	$ 4,300
1 Bedroom - The Maple	685	13	222,100	332,100	540,400	5,025	174,300	250,800	394,900	4,515
1 Bedroom - The Elm	685	22	227,500	339,900	553,200	5,070	179,200	257,800	406,100	4,560
1 Bedroom - The Evergreen	685	23	243,200	362,500	586,400	5,090	193,700	278,500	437,000	4,580
2 Bedroom - The Willow	947	28	319,800	477,800	777,000	5,280	266,200	382,900	602,500	4,770
2 Bedroom - The Cypress	947	45	335,900	501,900	816,300	5,295	281,000	404,100	636,300	4,785
2 Bedroom - The Spruce	947	18	335,900	501,900	816,300	5,295	281,000	404,100	636,300	4,785
2 Bedroom - The Redbud	1,060	5	357,100	533,400	867,600	5,345	301,700	433,900	682,900	4,835
2 Bedroom - The Magnolia	1,205	16	401,800	600,400	976,100	5,435	345,300	496,500	781,700	4,925
2 Bedroom - The Cedar	1,370	6	424,200	633,800	1,030,500	5,745	367,600	528,800	832,000	5,235
1 Bedroom/Den - The Lilac	1,370	1	435,200	650,200	1,057,100	5,800	378,800	544,800	857,200	5,290
2 Bedroom/Den - Hawthorn	1,477	8	458,800	685,300	1,114,400	5,940	400,900	576,400	907,100	5,430
2 Bedroom/Den - Dogwood	1,632	2	490,800	733,400	1,192,700	6,305	433,400	623,300	981,000	5,795
2 Bedroom/Den - Redwood	1,632	2	490,800	733,400	1,192,700	6,305	433,400	623,300	981,000	5,795
Subtotal / Wtd. Average:		190	$ 319,148	$ 476,756	$ 775,013	$ 5,299	$ 265,988	$ 382,534	$ 602,043	$ 4,789
Villas										
2 Bedroom - The Chestnut	1,276	8	$ 397,400	$ 593,700	$ 965,600	$ 5,530	$ 342,800	$ 492,900	$ 775,700	$ 5,020
2 Bedroom - The Hickory	1,276	19	430,600	643,200	1,046,400	5,540	375,200	539,400	849,100	5,030
2 Bedroom - The Walnut	1,450	17	494,900	737,300	1,202,600	5,725	436,000	627,700	985,200	5,215
2 Bedroom - The Poplar	1,450	2	566,100	849,400	1,387,200	5,755	508,900	732,800	1,149,900	5,245
2 Bedroom - The Aspen	1,627	6	593,600	886,700	1,441,700	6,600	535,800	770,400	1,212,300	6,090
2 Bedroom - The Linden	1,700	4	556,300	831,000	1,351,600	6,155	498,800	717,500	1,129,300	5,645
2 Bedroom - The Birch	1,814	5	629,500	940,300	1,529,200	6,785	572,000	822,600	1,294,500	6,275
2 Bedroom - The Oak	2,036	11	655,900	979,800	1,593,500	7,000	598,600	860,600	1,354,500	6,490
2 Bedroom/Den - The Sequoia	2,340	2	930,900	1,334,400	2,006,900	8,100	828,900	1,197,100	1,810,800	7,440
Subtotal / Wtd. Average:		74	$ 525,907	$ 783,724	$1,271,215	$ 6,077	$ 467,749	$ 672,899	$1,056,369	$ 5,563
Total Units / Wtd. Average Fees		**264**	**$ 377,103**	**$ 562,800**	**$ 914,100**	**$ 5,517**	**$ 322,542**	**$ 463,924**	**$ 729,392**	**$ 5,006**
Second Occupant Fee			$ 85,700	$ 85,700	$ 85,700	$ 2,605	$ 26,950	$ 26,950	$ 26,950	$ 2,095

Assisted Living

Residency Contracts. The Borrower's 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 Borrower. 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 Borrower's property remains at all times with the Borrower. 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 Borrower 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 Borrower 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 Borrower, the resident must apply for admission and, if accepted, execute a new residency agreement. Such acceptance shall be at the Borrower's sole discretion.

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

Assisted Living Unit Mix and Pricing

	Sq. Feet	**# Units**	**Monthly Base Fee** (1)
Assisted Living (Traditional)			
Studio - Mulberry (Neighborhood)	491	3	$ 8,820
1 Bedroom - Sycamore (Impaired View)	587	8	9,370
1 Bedroom - Sycamore (Neighborhood)	587	28	9,915
1 Bedroom - Sycamore (Lakeview)	587	31	10,195
1 Bedroom - Juniper (Lakeview)	690	3	11,085
2 Bedroom - Laurel (2)	1,181	0	16,385
Total Units / Weighted Average Fees		**73**	**$ 9,977**
Assisted Living (Memory Support)			
Private Room	298	20	13,290
Total Units / Weighted Average Fees		**20**	**$ 13,290**

(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.

(2) The Laurel floorplan is available for prospective residents upon combination of the Mulberry and Juniper floorplans, as needed.

The Health Care Center

General. The Health Care Center provides 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 Borrower's relationship with its Health Care Center 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 Borrower. 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 Borrower's property remains at all times with the Borrower. 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 Center at The Moorings is set forth below with the number of beds, square footage per unit, and the daily base rate.

Health Care Center Unit Mix and Pricing

	Square Feet	# Beds	Daily Base Rate
Skilled Nursing			
Private	289	15	$ 653
Semi-Private	286	42	530
Intermediate Care			
Private	284	5	653
Semi-Private	275	4	530
Memory Care			
Private	278	2	653
Semi-Private	265	28	530
Total Units / Weighted Average Fees		**96**	**$ 558**
LifeCare Plan A - Resident Healthcare Rate			$ 6,650

Resident Revenues Payor Mix

The Borrower's resident revenues for licensed skilled and intermediate care nursing in the Health Care Center are derived from a variety of sources as shown in the chart below.

The Moorings Average Payor Mix – Health Care Center (by % of revenue)

	Fiscal Year Ended March 31, 2023	2024	2025	6 Months Ended September 30, 2025
Private Pay and Other	70.2%	67.2%	62.6%	57.5%
Medicare	29.8%	32.8%	37.2%	42.5%
Medicaid	0.0%	0.0%	0.2%	0.0%
Total	100.0%	100.0%	100.0%	100.0%

Service Area and Competition

Please see the Market Study in ***Note 8*** in ***Appendix C*** to this Official Statement for additional information on The Moorings' service area and competition.

Licensure

The Health Care Center at The Moorings has received the appropriate licenses from the Illinois Department of Public Health and is therefore registered to operate as a skilled and/or intermediate nursing facility. The Moorings' assisted living beds are also licensed by the Illinois Department of Public Health. The Moorings 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

The Moorings is a member of LeadingAge, LeadingAge Illinois, and Presbyterian Association of Homes and Services for the Aging (PAHSA). In addition, The Moorings currently holds a 5-Star Quality Rating System designation from the Centers for Medicare & Medicaid Services.

Insurance Coverage

The Borrower maintains insurance for property, operations and business against such casualties, contingencies and risks in amounts not less than is customary in the case of organizations engaged in the same or similar activities and similarly situated. Beginning in early 2025, the Operating System joined the Caring Communities Reciprocal Risk Retention Group, a reciprocal risk retention group insurance company based in Chicago, Illinois. Sixty-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 September 30, 2025, the Borrower employed approximately 284 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.

SUMMARY OF FINANCIAL DATA

The following Summary Statements of Operations and Changes in Net Assets without donor restrictions of the Borrower 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 six months ended September 30, 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, 2023, 2024 and 2025.

The Moorings of Arlington Heights, LLC
Statement of Operations and Changes in Net Assets Without Donor Restrictions
(In Thousands)

	Fiscal Year Ended March 31,			6 Months Ended September 30,	
	2023	**2024**	**2025**	**2024**	**2025**
Operating Revenue					
Independent living	$12,067	$13,000	$13,719	$6,964	$7,078
Amortization of entrance fees	6,204	6,113	7,191	3,424	3,050
Assisted living	10,736	11,703	12,379	6,112	6,466
Healthcare fees	13,275	14,646	15,986	7,893	8,090
Other	811	787	1,560	388	699
Contributions from Geneva Foundation	1,286	1,062	688	204	114
Total Operating Revenue	44,379	47,311	51,523	24,985	25,497
Operating Expenses					
Salaries and benefits	19,494	20,191	20,753	10,235	10,866
Supplies	2,691	2,687	2,880	1,435	1,429
Purchased services	5,657	5,794	6,081	3,014	3,183
Utilities	1,089	1,397	1,482	683	663
Other	4,938	3,852	4,741	2,399	2,962
Depreciation	9,526	9,217	9,246	4,538	4,608
Total Operating Expenses	43,395	43,138	45,183	22,304	23,711
Net Operating Income	984	4,173	6,340	2,681	1,786
Nonoperating Revenue (Expense)					
Net realized gain (loss) on investments	182	457	176	-	-
Unrealized gain (loss) on investments	(2,056)	1,382	523	1,475	1,624
Investment income	794	1,331	1,417	681	740
Change in fair value of interest rate swaps	1,549	(100)	(1,296)	(1,051)	(392)
Interest and financing expense	(1,881)	(1,869)	(1,790)	(907)	(856)
Other nonoperating income (expenses)	34	(21)	1,899	1,109	7
Total Nonoperating Revenue (Expense)	(1,378)	1,180	929	1,307	1,123
Excess (Deficit) of Revenue Over Expenses	(394)	5,353	7,269	3,988	2,909
Capital Support from Geneva Foundation	-	7	-	-	-
Increase (Decrease) in Net Assets Without Donor Restrictions	(394)	5,360	7,269	3,988	2,909
Net Assets without Donor Restrictions - Beginning of year	27,912	27,518	32,878	32,878	40,147
Net Assets without Donor Restrictions - End of year	$27,518	$32,878	$40,147	$36,866	$43,056

[Remainder of Page Intentionally Left Blank]

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 six months ended September 30, 2024 and 2025. The tables presented below should be read in conjunction with the audited consolidated financial statements and related notes thereto for the fiscal years ended March 31, 2023, 2024 and 2025 attached to this Official Statement as ***Appendix B***.

Debt Service Coverage Ratio

	Fiscal Year Ended March 31,			6 Months Ended September 30,	
	2023	**2024**	**2025**	**2024**	**2025**
Net operating income	$984	$4,173	$6,340	$2,681	$1,786
Add:					
Depreciation and amortization	9,526	9,217	9,246	4,538	4,608
Credit loss expense	219	173	67	60	60
Investment income	794	1,331	1,417	681	740
Net realized gain on investments	182	457	176	-	-
Net entrance fee received - turnover units	5,873	6,249	6,376	2,712	4,901
Less:					
Other bond expense					
Amortization of entrance fees	(6,204)	(6,113)	(7,191)	(3,424)	(3,050)
Unrestricted contributions	(1,286)	(1,062)	(688)	(204)	(114)
Net income available for debt service	10,088	14,425	15,743	7,044	8,931
Annual / Year-to-date Debt Service	3,553	3,627	3,616	1,818	1,809
Debt Service Coverage	2.84x	3.98x	4.35x	3.87 x	4.94x

Days Cash on Hand

	Fiscal Year Ended March 31,			6 Months Ended September 30,	
	2023	**2024**	**2025**	**2024**	**2025**
Cash and cash equivalents	$3,265	$2,982	$3,747	$3,078	$1,101
Investments - short term / long term	31,880	35,979	36,513	38,595	42,806
Investments - other	1,908	2,002	2,097	2,053	2,140
Total unrestricted cash & investments	37,053	40,963	42,357	43,726	46,047
Total operating expenses	$43,395	$43,138	$45,183	$22,304	$23,711
Add:					
Interest expense	1,881	1,869	1,790	907	856
Less:					
Amortization of deferred financing fees	(117)	(117)	(117)	(58)	(58)
Depreciation and amortization	(9,526)	(9,217)	(9,246)	(4,538)	(4,608)
Provisions for bad debt	(219)	(173)	(67)	(60)	(60)
Cash operating expenses	$35,414	$35,500	$37,543	$18,555	$19,841
Days in the period	365	366	365	183	183
Average daily cash expenses	97.02	96.99	102.86	101.39	108.42
Days Cash on Hand	382	422	412	431	425
Pro Forma Days Cash on Hand [(1)]	485	525	509	530	517

(1) Assumes $10,000,000 from the Liquidity Support Agreement is included in Unrestricted Cash and Investments.

Cash to Debt Ratio

	Fiscal Year Ended March 31,			6 Months Ended September 30,	
	2023	**2024**	**2025**	**2024**	**2025**
Total unrestricted cash & investments	$37,053	$40,963	$42,357	$43,726	$46,047
Total debt, including current portion	62,292	60,517	58,687	59,609	57,750
Cash to Debt (%)	59.5%	67.7%	72.2%	73.4%	79.7%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCES AND OPERATIONS

Results of Operations for the six months ended September 30, 2025 compared to the six months ended September 30, 2024

Total operating revenue increased 2.0% ($512 thousand) from $25.0 million for the six months ended September 30, 2024 to $25.5 million for the six months ended September 30, 2025. The increase primarily reflected a 4% rate increase for residential fees, partially offset by slight decreases in independent living and health care occupancy.

Total operating expenses increased 6.3% ($1.4 million) from $22.3 million for the six months ended September 30, 2024 to $23.7 million for the six months ended September 30, 2025. The increase was primarily driven by annual merit increases in salary expenses and higher employee medical insurance costs. Operating expenses for the six months ended September 30, 2025 also included a one-time loss of $340 thousand related to the disposal of fixed assets in connection with the Project.

Non-operating revenues and expenses decreased from $1.3 million for the six months ended September 30, 2024 to $1.1 million for the six months ended September 30, 2025. The decrease primarily reflected the completion and final settlement of large property insurance claims in previous fiscal year, resulting in lower insurance-related recoveries recognized through September 2025. This was partially offset by an increase in the fair value of the Borrower's interest rate swap during the period.

Historical debt service coverage improved to 4.9x as of September 30, 2025, compared to 3.9x as of September 30, 2024, driven primarily by an 80% increase in net Entrance Fee receipts from unit turnover. Unrestricted cash and investments totaled $46.0 million as of September 30, 2025, representing 425 days cash on hand, a slight decrease compared to 431 days as of September 30, 2024, reflecting increased operating expenses during the period.

Results of Operations for the fiscal year ended March 31, 2025 compared to the fiscal year ended March 31, 2024

Total operating revenue increased 8.9% ($4.2 million) from $47.3 million in fiscal year 2024 to $51.5 million in fiscal year 2025. The increase was primarily attributable to higher occupancy in independent living and assisted living, rate increases of 4% for independent living and assisted living and 5% for health care, and a 17.6% increase in the amortization of entrance fees. In addition, the Borrower received $613 thousand in governmental funding from FEMA related to its response to the COVID-19 pandemic.

Total operating expenses increased 4.7% ($2.1 million) from $43.1 million in fiscal year 2024 to $45.2 million in fiscal year 2025. The increase was primary driven by annual merit increases in salary expenses and higher costs associated with increased occupancy. Operating expenses for fiscal year 2024 included a one-time expense write-off for $825 thousand sales taxes accrual, following the Borrower's receipt of sales tax exemption status in August 2023.

Non-operating revenue and expense decreased from $1.2 million in fiscal year 2024 to $929 thousand in fiscal year 2025, reflecting stabilized market conditions resulting in lower unrealized gains on investments and a decrease in the fair value of the Borrower's interest rate swap. Other nonoperating revenue included $1.9 million insurance proceeds received during the year, net of related expenses.

Historical debt service coverage improved to 4.4x in fiscal year 2025 from 4.0x in fiscal year 2024, reflecting stronger operating performance and an increase in net entrance fee receipts from unit turnover. Unrestricted cash and investments totaled $42.4 million at March 31, 2025, representing 412 days cash on hand, a slight decrease from the prior year due to higher operating expenses.

Results of Operations for the fiscal year ended March 31, 2024 compared to the fiscal year ended March 31, 2023

Total operating revenue increased 6.6% ($2.9 million) from $44.4 million in fiscal year 2023 to $47.3 million in fiscal year 2024, reflecting a 4% rate increase and the continued recovery in occupancy across all levels of care following the COVID-19 pandemic. Total operating expenses remained approximately the same from $43.4 million in fiscal year 2023 to $43.1 million in fiscal year 2024. Higher salary-related expenses, driven by annual merit-based wage increases, and increased utility costs due to price inflation were offset by a one-time expense reduction of $825 thousand. This reduction reflected the reversal of previously accrued sales tax liabilities following the Borrower's receipt of sales tax exemption status in August 2023.

Non-operating revenue and expense improved from a net expense of $1.4 million in fiscal year 2023 to net revenue of $1.2 million in fiscal year 2024, primarily driven by favorable investment market performance as conditions stabilized post-pandemic.

Historical debt service coverage strengthened to 4.0x in fiscal year 2024, compared to 2.8x in fiscal year 2023, reflecting improved operating results and higher net entrance fee receipts from unit turnover. Unrestricted cash and investments totaled $41.0 million at March 31, 2024, representing 422 days cash on hand, an increase from 382 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 Borrower. 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 Borrower's investments by policy are set forth below. The current allocation of the Borrower's investments as of September 30, 2025 is also set forth below.

Asset Category	Minimum	Maximum	Target	Allocation as of September 30, 2025
Cash and cash equivalents	0%	16%	2%	2%
Global fixed income (including U.S.)	35%	65%	54%	52%
Global equities (including U.S.)	15%	55%	37%	39%
Real assets	0%	15%	7%	7%
TOTAL			100%	100%

The Borrower expects any funding under the Liquidity Support Agreement to be provided from unrestricted funds of the Foundation. The asset allocation ranges of the Foundation's unrestricted funds by policy are set forth below.

Asset Category	Minimum	Maximum
Cash and cash equivalents	0%	10%
Global fixed income (including U.S.)	20%	60%
Global equities (including U.S.)	30%	70%
Real assets	0%	20%

* * * * *

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE BORROWER

[THIS PAGE INTENTIONALLY LEFT BLANK]

The Moorings of Arlington Heights, LLC

Financial Report

March 31, 2025

Contents

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets without Donor Restrictions	4
Statement of Cash Flows	5
Notes to Financial Statements	6-19

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Auditor's Report

To the Board of Directors
The Moorings of Arlington Heights, LLC

Opinion

We have audited the financial statements of The Moorings of Arlington Heights, LLC (The Moorings), which comprise the statement of financial position as of March 31, 2025 and 2024 and the related statements of operations and changes in net assets without donor restrictions and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Moorings 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 Financial Statements* section of our report. We are required to be independent of The Moorings 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

To the Board of Directors
The Moorings of Arlington Heights, LLC

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 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 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 Moorings' 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Moorings' 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

Statement of Financial Position

March 31, 2025 and 2024
(In Thousands)

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 3,747	$ 2,982
Short-term investments	14,377	10,940
Accounts receivable - Net of allowance of $414 and $420, respectively	1,506	829
Due from related parties	290	249
Prepaid expenses and other	436	2,320
Total current assets	20,356	17,320
Investments	22,136	25,039
Property and Equipment - Net	116,247	111,966
Other Long-term Assets		
Other assets	166	166
Entrance fees receivable	1,272	744
Interest rate swap	1,137	2,433
Assets limited as to use	3,502	2,002
Total other long-term assets	6,077	5,345
Total assets	**$ 164,816**	**$ 159,670**
Liabilities and Net Assets without Donor Restrictions		
Current Liabilities		
Accounts payable and accrued expenses	$ 5,641	$ 6,731
Current portion of long-term debt	2,003	1,947
Safekeeping accounts	581	537
Deposits - Entrance fees	2,068	502
Refundable entrance fees payable	2,900	2,900
Total current liabilities	13,193	12,617
Long-term Debt - Net of current portion	56,684	58,570
Other Long-term Liabilities	75	74
Entrance Fees		
Deferred revenue from nonrefundable entrance fees - Net of amortization	42,230	41,534
Refundable entrance fees	12,487	13,997
Total entrance fees	54,717	55,531
Total liabilities	124,669	126,792
Net Assets - Without donor restrictions	40,147	32,878
Total liabilities and net assets without donor restrictions	**$ 164,816**	**$ 159,670**

See notes to financial statements.

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	$ 13,719	$ 13,000
Amortization of entrance fees	7,191	6,113
Assisted living	12,379	11,703
Health care fees	15,986	14,646
Other	1,560	787
Contributions from Geneva Foundation	688	1,062
Total operating revenue	51,523	47,311
Operating Expenses		
Salaries and benefits	20,753	20,191
Supplies	2,880	2,687
Purchased services	6,081	5,794
Utilities	1,482	1,397
Other	4,741	3,852
Depreciation	9,246	9,217
Total operating expenses	45,183	43,138
Net Operating Income	6,340	4,173
Nonoperating Revenue (Expense)		
Realized gain on investments - Net	176	457
Unrealized gain on investments	523	1,382
Investment income	1,417	1,331
Change in fair value of interest rate swap	(1,296)	(100)
Interest expense	(1,790)	(1,869)
Other	1,899	(21)
Total nonoperating revenue	929	1,180
Excess of Revenue Over Expenses	7,269	5,353
Capital Support from Geneva Foundation	-	7
Increase in Net Assets without Donor Restrictions	7,269	5,360
Net Assets without Donor Restrictions - Beginning of year	32,878	27,518
Net Assets without Donor Restrictions - End of year	**$ 40,147**	**$ 32,878**

See notes to financial statements.

Statement of Cash Flows

Years Ended March 31, 2025 and 2024

(In Thousands)

	2025	2024
Cash Flows from Operating Activities		
Increase in net assets	$ 7,269	$ 5,360
Adjustments to reconcile increase in net assets to net cash and cash equivalents from operating activities:		
Net change in realized net gains	(176)	(457)
Net change in unrealized net gains	(523)	(1,382)
Proceeds from the sale of investments	12,730	8,165
Purchase of investments	(12,566)	(10,426)
Credit loss expense	67	173
Depreciation	9,246	9,217
(Gain) loss on disposal of property and equipment	(1,939)	34
Amortization of deferred financing fees	117	117
Change in fair value of interest rate swap	1,296	100
Amortization of entrance fees	(7,191)	(6,113)
Proceeds from nonrefundable turnover entrance fees	8,411	8,546
Payment of lease liability	-	(9)
Amortization of right-of-use operating lease assets	-	11
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Accounts receivable	(743)	(614)
Due to related parties	(41)	(331)
Prepaid expenses and other	1,884	(1,797)
Entrance fee receivables and deposits	1,038	715
Other long-term assets	(1,500)	(94)
Accounts payable and accrued expenses	(1,216)	275
Safekeeping accounts	43	48
Net cash and cash equivalents provided by operating activities	16,206	11,538
Cash Flows from Investing Activities		
Purchase of property and equipment	(13,398)	(9,313)
Insurance proceeds from involuntary conversion	1,881	1,681
Proceeds from sale of property and equipment	58	-
Net cash and cash equivalents used in investing activities	(11,459)	(7,632)
Cash Flows from Financing Activities		
Payment of long-term debt	(1,947)	(1,892)
Proceeds from refundable entrance fees	239	526
Payment of entrance fee refunds	(2,274)	(2,823)
Net cash and cash equivalents used in financing activities	(3,982)	(4,189)
Net Increase (Decrease) in Cash and Cash Equivalents	765	(283)
Cash and Cash Equivalents - Beginning of year	2,982	3,265
Cash and Cash Equivalents - End of year	**$ 3,747**	**$ 2,982**
Supplemental Cash Flow Information		
Cash paid for interest	$ 1,670	$ 1,735
Capital expenditures in accounts payable - Beginning of year	1,261	1,397
Capital expenditures in accounts payable - End of year	1,389	1,261

Note 1 - Nature of Business

The Moorings of Arlington Heights, LLC (The Moorings) consists of 264 independent living apartments and villas; 73 one-bedroom assisted living apartments; 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.

Presbyterian Living, a 501(c)(3) nonprofit corporation, is the sole member of The Moorings. Effective with the year ended March 31, 2025, Presbyterian Homes and Affiliates has changed its operating name to Presbyterian Living and Affiliates. Presbyterian Living is also the sole member of Geneva Foundation of Presbyterian Living (the "Foundation"), which provides financial support to The Moorings at the direction of Presbyterian Living.

Presbyterian Living is the sole member of Presbyterian Homes Manager, LLC (PH Manager). PH Manager employs the management team of Presbyterian Living. PH Manager operates and manages The Moorings by providing a number of services on a centralized basis under the terms of a management services agreement. The Moorings 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 The Moorings.

Note 2 - Significant Accounting Policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The financial statements include only the accounts of The Moorings and do not include the activity of its sole member (Presbyterian Living) or other related entities. All amounts within the notes are disclosed in thousands.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 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 Moorings considers all investments with an original maturity of three months or less when purchased to be cash equivalents.

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

The Moorings 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 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 Moorings 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 Moorings 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 Moorings calculates the allowance using an expected loss model that considers The Moorings' actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Moorings considers creditworthiness of the payors 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 $388.

Investments

Investments are recorded at fair value. Net realized and unrealized gains and losses on net assets without donor restrictions are recorded in the statement of operations and changes in net assets without donor restrictions as a component of nonoperating revenue. The Moorings designates its investments as trading securities.

Other long-term assets as of March 31, 2025 and 2024 represent assets limited as to use investments in which The Moorings has funds held in escrow and investments restricted by contractual agreements.

Risks and Uncertainties

The Moorings 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 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.

The Moorings 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 Moorings does not believe that there are any factors or circumstances indicating impairment of its long-lived assets as of March 31, 2025 or 2024.

Note 2 - Significant Accounting Policies (Continued)

Derivative Instruments

The Moorings utilizes derivative instruments to mitigate its exposure to interest rate fluctuations. All derivative instruments are recorded in the statement of financial position at fair value. The Moorings did not elect hedge accounting. Therefore, the change in the fair value of derivative instruments is reflected in nonoperating revenue (expense) in the accompanying 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 Moorings has established an escrow account with a financial institution. The account is funded with six months of debt service and will be released upon the satisfaction of the obligations of the related debt. The balance of this account was $2,097 and $2,002 as of March 31, 2025 and 2024, 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.

Independent Living, Assisted Living, and Health Care Fees

The Moorings generates revenue primarily by providing health care services and housing to its residents. The Moorings' 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 Moorings 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 Moorings' 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 Moorings 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 Moorings has concluded that each day 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 Moorings 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 Moorings 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 Moorings' 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 refundable portion of entrance fees received is shown as a liability on the 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 Moorings' experience, actual payment of refunds under this provision has not been and is not expected to be significant, and the entire nonrefundable portion of entrance fees 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 Moorings 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 Moorings 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 Moorings recognizes revenue for these contracts under Accounting Standards Codification (ASC) 606.

Deferred Finance 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 7), The Moorings incurred $1,013 of deferred financing fees.

Obligation to Provide Future Services

Annually, The Moorings 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 at March 31, 2025 and 2024.

Note 2 - Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets of The Moorings 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 Moorings.

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 Moorings or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. No such net assets existed at March 31, 2025 and 2024.

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 Moorings 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 statement of operations and changes in net assets without donor restrictions 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. Donor-restricted contributions whose restrictions are met within the year in which the gifts are recognized are reported as contributions without donor restrictions in the accompanying financial statements.

Charity Care

The Moorings 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 Moorings' 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 Moorings actually receives from residents (i.e., excluding charity care provided) is recorded as revenue. Charity care equals the unreimbursed costs incurred by The Moorings related to the residents receiving charity care, which is calculated on the basis of the estimated total expenses incurred by The Moorings related to the recipients of charity care, less the amounts received from those residents. Funds to support these residents are provided to The Moorings 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 13). The financial statements report certain expense categories that are attributable to one or more program or supporting functions. These expenses include information technology costs, interest expense, insurance expense, and property taxes. The information technology costs are allocated based on units of service. 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.

(In Thousands)

Note 2 - Significant Accounting Policies (Continued)

Income Taxes

The Moorings is a single-member limited liability company and, therefore, is considered to be a disregarded entity for tax purposes.

Net Operating Income

The 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 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 and transfers of assets to and from affiliates under common control.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including July 8, 2025, which is the date the financial statements were available to be issued.

Note 3 - Accounts Receivable

The Moorings 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 68 percent from private payors and 32 percent from Medicare/Medicare Advantage. The mix of receivables from residents and third-party payors for the year ended March 31, 2024 was 50 percent from private payors and 50 percent from Medicare/Medicare Advantage.

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

	2025	2024
Balance - Beginning of year	$ 420	$ 255
Additions charged to expense	67	173
Deductions/Write-offs	(73)	(8)
Balance - End of year	$ 414	$ 420

Note 4 - Investments

The components of the investments are as follows:

	2025	2024
Money market funds	$ 10,365	$ 4,507
Fixed income	12,315	13,701
Equities	8,720	10,377
U.S. Treasury bills	3,955	6,356
Other	1,158	1,038
Total	$ 36,513	$ 35,979

(In Thousands)

Note 5 - 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 that The Moorings 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 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. 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.

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 Moorings' assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The following tables present information about The Moorings' assets measured at fair value on a recurring basis at March 31, 2025 and 2024 and the valuation techniques used by The Moorings 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				
Investments:				
Fixed income - Mutual funds	$ 12,315	$ -	$ -	$ 12,315
Equities - Mutual funds	8,720	-	-	8,720
Balanced - Mutual funds	1,158	-	-	1,158
Money market funds	10,365	-	-	10,365
U.S. Treasury bills	-	3,955	-	3,955
Total investments	$ 32,558	$ 3,955	$ -	$ 36,513
Assets limited as to use:				
Money market funds	$ 1,405	$ -	$ -	$ 1,405
U.S. Treasury bills	-	2,097	-	2,097
Total assets limited to use	$ 1,405	$ 2,097	$ -	$ 3,502
Interest rate swap	$ -	$ 1,137	$ -	$ 1,137

(In Thousands)

Note 5 - Fair Value Measurements (Continued)

	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				
Investments:				
Fixed income - Mutual funds	$ 13,701	$ -	$ -	$ 13,701
Equities - Mutual funds	10,377	-	-	10,377
Balanced - Mutual funds	1,038	-	-	1,038
Money market funds	4,507	-	-	4,507
U.S. Treasury bills	-	6,356	-	6,356
Total investments	$ 29,623	$ 6,356	$ -	$ 35,979
Assets limited as to use - U.S. Treasury bills	$ -	$ 2,002	$ -	$ 2,002
Interest rate swap	$ -	$ 2,433	$ -	$ 2,433

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.

The fair value of the Treasury bills at March 31, 2025 was determined primarily based on Level 2 inputs. The Moorings estimates the fair value of the Treasury bills using quoted prices for similar assets in active markets.

Note 6 - 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	$ 8,580	$ 7,805	10 - 25
Buildings and building improvements	180,183	173,587	5 - 50
Equipment	31,257	28,964	4 - 10
Construction in progress	4,609	748	-
Total cost	224,629	211,104	
Less accumulated depreciation	(108,382)	(99,138)	
Net property and equipment	$ 116,247	$ 111,966	

Construction in progress at March 31, 2025 and 2024 relates to various projects to improve the facility. As of March 31, 2025, outstanding construction commitments totaled $2,208.

(In Thousands)

Note 7 - Long-term Debt

Long-term debt at March 31, 2025 and 2024 consisted of the following:

	2025	2024
The Moorings Variable Rate Revenue Bonds, Series 2016A	$ 25,040	$ 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
Total long-term debt	58,862	60,810
Less unamortized deferred financing fees	(175)	(293)
Less current maturities	(2,003)	(1,947)
Total long-term debt - Less current maturities	$ 56,684	$ 58,570

On September 30, 2016, The Moorings entered into loan agreements with the Illinois Finance Authority (the "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.

Under the terms of the Series 2016 Bonds, 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	Amount
2026	$ 2,003
2027	56,859
Total	$ 58,862

(In Thousands)

Note 8 - Derivatives

The derivative instrument used by The Moorings 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 Moorings 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 fair value of the interest rate swap as of March 31, 2025 and 2024 is an asset of $1,137 and $2,433, respectively. 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 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 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	

Note 9 - Charity Care

Pursuant to its statement of organization, The Moorings 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, seven and eight residents, respectively, received charity services. The Moorings' estimated net cost of providing charity care was approximately $263 and $655 for the years ended March 31, 2025 and 2024, respectively.

Note 10 - Retirement Plans

Presbyterian Living sponsors a defined contribution retirement plan that covers substantially all full-time employees and part-time employees of The Moorings 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 Moorings' total expense to the plan was $649 and $627 during the years ended March 31, 2025 and 2024, respectively.

Note 11 - Deferred Compensation

Presbyterian Living has a deferred compensation plan that covers selected employees of The Moorings. Presbyterian Living, in its discretion, may make nonelective accruals to the plan on behalf of its plan participants. Total amounts accrued to the plan for the years ended March 31, 2025 and 2024 were $24 and $23, respectively, which is included in accounts payable and accrued expenses within the statement of financial position.

Note 12 - Revenue Recognition

A summary of the payment arrangements with major third-party payors is as 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.

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 Moorings' historical settlement activity. The Moorings has not applied a constraint to the transaction price for settlement estimates, as The Moorings 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 Moorings 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 Moorings 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.

(In Thousands)

Note 12 - Revenue Recognition (Continued)

The Moorings 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 Moorings' 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.

The composition of independent living, assisted living, health care fees, and other revenue (excluding grant revenue described in Note 17 of $613 and $0 in 2025 and 2024, respectively) by primary payor for the years ended March 31 is as follows:

	2025	2024
Payors:		
Private	$ 37,045	$ 35,332
Medicaid, Medicare/Medicare Advantage	5,986	4,804
Total	$ 43,031	$ 40,136

Note 13 - Functional Expenses

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

	2025	2024
Program:		
Salaries and benefits	$ 18,935	$ 18,611
Supplies	2,776	2,595
Purchased services	4,505	4,402
Utilities	1,453	1,356
Other	1,545	1,570
Depreciation	9,246	9,217
Interest expense	1,664	1,729
Total program	40,124	39,480
Support services:		
Salaries and benefits	1,818	1,580
Supplies	104	92
Purchased services	1,576	1,392
Utilities	29	41
Other	3,196	2,282
Interest expense	126	140
Total support services	6,849	5,527
Total	$ 46,973	$ 45,007

(In Thousands)

Note 14 - Liquidity

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

	2025	2024
Cash and cash equivalents	$ 3,747	$ 2,982
Short-term investments	14,377	10,940
Accounts receivable - Net	1,506	829
Due from related parties	290	249
Total	$ 19,920	$ 15,000

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 statement of financial position date.

The Moorings 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 Moorings has certain investments, as noted in Note 4, that may be made available for general expenditures within the next year.

Note 15 - Commitments and Contingencies

Litigation

The Moorings is subject to asserted and unasserted claims encountered in the normal course of business. The Moorings' 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 Moorings or unasserted claims that may result in such proceedings, The Moorings' 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 Moorings' financial condition or results of operations.

Captive Insurance

Presbyterian Living and The Moorings have professional and general liability insurance coverage through Caring Communities, a reciprocal risk retention group domiciled in the District of Columbia, USA.

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 Moorings' retention ranges from $5 to $100 per claim.

(In Thousands)

Note 16 - Related Party Transactions

The following is a description of transactions between The Moorings and related parties:

Receivables

At March 31, 2025 and 2024, The Moorings had balances due from related parties consisting of the following:

	2025	2024
Geneva Foundation of Presbyterian Living	$ -	$ 71
Presbyterian Homes Manager, LLC	259	173
Lake Forest Place, LLC	-	5
Westminster Place	31	-
Total	$ 290	$ 249

Payables

Beginning in the year ended March 31, 2018, Presbyterian Living 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. Presbyterian Living 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, Presbyterian Living 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. At March 31, 2025 and 2024, any liability related to employee health insurance programs are payable to PH Manager.

At March 31, 2025 and 2024, The Moorings had no balances due to related parties.

Management Fees

For the years ended March 31, 2025 and 2024, The Moorings incurred expenses related to services provided by PH Manager, as described in Note 1, in the amount of $3,032 and $2,996, respectively.

Note 17 - Grant Revenue

The Moorings has received funding from FEMA for use in response to the COVID-19 pandemic totaling $613 and $0 for the years ended March 31, 2025 and 2024, respectively. These payments are not subject to repayment, provided The Moorings 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 payments and the impact of the pandemic on The Moorings' operating results through March 31, 2025 and 2024, The Moorings 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 Moorings has recognized $613 and $0 of funding from all government sources as other operating revenue on the statement of operations and changes in net assets without donor restrictions for the years ended March 31, 2025 and 2024, respectively.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FINANCIAL FORECAST

The Moorings of Arlington Heights, LLC

Examined Financial Forecast

Five Years Ending

March 31, 2026 through 2030

Contents

Report Letter	1
Forecasted Financial Statements	
Statement of Operations and Changes in Net Assets without Donor Restrictions	2
Statement of Cash Flows	3
Statement of Financial Position	4
Schedule of Certain Financial Ratios	5
Summary of Significant Forecast Assumptions and Accounting Policies	6-60
Additional Information	61
Report Letter	62
Sensitivity Analysis	63-64

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Accountant's Report

To the Board of Directors
The Moorings of Arlington Heights, LLC

We have examined the accompanying forecast of The Moorings of Arlington Heights, LLC (The Moorings), which comprises the forecasted statement of financial position as of March 31, 2026 through 2030 and the related forecasted statements of operations and changes in net assets without donor restrictions and cash flows for the years then ending, based on the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. The Moorings' management is responsible for preparing and presenting the forecast in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. Our responsibility is to express an opinion on the forecast based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

As discussed Note 1 to the financial forecast, this financial forecast takes into account certain changes that were not anticipated on November 26, 2025, the date a previous forecast was issued for the same forecast period. We previously examined and, on November 26, 2025, reported on the previous forecast. Our report on that forecast is withdrawn and should no longer be relied upon for any purpose.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant requirements relating to the engagement.

In our opinion, the accompanying forecast is presented, in all material respects, in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

There will be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Plante & Moran, PLLC

December 17, 2025

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

Years Ending March 31, 2026 through 2030
(In Thousands)

	2026	2027	2028	2029	2030
Operating Revenue					
Independent living	$ 14,030	$ 14,384	$ 15,537	$ 20,941	$ 22,719
Amortization of entrance fees	6,578	6,710	8,182	10,276	10,484
Assisted living	12,670	12,930	13,383	13,778	14,086
Health care fees	15,682	15,659	15,540	15,682	15,837
Other	854	880	920	1,022	1,070
Contributions from Geneva Foundation	904	920	1,010	1,038	1,141
Total operating revenue	50,718	51,483	54,572	62,737	65,337
Operating Expenses					
Salaries and benefits	21,841	22,726	23,560	24,654	25,571
Supplies	2,865	2,924	3,043	3,377	3,502
Purchased services	6,879	7,430	7,577	7,592	7,812
Utilities	1,380	1,428	1,565	1,746	1,807
Other	5,586	5,344	5,740	6,548	6,974
Depreciation	10,130	11,521	12,683	12,828	13,062
Total operating expenses	48,681	51,373	54,168	56,745	58,728
Net Operating Income	2,037	110	404	5,992	6,609
Nonoperating Revenue (Expenses)					
Investment income	1,425	1,353	1,440	1,429	1,616
Change in fair value of interest rate swap	(607)	-	-	-	-
Interest expense	(2,008)	(2,897)	(3,004)	(5,061)	(6,108)
Other	-	206	206	206	206
Total nonoperating expenses	(1,190)	(1,338)	(1,358)	(3,426)	(4,286)
Excess of Revenue Over (Under) Expenses - Increase (decrease) in net assets without donor restrictions	847	(1,228)	(954)	2,566	2,323
Net Assets without Donor Restrictions - Beginning of year	40,147	40,994	39,766	38,812	41,378
Net Assets without Donor Restrictions - End of year	**$ 40,994**	**$ 39,766**	**$ 38,812**	**$ 41,378**	**$ 43,701**

See summary of significant forecast assumptions and accounting policies and independent accountant's report.

Forecasted Statement of Cash Flows

Years Ending March 31, 2026 through 2030
(In Thousands)

	2026	2027	2028	2029	2030
Cash Flows from Operating Activities					
Increase (decrease) in net assets	$ 847	$ (1,228)	$ (954)	$ 2,566	$ 2,323
Adjustments to reconcile increase (decrease) in net assets to net cash and cash equivalents from operating activities:					
Depreciation	10,130	11,521	12,683	12,828	13,062
Loss on disposal of property and equipment	361	-	-	-	-
Amortization of deferred financing fees and bond premium	178	13	60	107	107
Amortization of deferred revenue - Unidine contract	-	(206)	(206)	(206)	(206)
Change in fair value of interest rate swap	607	-	-	-	-
Amortization of entrance fees	(6,578)	(6,710)	(8,182)	(10,276)	(10,484)
Proceeds from nonrefundable turnover entrance fees - Initial	-	-	15,004	21,636	-
Proceeds from nonrefundable turnover entrance fees	11,410	9,420	9,153	9,664	10,319
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:					
Accounts receivable	690	1	6	(7)	(8)
(Purchase of investments) proceeds from sale and maturities of investments	(8,000)	(3,000)	2,000	(4,000)	5,000
Entrance fee receivables and deposits	1,832	-	(1,600)	(1,800)	-
Accounts payable and accrued expenses	2,400	(227)	(426)	98	642
Net cash and cash equivalents provided by operating activities	13,877	9,584	27,538	30,610	20,755
Cash Flows from Investing Activities					
Change in funded interest fund	(6,990)	1,350	3,869	1,771	-
Change in project fund	(18,358)	18,358	-	-	-
Purchase of property and equipment - Project	(20,615)	(46,051)	(36,626)	(3,695)	(6,777)
Routine purchase of property and equipment	(10,081)	(8,155)	(8,796)	(10,343)	(9,677)
Net cash and cash equivalents used in investing activities	(56,044)	(34,498)	(41,553)	(12,267)	(16,454)
Cash Flows from Financing Activities					
Scheduled principal payments on the Series 2016 Bonds	(1,497)	-	-	-	-
Refunding of Series 2016 Bonds	(57,365)	-	-	-	-
Proceeds from issuance of Series 2025A Bonds	63,870	-	-	-	-
Proceeds from issuance of Series 2025B Bonds	37,900	-	-	-	-
Proceeds from issuance of Series 2025C Bonds	4,081	24,578	32,431	-	-
Payment of debt issuance costs	(2,767)	-	-	-	-
Proceeds from bond premium	750	-	-	-	-
Principal payments on the Series 2025A Bonds	-	(750)	(885)	(930)	(1,090)
Principal payments on the Series 2025B Bonds	-	-	(7,060)	(30,840)	-
Principal payments on the Series 2025C Bonds	-	-	-	(270)	(1,258)
Proceeds from interest rate swap termination	530	-	-	-	-
Proceeds from Unidine agreement	-	3,500	-	-	-
Repayment on Unidine agreement	-	(258)	(258)	(258)	(258)
Change in Illinois Life Care Facilities Act fund	(1,913)	-	-	-	-
Change in entrance fee escrow fund	-	-	(10,691)	12,096	-
Proceeds from refundable entrance fees - Initial	-	-	2,648	3,818	-
Proceeds from refundable entrance fees	1,714	1,662	1,615	1,705	1,821
Refunds of entrance fees	(3,600)	(3,480)	(3,360)	(3,240)	(3,120)
Net cash and cash equivalents provided by (used in) financing activities	41,703	25,252	14,440	(17,919)	(3,905)
Net (Decrease) Increase in Cash and Cash Equivalents	(464)	338	425	424	396
Cash and Cash Equivalents - Beginning of year	3,747	3,283	3,621	4,046	4,470
Cash and Cash Equivalents - End of year	**$ 3,283**	**$ 3,621**	**$ 4,046**	**$ 4,470**	**$ 4,866**
Supplemental Cash Flow Information - Cash paid for interest	$ 1,244	$ 2,493	$ 2,944	$ 4,853	$ 5,659

The Moorings of Arlington Heights, LLC

Forecasted Statement of Financial Position

March 31, 2026 through 2030
(In Thousands)

	2026	2027	2028	2029	2030
Current Assets					
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Short-term investments	14,377	14,377	12,377	16,377	11,377
Accounts receivable - Net of allowance	816	815	809	816	824
Assets limited as to use - Entrance fee escrow fund	-	1,405	12,096	-	-
Due from related parties	290	290	290	290	290
Prepaid expenses and other	436	436	436	436	436
Total current assets	19,202	20,944	30,054	22,389	17,793
Investments	30,136	33,136	33,136	33,136	33,136
Property and Equipment - Net	136,561	179,682	212,809	214,019	217,411
Assets Limited As To Use					
Funded interest fund	6,990	5,640	1,771	-	-
Project fund	18,358	-	-	-	-
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Entrance fee escrow fund	1,405	-	-	-	-
Total assets limited as to use - Net of current portion	30,763	9,650	5,781	4,010	4,010
Other Long-term Assets					
Other assets	166	166	166	166	166
Entrance fees receivable	1,272	1,272	1,272	1,272	1,272
Total other long-term assets	1,438	1,438	1,438	1,438	1,438
Total assets	**$ 218,100**	**$ 244,850**	**$ 283,218**	**$ 274,992**	**$ 273,788**
Current Liabilities					
Accounts payable and accrued expenses	8,040	7,812	7,385	7,482	8,124
Current portion of long-term debt - Series A and C Bonds	750	885	1,200	2,348	2,457
Current portion of long-term debt - Series B Bonds	-	7,060	30,840	-	-
Current portion Unidine obligation	-	258	258	258	258
Safekeeping accounts	581	581	581	581	581
Deposits - Entrance fees	3,900	3,900	2,300	500	500
Refundable entrance fees payable	2,900	2,900	2,900	2,900	2,900
Total current liabilities	16,171	23,396	45,464	14,069	14,820
Long-term Debt - Net of current portion	103,197	120,279	121,119	118,879	116,529
Other Long-term Liabilities					
Unidine obligation - Net of current portion	-	2,778	2,314	1,850	1,386
Other liabilities	75	75	75	75	75
Total other long-term liabilities	75	2,853	2,389	1,925	1,461
Entrance Fees					
Deferred revenue from nonrefundable entrance fees - Net of amortization	47,062	49,773	65,748	86,772	86,607
Refundable entrance fees	10,601	8,783	9,686	11,969	10,670
Total entrance fees	57,663	58,556	75,434	98,741	97,277
Total liabilities	177,106	205,084	244,406	233,614	230,087
Net Assets - Without donor restrictions	40,994	39,766	38,812	41,378	43,701
Total liabilities and net assets without donor restrictions	**$ 218,100**	**$ 244,850**	**$ 283,218**	**$ 274,992**	**$ 273,788**

See summary of significant forecast assumptions and accounting policies and independent accountant's report.

Forecasted Schedule of Certain Ratios

Years Ending March 31, 2026 through 2030
(In Thousands)

Debt Service Coverage Ratio

	2026	2027	2028	2029	2030
Increase (decrease) in net assets without donor restrictions	$ 847	$ (1,228)	$ (954)	$ 2,566	$ 2,323
Depreciation	10,130	11,521	12,683	12,828	13,062
Interest expense	2,008	2,897	3,004	5,061	6,108
Proceeds from refundable entrance fees	1,714	1,662	1,615	1,705	1,821
Proceeds from nonrefundable turnover entrance fees	11,410	9,420	9,153	9,664	10,319
Deduct: Amortization of entrance fees	(6,578)	(6,710)	(8,182)	(10,276)	(10,484)
Refunds of entrance fees	(3,600)	(3,480)	(3,360)	(3,240)	(3,120)
Income available for debt service	15,931	14,082	13,959	18,308	20,029
Debt service requirements:					
Principal payments	$ 1,497	$ 1,008	$ 1,143	$ 1,458	$ 2,606
Interest paid	1,244	2,493	2,944	4,853	5,659
Annual debt service	2,741	3,501	4,087	6,311	8,265
Annual Debt Service Coverage Ratio	**5.81**	**4.02**	**3.42**	**2.90**	**2.42**

Days Cash on Hand

	2026	2027	2028	2029	2030
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Investments - Short term	14,377	14,377	12,377	16,377	11,377
Investments	30,136	33,136	33,136	33,136	33,136
Cash and investments	51,806	55,144	53,569	57,993	53,389
Operating expenses	$ 48,681	$ 51,373	$ 54,168	$ 56,745	$ 58,728
Interest expense	2,008	2,897	3,004	5,061	6,108
Deduct: Depreciation	(10,130)	(11,521)	(12,683)	(12,828)	(13,062)
Amortization of debt issuance costs and bond premium	(178)	(13)	(60)	(107)	(107)
Adjusted operating expenses	40,381	42,736	44,429	48,871	51,667
Divided by days	365	365	366	365	365
Daily cash operating expenses	$ 110.6	$ 117.1	$ 121.4	$ 133.9	$ 141.6
Days Cash on Hand	**468**	**471**	**441**	**433**	**377**

Cash to Debt Ratio

	2026	2027	2028	2029	2030
Cash and cash equivalents	$ 3,283	$ 3,621	$ 4,046	$ 4,470	$ 4,866
Illinois Life Care Facilities Act fund	4,010	4,010	4,010	4,010	4,010
Investments - Short term	14,377	14,377	12,377	16,377	11,377
Investments	30,136	33,136	33,136	33,136	33,136
Cash and investments	51,806	55,144	53,569	57,993	53,389
Current portion of debt (1)	$ 750	$ 885	$ 1,200	$ 2,348	$ 2,457
Long-term debt (1)	67,201	90,894	122,125	119,777	117,320
Debt	67,951	91,779	123,325	122,125	119,777
Cash to Debt Ratio	**76.2%**	**60.1%**	**43.4%**	**47.5%**	**44.6%**

(1) Current and long-term portion of the debt exclude the 2026B Bonds and the Unidine obligation

Note 1 - Nature and Limitations of Forecast

This financial forecast presents, to the best of management's knowledge and belief, the expected statement of operations and changes in net assets without donor restrictions, statement of cash flows, statement of financial position, and schedule of certain financial ratios of The Moorings of Arlington Heights, LLC (as defined in Note 2) as of and for each of the five years ending March 31, 2026 through 2030. Accordingly, the examined forecast reflects management's judgment as of November 26, 2025, the date of this forecast, of the expected conditions and the expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast and are not all-inclusive. Even if the financing is obtained and the project is completed, as described in the accompanying assumptions, there will be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The accompanying forecast takes into account certain changes that were not anticipated on November 26, 2025, the date a previous forecast was issued for the same forecast period, and that previous forecast should no longer be relied upon. Management is updating the previous forecast to reflect the following:

- Changes to the plan of finance based on the bond purchase agreement for the Series 2025 Bonds (defined in Note 3) executed on December 9, 2025; and changes to the sources and uses of funds related to the Series 2025 Bonds.

Management's financial forecast (the "Forecast") has been prepared for the specific purpose of presenting the forecasted statements of financial position, operations and changes in net assets without donor restrictions, and cash flows of The Moorings.

Fundamental to the Forecast is the assumption that the operations of The Moorings will be competently and efficiently managed and its services professionally and consistently marketed. In addition, the validity of the Forecast will decrease substantially in proportion to the time elapsed since its preparation. Management's Forecast has been prepared in connection with the issuance of the Series 2025 Bonds (defined in Note 3). Management does not intend to update the Forecast subsequent to its issuance, and, accordingly, there are risks inherent to referring to, or using, this Forecast in the future as it may, and most likely will, become outdated.

The assumed interest rates, principal payments, financing assumptions, and assumptions pertaining to the forecasted revenue, expenses, and cash flows are described in the Forecast subsequently herein. If the actual interest rates, principal payments, funding requirements, or other financing assumptions related to the Series 2025 Bonds are different from those assumed, the principal amount of the Series 2025 Bonds, and associated debt service requirements, would need to be adjusted, accordingly, from those indicated in the Forecast. If interest rates, principal payments, and funding requirements are lower than those assumed, then such adjustments would not adversely affect the Forecast.

Future results will be affected, favorably or unfavorably, by events and circumstances that may be beyond the control of management. Such events and circumstances may include (but are not limited to) changes in demand for and utilization of services, material cost overruns (e.g., significant change orders, etc.) in the actual construction costs or significant delay in the forecasted timing, performance by the contractors, changes in services provided by other competing senior housing and service providers in the service area, changes in government regulations, and local economic conditions.

Note 1 - Nature and Limitations of Forecast (Continued)

The Moorings of Arlington Heights, LLC (The Moorings) 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 (the “Existing Community”) in Arlington Heights, Illinois.

Note 2 - Background Information and Project Description (Continued)

Presbyterian Living, a 501(c)(3) nonprofit corporation, is the sole member of The Moorings. Effective with the year ended March 31, 2025, Presbyterian Homes and Affiliates has changed its operating name to Presbyterian Living and Affiliates. Presbyterian Living is also the sole member of Geneva Foundation of Presbyterian Living (the "Foundation"), which provides financial support to The Moorings at the direction of Presbyterian Living.

Presbyterian Living is the sole member of Presbyterian Homes Manager, LLC (PH Manager). PH Manager employs the management team of Presbyterian Living. PH Manager operates and manages The Moorings by providing a number of services on a centralized basis under the terms of a management services agreement. The Moorings pays PH Manager a fee for the provision of these services. Pursuant to the management services agreements, the fee is determined on an annual basis by agreement between PH Manager and The Moorings.

The Moorings is planning to construct and equip a new independent living building within the existing community (the “Project”), which is expected to consist of 70 apartments (the “Independent Living Units”) and shared amenity spaces, and renovations to existing common areas.

References herein to “The Moorings” include both the Existing Community and the Project.

The Project includes the following:

The Moorings plans to construct a 70-unit new open-concept independent living residences, ranging from 1,050 to 1,900 square feet, in a five-story building. The residences will feature dining, wellness and community spaces, and underground parking. The Project also includes renovations to shared spaces, a new sales center, and outdoor amenity areas (common areas). Lastly, the Project includes funding for renovations to its health care area including cosmetic updates to resident rooms, bathrooms, corridors, dining areas, and shared spaces, as well as enhancements to the dining area. The Project is currently estimated to cost approximately $114 million in total to complete. The Project will be financed with temporary and fixed bond debt with the ability to prepay a portion of the debt in the first three years upon receipt of the entrance fees as residents move into the new independent living units. It is also forecasted that $13.9 million and $3.5 million will be funded by The Moorings and its dining vendor, Unidine Corporation (see Note 5), respectively. The Project began in April 2025, with the first residents expected to move into the new independent living units beginning in fall 2027.

The construction of the Project is forecasted by management to be financed by the proceeds of the Series 2025 Bonds. The Series 2025 Bonds are forecasted to be dated and delivered on or around January 15, 2026. The Series 2025 Bonds are forecasted to be secured by The Moorings’ assets, revenue, and an assignment of leases and rents.

Note 2 - Background Information and Project Description (Continued)

The following table summarizes the number of units/beds at The Moorings before and after completion of the Project:

Level of Care	Number of Units/Beds Before the Project is Complete	Project Additions (Reductions)	Number of Units/Beds After the Project is Complete
Independent Living Units	264	70	334
Assisted Living Units	73	0	73
Assisted Living Memory Support	20	0	20
Skilled Nursing Care	57	(7)	50
Intermediate or Memory Nursing Care	39	(5)	34
	453	**58**	**511**

The following table summarizes a detailed unit mix and proposed pricing for the 70 new independent living units:

IL Expansion (the Project)	Square Feet	Number of Units	Lifecare Plan (Plan A) - Monthly Fee	Modified Healthcare Plan (Plan B) - Monthly Fee
1 bedroom,1.5 bath, den	1,050	5	$6,835	$6,260
2 bedrooms, 2 baths	1,200	25	6,955	6,380
2 bedrooms, 2 baths, den	1,400	20	7,310	6,735
2 bedrooms, 2 baths, den	1,600	15	8,015	7,440
2 bedrooms, 2 baths, den	1,900	5	8,729	8,155
Total/Weighted Average		**70**	**$7,402**	**$6,827**

Management has forecasted that the Series 2025 Bonds will be issued on December 30, 2025, and the forecasted project timeline (construction through stabilization) is as follows:

Timeline	Start	Finish	Months
Independent Living Units and Common Areas			
Commons Renovation	4/1/2025	4/1/2026	12
Construction (70 Units)	3/1/2026	11/1/2027	20
Lease Up (70 Units)	11/1/2027	11/1/2028	12
Health Care Renovations			
Health Care Renovation	11/1/2028	7/1/2030	20

Note 3 - Sources and Uses of Funds

A summary of the forecasted sources and uses of funds for The Moorings' financing for the Project is provided in the following table (in thousands):

Sources	Total	
Bond Proceeds - Par Amount ("Series 2025 Bonds")	$ 162,860	(1)
Net Premium	750	(9)
Other Sources of Funds:		
Swap Termination	530	(2)
Equity Contribution	13,947	(3)
Unidine Funding	3,500	(4)
Total Sources	**$ 181,587**	
Uses		
Project Fund - TEMPS and Fixed	$ 39,838	
Project Fund - Bank	57,009	
Project Costs Funded with Equity/Unidine	17,447	
Total Project Costs	114,294	(5)
Refunding Escrow Deposit - Cash Deposit	57,365	(6)
Accrued Interest - Series 2016 Bonds	149	
Other Fund Deposits:		
Funded Interest on Fixed and TEMPS	3,791	
Funded Interest on Bank Debt	3,216	
Total Other Fund Deposits	7,007	(7)
Delivery Date Expenses:		
Cost of Issuance	1,693	
Underwriter's Discount and Placement Agent Fee	1,079	
Total Delivery Date Expenses	2,772	(8)
Total Uses	**$ 181,587**	

Certain summaries, assumptions, rationale, and descriptions included in the Forecast are more fully described in the offering documents pertaining to the Series 2025 Bonds. For more detailed information regarding the proposed terms, conditions, debt service requirements, and any other requirements of the Series 2025 Bonds, all the Series 2025 Bond-related documents should be read in their entirety. As of the date of the Forecast, there is no written agreement to obtain such financing and any differences in the terms of the financing could have a material impact on the Forecast.

The Series 2025 Bonds are forecasted to be subject to certain financial covenant provisions and targets. The Moorings has forecasted a covenant for long-term debt service coverage ratio of no less than 1.20 commencing with the fiscal years ending March 31, 2026 through 2030.

Note 3 - Sources and Uses of Funds (Continued)

It is forecasted that the Foundation, a related party through common control, will provide support through a liquidity support agreement for The Moorings for up to $10 million.

(1) The Moorings' underwriter, B.C. Ziegler and Company (the "Underwriter"), has indicated that proceeds in the amount of approximately $162.9 million are estimated to be generated from the proposed refinancing of the Series 2016 Bonds and the proposed issuance of bonds during 2025. The Underwriter has indicated the following structure and terms of the Series 2025 Bonds:

- $63.9 million of tax-exempt fixed rate bonds (the "Series 2025A Bonds"), which includes $57.4 million of refinancing the Series 2016 Bonds and $6.5 million for the Project. The Series 2025A Bonds have term maturities to November 1, 2055; semiannual principal payments to begin on May 1, 2026; semiannual interest payments to begin on May 1, 2026; and an average coupon rate of 5.28 percent and an average yield of 5.16 percent.

- $37.9 million of tax-exempt mandatory paydown securities (TEMPS) (the "Series 2025B Bonds") consisting of the following:

  i. $15.6 million of tax-exempt fixed rate bonds (the "Series 2025B-1 Bonds"), with a final maturity date of May 1, 2031; semiannual interest payments to begin on May 1, 2026; and an interest rate of 4.1 percent per annum is expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on August 1, 2028 through December 1, 2028.

  ii. $22.3 million of tax-exempt fixed rate bonds (the "Series 2025B-2 Bonds"), with a maturity date of May 1, 2031; semiannual interest payments to begin on May 1, 2026; and an interest rate of 3.65 percent per annum is expected to be repaid from initial entrance fees from first-generation residents of the independent living units beginning on February 1, 2028 through August 1, 2028.

- $61.1 million bank loan (the "Series 2025C Bonds"), with a maturity date of November 1, 2055; monthly interest payments to begin on February 1, 2026; and assumed SOFR-based variable-rate loan. It is forecasted that this loan will be a draw down loan with expected construction draws commencing at or around October 2026 and ending at or around November 2027 and draws for interest are forecasted for the 30 month period ending June 30, 2028. The Series 2025C Bonds will have a mandatory purchase date of January 1, 2036. The Moorings entered into a forward-starting interest rate swap agreement in December 2025, which shall convert the SOFR-based variable rate to a fixed rate estimated at 4.041 percent. Such interest rate swap will cover approximately 95 percent of the outstanding par amount of the Series 2025C Bonds. The interest rate swap has a forward effective date of January 1, 2027 and a scheduled maturity date of January 1, 2036.

(2) Management intends to terminate the interest rate swap held by The Moorings and use those funds to pay a portion of the costs of optionally redeeming the Series 2016 Bonds during the year ending March 31, 2026.

(3) Management has forecasted that The Moorings will utilize approximately $13.9 million of its cash and investments for payment of a portion of the costs of the Project.

Note 3 - Sources and Uses of Funds (Continued)

(4) The Moorings has entered into an agreement with Unidine Corporation (Unidine) to provide dining services to The Moorings for a term of 87 months. As part of this agreement, Unidine has agreed to invest $3.5 million toward further improvements to The Moorings' dining service facilities. Of this, $1.5 million is an absorbed investment that will not be required to be repaid to Unidine unless the agreement is terminated, which is not assumed during this forecast period. The Moorings is required to repay Unidine for the $2 million upfront investment over the length of the agreement beginning in fiscal year 2026. The $1.5 million is accounted for in the Forecast as deferred revenue, amortized into income over the term of the contract.

(5) Management has forecasted total project costs of approximately $114.3 million, which include costs for design and consulting, construction, furniture and equipment, development costs, and marketing costs of the Project. These costs are partially based on guaranteed maximum price (GMP) construction contracts provided by the general contractors, Skender and Leopardo. It should be noted that, although management has entered into GMP contracts, adjustments for allowances, certain materials price escalations not included in the GMP, change orders, or other circumstances not addressed in the contract could result in the total construction costs exceeding the maximum price that was established by the GMP contract. It is forecasted that marketing costs will be expensed as incurred during the forecast period. Costs of the projects include $100.8 million for the 70 independent living units and common areas and $13.5 million for the health care area renovations. It is forecasted that The Moorings will receive reimbursement of costs already incurred related to the Project at closing.

(6) This amount is forecasted to represent the cash deposit of approximately $57.3 million that The Moorings will use to pay off previously issued debt.

(7) Management and the Underwriter have forecasted funded interest in the amount of approximately $7 million, which is net of forecasted investment earnings on the Project Fund and Funded Interest Fund, and represents interest on a portion of the Series 2025A, Series 2025B, and Series 2025C Bonds through June 30, 2028.

(8) Management and the Underwriter have estimated costs related to the Underwriter's discount and placement agent fee, legal fees, accounting fees, and other costs associated with the proposed issuance of the Series 2025 Bonds to approximate $2.8 million.

(9) The Series 2025 Bonds are forecasted to be issued at an original issue premium of $750,000.

Project Cost Summary (In Thousands)

Construction costs	$ 90,744
Kitchen	950
Furnitures, fixtures, and equipment	2,394
Information technology	1,065
Professional fees	7,175
Due diligence	2,944
Owner's contingency	6,221
Marketing sales center	950
Marketing operational expenses	1,850
Total	$ 114,293

Note 4 - Significant Accounting Policies

Use of Estimates

The preparation of forecasted financial statements in conformity with generally accepted accounting principles 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 forecasted 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 Moorings considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Cash within investment portfolios is presented as short-term investments on the forecasted statement of financial position.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets are comprised of various operating supplies and insurance premiums paid in advance.

Accounts Receivable

Accounts receivable for residents, insurance companies, and governmental agencies are based on the amount of charges to which The Moorings 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 Moorings 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 Moorings calculates the allowance using an expected loss model that considers The Moorings' actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. The Moorings considers creditworthiness of the payors 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.

Investments and Assets Limited as to Use

Investments and assets limited as to use are assumed to be carried at fair value. Assets limited as to use represent funds restricted for specific purposes by third parties. Amounts to be used for current liabilities are classified as current portion of assets limited as to use in the accompanying forecasted statement of financial position.

The Moorings 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 forecasted statement of financial position.

Note 4 - Significant Accounting Policies (Continued)

Investment Income

Investment income, other than that capitalized as part of the Project, is reported as operating income. Management assumes no material changes in fair values or realized gains or losses during the forecast period.

Property and Equipment

Property and equipment are stated 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.

Entrance Fees Receivable

Entrance fees receivable represent amounts due on continuing care contracts entered into during the years ending March 31, 2026 through 2030 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 forecasted to be fully collectible.

Independent Living, Assisted Living, and Health Care Fees

The Moorings generates revenue primarily by providing health care services and housing to its residents. The Moorings' 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 Moorings 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 Moorings' 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 Moorings 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 Moorings has concluded that each day 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 Moorings determines the transaction price based on contractually agreed-upon amounts or rates.

Note 4 - Significant Accounting Policies (Continued)

Entrance Fees

Entrance fees represent fees paid by residents upon entering into life care and other continuing care contracts. The Moorings 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 Moorings' performance obligation. Nonrefundable entrance fees are forecasted as deferred revenue and amortized into income using the straight-line method over the estimated remaining life expectancy, adjusted annually, for each resident. The refundable portion of entrance fees received is shown as a liability on the forecasted 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 48 months of residency, generally subject to reoccupancy of the unit by a new resident. Based on The Moorings' experience, actual payment of refunds under this provision has not been and is not expected to be significant, and the entire nonrefundable portion of entrance fees is included in deferred revenue and amortized over the estimated remaining life expectancy of the resident or residents to whom it applies.

The Moorings 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 Moorings 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 Moorings recognizes revenue for these contracts under Accounting Standards Codification (ASC) 606.

Obligation to Provide Future Services

Annually, The Moorings 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 forecasted with a corresponding charge to income. It is forecasted that no future service obligation will exist during the forecast period.

Deferred Finance 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 forecasted balance of the related outstanding long-term debt. In conjunction with the issuance of long-term debt (see Note 3), The Moorings incurred $3,018 of deferred financing fees.

Classification of Net Assets

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

Note 4 - Significant Accounting Policies (Continued)

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 Moorings.

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 Moorings 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 Moorings 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 forecasted statement of operations and changes in net assets without donor restrictions 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. Donor-restricted contributions whose restrictions are met within the year in which the gifts are recognized are reported as contributions without donor restrictions in the accompanying forecasted financial statements.

Income Taxes

The Moorings is a single-member limited liability company and, therefore, is considered to be a disregarded entity for tax purposes and there is no tax liability recognized during the forecast period.

Net Operating Income

The forecasted 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 (Under) Expenses

The forecasted statement of operations and changes in net assets without donor restrictions includes excess of revenue over (under) expenses. Changes in net assets without donor restrictions, which are excluded from excess of revenue over (under) expenses, consistent with industry practice, include the acquisition of property and equipment financed by donor-restricted contributions and transfers of assets to and from affiliates under common control.

Note 5 - Basis for Forecast of Revenue and Entrance Fees

Forecasted revenue consists of revenue from operating The Moorings during the forecast period. Management has forecasted this revenue based upon its historical experience operating the Existing Community and its plans for operating the community upon completion of the Project during the forecast period. The occupancy and operating revenue are particularly sensitive assumptions.

Independent Living

Forecasted resident service revenue related to independent living consists of revenue from operating the independent living units during the forecast period.

Management has forecasted the following occupancy for the independent living units during the forecast period:

	2026	2027	2028	2029	2030
Average Available Units	264.0	264.0	293.2	334.0	334.0
Average Occupied Units	252.8	250.0	275.2	301.3	311.0
Average Percent Occupied	95.8%	94.7%	93.9%	90.2%	93.1%

Management has forecasted the second person occupancy for the new independent living units constructed as part of the Project to be 65 percent for both 2028 and 2029.

Forecasted occupancy for the new independent living units is based upon the forecasted move-in schedule for these units, which is summarized on the following table:

Month/Year	Total Available Units	Net Move-ins	Cumulative Occupancy Number	Cumulative Occupancy Percent
November 2027	70	5.5	5.5	7.9%
December 2027	70	5.5	11.1	15.8%
January 2028	70	5.5	16.6	23.7%
February 2028	70	5.5	22.2	31.7%
March 2028	70	5.5	27.7	39.6%
April 2029	70	5.5	33.2	47.5%
May 2028	70	5.5	38.8	55.4%
June 2028	70	5.5	44.3	63.3%
July 2028	70	5.5	49.9	71.2%
August 2028	70	5.5	55.4	79.1%
September 2028	70	5.5	60.9	87.1%
October 2028	70	5.5	66.5	95.0%
Thereafter	70		66.5	95.0%

Note 5 - Basis for Forecast of Revenue and Entrance Fees (Continued)

The following table summarizes the forecasted weighted-average monthly service fees for the independent living units (both new and existing) during the forecast period:

	2026	2027	2028	2029	2030
Weighted Average Monthly Service Fee - First person	$ 5,027	$ 5,207	$ 5,503	$ 5,754	$ 5,979
Weighted Average Monthly Service Fee - Second person	2,053	2,126	2,208	2,299	2,382

Thee new independent living units being constructed as part of the Project are forecasted to be available for occupancy beginning in November 2027.

The weighted-average monthly service fees are based upon the forecasted occupancy of the independent living units as summarized above.

Management has forecasted that monthly fees for the existing independent living units will be increased by an average of 3.5 percent per year throughout the forecast period.

Management has forecasted that monthly fees for the new independent living units being constructed as part of the Project will remain flat between fiscal years 2028 and 2029 and then will increase by an average of 3.5 percent through 2030.

Assisted Living

Forecasted assisted living and memory care resident service revenue consists of revenue from operating the assisted living units during the forecast period. Management has forecasted the following occupancy during the forecast period:

	2026	2027	2028	2029	2030
Average Available Beds	93.0	93.0	93.0	93.0	93.0
Average Occupied Beds	89.8	88.5	88.5	88.0	87.0
Average Percent Occupied	96.5%	95.2%	95.2%	94.6%	93.5%

The following table summarizes the forecasted weighted-average monthly service fees for the assisted living and memory care units during the forecast period:

	2026	2027	2028	2029	2030
Average Monthly Fees	$ 10,641	$ 11,013	$ 11,399	$ 11,802	$ 12,204

Note 5 - Basis for Forecast of Revenue and Entrance Fees (Continued)

Skilled Nursing Care

Forecasted resident service revenue related to the nursing home consists of revenue from operating the Skilled Nursing Beds during the forecast period. Management has forecasted the following occupancy and payor mix for the skilled nursing beds during the forecast period:

	2026	2027	2028	2029	2030
Average Available Beds	57.0	57.0	57.0	50.0	50.0
Average Occupied Beds	39.0	38.0	37.0	37.0	36.0
Average Percent Occupied	68.4%	66.7%	64.9%	74.0%	72.0%
Payor Mix:					
Medicaid, Medicare, and Managed Care	47%	44%	45%	44%	42%
Private Pay	53%	56%	55%	56%	58%
Total	100%	100%	100%	100%	100%

The following table summarizes the forecasted weighted-average daily service fees for the skilled nursing beds during the forecast period.

	2026	2027	2028	2029	2030
Weighted-average Daily Fees	$ 582	$ 594	$ 604	$ 614	$ 624

Intermediate or Memory Nursing Care

Forecasted resident service revenue related to the memory nursing care consists of revenue from operating the memory nursing beds during the forecast period. Management has forecasted the following occupancy during the forecast period:

	2026	2027	2028	2029	2030
Average Available Beds	39.0	39.0	39.0	34.0	34.0
Average Occupied Beds	35.5	34.5	33.0	32.0	32.0
Average Percent Occupied	91.0%	88.5%	84.6%	94.1%	94.1%

The following table summarizes the forecasted weighted-average daily service fees for the memory nursing beds during the forecast period:

	2026	2027	2028	2029	2030
Weighted-average Daily Fees	$ 549	$ 567	$ 589	$ 607	$ 628

Contributions from the Geneva Foundation

It is forecasted that The Moorings will receive an annual contribution from the Foundation based on historical contributions made by the Foundation.

Note 5 - Basis for Forecast of Revenue and Entrance Fees (Continued)

Investment Income

Investment income consists of interest earned on available cash and cash equivalents, investments, and assets limited as to use. Management assumed realized interest earnings rates during the forecast period of approximately 3.5 percent annually based upon historical earnings rates and current economic conditions.

Note 6 - Basis for Forecast of Operating Expenses

Operating expenses have been forecasted based upon management's experience, historical costs for existing facilities, and local wage data and are adjusted for changes in occupancy and utilization.

Salaries and Benefits

The following table summarizes management's assumed staffing levels and wage rates for the Forecast:

	2026	2027	2028	2029	2030
Total FTEs	250.30	252.48	253.08	257.17	257.97
Weighted-average Hourly Rates	$ 36.18	$ 37.45	$ 38.60	$ 39.72	$ 41.06

Management has forecasted salaries and wages using the following assumptions:

- Management's forecasted staffing levels are based on experience with other facilities and benchmarking information, adjusted for expected increases in the assisted living occupancy.
- Salaries and wages are based on the benchmark information, historical experience operating similar types of facilities, and local wage data. Salaries and wages are forecasted to increase 3.5 percent annually throughout the forecast period based on expectations of future market factors, in addition to specific forecasted changes outside of the disclosed inflation factors related to the Project.
- Management plans to hire certain positions prior to opening the facility. Most planned added positions relate to maintenance and dining.

The cost of employee benefits consists primarily of payroll taxes, health insurance, workers' compensation, retirement benefits, and other miscellaneous items.

Management is forecasting benefits will increase for inflation by approximately 3.5 percent during the forecast period based on expectations of future market factors with any increases exceeding 3.5 percent passed through to the employees. Management is also forecasting adjustments to benefits based on other experience and to reflect changes in the number of employees. Total payroll taxes and benefits are forecasted to be approximately 24 percent of salaries and wages throughout the forecast period.

Supplies

Management is forecasting that the cost of supplies will increase at an inflationary rate of 3.5 percent during the forecast period based on management's experience. In addition, management has expected an increase in these expenses related to an increase in the census starting in fiscal year ending 2029 once the Project has been placed into service.

Note 6 - Basis for Forecast of Operating Expenses (Continued)

Purchased Services

Management is forecasting that the cost of purchased services will increase in line with certain revenue streams, of which a certain portion of associated labor is outsourced.

Management Fees

Management has forecasted a management fee of 6.25 percent of budgeted operating revenue will be charged to The Moorings by PH Manager during the forecast period.

Interest Expense

Prior to the issuance of the Series 2025 Bonds, interest expense is forecasted based upon the terms of the Series 2016 Bonds and related amortization of the associated deferred financing costs associated with the existing debt. Upon issuance of the Series 2025 Bonds, interest expense is forecasted related to the debt service requirements of the Series 2025 Bonds and related amortization of the deferred financing costs associated with the Series 2025 Bonds. Management has capitalized interest expense and amortization of deferred financing costs related to the Project during the development and construction of the Project.

Marketing

Management has forecasted the following marketing expenses for the new independent living units during the forecast period based on estimates provided by their internal marketing department (in thousands):

	2026	2027	2028	2029	2030
Marketing Expense	$ 47	$ 188	$ 368	$ 748	$ 499

Utilities

Management has forecasted utilities based on existing costs on campus. The cost is assumed to increase annually at an inflationary rate of 3.5 percent.

Other

Management is forecasting that the cost of other non-labor-related expenses, including real estate taxes, and other costs will increase at an inflationary rate of 3.5 percent during the forecast period based on management's experience. In addition, management has expected an increase in these expenses related to an increase in the census starting in fiscal year 2028 once the Project has been placed into service.

Note 7 - Basis for Forecast of Other Items

Accounts Receivable

Average days in accounts receivable for resident revenue is forecasted to be 19 days of annual health care fee revenue.

Note 7 - Basis for Forecast of Other Items (Continued)

Property and Equipment

Other than costs related to the Project, management forecasts capital expenditures for expected routine capital expenditures will be $47 million for the years ending March 31, 2026 through 2030.

Forecasted net property and equipment are summarized as follows (in thousands):

	2026	2027	2028	2029	2030
Total Land, Buildings, and Equipment	$ 255,074	$ 309,716	$ 355,526	$ 369,564	$ 386,018
Accumulated Depreciation	(118,513)	(130,034)	(142,717)	(155,545)	(168,607)
Net Land, Buildings, and Equipment	$ 136,561	$ 179,682	$ 212,809	$ 214,019	$ 217,411

Current Assets and Liabilities

Various assets and liabilities have been forecasted by management based upon The Moorings historical experience and experience of similar facilities.

Accounts Payable and Accrued Expenses

The average number of days in accounts payable is forecasted to be 71 days of cash operating expenses for the forecast period. These days are assumed by management based on The Moorings' historical payment cycle throughout the forecast period.

Interest Rate Swap

It is forecasted that The Moorings will execute an interest rate swap agreement associated with the bank Series 2025 Bonds to mitigate its exposure to interest rate fluctuations. It is also forecasted that The Moorings will terminate its interest rate swap agreement associated the Series 2016 Bonds and will receive approximately $530,000 for termination of the swap agreement related to the Series 2016 Bonds based on the current interest rates and the planned timing of the swap termination. Since it is difficult to forecast variable interest rates, management has not forecasted the fair value or changes thereto of its interest rate swap agreements throughout the forecast period related to the Series 2025 Bonds.

Assets Whose Use is Limited

In general, the following funds are anticipated to be required to be maintained by the trustee of the Series 2025 Bonds:

Funded Interest Fund - Upon the assumed issuance of the Series 2025 Bonds, the funded interest fund is forecasted to be funded to pay for interest on that portion of the Series 2025 Bonds related to the Project for the first 30 months after issuance. Amounts forecasted for funded interest are net of investment earnings of approximately 3.5 percent.

Project Fund - A project fund has been forecasted to be funded from proceeds of the Series 2025 Bonds to include the forecasted amount of funds needed to pay for project-related costs, not funded by The Moorings or Unidine.

Life Care Act Reserve - Pursuant to the Illinois Life Care Facilities Act, The Moorings has established escrow accounts with financial institutions. The account balance is forecasted to be six months of debt service on the Series 2025A and C Bonds.

Note 7 - Basis for Forecast of Other Items (Continued)

Long-term Debt

Series 2025 Bonds - See Note 3 for a summary of the terms of the Series 2025 Bonds.

Series 2016 Bonds - On September 30, 2016, The Moorings entered into loan agreements with the Illinois Finance Authority (the "Authority") covering the Authority's issuance of revenue bonds, Series 2016A, Series 2016B, Series 2016C, and Series 2016D, in an original aggregate amount of $69,615,000 (the "Series 2016 Bonds"). The Moorings is the only member of The Moorings Obligated Group established under the Master Trust Indenture and the only entity obligated to make payments on the Series 2016 Bonds issued under the Master Trust Indenture. Under the terms of a mortgage and security agreement from The Moorings to Amalgamated Bank of Chicago (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 April 1, 2025 is 4.55 percent.

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 $5,000,000.

It is forecasted that The Moorings Series 2016 Bonds will be refinanced with a portion of the proceeds from the Series 2025 Bonds.

The principal payments on the Series 2025 Bonds are forecasted to be paid a combination of monthly and semiannual, commencing on May 1, 2026. Below summarizes the forecasted principal payments for the years ending March 31 (in thousands):

Years Ending March 31	Principal
2027	$ 750
2028	7,945
2029	32,040
2030	2,348
2031	2,457
Thereafter	117,320
Total	$ 162,860

Note 8 - Market Study

November 2025

The Moorings of Arlington Heights Exam

Management's assumptions for the future utilization of the Project and The Moorings existing campus were developed based on analysis of the following factors, which may affect the demand for the services:

- Site description and general area analysis for the Project and The Moorings existing campus
- Defined market area (MA) for the Project and The Moorings existing campus
- Demographic and economic characteristics for the defined MA
- Estimated age and income qualified households within the MA
- Description and utilization of existing and proposed independent living, assisted living, memory care, and nursing care communities in the MA
- Penetration rates for independent living, assisted living, memory care, and nursing care in the MA
- Management's ability to market the Project

Site Description

The Moorings is a Life Plan Community nestled on a beautifully landscaped 45-acre campus in Chicago's northwest suburbs. Originally part of the historic Magnus Farm, the community offers a serene, country-like setting with tranquil ponds, flowering gardens, mature trees, walking paths, while just minutes from shopping and dining. The community has convenient access to downtown Chicago which is approximately 25 miles southeast of the campus.

Independent living at The Moorings is currently offered in both villas and apartments, while The Highlands building delivers assisted living with personalized support for daily activities, and The Moorings offers memory care units. The Moorings Health Center offers skilled nursing, short-term rehabilitation, and specialized nursing home level memory care programs. Additional services include adult day programs and access to campus amenities such as fitness facilities, dining venues, and creative studios.

Note 8 - Market Study (Continued)

Market Area Definition

The MA is defined as the geographic region from which the facility can expect to draw the highest concentration of residents. Generally, anywhere from 50 percent to 90 percent of a facility's residents are drawn from the market area. This percentage, referred to as the market draw, will vary depending upon several factors including, but not limited to: a facility's reputation within a community, a facility's relationship with referral sources in the market area, physical barriers such as rivers and other bodies of water, interstates, and major roadways (these barriers may not only serve to make access to a facility difficult, but may also increase travel time to a facility, possibly rendering the facility a less desirable option for the resident or their family), psychological barriers such as a state or county's political borders that residents of an area are reluctant to cross in order to receive services (these boundaries can also include differences in ethnic and social backgrounds), size of the market area, appeal of the community, and the competitive environment. The reason a percentage of the residents come from outside the market area can be attributed to the following factors: a desire of the senior to be closer to family, a desire to return to an area of former residence, reputation of the facility, and desirability of the area as a retirement destination.

The MA definition for The Moorings was defined based on analysis of historical admissions, analysis of the area, location of competitors, and discussions with management. The Moorings MA represents 61 percent of the resident admissions for independent living, assisted living, and memory care from 2023 through October 2025 as well as the Project depositor admissions as of October 15, 2025. All MA zip codes fall within a 10-mile radius and on or within a 15-minute drive time of The Moorings campus. The MA falls almost entirely in Cook County.

The following table includes The Moorings MA zip codes, as defined by the U.S. Postal Service. This market area is for independent living, assisted living, memory care, and nursing care levels of care.

The Moorings of Arlington Heights - Market Area Definition

		IL Admissions	AL/MC Admissions	IL Expansion Project Depositors	All Admissions	
Zip	**City**	**2023-2025**	**2023-2025**	**2025**	**Total**	**% of Total**
Site:						
60005	Arlington Heights, IL	7	12	9	28	11%
Other:						
60056	Mount Prospect, IL	11	23	5	39	16%
60004	Arlington Heights, IL	17	14	4	35	14%
60067	Palatine, IL	10	3	8	21	8%
60008	Rolling Meadows, IL	4	4	0	8	3%
60068	Park Ridge, IL	5	2	1	8	3%
60016	Des Plaines, IL	5	2	0	7	3%
60074	Palatine, IL	3	1	1	5	2%
60070	Prospect Heights, IL	1	1	1	3	1%
	Total MA Admissions	**63**	**62**	**29**	**154**	**61%**
	% of Total	*57%*	*70%*	*56%*	*61%*	
	Total Admissions Outside MA	**47**	**27**	**23**	**97**	**39%**
	Total Admissions	**110**	**89**	**52**	**251**	**100%**

Source: External resident admissions origin data provided by management for 2023-2025 admissions and independent living expansion project depositors.

Illustration I - Zip Code Location in The Moorings of Arlington Heights' Market Area

Source: Maptitude

Note 8 - Market Study (Continued)

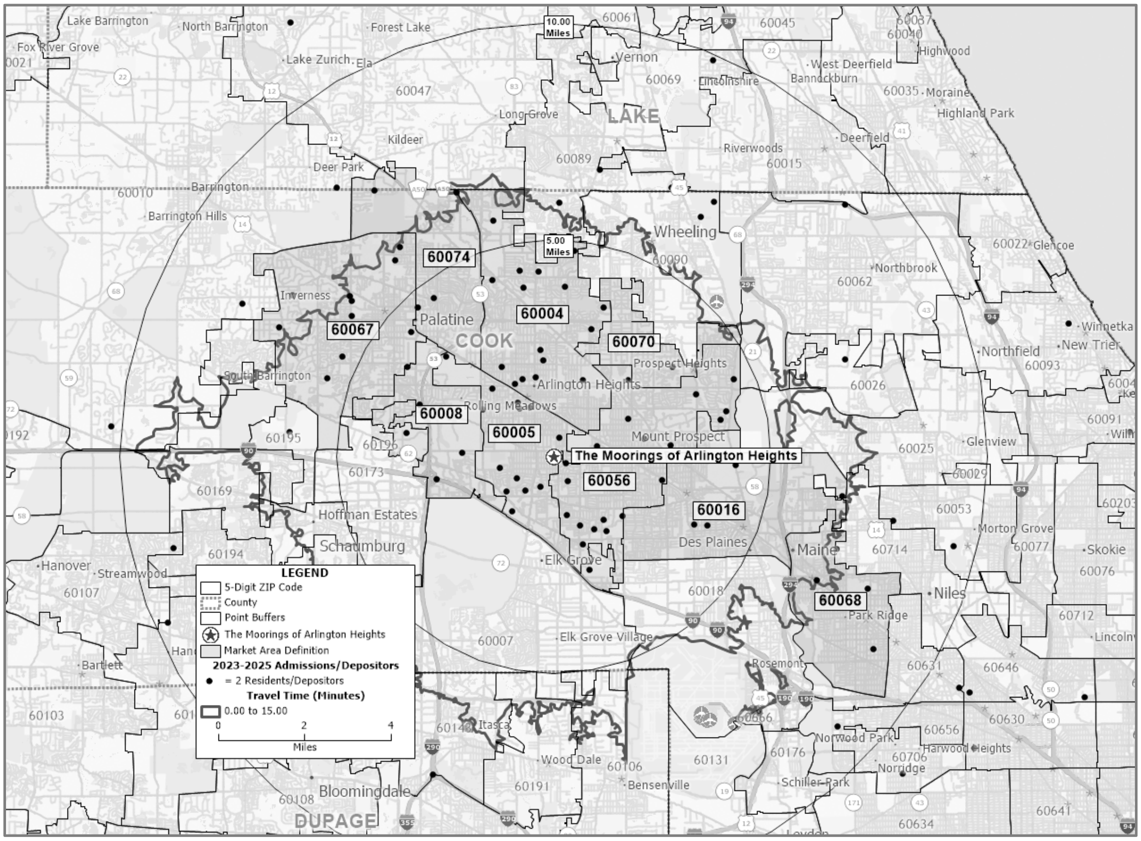
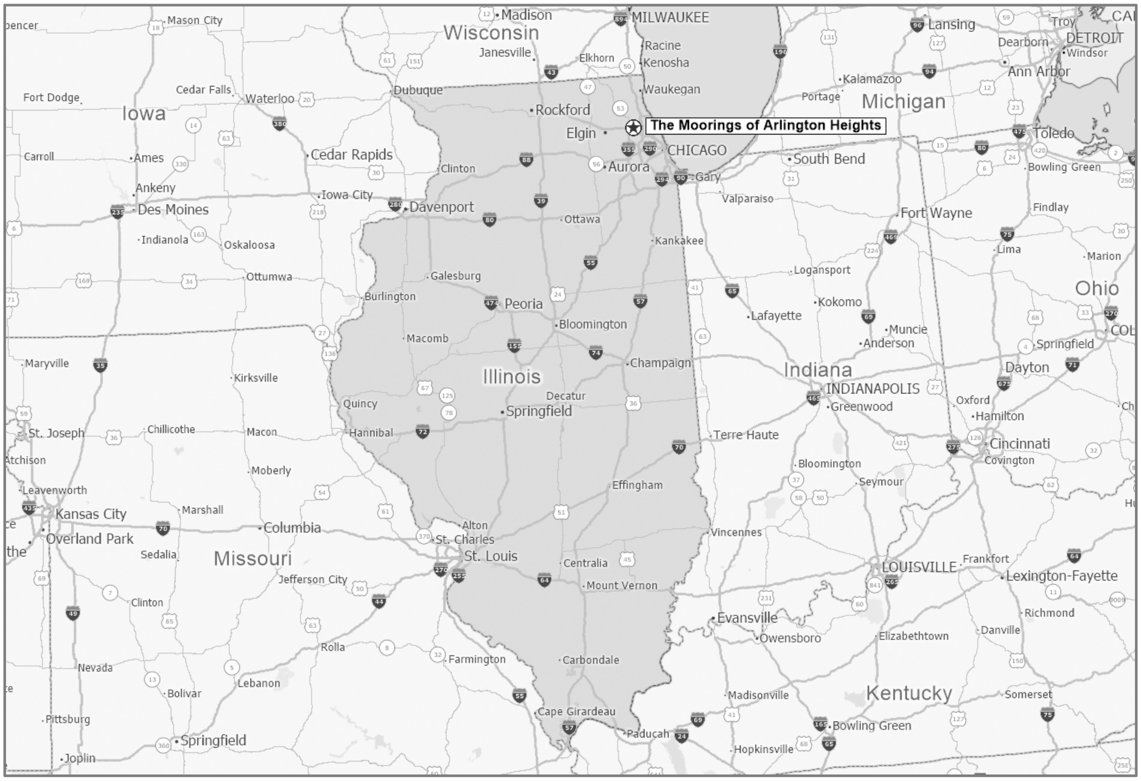


Illustration II - Map of Illinois, Indicating The Moorings of Arlington Heights

Source: Maptitude

Note 8 - Market Study (Continued)



Access – Highways

The Moorings is located in Arlington Heights, IL, which offers strong regional connectivity via major highways. The community has direct access to Interstate 90 (Northwest Tollway) and is served by Illinois Route 53, which connects to I-90, I-290, and I-355. Interstate 294 (Tri-State Tollway) is approximately eight miles southeast, providing efficient routes to the broader Chicago metropolitan area and beyond.

Access – Public Transportation

The Arlington Heights area is served by the Metra’s Union Pacific Northwest (UP-NW) line, with two local stations, Arlington Heights and Arlington Park, providing direct service to downtown Chicago in roughly 30–35 minutes. Additional nearby stations in Mt. Prospect, Palatine, and Prospect Heights enhance regional rail access. Local and regional bus service is provided by Pace, ensuring comprehensive transit coverage.

Airports

The Moorings is located about 12 miles from Chicago O’Hare International Airport, one of the nation’s busiest hubs for domestic and international travel. Additional options include Chicago Midway Airport (30 miles south) and Milwaukee Mitchell International Airport (70 miles north), offering flexibility for business and leisure travel.

Note 8 - Market Study (Continued)

Municipal Services

Arlington Heights provides comprehensive municipal services that support both residents and businesses. The Public Works Department manages critical infrastructure, including streets, lighting, snow removal, and landscaping, while overseeing water distribution and sewer systems to ensure reliable utilities. Public safety is maintained through a full-service Police Department and Fire Department, delivering 24/7 emergency response and community protection. These services contribute to a stable and well-managed environment, enhancing the area's appeal.

Employment

The following table shows the unemployment trends for Cook County compared to trends in Illinois and the United States. This data includes the entire county and may not be entirely reflective of the trends specific to the defined MA.

Labor - Unemployment Rates

	2021	2022	2023	2024	Aug 2025
Cook County	7.0%	5.0%	4.5%	5.4%	4.9%
Illinois	6.1%	4.6%	4.5%	5.0%	4.7%
United States	5.3%	3.6%	3.6%	4.0%	4.3%

Source: U.S. Bureau of Labor Statistics (data.bls.gov)

The unemployment rates in Cook County, Illinois, and the United States have declined since 2021. Cook County's most recent unemployment rate is above those in Illinois and the United States.

Major industries that are located within Cook County include federal, statewide, and local government, as well as education, healthcare, financial services, and airline transportation. This diversified employment base adds to the strength of the local economy.

Labor - Top Employers - Cook County

Employer	Employment
United States Government	50,000
Chicago Public Schools	40,000
Northwestern Medicine	38,000
City of Chicago	31,000
Cook County	22,000
Advocate Health Care	18,500
JPMorgan Chase	16,000
University of Chicago	15,500
State of Illinois	14,500
United Airlines Holdings	14,000

Source: Crain's Chicago Business

Note 8 - Market Study (Continued)

Education

Arlington Heights offers a strong education network that enhances community value and workforce readiness. It is served by District 25 for elementary and middle schools and District 214 for high schools, both known for academic excellence. Public schools like John Hersey High School rank among Illinois' top performers, supported by AP and STEM programs. In addition to 20 public schools, 16 private institutions provide faith-based and specialized options. For higher education, Harper College is located nearby, with access to Oakton Community College, Roosevelt University, and other universities within the Chicago metro area, including major research institutions such as the University of Illinois at Chicago and University of Chicago.

Quality of Life

Arlington Heights offers a high quality of life characterized by strong community amenities, safety, and access to urban conveniences, ranking among the top places to live in Illinois, supported by excellent schools, low crime rates, and a robust local economy. Residents benefit from abundant parks, recreational facilities, and cultural venues such as the Metropolis Performing Arts Centre, along with diverse dining and shopping options. The area promotes a healthy lifestyle with well-maintained green spaces and community programs. Poverty rates are significantly below national levels, reflecting overall economic stability. The proximity to Chicago, efficient transportation, and a vibrant downtown further enhances Arlington Heights' appeal for those seeking a balanced suburban environment with urban access.

Market Area Healthcare Providers

There are three hospitals located within the MA (excluding psychiatric and children's hospitals).

Market Area Hospitals

	Hospital	Location	Type of Control	Driving Distance	Type	Acute Beds
Hospitals within the Market Area:				*(Miles)*		
1	Northwest Community Hospital	60005 - Arlington Heights	NFP	1.3	Short-Term Acute Care	424
2	Holy Family Medical Center	60016 - Des Plaines	NFP	4.7	Long Term	128
3	Advocate Lutheran General Hospital	60068 - Park Ridge	NFP	7.1	Short-Term Acute Care	563

Source: American Hospital Directory (www.ahd.com)
Note: Table excludes mental health and children's hospitals.

Note 8 - Market Study (Continued)

Real Estate Market

The following table shows the MA real estate trends including the number of home sales and average purchase price of homes sold in the MA from October 2024 to September 2025.

Home Sales

Zip Code	City	# of Homes Sold		Weighted Average Purchase Price
60068	Park Ridge, IL	286	$	664,911
60004	Arlington Heights, IL	461		554,568
60005	Arlington Heights, IL	261		511,636
60067	Palatine, IL	437		450,099
60056	Mount Prospect, IL	365		419,179
60016	Des Plaines, IL	471		324,346
60070	Prospect Heights, IL	131		324,324
60074	Palatine, IL	340		314,298
60008	Rolling Meadows, IL	212		307,179
	Market Area Weighted Average		**$**	**437,344**

Source: www.melissadata.com; home sales from October 2024 - September 2025.

Market Area Data

The following market area information is from the US Census Bureau data, and Claritas' Senior Life Report for the market area, the State of Illinois, and the United States. The data is based on 2010 and 2020 census data. The reports present actual 2010 and 2020 census, 2025 estimated, and 2030 projected data. The report's demographic data also utilizes American Community Survey data available from the US Census Bureau. These estimations and projections, in conjunction with the household income data, will be the basis for estimating the penetration rates for the market.

Note 8 - Market Study (Continued)

The table below shows MA owner-occupied housing unit values. The predominant housing unit value across all ages in the MA in 2025 is the $300,000-$399,999 range. It is projected to be the $500,000-$749,999 range in 2030. Median owner-occupied housing unit value is $392,391 in 2025 and is projected to increase by 11.7 percent to $438,351 in 2030. An estimated 79 percent of households aged 75+ in the MA own a home in 2025.

Demographics - Owner-Occupied Housing Unit Values

	2025 Estimated	Percent	2030 Projected	Percent
Value less than $20,000	938	0.98%	838	0.90%
Value $20,000 - $39,999	777	0.81%	709	0.76%
Value $40,000 - $59,999	421	0.44%	506	0.54%
Value $60,000 - $79,999	259	0.27%	245	0.26%
Value $80,000 - $99,999	789	0.83%	468	0.50%
Value $100,000 - $149,999	4,884	5.12%	3,566	3.83%
Value $150,000 - $199,999	6,679	7.00%	5,664	6.08%
Value $200,000 - $299,999	14,084	14.77%	11,937	12.81%
Value $300,000 - $399,999	20,382	21.38%	16,188	17.37%
Value $400,000 - $499,999	17,553	18.41%	16,340	17.53%
Value $500,000 - $749,999	18,556	19.46%	21,179	22.72%
Value $750,000 - $999,999	7,098	7.44%	9,677	10.38%
Value $1,000,000 or more	2,931	3.07%	5,883	6.31%
	95,351	100.00%	93,200	100.00%
Median Owner-Occupied Housing Unit Value	$392,391		$438,351	
Percent of Owner-Occupied HH Age 75+	79%		79%	

Source: Claritas

** Difference due to rounding*

Note 8 - Market Study (Continued)

Market Area Population

The following table shows the population for all zip codes in the MA for 2020 actual, 2025 estimated, and 2030 projected. These estimations and projections, in conjunction with the household income data, will be the basis for estimating the penetration rates for the market area.

Demographics - Population

	2020 Actual	2025 Estimate	2030 Projected	Percent Change 2025 - 2030
MA				
MA Population (all ages)	356,723	340,210	331,125	-2.67%
Age 45 - 54	46,936	43,945	43,879	-0.15%
Age 55 - 64	50,689	45,726	42,212	-7.68%
Age 65 - 74	36,070	38,597	40,098	3.89%
Age 75 - 84	19,611	22,470	25,777	14.72%
Age 85 and over	9,366	9,716	10,265	5.65%
Total Age 45-64	97,625	89,671	86,091	-3.99%
Total Age 65+	65,047	70,783	76,140	7.57%
Total Age 75+	28,977	32,186	36,042	11.98%
Illinois				
Illinois Population (all ages)	12,812,508	12,481,887	12,364,787	-0.94%
Age 45 - 54	1,613,320	1,541,131	1,545,877	0.31%
Age 55 - 64	1,693,160	1,561,653	1,471,255	-5.79%
Age 65 - 74	1,230,329	1,322,609	1,391,848	5.24%
Age 75 - 84	610,026	716,603	864,749	20.67%
Age 85 and over	253,630	264,972	292,522	10.40%
Total Age 45-64	3,306,480	3,102,784	3,017,132	-2.76%
Total Age 65+	2,093,985	2,304,184	2,549,119	10.63%
Total Age 75+	863,656	981,575	1,157,271	17.90%
United States				
United States Population (all ages)	331,449,281	337,643,652	345,735,705	2.40%
Age 45 - 54	40,868,806	40,673,218	42,184,178	3.71%
Age 55 - 64	43,408,408	41,647,610	40,345,732	-3.13%
Age 65 - 74	33,111,965	35,941,819	39,083,228	8.74%
Age 75 - 84	16,344,101	19,860,686	24,602,812	23.88%
Age 85 and over	6,336,435	6,873,552	7,920,690	15.23%
Total Age 45-64	84,277,214	82,320,828	82,529,910	0.25%
Total Age 65+	55,792,501	62,676,057	71,606,730	14.25%
Total Age 75+	22,680,536	26,734,238	32,523,502	21.65%

Source: Claritas

Note 8 - Market Study (Continued)

The total population in the MA is projected to decrease 2.67 percent from 2025 to 2030. The population age 45-64 represents the adult children of the senior population that could provide support to their parents and potentially influence the decision to move into a senior living facility. This age group is projected to decrease 3.99 percent in the MA from 2025 to 2030.

As the baby boomers move into the older age groups, the proportion of seniors aged 65-74 is projected to increase for the MA, Illinois, and the U.S. as a whole. The majority of the country's older population is projected to be relatively young, aged 65-74, until around 2034, when all baby boomers will be over 70 (Source: U.S. Census Bureau). The MA age group 65+ is projected to increase 7.57 percent from 2025 to 2030. The MA age group 75+ is projected to increase 11.98 percent from 2025 to 2030.

Market Area Median Income

The following tables show the income projections for age 45 and older households in the market area for 2025 estimated and 2030 projected. These estimations and projections, in conjunction with the population data, will be the basis for estimating the penetration rates for the market area.

Demographics - Household Income by Age	2025 Estimated	2030 Projected	Percent Change 2025 - 2030
Total Households:	135,502	132,654	-2.10%
Total Households 45 - 64	49,786	47,557	-4.48%
Total Households 65+	44,156	47,244	6.99%
Total Households 75+	20,671	22,952	11.03%
Median HH Income:			
Householder Age 45 - 54	$ 125,025	$ 130,711	4.55%
Householder Age 55 - 64	$ 111,673	$ 117,648	5.35%
Householder Age 65 - 74	$ 84,283	$ 89,679	6.40%
Householder Age 75 - 84	$ 61,585	$ 65,848	6.92%
Householder Age 85 and over	$ 42,522	$ 44,451	4.54%
Income Thresholds for Households Age 75+			
Household Income $50,000+	11,145	12,992	16.57%
% of Households Age 75+	54%	57%	
Household Income $82,000+	7,302	8,711	19.30%
% of Households Age 75+	35%	38%	
Household Income $125,000+	4,191	5,217	24.48%
% of Households Age 75+	20%	23%	
Household Income $138,000+	3,610	4,527	25.41%
% of Households Age 75+	17%	20%	
Income Thresholds for Households Age 45 - 64			
Household Income $75,000+	35,159	34,552	-1.73%
% of households age 45-64	71%	73%	
Household Income $100,000+	29,090	28,917	-0.59%
% of households age 45-64	58%	61%	

Source: Claritas

Note 8 - Market Study (Continued)

Demographics - Households by Income	2025 Estimate	2030 Projected	Percent Change 2025 - 2030
Householder Age 45 - 64			
Income less than $15,000	2,560	2,278	-11.02%
Income $15,000 - $24,999	1,189	1,031	-13.29%
Income $25,000 - $34,999	1,899	1,648	-13.22%
Income $35,000 - $49,999	3,066	2,724	-11.15%
Income $50,000 - $74,999	5,913	5,324	-9.96%
Income $75,000 - $99,999	6,069	5,635	-7.15%
Income $100,000 - $124,999	5,676	5,296	-6.69%
Income $125,000 - $149,999	4,552	4,366	-4.09%
Income $150,000 - $199,999	6,803	6,567	-3.47%
Income $200,000 or more	12,059	12,688	5.22%
	49,786	47,557	-4.48%
Householder Age 65 - 74			
Income less than $15,000	1,529	1,488	-2.68%
Income $15,000 - $24,999	1,409	1,294	-8.16%
Income $25,000 - $34,999	1,407	1,321	-6.11%
Income $35,000 - $49,999	2,230	2,154	-3.41%
Income $50,000 - $74,999	3,888	3,863	-0.64%
Income $75,000 - $99,999	3,221	3,305	2.61%
Income $100,000 - $124,999	2,440	2,503	2.58%
Income $125,000 - $149,999	2,056	2,241	9.00%
Income $150,000 - $199,999	2,344	2,562	9.30%
Income $200,000 or more	2,961	3,561	20.26%
	23,485	24,292	3.44%
Householder Age 75+			
Income less than $15,000	2,324	2,434	4.73%
Income $15,000 - $24,999	2,550	2,539	-0.43%
Income $25,000 - $34,999	2,061	2,194	6.45%
Income $35,000 - $49,999	2,591	2,793	7.80%
Income $50,000 - $74,999	3,226	3,591	11.31%
Income $75,000 - $99,999	2,204	2,464	11.80%
Income $100,000 - $124,999	1,524	1,720	12.86%
Income $125,000 - $149,999	1,117	1,326	18.71%
Income $150,000 - $199,999	1,264	1,478	16.93%
Income $200,000 or more	1,810	2,413	33.31%
	20,671	22,952	11.03%

Source: Claritas

Note 8 - Market Study (Continued)

Senior households (ages 65+ and 75+) are projected to increase in the market area while total households and adult children households (ages 45-64) are projected to decrease. The 2025 and 2030 predominant household income levels for seniors aged 65-74 and 75+ is the $50,000-$74,999 group. The median household incomes for senior age groups 65-74 and 75+ are projected to increase from 2025 to 2030. The age and income thresholds calculated above are based on the forecasted monthly service fees for The Moorings Project as well as the average MA monthly service fees and will be used in the penetration rate calculations in the following sections.

Net Worth 75+

The following table shows the 2025 net worth for age 75 and older households in the market area.

Park Ridge has the highest average net worth among householders age 75 and over.

Net Worth in the Market Area

Zip Code	City	2025 Average Net Worth	2025 Average Net Worth: HHr 75+	2025 Households Age 75+ with Net Worth of:										Total
				<$15,000	$15,000 - $34,999	$35,000 - $49,999	$50,000 - $74,999	$75,000 - $99,999	$100,000 - $149,999	$150,000 - $249,999	$250,000 - $499,999	$500,000 - $999,999	$1,000,000+	
60068	Park Ridge, IL	$ 3,363,132	$ 3,472,629	103	37	9	51	61	111	210	399	554	1,138	2,673
60004	Arlington Heights, IL	$ 2,430,016	$ 3,104,880	135	34	12	64	74	155	253	537	754	1,421	3,439
60067	Palatine, IL	$ 2,630,847	$ 3,074,229	92	23	7	38	49	93	177	347	434	826	2,086
60008	Rolling Meadows, IL	$ 1,673,039	$ 2,573,136	72	18	8	30	31	52	102	231	217	373	1,134
60056	Mount Prospect, IL	$ 1,755,354	$ 2,524,674	384	75	16	99	110	141	278	567	588	1,186	3,444
60070	Prospect Heights, IL	$ 1,454,726	$ 2,131,897	45	12	7	33	39	48	110	205	154	308	961
60005	Arlington Heights, IL	$ 1,730,322	$ 2,032,229	301	65	17	72	86	148	212	347	393	677	2,318
60074	Palatine, IL	$ 1,226,255	$ 2,028,359	119	30	14	54	58	94	187	374	255	442	1,627
60016	Des Plaines, IL	$ 1,221,712	$ 1,677,178	379	98	34	143	165	221	380	709	595	894	3,618
			Total	**1,630**	**392**	**124**	**584**	**673**	**1,063**	**1,909**	**3,716**	**3,944**	**7,265**	**21,300**

Source: ESRI

Net Worth equals total household assets less any debts, secured or unsecured. Assets include ownership of homes, rental properties, business, individual retirement accounts IRAs) and Keogh accounts, pension plans, stocks, mutual funds, and motor vehicles. Examples of secured debt include home mortgages and vehicle loans; unsecured debt includes credit cards and other bills or certain bank loans.

Independent Living

Independent living is designed for seniors who pay for some services (for example, meals, housekeeping, transportation) as part of a monthly fee or rental rate, and who require little, if any, assistance with activities of daily living (State of Seniors Housing).

Independent living facilities may be standalone or part of a LifePlan or continuing care retirement community (CCRC). Continuing care retirement communities feature a combination of independent living units with assisted living (and/or Alzheimer's) beds, and/or nursing beds.

Independent living senior communities are dependent on the local real estate market. To fund their move, often the senior will typically sell his or her current home to move into the retirement community.

Note 8 - Market Study (Continued)

Competitive independent living facilities are defined as those facilities that offer services in addition to housing and charge market rate fees. Low income or subsidized housing, as well as housing that does not offer services (Active Adult Communities), are excluded from the competitive analysis.

The most common types of LifePlan or CCRC contracts are:

Extensive Care Contract (Type A) - A resident typically pays an up-front fee and an on-going monthly fee in exchange for the right to lifetime occupancy of an independent living unit and certain services and amenities. Residents who require assisted living or nursing care may transfer to the appropriate level and continue to pay essentially the same monthly fee they had been paying for independent living. Type A contracts are almost always associated with not-for-profit CCRCs and are called “extensive care contracts” by some. Although fees may increase over time, they are not to do so because care needs have changed.

Modified Contract (Type B) - A resident typically pays an up-front fee and an on-going monthly service fee for the right to stay in an independent living unit and receive certain services and amenities. A modified contract obligates a CCRC to provide the appropriate level of assisted living or nursing care to residents who entered independent-living units (as in an extensive care contract), but only for a specified period of time at a specified rate that may or may not be tied directly to the independent living rate.

Fee-For-Service Contract (Type C) - Requires an entrance fee but does not include any discounted health care or assisted-living services. Typically, current residents receive priority admission or guaranteed admission for these services, but residents who require assisted living or nursing care pay the regular per diem rate paid by those admitted from outside the CCRC.

Rental CCRC - Residents pay no up-front entry fee at the time of occupancy of an independent living unit, and the resident pays the prevailing market rate for the level of care provided (State of Seniors Housing).

The Moorings is a Type B community.

Independent Living Competitive Market Analysis – Communities located in the market area met the following criteria to be considered competitive:

- Offer one or more independent living services
- Offer similar services and amenities as The Moorings
- Offer market rate units and compete for residents in the same age and income ranges

Note 8 - Market Study (Continued)

The following table and map show The Moorings and the six independent living competitor communities within in the MA.

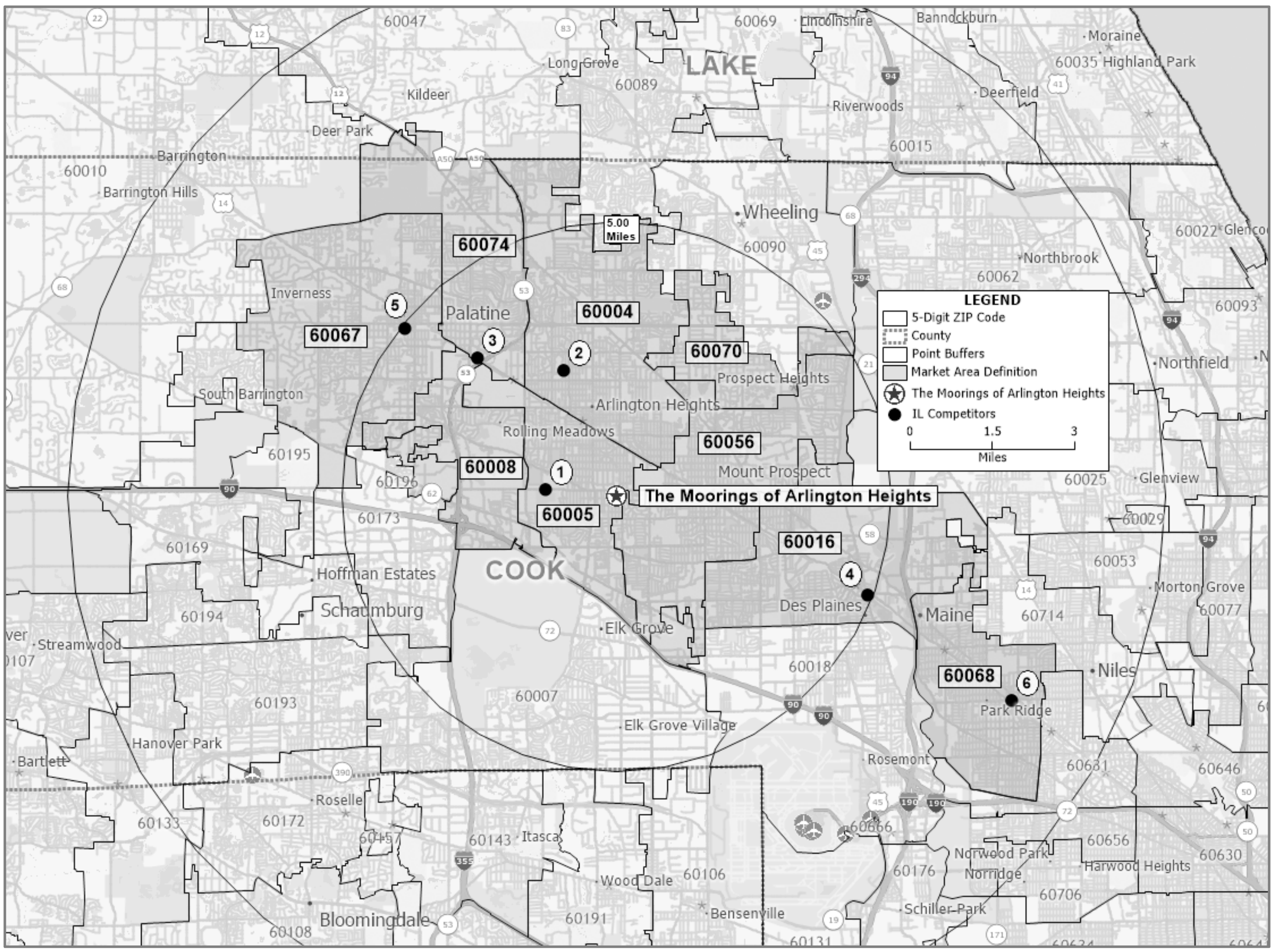
Independent Living Communities in the MA						
Map Key	Property Name	Zip Code	Driving Distance	Year Opened	Primary Payment Type	Independent Living Units
Subject Community						
	The Moorings of Arlington Heights	60005	-	1988	EF	264
Planned	The Project	60005	-	2027	EF	70
					Total IL	**334**
Existing Competitors						
1	Church Creek	60005	1.4	1986	Rent	167
2	Luther Village	60004	3.0	1990	Co-Op	640
3	The Grand at Twin Lakes	60074	4.1	2016	Rent	83
4	Discovery Village Des Plaines	60016	5.4	1993	Rent	194
5	Solstice Senior Living at Palatine	60067	5.8	1986	Rent	89
6	The Summit Of Uptown Park Ridge	60068	8.9	1961	Rent	93
					Total Existing	**1,266**
					Total IL in MA	**1,600**

Source: NIC MAP Vision® Data Service 3Q2025, telephone interviews November 2025, various internet searches.

Note 8 - Market Study (Continued)

Illustration III - Map of Independent Living Communities in the MA

Source: Maptitude



Note 8 - Market Study (Continued)

The following tables presents further details of The Moorings and the six independent living communities in the MA:

Independent Living Communities in the Market Area

	The Moorings of Arlington Heights: Existing		The Moorings of Arlington Heights: The Project	
Address	811 E Central Rd		811 E Central Rd	
City, State, Zip	Arlington Hts, IL 60005		Arlington Hts, IL 60005	
Driving Distance (miles) from Site	-		-	
Service Type	CCRC		CCRC	
Owner/Sponsor	Presbyterian Homes		Presbyterian Homes	
For Profit/Not For Profit	NFP		NFP	
Contract Type	EF (Type B)		EF (Type B)	
Year Built	1988		2027	
Year Renovation/Expansion	-		-	
IL Unit Configuration:				
Studio Apts.	-		-	
One-Bedroom Apts.	59		-	
One-Bedroom w/ Den Apts.	1		5	
Two-Bedroom Apts.	118		25	
Two-Bedroom w/ Den/Three-Bed Apts.	12		40	
Homes/Cottages	74		-	
Total Independent Living Units	**264**		**70**	
Total Assisted Living Units	**73**			
Total Memory Care Units	**20**			
Total Nursing Care Units	**96**			
Campus Total Units	**453**			
IL Occupancy (%):	**90%**		**Forecasted 95%**	
Unit Size (Square Feet):				
Studio Apts.	-		-	
One-Bedroom Apts.	530-685		-	
One-Bedroom w/ Den Apts.	1,370		1,050	
Two-Bedroom Apts.	947-1,370		1,200	
Two-Bedroom w/ Den/Three-Bed Apts.	1,477-1,632		1,400-1,900	
Homes/Cottages	1,276-2,340		-	
Community Fee:	-		-	
Entrance Fee:	Lifecare Plan - Plan A (Shown as: 0%, 50%, 90% Refundable):	Modified Healthcare Plan - Plan B (Shown as: 0%, 50%, 90% Refundable:)	Lifecare Plan - Plan A (Shown as: 0%, 50%, 90% Refundable):	Modified Healthcare Plan - Plan B (Shown as: 0%, 50%, 90% Refundable:)
Studio Apts.	-	-	-	-
One-Bedroom Apts.	\$207,800-\$243,200, \$310,500-\$362,500, \$505,100-\$586,400	\$159,200-\$193,700, \$229,000-\$278,500, \$360,700-\$437,000	-	-
One-Bedroom w/ Den Apts.	\$435,200, \$650,200, \$1,057,100	\$378,800, \$544,800, \$857,200	\$577,000, \$859,000, \$1,394,000	\$472,000, \$676,000, \$1,056,000
Two-Bedroom Apts.	\$319,800-\$424,200, \$477,800-\$633,800, \$777,000-\$1,030,500	\$266,200-\$367,600, \$382,900-\$528,800, \$602,500-\$832,000	\$649,000, \$966,000, \$1,568,000	\$539,000, \$774,000, \$1,213,000
Two-Bedroom w/ Den/Three-Bed Apts.	\$458,800-\$490.800, \$685,300-\$733,400, \$1,114,400-\$1,192,700	\$400,900-\$433,400, \$576,400-\$623,300, \$907,100-\$981,000	\$684,000-\$907,000, \$1,020,000-\$1,364,000, \$1,655,000-\$2,212,000	\$574,000-\$785,000, \$823,000-\$1,120,000, \$1,292,000-\$1,825,000
Homes/Cottages	\$397,400-\$930,900, \$593,700-\$1,334,400, \$965,600-\$2,006,900	\$342,800-\$828,900, \$492,900-\$1,197,100, \$775,700-\$1,810,800	-	-
IL Second Person Fee	\$85,700	\$26,950	\$95,530	\$29,925
% Refundable	0%, 50%, and 90%	0%, 50%, and 90%	0%, 50%, and 90%	0%, 50%, and 90%
Monthly Service Fee:				
Studio Apts.	-	-	2027 \$:	2027 \$:
One-Bedroom Apts.	\$4,810-\$5,090	\$4,300-\$4,580	-	-
One-Bedroom w/ Den Apts.	\$5,800	\$5,290	\$6,835	\$6,260
Two-Bedroom Apts.	\$5,280-\$5,745	\$4,770-\$5,235	\$6,955	\$6,380
Two-Bedroom w/ Den/Three-Bed Apts.	\$5,940-\$6,305	\$5,430-\$5,795	\$7,310-\$8,729	\$6,735-\$8,155
Homes/Cottages	\$5,530-\$8,100	\$5,020-\$7,440	-	-
IL Second Person Fee	\$2,605	\$2,095	\$2,865	\$2,290
Included in Monthly IL Fee:				
Number of Meals	-		-	
Meal Credit	\$350/Month		\$350/Month	
Housekeeping	Yes		Yes	
Transportation	Yes		Yes	
Basic Utilities	Yes		Yes	
Activities/Wellness Programs	Yes		Yes	

Sources: NIC MAP Vision® Data Service 3Q2025, telephone interviews conducted in October and November, 2025, Management, internet sources.
**Declined interview/declined to provide detailed information.*

Note 8 - Market Study (Continued)

Independent Living Communities in the Market Area	Church Creek	Luther Village	The Grand at Twin Lakes
Address	1250 W Central Road	1220 Village Drive #145	920 East Northwest Highway
City, State, Zip	Arlington Hts, IL 60005	Arlington Hts, IL 60004	Palatine, IL 60074
Driving Distance (miles) from Site	1.4	3.0	4.1
Service Type	IL/AL/MC	IL	IL/AL
Owner/Sponsor	Tutera Home	The Shah Company	Grand Lifestyles
For Profit/Not For Profit	FP	NFP	FP
Contract Type	Rental	Co-Op Ownership	Rental
Year Built	1986	1990	2016
Year Renovation/Expansion	2017	2000	
IL Unit Configuration:			
Studio Apts.	8	*	33
One-Bedroom Apts.	214	*	85
One-Bedroom w/ Den Apts.	-	*	-
Two-Bedroom Apts.	16	*	-
Two-Bedroom w/ Den/Three-Bed Apts.	-	*	-
Homes/Cottages	-	152	-
Total Independent Living Units	**238**	**640**	**118**
Less Independent Living w/Services	**71**	**-**	**35**
Adjusted Independent Living Units	**167**	**640**	**83**
Total Assisted Living Units	**84 (includes 71 IL with services)**	**-**	**35**
Total Memory Care Units	**32**	**-**	**-**
Total Nursing Care Units	**-**	**-**	**-**
Campus Total Units	**283**	**640**	**118**
IL Occupancy (%):	**98%**	**98%**	**83%**
Unit Size (Square Feet):			
Studio Apts.	250-480	617	346-445
One-Bedroom Apts.	576	680-938	688-891
One-Bedroom w/ Den Apts.	-	700-1,056	-
Two-Bedroom Apts.	816-1,152	980-1,434	-
Two-Bedroom w/ Den/Three-Bed Apts.	1,152	1,334-1,691	-
Homes/Cottages	-	VH: 1,379-1,406; CH: 1,323-1,936	-
Community Fee:	1st Month's Rent		$2,000
Entrance Fee:	-	Ownership Fee (Rates based on current available units)	-
Studio Apts.	-	*	-
One-Bedroom Apts.	-	$149,000-$259,000	-
One-Bedroom w/ Den Apts.	-	$151,900-$335,000	-
Two-Bedroom Apts.	-	$485,000	-
Two-Bedroom w/ Den/Three-Bed Apts.	-	*	-
Homes/Cottages	-	VH: $492,000-$495,000; CH: *	-
IL Second Person Fee	-	-	-
% Refundable	-	-	-
EF/Contract Notes:	-	Ownership. Refund less 5.25% of sales price	-
Monthly Service Fee:	Starting Rate:		
Studio Apts.	$2,700-$3,000	$1,410	$2,200
One-Bedroom Apts.	$3,600	$1,489-$1,920	$2,600-$3,200
One-Bedroom w/ Den Apts.	-	$1,551-$2,243	-
Two-Bedroom Apts.	$4,600	$2,032-$2,957	-
Two-Bedroom w/ Den/Three-Bed Apts.	$5,200	$2,895-$3,236	-
Homes/Cottages	-	VH: $2,339-$2,430; CH: $2,410-$2,806	-
IL Second Person Fee	$760	-	$600
Included in Monthly IL Fee:			
Number of Meals	2	-	3
Meal Credit	-	$178/Unit	-
Housekeeping	Yes	-	Yes
Transportation	Yes	Yes	Yes
Basic Utilities	Yes	-	Yes
Activities/Wellness Programs	Yes	Yes	Yes

Sources: NIC MAP Vision® Data Service 3Q2025, telephone interviews conducted in October and November, 2025, Management, internet sources.
**Declined interview/declined to provide detailed information.*

Note 8 - Market Study (Continued)

Independent Living Communities in the Market Area	Discovery Village Des Plaines	Solstice Senior Living at Palatine	The Summit of Uptown Park Ridge
Address	800 S River Rd	55 S Greeley St	10 N Summit Ave
City, State, Zip	Des Plaines, IL 60016	Palatine, IL 60067	Park Ridge, IL 60068
Driving Distance (miles) from Site	5.4	5.8	8.9
Service Type	IL/AL	IL/AL	IL/AL/MC
Owner/Sponsor	Discovery Management	Solstice	The Arbor Company
For Profit/Not For Profit	FP	FP	FP
Contract Type	Rental	Rental	Rental
Year Built	1993	1986	1961
Year Renovation/Expansion	2024	2019	2017
IL Unit Configuration:			
Studio Apts.	57	2	*
One-Bedroom Apts.	105	126	*
One-Bedroom w/ Den Apts.	-	-	-
Two-Bedroom Apts.	32	5	-
Two-Bedroom w/ Den/Three-Bed Apts.	-	-	-
Homes/Cottages	-	-	-
Total Independent Living Units	**194**	**133**	**93**
Less Independent Living w/Services	**-**	**44**	**-**
Adjusted Independent Living Units	**194**	**89**	**93**
Total Assisted Living Units	**59**	**44**	**48**
Total Memory Care Units	**-**	**-**	**19**
Total Nursing Care Units	**-**	**-**	**-**
Campus Total Units	**253**	**133**	**160**
IL Occupancy (%):	**83%**	**100%**	**100%**
Unit Size (Square Feet):			
Studio Apts.	450	*	410
One-Bedroom Apts.	600-677	503-538	750-820
One-Bedroom w/ Den Apts.	-	-	-
Two-Bedroom Apts.	980-1,040	773	-
Two-Bedroom w/ Den/Three-Bed Apts.	-	-	-
Homes/Cottages	-	-	-
Community Fee:	$4,000	$3,000	$4,500
	-	-	-
Entrance Fee:			
Studio Apts.	-	-	-
One-Bedroom Apts.	-	-	-
One-Bedroom w/ Den Apts.	-	-	-
Two-Bedroom Apts.	-	-	-
Two-Bedroom w/ Den/Three-Bed Apts.	-	-	-
Homes/Cottages	-	-	-
IL Second Person Fee	-	-	-
% Refundable	-	-	-
EF/Contract Notes:	-	-	-
Monthly Service Fee:			
Studio Apts.	$3,700	$2,237	$3,455
One-Bedroom Apts.	$4,495-$5,170	$2,395	$4,800-$5,125
One-Bedroom w/ Den Apts.	-	-	-
Two-Bedroom Apts.	$6,035-$6,250	$3,495	$6,850
Two-Bedroom w/ Den/Three-Bed Apts.	-	-	-
Homes/Cottages	-	-	-
IL Second Person Fee	$700	$800	$775
Included in Monthly IL Fee:			
Number of Meals	2	3	2
Meal Credit	-	-	-
Housekeeping	Yes	Yes	Yes
Transportation	Yes	Yes	Yes
Basic Utilities	Yes	Yes	Yes
Activities/Wellness Programs	Yes	Yes	Yes

Sources: NIC MAP Vision® Data Service 3Q2025, telephone interviews conducted in October and November, 2025, Management, internet sources.
**Declined interview/declined to provide detailed information.*

Note 8 - Market Study (Continued)

Independent Living Notes:

The Moorings of Arlington Heights

- Independent living is currently offered in both villas and apartments. As of August 2025, The Moorings has a wait list of 56 prospects for its existing independent living units.
- The Project will consist of the following:
  - Construction of 70 new independent living units in a new five-story building with underground parking, large outdoor terraces, panoramic views, and 9.5-foot ceilings
  - Renovations to shared spaces including new dining venues, social areas, outdoor amenity areas, and parking lots
  - Renovation of the existing NH units and common areas. Total NH beds will be reduced from 96 beds to 84 beds.
- The Moorings existing independent living units and the Project offer two types of agreements: Lifecare Plan A and Modified Healthcare Plan B:
  - Lifecare Plan A: When a resident needs a higher level of care, for the first 60 days of a stay in assisted living or skilled nursing the resident continues to pay only the monthly fee for their independent living unit plus the cost of any ancillary services or charges incurred. Upon the 61st day, the resident will pay the Resident Preferred monthly service fee. Residents may elect their entrance fee to be 90% refundable, 50% refundable, or non-refundable. The entrance fee refund is reduced by 6% during the first month of residency and then 2% per month for each month thereafter until the refundable amount is reached.
  - Modified Healthcare Plan B: When a resident needs a higher level of care, for the first 60 days of a stay in assisted living or skilled nursing the resident continue to pay only the monthly fee for their independent living unit plus the cost of any ancillary services or charges incurred. Upon the 61st day, the resident will pay the current published monthly service fee minus a 5% discount. Residents may elect their entrance fee to be 90% refundable, 50% refundable, or non-refundable. The entrance fee refund is reduced by 6% during the first month of residency and then 2% per month for each month thereafter until the refundable amount is reached.
- 73% of existing Moorings contracts are Plan B - 0% refundable, making it the predominant contract type.

Church Creek

- Church Creek is located in Arlington Heights and opened in 1986.
- This community offers independent living, assisted living, and memory care services.
- The campus is made up of two connected buildings, the independent living residents in one building and the assisted living and memory care residents in the other.

Note 8 - Market Study (Continued)

- There are 238 independent living units. Independent living residents can use third-party home health care services to age in place. The community representative estimated 30% use services. Based on the representative’s estimation, 71 units are categorized as assisted living and 167 as independent living.
- Church Creek also has 13 assisted living units. These 13 units, plus the 71 using services, equals 84 assisted living units.
- Church Creek has 32 memory care units.
- Independent living residents have priority access for higher care needs in assisted living and memory care.
- Church Creek offers health services, pharmacy services, on-site rehabilitation, and wellness programs.

Luther Village

- Luther Village is on a 55-acres campus in Arlington Heights. This community opened in 1990 and was built out through 2000.
- Independent living residents have options of a midrise apartment building, courtyard home, or ranch villa home.
- Luther Village is a full-equity cooperative ownership model that uses Life Care Services as the onsite brokerage.
- Residents must meet the medical and financial criteria established by the Board of Directors.
- Upon selling a residence, the resident or the estate will realize the sales price, less a 5.25% fee.
- The monthly service fee covers property taxes (based on apartment or home selected), maintenance fee, security fee, activities, a dining credit of $178 per unit, along with some support services. There is no 2nd person fee.
- Residents have the option of using third-party home health, as LifeStyles is located on-site. When additional care is needed, residents have priority access to healthcare services at neighboring The Lutheran Home, a separate unaffiliated community.

The Grand at Twin Lakes

- The Grand at Twin Lakes, located in Palatine, originally opened as a hotel and was later converted to senior living in 2016.
- This community offers independent living and has optional home health services on-site to allow for aging in place.
- The community has a total of 118 units, per interview, the representative estimated that 30% of the residents use home health services. Based on the representative’s estimate, 35 units are categorized as assisted living.

Note 8 - Market Study (Continued)

- The Grand at Twin Lakes was recently granted a floating assisted living license for up to 50 units. A final inspection needs to be completed before those units are available and that is anticipated in late 2025.
- Community representative reports once assisted living units have passed inspections, rates for the existing independent living residents will increase. Starting rates for a studio unit will be $4,000 (currently at $2,200) and will then have an annual increase of 6%.
- Current incentive is to lock in rates for a unit now, before assisted living is approved and rates increase.

Discovery Village at Des Plaines

- Brookdale Des Plaines became Discovery Village at Des Plaines in late 2024.
- Community opened in 1993 and had extensive renovations with new ownership in 2024.
- Discovery Village offers independent living and assisted living services as an age in place model.
- The representative estimated 194 independent living units and 59 assisted living units; however, community has a license for up to 75 assisted living residents.

Solstice Senior Living at Palatine

- Solstice Senior Living is located in Palatine and opened in 1986 and had renovations in 2019.
- This community offers independent living and optional home health services to age in place.
- The community has a total of 133 units and per interview, the representative estimated that 33% of residents use home health services. Based on the representative's estimate, 44 units are categorized as assisted living.
- Residents have a variety of options for personal care, visiting physicians, and services such as physical and occupational therapy on-site.
- Community is currently full with a waitlist.

The Summit of Uptown Park Ridge

- The Summit of Uptown Park Ridge was originally constructed as a hotel in 1961. In 1986, two additional wings were constructed as part of the conversion into a senior living facility.
- The most recent renovation was in 2017, with minor changes to increase functionality and adapt for changing acuities.
- The Summit of Uptown Park Ridge offers independent living, assisted living, bridge program for early stages of dementia, along with a memory care neighborhood.
- Community is currently full.

Note 8 - Market Study (Continued)

Proposed Independent Living Competitor Projects in the Market Area

In order to identify any new senior living construction, the following planning and zoning departments were interviewed: Cities of Des Plains, Rolling Meadows, Prospect Heights and Park Ridge, as well as the Villages of Arlington Heights, Hoffman Estates, Mount Prospect, and Palatine.

The 3Q2025 NIC MAP Vision® Property Inventory and NIC MAP® Dodge Data & Analytics Report, as well as the senior living competitor interviews were also reviewed to determine any senior living projects within the MA.

Per the inquiries and searches conducted, there were no competitor planned projects identified within the MA.

Summary of Independent Living Occupancy

Within the MA, the competitive facilities report an average weighted occupancy of 95 percent. The Moorings' overall independent living occupancy is currently 90 percent, leading to an overall market area weighted average occupancy of 94 percent.

Summary of Independent Living Monthly Fees

The monthly service fees in the MA range from $1,410 to $6,850. The Moorings current monthly service fees range from $4,300 to $8,100 and the Project's monthly fees range from $6,260 to $8,729 (in 2027 dollars).

Summary of Independent Living Entrance Fees

The Moorings is the only entrance fee provider in the MA and its current entrance fees range from $159,200 to $2,006,900 and the Project's entrance fees range from $472,000 to $2,212,000.

Financial Qualification for The Moorings

An income and expense verification are used to determine a prospective resident's ability to pay privately for services. The verification process includes items such as assets, monthly income and expense, presence of long-term care insurance, and home ownership.

Independent Living Penetration Analysis

Penetration rates help measure the degree to which a market is either underserved or saturated. As penetration rates increase, units may become more difficult to fill. However, higher penetration rates are not always indicative of saturated markets. Some other factors that are considered in conjunction with penetration rates are the occupancy of competitive units in the market and whether they have wait lists, along with the design, size, and age of competitor facilities.

Note 8 - Market Study (Continued)

Three independent living penetration rates are calculated to assess the market for independent living units in the MA. They are defined below along with the assumptions used in the calculations.

Market Rate Independent Living Analysis Assumptions	
Year of Opening	2027 is the assumed opening year for the project.
Stabilized Occupancy Year	2029 is the assumed stabilized occupancy year and represents the first year in which a project will be fully occupied.
Age	75+ is the minimum age for the penetration rate analysis. The demand for independent living is generally applied to households aged 75 and over. This calculation is conservative in the fact that it does not consider those prospective residents under the age of 75.
Households	The number of households is used as the base unit in estimating independent living demand.
Income Level	Minimum household income level used for estimating the number of income-qualified households in the MA: Project penetration rate: $125,000 based on the smallest unit at the Project's monthly service fee in 2027 of $6,260/month. It is assumed that 60% of independent living residents' income is spent on independent living, this equates to a minimum required annual income to afford the project of $125,000. $138,000 based on the weighted average Project's monthly service fee in 2027 of $6,884/month. It is assumed that 60% of independent living residents' income is spent on independent living, this equates to a minimum required annual income to afford the project of $138,000. Net market penetration rate and gross market penetration rate: $50,000 is assumed to be the minimum income of residents living in market rate independent living. This is the income threshold used to compare penetration rates to gross market penetration rate industry benchmarks. $82,000 based on the average MA monthly service fee in 2025 of $4,116/month. It is assumed that 60% of independent living residents' income is spent on independent living, this equates to a minimum required annual income to afford any independent living in the MA of $82,000. The above income screens are conservative in the fact that seniors with incomes below the minimum levels may have assets from homeownership and other investments they could use to afford independent living. According to Claritas, 79% of households 75+ in the MA will own their own home in 2029. In addition, families can provide support to the seniors.
Adjustment for MA Draw	Assume 75% for the adjustment for the MA draw. This represents the percentage of units filled from the MA.
Adjustment for Occupancy	Assume a 95% stabilized occupancy rate.

Note 8 - Market Study (Continued)

The following table presents the project penetration rate and indicates the percentage of qualified households The Moorings Project would need to capture in the year of opening to achieve stabilized occupancy. Typically, project penetration rates at or below five percent are considered a favorable indicator of market potential.

Market Rate Independent Living Project Penetration Rate

Age 75+ and Income	$125,000+	$138,000+
Year of Opening	2027	
Proposed The Moorings Project units	70	70
Adjusted for 95% occupancy	67	67
Percentage of project units to be filled from the MA	75%	75%
Number of planned project units to be filled from MA (a)	50	50
Estimated number of age- and income-qualified households (1)	4,601	3,977
Less existing and planned inventory of competitive independent living unit	1,454	1,454
Net age- and income-qualified households (b)	3,148	2,523
Project Penetration Rate (a/b)	**1.6%**	**2.0%**
Industry benchmark of acceptable upper-range PP Rate	***5.0%***	

(1) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual income $125,000 and $138,000.

(2) Includes existing independent living units at 95% occupancy, there are no known planned competitive units.

Note 8 - Market Study (Continued)

The following table presents the net market penetration rate, which indicates the percentage of qualified households The Moorings Project and existing vacant units in the MA would need to capture in the year of opening to achieve stabilized occupancy. Typically, net market penetration rates at or below 10 percent are considered favorable.

Market Rate Independent Living Net Market Penetration Rate

	Age 75+ and Income $82,000+
	Year of Opening 2027
Planned independent living units:	
Proposed The Moorings Project units (1)	50
Competitive planned independent living units (2)	-
Total planned independent-living units	50
Total existing independent living units available due to turnover (3)	425
Total independent living units to be occupied from the MA (a)	475
Estimated number of age- and income-qualified households (4)	7,866
Less existing independent living units (5)	1,454
Estimated net number of age- and income-qualified households (b)	6,412
Net market penetration rate (a/b)	**7.4%**
Industry benchmark of acceptable upper-range NMP Rate	***10%***

(1) Proposed The Moorings Project units adjusted for 95% occupancy and 75% MA draw.

(2) There are no known planned competitive units.

(3) Existing occupied units x 39.0% turnover and adjusted for MA draw. The turnover statistic of 39.0% represents median independent living units and was obtained from State of Senior Housing.

(4) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes $82,000+ in 2027.

(5) Includes existing independent living competitive units and existing The Moorings independent living units at 95% occupancy.

Note 8 - Market Study (Continued)

The following table presents the gross market penetration rate indicating the percentage of qualified households all the facilities in the MA would need to capture in the current year and year of stabilized occupancy to achieve stabilized occupancy. Typically, gross market penetration rates at or below 15 percent at the base income ($50,000+) are considered a favorable indicator of market potential.

Market Rate Independent Living Gross Market Penetration	Age 75+ & Income $50,000+		Age 75+ & Income $82,000+	
	Current Year 2025	Stabilized Occupancy Year 2029	Current Year 2025	Stabilized Occupancy Year 2029
Market inventory of competitive independent living units:				
Existing The Moorings independent living Units (1)	238	251	238	251
Competitive existing independent living units (2)	1,190	1,203	1,190	1,203
Proposed The Moorings Project units (3)	-	50	-	50
Competitive planned independent living units (4)	-	-	-	-
Total independent living units in the MA (a)	1,428	1,504	1,428	1,504
Estimated number of age- and income-qualified households (5) (b)	11,145	12,623	7,302	8,429
Gross Market Penetration Rate (a/b)	*12.8%*	*11.9%*	*19.6%*	*17.8%*
Industry benchmark of acceptable upper-range GMP Rate	*15%*			

(1) Existing The Moorings units at 90% occupancy in the current year, and 95% occupancy in 2029.
(2) Existing competitive units in the MA are adjusted for 94% occupancy in the current year, and 95% occupancy in 2029.
(3) Proposed The Moorings Project units adjusted for 95% occupancy and 75% MA draw.
(4) There are no known planned competitive units.
(5) Source: Claritas. Reflects estimated number of households in the MA aged 75+ with minimum annual incomes of $50,000+ and $82,000+ in 2025 and 2029.

Marketing the Project

The success of the Project is dependent, in part, on management's ability to achieve specified pre-sales, fill-up rates, and turnover rates for the Project units. The Project has 54 depositors as of November 2025, representing 77% of the Project units.

Assisted Living & Memory Care

Assisted living is the long-term care option designed for frail seniors who need assistance with activities of daily living, but do not require continuous skilled nursing care (State of Seniors Housing). Assisted living is offered in a variety of settings including freestanding communities, assisted living combined with independent living or nursing, or as part of a continuing care retirement community. The definition of assisted living units range from apartment style housing that looks and feels like an independent living setting with enhanced service options to skilled nursing rooms that have been converted to assisted living units and may appear differentiated from other skilled rooms only by their location in the facility or by their licensure. Independent living facilities may be stand alone or part of a LifePlan or continuing care retirement community (CCRC). Continuing care retirement communities feature a combination of independent living units with assisted living (and/or Alzheimer's) beds, and/or skilled nursing beds.

Assisted living is licensed by state regulators and regulations vary state by state. In Illinois, assisted living facilities are licensed under the Assisted Living and Shared Housing Act, 210 ILCS9/1-199 (the "Assisted Living Act"), and the Assisted Living and Shared Housing Code, 77 Illinois Administrative Code 295 (the "Assisted Living Rules"). Licenses are valid for one year and annual on-site, prior to renewal, inspections are required.

Note 8 - Market Study (Continued)

The Assisted Living Rules (Section 295.200) define an assisted living facility as: a home, building, residence, or any other place where sleeping accommodations are provided for at least three unrelated adults, at least 80 percent of whom are 55 years of age or older and where the following are provided in accordance with the purpose of the Assisted Living Act:

- Services consistent with a social model that is based on the premise that the resident's unit in assisted living and shared housing is his or her own home; community-based residential care for persons who need assistance with activities of daily living, including personal, supportive, and intermittent health-related services available 24 hours per day, if needed, to meet the scheduled and unscheduled needs of a resident; mandatory services, whether provided directly by the establishment or by another entity arranged for by the establishment, with the consent of the resident or resident's representative; and

- A physical environment that is a homelike setting and includes the following and such other elements as established by the Department in conjunction with the Assisted Living and Shared Housing Advisory Board: individual living units each of which shall accommodate small kitchen appliances and contain private bathing, washing, and toilet facilities, or private washing and toilet facilities with a common bathing room readily accessible to each resident. Units shall be maintained for single occupancy except in cases in which two residents choose to share a unit. Sufficient common space shall exist to permit individual and group activities.

A facility must fill out an Alzheimer's special care disclosure form if they offer care to residents with Alzheimer's disease in a special unit.

Many qualitative factors affect the demand for assisted living and memory care services, including:

- Informal support networks and/or family caregiving affect the need for assisted living services.

- Geographic areas differ widely in their offering of home and community-based services that can and may affect the rate at which a person enters an assisted living setting. The services can include access to homemakers' services, home delivered meals, and social services offered by community agencies or home healthcare agencies.

- The degree to which the economy, the housing market, and employment have affected adult children of otherwise age/income eligible older adults may result in the sharing of a home and therefore assistance is provided to the parent by an available family member. Alternatively, these economic factors could result in decreased financial support for the seniors by their adult children.

- Seniors often choose to relocate and utilize senior living near their adult children.

Assisted Living & Memory Care Competitive Market Analysis

Communities located in the market area met the following criteria to be considered competitive:

- Offer one or more assisted living services
- Competing for residents within the same age and income ranges

Note 8 - Market Study (Continued)

The following table and map show The Moorings and the 14 assisted living and memory care competitor communities within in the MA.

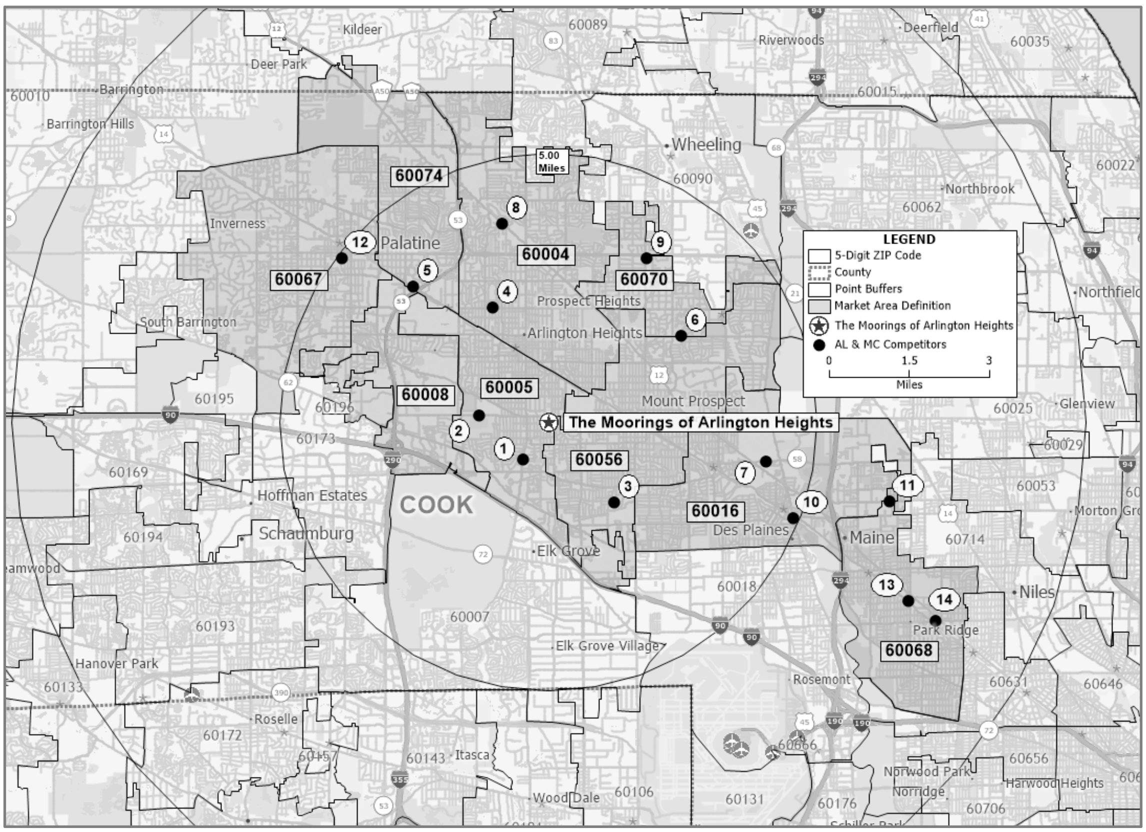
Assisted Living & Memory Care Communities in the MA							
Map Key	Property Name	Zip Code	Driving Distance	Year Opened	Assisted Living Units	Memory Care Units	Total
Subject Community							
	The Moorings of Arlington Heights	60005	-	2019	73	20	93
Existing Competitors							
1	Mariella of Arlington Heights	60005	1.3	2015	0	46	46
2	Church Creek	60005	1.4	1986	84	32	116
3	American House Mount Prospect	60056	2.7	2021	56	24	80
4	Lutheran Home	60004	2.8	1978	100	0	100
5	The Grand at Twin Lakes	60074	4.1	2016	35	0	35
6	Eden Vista Prospect Heights	60070	4.3	1995	70	30	100
7	Alden Gardens & Courts of Des Plaines	60016	4.5	2000	17	15	32
8	Waverly Inn Memory Care Community	60004	4.6	2018	0	68	68
9	Sunrise of Prospect Heights	60070	4.9	2017	69	32	101
10	Discovery Village Des Plaines	60016	5.4	1993	59	0	59
11	Sunrise of Park Ridge	60068	5.7	1999	71	39	110
12	Solstice Senior Living at Palatine	60067	5.8	1986	44	0	44
13	The Sheridan at Park Ridge	60068	8.3	2018	64	36	100
14	The Summit Of Uptown Park Ridge	60068	8.9	1961	48	19	67
					717	**341**	**1,058**
					790	**361**	**1,151**

Source: NIC MAP Vision® Data Service 3Q2025, telephone interviews November 2025, Illinois Deptartment of Health, various internet searches.

Note 8 - Market Study (Continued)

Illustration IV - Map of Assisted Living & Memory Care Communities in the MA

Source: Maptitude



Proposed Assisted Living and Memory Care Competitor Projects in the Market Area

In order to identify any new senior living construction, the following planning and zoning departments were interviewed: Cities of Des Plains, Rolling Meadows, Prospect Heights and Park Ridge, as well as the Villages of Arlington Heights, Hoffman Estates, Mount Prospect, and Palatine.

The 3Q2025 NIC MAP Vision® Property Inventory and NIC MAP® Dodge Data & Analytics Report, as well as the senior living competitor interviews were also reviewed to determine any senior living projects within the MA.

Per the inquiries and searches conducted, there were no competitor planned projects identified within the MA.

Summary of Assisted Living and Memory Care Occupancy

Within the MA, the average assisted living occupancy is 88 percent. The Moorings' assisted living occupancy is 99 percent.

Note 8 - Market Study (Continued)

Within the MA, the average memory care occupancy is 90 percent. The Moorings' memory care occupancy is 99 percent.

The Moorings has 9 prospects on its waitlist for its assisted living and memory care units.

Summary of Assisted Living and Memory Care Monthly Fees

The average monthly service fee including the average level of care in the MA is $7,619 for assisted living and $10,719 for memory care. The Moorings' current base monthly fees range from $8,820 to $11,085 for assisted living with additional service levels ranging from $655 to $2,580 monthly and medication management ranging from $525 to $905 monthly. The Moorings' current monthly fee for memory care is all inclusive at $13,290.

Note 8 - Market Study (Continued)

Assisted Living & Memory Care Penetration Analysis

Penetration rates are calculated to assess the market for assisted living and memory care units in the MA. Defined below are the assumptions used in the calculations. Both the traditional assisted living and memory care assisted living units are considered in the following analysis.

Market Rate Assisted Living & Memory Care Analysis Assumptions	
Age Qualification	75+ is the household range. The demand for assisted living is generally applied to households aged 75 and over.
One-person Households	87.5% of assisted living residents are unmarried according to the Overview of Assisted Living. Therefore, this calculation applies a screen to calculate the one-person households based on data reported by the US Census for Cook County. The number of one-person households aged 75+ is adjusted up by adding a 10% factor to account for couples that may move into assisted living.
Disability	Assisted living facilities serve individuals who need assistance with activities of daily living (ADLs) and instrumental activities of daily living (IADLS). Individuals above the age of 75 and that experience difficulty with concentrating or making decisions, walking, climbing stairs, dressing, or bathing due to physical, mental or emotional problems or that are blind or deaf are assumed to need assistance with IADLs or ADLs. Prevalence rates are from the Americans with Disabilities and Survey of Income and Program Participation Dataset (2023). MC facilities serve individuals with a memory impairment. Memory impairment prevalence rates are from the 2024 population projections from the U.S. Census Bureau and the Chicago Health and Aging Project (CHAP), a population-based study of chronic health conditions of older people.
Age, One-person, and Disabled Households	Represents the number of age, one-person, and disabled households in the MA.
Income Screen	$50,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living. This is the income threshold used to compare penetration rates to industry benchmarks. $108,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living. This is based on the MA average assisted living rate of $7,619/month (or $91,428/year) and the assumption that 85% of income is spent on assisted living. Based on the income-only screen, 27% of households in the MA qualify for assisted living in 2029. $151,000 is defined as the minimum income threshold for a resident to qualify for market rate assisted living memory care. This is based on the MA average memory care rate of $10,719/month (or $128,628/year) and the assumption that 85% of income is spent on memory care. Based on the income-only screen, 16% of households in the MA qualify for memory care in 2029.
Income + Asset Screen	In addition to the income screen, homeowners with annual household income between $25,000 and the income screens are considered eligible to afford the assisted living and memory care market rate product. Claritas estimates of the 2025 median home values within the MA suggest there will be equity available for some of the age 75+ market in additional household income. $392,391 is the median home value in 2025. 79% of households over the age of 75 own a home in the MA resulting in an additional 40% of qualified seniors for the market rate assisted living product and an additional 49% of qualified seniors for the market rate memory care in 2029.
Qualified Households	Represents the number of qualified households in the MA.
Adjustment for MA Draw	Assume 75% for the adjustment for the MA draw. This represents the percentage of units filled from the MA.
Adjustment for Occupancy	Assume 95% for the adjustment for the MA stabilized occupancy.

Note 8 - Market Study (Continued)

Assisted Living & Memory Care Qualified Households				
Estimation of AL & MC Age, One-person, & Disabled Households			**2029**	
Age Qualified Households (A)	75 - 79		9,752	
	80+		12,744	
			22,496	
One-person Households (B)	75 - 79	63%	6,144	
	80+	63%	8,029	
			14,173	
Disability Qualification (C)	75 - 79		49.3%	
	80+		65.5%	
Age, One-person, Moderately Disabled Households (D = B x C)	75 - 79		3,029	
	80+		5,257	
Total Pool of Assisted Living and Memory Care Households			8,286	
			AL	**MC**
Estimation of Households by Care Level (see MC calc in MC table)			5,587	2,699
Income and Assets Qualification				
			AL	**MC**
			$108,000+	**$151,000+**
% of HH earning $108,000 for AL and $151,000 for MC			27%	16%
% of Owner-Occupied HH earning $25,000 up to income threshold (defined above)			40%	49%
Based on Income (E = D x %)			1,508	444
Based on Income + Homeowner (F = D x %)			2,235	1,318
Total Age, One-person HH, Disabled, and Income Qualified (G)			3,743	1,762
Less: Competitive Adjustments at occupancy (H)			750	343
Net Qualified Households			**2,993**	**1,419**

Memory Care Qualified Households			
			2029
Age Qualified Households (A)	75 - 84		15,987
	85+		6,509
			22,496
One-person Households (B)	75 - 84	63%	10,072
	85+	63%	4,100
			14,172
Memory Care Qualification (C)	75 - 84		13.2%
	85+		33.4%
Age, One-person, Moderately Disabled Households (D = B x C)	75 - 84		1,330
	85+		1,369
			2,699

Note 8 - Market Study (Continued)

Gross Market Penetration Rate

This table presents the gross market penetration rate and indicates the percentage of age, income, and health need-qualified households in the market area that the total market would need to absorb for the competitive properties in the entire market to achieve stabilized occupancy. Typically, gross market penetration rates at or below 40 percent are considered a favorable indicator of market potential.

Market Rate Assisted Living & Memory Care GMP				
	$50,000+		$108,000+	
	2025	2029	2025	2029
Market inventory of competitive assisted living and memory care units:				
Existing The Moorings assisted living & memory care units (1)	92	89	92	89
Competitive existing assisted living & memory care units (2)	941	1,005	941	1,005
Planned projects (3)	-	-	-	-
Total assisted living and memory care units in the MA (a)	1,033	1,094	1,033	1,094
Number of qualified households (b) (Unit Potential Table)	5,499	6,049	5,040	5,551
Gross Market Penetration Rate (a/b)	**19%**	**18%**	**20%**	**20%**
Industry Benchmark of Acceptable Upper Range GMP Rate	40%			

(1) Existing The Moorings units at 99% occupancy in the current year, and 95% occupancy in 2029.
(2) Existing competitive units in the MA are adjusted for 89% occupancy in the current year, and 95% occupancy in 2029.
(3) No known planned assisted living or memory care projects.

Skilled Nursing Care

Skilled nursing is the long-term care option that provides housing, meals, personal care, nursing care, and medical services. Skilled nursing homes provide care to residents with conditions requiring long-term care or for those needing a shorter recovery period after hospitalization.

Nursing homes in Illinois are licensed, regulated, inspected and/or certified by a number of public and private agencies at the state and federal levels, including the Illinois Department of Public Health (IDPH) and the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS). These agencies have separate yet sometimes overlapping jurisdictions.

The Illinois Department of Public Health is responsible for ensuring nursing homes comply fully with mandatory state regulations. The Department, under a cooperative agreement with CMS, is also responsible for ensuring that facilities accepting Medicare and Medicaid payment for services rendered to program beneficiaries meet federal regulations and certification rules. Each year, the Department conducts approximately 1,300 full, on-site licensure inspections of nursing homes and responds to approximately 6,000 complaints. These inspections, called surveys, are conducted to evaluate the fitness and adequacy of the nursing home, its equipment, staff, policies, procedures and finances.

Note 8 - Market Study (Continued)

The Health Facilities Planning Act established Illinois's certificate of need (CON) program in 1974. The CON program promotes the development of a comprehensive health care delivery system that assures the availability of quality facilities, related services, and equipment to the public, while simultaneously addressing the issues of community need, accessibility, and financing. In addition, it encourages health care providers to engage in cost containment, better management and improved planning.

The Act established the Health Facilities Planning Board (since renamed the Health Facilities and Services Review Board) which issues permits for construction or modification projects proposed by or on behalf of healthcare facilities, and for the acquisition of major medical equipment. To obtain a permit, a person must justify that a proposed project is needed and financially and economically feasible, in addition to satisfying other criteria as established in the Board Administrative Rules. Included in the application review is the opportunity for public comments and a public hearing that provides for community input into the process.

Summary of Nursing Care Beds

The following table and map show The Moorings and the 13 existing nursing care communities within in the MA.

Nursing Care Communities in the MA

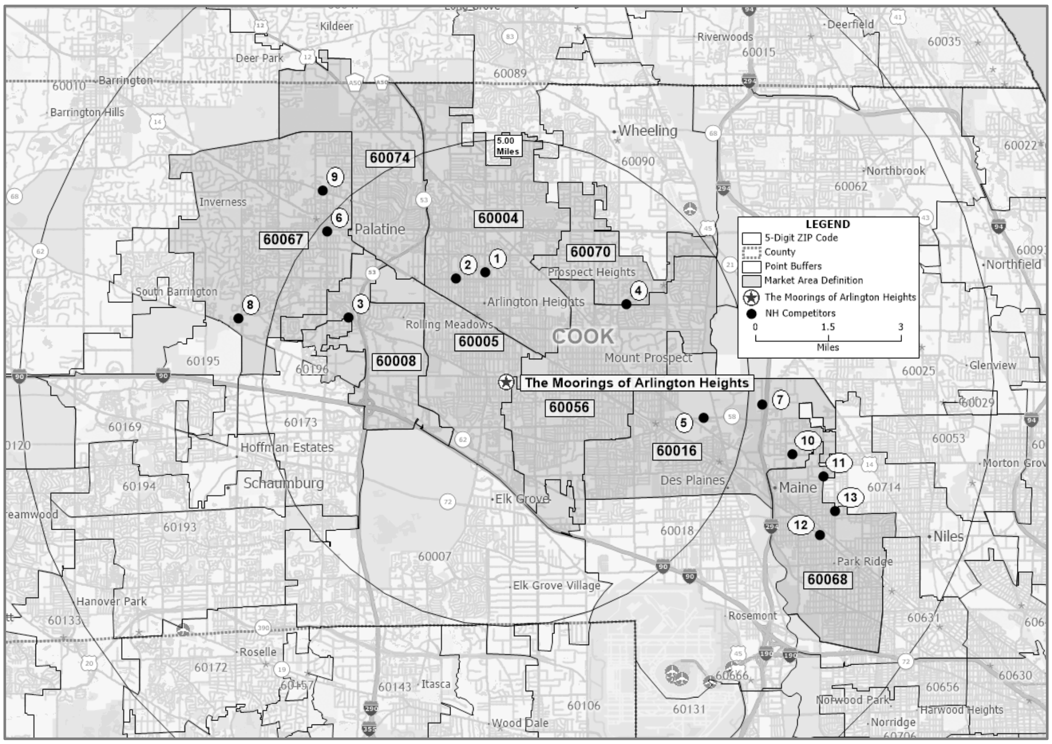
Map Key	Property Name	Zip Code	Driving Distance	Nursing Care Beds
Subject Community				
	The Moorings of Arlington Heights	60005	-	96
Existing Competitors				
1	New Summit Rehab & Healthcare	60004	2.5	120
2	Lutheran Home	60004	2.8	376
3	The Pearl of Rolling Meadows	60008	4.1	155
4	Eden Vista Prospect Heights	60070	4.3	30
5	Alden Gardens & Courts of Des Plaines	60016	4.5	110
6	ALIYA of Palatine	60067	5.6	69
7	Ascension Living Nazarethville Place	60016	6.1	83
8	Inverness Health & Rehabilitation	60067	6.4	142
9	Little Sisters of Palatine	60067	6.4	51
10	Rivaya Care of Des Plaines	60016	6.8	231
11	Avantara Park Ridge	60068	7.5	154
12	Park Ridge Healthcare Center	60068	7.9	46
13	Ascension Living Resurrection Place	60068	8.1	298
				1,865
				1,961

Source: NIC MAP Vision® Data Service 3Q2025, telephone interviews November 2025, Illinois Deptartment of Health, Medicare Cost Report

Note 8 - Market Study (Continued)

Illustration V - Map of Nursing Care Communities in the MA

Source: Maptitude



Note 8 - Market Study (Continued)

Skilled Nursing Care Competition in the Market Area

The following table lists the nursing care homes in the market area, their star rating, occupancy, and Medicare A mix.

Nursing Care Star Rating, Occupancy & Medicare Mix								
Facility Name	Zip Code	Ownership	Bed Count	Star Rating	Occupancy	Occupied Beds	Medicare A Mix (%)	Medicare A Occupied Beds
Moorings Of Arlington Heights	60005	Non Profit	96	5	76.7%	74	43%	31
New Summit Rehab & Healthcare	60004	For Profit	120	4	65.8%	79	51%	40
Lutheran Home	60004	Non Profit	376	2	67.6%	254	27%	69
The Pearl of Rolling Meadows	60008	For Profit	155	3	80.0%	124	8%	10
Eden Vista Prospect Heights	60070	For Profit	30	4	70.0%	21	37%	8
Alden Gardens & Courts of Des Plaines	60016	For Profit	110	4	72.7%	80	17%	14
ALIYA of Palatine	60067	For Profit	69	4	92.8%	64	7%	4
Ascension Living Nazarethville Place	60016	Non Profit	83	5	75.9%	63	4%	3
Inverness Health & Rehabilitation	60067	For Profit	142	2	83.1%	118	7%	8
Little Sisters Of The Poor	60067	Non Profit	51	5	62.7%	32	0%	0
Rivaya Care of Des Plaines	60016	For Profit	231	1	56.3%	130	8%	10
Avantara Park Ridge	60068	For Profit	154	3	90.3%	139	11%	15
Park Ridge Healthcare Center	60068	For Profit	46	5	95.7%	44	7%	3
Ascension Living Resurrection Place	60068	For Profit	298	1	39.3%	117	12%	14
		Total or Average	**1,961**	**3.4**	**68.3%**	**1,339**	**17%**	**229**

Source: Management, StarPRO November 2025, CMS, Medicare Cost Reports

Proposed Nursing Care Competitor Projects in the Market Area

In order to identify any new senior living construction, the following planning and zoning departments were interviewed: Cities of Des Plains, Rolling Meadows, Prospect Heights and Park Ridge, as well as the Villages of Arlington Heights, Hoffman Estates, Mount Prospect, and Palatine.

The 3Q2025 NIC MAP Vision® Property Inventory and NIC MAP® Dodge Data & Analytics Report, as well as the senior living competitor interviews were also reviewed to determine any senior living projects within the MA.

Per the inquiries and searches conducted, there were no competitor planned projects identified within the MA.

Summary of Nursing Care Occupancy

Within the MA, the average weighted nursing care occupancy is 68 percent. The Moorings' nursing care occupancy as of September 2025 was 77 percent.

Note 8 - Market Study (Continued)

Summary of Nursing Care Payor Mix

The following table presents The Moorings' payor mix compared to the state and the nation.

Nursing Care Payor Mix			
	The Moorings	**Illinois**	**United States**
Medicare	42.5%	11%	13%
Private/Other	57.5%	20%	24%
Medicaid	0%	69%	63%
Total	**100%**	**100%**	**100%**

Source: The Moorings' represents the 6 months ended September 2025, Illinois and the United States is based on KFF analysis of Certification and Survey Provider Enhanced Reports (CASPER) data and is for 2024.

Summary of Nursing Care Fees

The average daily nursing care fee in the MA is $488. The Moorings' daily nursing care fees range from $530 to $653.

Nursing Care Bed Penetration Analysis

The following presents a comparison of the MA penetration rate to Illinois and the US penetration rates. Nursing care penetration rates are calculated as occupied nursing care beds divided by age 65+ population with no consideration of income.

Nursing Care Utilization		
	All Payors	
Penetration rate:	**2025**	**2029**
Occupied nursing care beds in the MA (1)	1,339	1,330
Population age 65+ (2)	70,783	75,069
Calculated penetration rate (1)/(2)	1.89%	1.77%
	Benchmarks	
	2024	
Illinois nursing care utilization rate (3)	2.7%	
National nursing care utilization rate (3)	2.0%	

(1) Total occupied nursing care beds in the MA. 2029 reflects reduction of 12 beds at The Moorings at its average occupancy of 77%.
(2) Source: Claritas. Reflects all estimated MA population aged 65+; no income screen is applied.
(3) Number of occupied nursing care product as a % of aged 65+ population. Source: Medicare cost reports, Kaiser State Health Facts, and the US Census Bureau.

The 2025 MA penetration rate is below Illinois and the national penetration rate. This rate is projected to decrease from 2025 to 2029 as the 65+ population grows.

Note 8 - Market Study (Continued)

Marketing Plan

The success of The Moorings will be dependent, in part, on the fill up and occupancy rate of the new Project. The Moorings' plans to market the Project include:

- Marketing events
- Direct mail and e-mail
- Digital media
- Newspaper print ads
- Drive-by signage

The Moorings is offering benefits to the early depositors known as the Charter Members. Benefits of Charter Members include:

- Discounted entrance fee pricing for the first 60 depositors
- Special invitations to events and activities
- One complimentary meal for two each quarter with a Moorings Ambassador
- Happy hour invites and a complimentary beverage
- The ability to try out a resident program on the events calendar
- Support for scheduling membership activities and reservations
- Priority access to rehabilitation
- Access to personalized downsizing and moving support

Other incentives offered include:

- $10,000 entrance fee discount for the existing independent living units; limited to the first 10 residents who take advantage and they must take financial possession by January 31, 2026.

Additional Information

Plante & Moran, PLLC
Suite 100
250 S. High Street
Columbus, OH 43215
Tel: 614.849.3000
Fax: 614.221.3535
plantemoran.com

Independent Accountant's Report on Additional Information

To the Board of Directors
The Moorings of Arlington Heights, LLC

Our examination of the financial forecast presented in the preceding section of this document was made for the purpose of presenting, in the form of a forecast, information that is the representation of management. Our responsibility is to express an opinion on the forecast based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures performed depend on our judgment, including an assessment of the risks of material misstatement of the forecast whether due to fraud or error.

The accompanying sensitivity analyses are the responsibility of management and are presented for the purpose of additional analysis. Such information is not a required part of the financial forecast and has not been subjected to procedures applied in the examination of the financial forecast, and, accordingly, we express no opinion or any other form of assurance on it.

Plante & Moran, PLLC

December 17, 2025

PRAXITY
Empowering Business Globally

The financial forecast was prepared based on assumptions made by management concerning future operations of The Moorings. Various factors and conditions may occur that could adversely affect the forecast of the financial condition of The Moorings and its ability to meet debt service requirements. These factors include, but may not be limited to, legislation and regulatory actions, changes in assumptions concerning occupancy, rental rates, financing, construction costs, operating costs, occupancy variations due to increased competition from other senior housing facilities, independent living turnover, and management's failure to implement its marketing and/or operational plans. Furthermore, management prepared its financial forecast assuming that The Moorings obtains financing at rates and terms similar to those provided by the Underwriter, and the debt service requirements of the Series 2025 Bonds, and other long-term debt do not change during the forecast period.

The analyses that follow should not be construed as reflecting the only significant assumptions presented in the Forecast. The sensitivity analyses represent management's estimates and the Underwriter's request and have not been examined.

The sensitivity analyses are not intended to be all-inclusive and are presented for the purpose of demonstrating the significance of (1) a 10 percent increase in forecasted project costs, (2) an extension of forecasted stabilization of occupancy by 12 months, and (3) a 10 percent increase in forecasted project costs and an extension of forecasted stabilization of occupancy by 12 months.

Sensitivity Analysis #1: Increase in Construction Costs

As shown in the following table, Sensitivity Analysis #1 was conducted to estimate the impact from a 10 percent increase in the cost of construction for the 70 independent living units (approximately $7 million)

The following table contrasts the forecasted financial ratios against the sensitivites analysis (in thousands):

As Forecasted	**2026**	**2027**	**2028**	**2029**	**2030**
Cash and investments	$ 51,806	$ 55,144	$ 53,569	$ 57,993	$ 53,389
Days cash on hand	468	471	441	433	377
Debt service coverage ratio	5.81	4.02	3.42	2.90	2.42
Sensitivity #1 - Increase in Construction Costs					
Cash and investments	$ 51,518	$ 53,255	$ 45,042	$ 49,035	$ 43,959
Days cash on hand	466	456	370	366	311
Debt service coverage ratio	5.81	4.01	3.40	2.86	2.39

Sensitivity Analysis #2: Increase length of time of fill-up of 70 independent living units by 12 months to 24 months

As shown in the following table, Sensitivity Analysis #2 was conducted to estimate the impact from increasing the length of time to stabilized occupancy by 12 months to 24 months

The following table contrasts the forecasted financial ratios against the sensitivites analysis (in thousands):

As Forecasted	**2026**	**2027**	**2028**	**2029**	**2030**
Cash and investments	$ 51,806	$ 55,144	$ 53,569	$ 57,993	$ 53,389
Days cash on hand	468	471	441	433	377
Debt service coverage ratio	5.81	4.02	3.42	2.90	2.42
Sensitivity #2 - Slower Fill					
Cash and investments	$ 51,518	$ 53,255	$ 51,757	$ 46,627	$ 47,729
Days cash on hand	466	456	426	349	336
Debt service coverage ratio	5.81	4.01	3.33	2.51	2.27

Sensitivity Analysis #3: Increase in Construction Costs and Slower Fill (Sensitivities #1 and #2 combined)

As shown in the following table, Sensitivity Analysis #3 was conducted to estimate the impact of from a 10 percent increase in the cost of construction for the 70 independent living units (approximately $7 million) and increasing the length of time to stabilized occupancy by 12 months to 24 months

The following table contrasts the forecasted financial ratios against the sensitivites analysis (in thousands):

As Forecasted	**2026**	**2027**	**2028**	**2029**	**2030**
Cash and investments	$ 51,806	$ 55,144	$ 53,569	$ 57,993	$ 53,389
Days cash on hand	468	471	441	433	377
Debt service coverage ratio	5.81	4.02	3.42	2.90	2.42
Sensitivity #3 - Combination of increase in construction costs and slower fill					
Cash and investments	$ 51,518	$ 53,255	$ 44,677	$ 39,335	$ 40,219
Days cash on hand	466	456	368	294	283
Debt service coverage ratio	5.81	4.01	3.33	2.48	2.24

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE

TABLE OF CONTENTS

SECTION	HEADING	PAGE

DEFINITIONS OF CERTAIN TERMS D-1

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE D-27

- Payment of Principal, Premium, If Any, and Interest D-28
- Covenants as to Corporate Existence, Maintenance of Properties, and Similar Matters; Right of Contest D-28
- Insurance D-32
- Rates and Charges D-32
- Damage or Destruction D-35
- Condemnation D-37
- Other Provisions with Respect to Net Proceeds D-39
- Financial Statements and Related Matters D-39
- Permitted Additional Indebtedness D-43
- Calculation of Debt Service and Debt Service Coverage D-49
- Sale, Lease or Other Disposition of Property D-52
- Liens on Property D-53
- Right to Consent D-54
- Liquidity Covenant D-54
- Approval of Consultants D-55
- Merger, Consolidation, Sale or Conveyance D-58
- Entrance into the Obligated Group D-59
- Cessation of Status as a Member of the Obligated Group D-62
- Release and Substitution of Obligations upon Delivery of Replacement Master Indenture D-63
- Events of Default D-64
- Acceleration D-66
- Remedies; Rights of Obligation Holders D-66
- Direction of Proceedings by Holders D-67
- Appointment of Receivers D-68
- Application of Moneys D-68
- Remedies Vested in Master Trustee D-70
- Rights and Remedies of Obligation Holders D-70
- Termination of Proceedings D-70
- Waiver of Events of Default D-71
- Members' Rights of Possession and Use of Property D-71
- Related Bond Trustee or Bondholders Deemed to Be Obligation Holders D-71
- Resignation by the Master Trustee D-71
- Removal of the Master Trustee D-72
- Appointment of Successor Master Trustee by the Obligation Holders; Temporary Master Trustee D-72

Supplemental Master Indentures and Amendments to the Mortgage Not Requiring Consent of Obligation Holders D-73
Supplemental Master Indentures and Amendments of the Mortgage Requiring Consent of Obligation Holders D-75
Defeasance D-76
Provision for Payment of a Particular Series of Obligations or Portion Thereof D-77
Satisfaction of Related Bonds D-79

SUMMARY OF CERTAIN PROVISIONS OF THE FIRST SUPPLEMENTAL MASTER INDENTURE D-79

Definitions of Certain Terms Relating to the Series 2025 Project Amendments D-79
Rates and Charges D-80
Liquidity Covenant D-80
2025 Entrance Fee Fund D-81
2025 Liquidity Support Fund D-82
Repayment of 2025 Liquidity Support Obligation; Subordination D-83
2025 Project Occupancy Covenant D-83

SUMMARY OF CERTAIN PROVISIONS OF THE MORTGAGE D-84

General D-84
Representation and Warranties D-85
After-Acquired Property D-85
Maintenance of Lien D-85
Inspection of Mortgaged Property and Records D-85
Event of Default Defined D-86
Remedies D-86
Possession by the Master Trustee D-86
Foreclosure D-86
Receiver D-86
Supplements and Amendments to the Mortgage D-87
Conditions for Release D-87
Conflicts with Master Indenture D-88

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE AND THE MORTGAGE

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 Series 2025 Bonds at the offices of the Authority and thereafter at the offices of the Master Trustee.

DEFINITIONS OF CERTAIN TERMS

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

"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 2025 Obligations.

"Additional Obligations" means any evidence of Indebtedness or evidence of any repayment obligation under any Interest Rate Agreement issued after the issuance of the Series 2025 Obligations 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, limited liability company, 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, any Vice President, Executive Director, Director of Finance, 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, 20% 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.

"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.

"Business Day" means any day other than (i) a Saturday or a Sunday, or (ii) any day on which banks that are located in the cities in which the principal office of the Master Trustee or the principal offices of any other Paying Agent or the Obligated Group Agent, are located are authorized or required to remain closed, or (iii) with respect to any Obligation securing Related Bonds entitled to the benefit of credit or liquidity enhancement, any day on which banks that are

located in the city in which the related credit or liquidity enhancer is located or the city in which the office of such credit or liquidity enhancer from which payments are made pursuant to such credit or liquidity enhancement is located are authorized or required to remain closed or (iv) a day on which the New York Stock Exchange is closed.

"Capital Addition" means any additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or replacement of or to the Facilities.

"Capitalized Rentals" means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Finance 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 and any funds on deposit in the 2025 Liquidity Support Fund created under the First Supplemental Master Indenture, 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, financial, 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 the sum of Expenses plus all expensed and capitalized interest on Indebtedness for the most recent trailing twelve month period, as shown on the consolidating statement of operations in the most recent audited financial statements delivered to the Master Trustee in accordance with the provisions of the Master Indenture summarized under "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.

"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 Finance Leases, (l)(ii), (s) and (x)(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 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.

"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.

"Finance Lease" means any lease of real or personal property which, in accordance with GAAP, is required to be capitalized on the balance sheet of the lessee.

"First Supplemental Master Indenture" means the First Supplemental Master Trust Indenture dated as of December 1, 2025, between TMAH and the Master Trustee.

"Fiscal Quarter" means each three-month period ended, 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 Finance 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 (including the proceeds of draws on Funded Indebtedness used to pay interest on such Funded Indebtedness) and interest earned on amounts irrevocably deposited in an escrow or other trust account, to the extent such amounts are applied or 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; *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, or 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.

"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.

"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.

"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 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.

"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 Finance 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 Indenture" means the Master Trust Indenture dated as of December 1, 2025, as amended by the First Supplemental Master Indenture, each between TMAH, as the initial sole Member of the Obligated Group, and the Master Trustee, as it may from time to time be amended or supplemented 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, the TMAH Mortgage.

"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 TMAH 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 TMAH or such other Member or Person as may be designated from time to time pursuant to written notice to the Master Trustee, executed an Authorized Officer of TMAH or, if TMAH is no longer acting as the Obligated Group Representative, of each Member of the Obligated Group.

"Obligations" means the Series 2025 Obligations and any Additional Obligations and any Obligation or Obligations issued in exchange therefor.

"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.

"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 or any of its Affiliates.

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 or any of its Affiliates.

"Parent" means Presbyterian Homes, an Illinois not for profit corporation, and its successors and assigns.

"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 a Person 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 2025 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 or leased 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 of the Property 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 2025 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.

"Presbyterian Living Master Indenture" means the Master Trust Indenture dated as of April 1, 2016, as amended and supplemented, or as the same may be amended and restated, among the Parent and the other members of the obligated group created thereunder and the master trustee named therein

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another person.

"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 Projected 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.

"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.

"Rating Agency" means Moody's, Standard & Poor's or Fitch.

"Rebate Fund" means any Rebate Fund created by a Related Bond Indenture.

"Related Bond Indenture" means the Series 2025 Bond Indentures and any indenture, bond resolution or similar instrument pursuant to which any series of Related Bonds is issued.

"Related Bond Trustee" means the Series 2025 Bond Trustee 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 2025 Bonds and any other revenue bonds or similar obligations the proceeds of which are loaned or otherwise made available to any Member in consideration, whether in whole or in part, of the execution, authentication and delivery of an Obligation or Obligations.

"Related Issuer" means the Authority and any other issuer of a series of Related Bonds.

"Related Loan Document" means the Series 2025 Loan Agreements and any other 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."

"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) Entrance Fees received minus (A) Entrance Fees amortized during such Fiscal Year, (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 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.

"Series 2025 Bond Indentures" means the Series 2025A/B Bond Indenture and the Series 2025C Bond Indenture.

"Series 2025 Bonds" means the Series 2025A Bonds, the Series 2025B Bonds and the Series 2025C Bonds.

"Series 2025 Loan Agreements" means the Series 2025A/B Loan Agreement and the Series 2025C Loan Agreement.

"Series 2025 Obligations" means the Series 2025A Obligation, the Series 2025B Obligation and the Series 2025C Obligations.

"Series 2025A Bonds" means the $63,870,000 aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2025A (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Series 2025 Bond Indenture.

"Series 2025A Obligation" means the $63,870,000 principal amount Direct Note Obligation, Series 2025A (Illinois Finance Authority) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, as security for the Series 2025A Bonds.

"Series 2025A/B Bond Indenture" means the Bond Trust Indenture dated as of December 1, 2025 between the Authority and the Series 2025A/B Bond Trustee, relating to the issuance of the Series 2025A/B Bonds.

"Series 2025A/B Bond Trustee" means Amalgamated Bank of Chicago, or any successor thereto under the Series 2025A/B Bond Indenture.

"Series 2025A/B Loan Agreement" means the Loan Agreement dated as of December 1, 2025 between the Authority and TMAH, relating to the issuance of the Series 2025A Bonds and the Series 2025B Bonds.

"Series 2025B Bonds" means the Series 2025B-1 Bonds and the Series 2025B-2 Bonds.

"Series 2025B-1 Bonds" means the $15,600,000 Illinois Finance Authority Revenue Bonds, Series 2025B-1 (Tax-Exempt Mandatory Paydown Securities (TEMPS–85℠)) (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Series 2025 Bond Indenture.

"Series 2025B-1 Obligation" means the $15,600,000 principal amount Direct Note Obligation, Series 2025B-1 (Illinois Finance Authority) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, as security for the Series 2025B-1 Bonds.

"Series 2025B-2 Bonds" means the $22,300,000 Illinois Finance Authority Revenue Bonds, Series 2025B-2 (Tax-Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Series 2025 Bond Indenture.

"Series 2025B-2 Obligation" means the 22,300,000 principal amount Direct Note Obligation, Series 2025B-2 (Illinois Finance Authority) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, as security for the Series 2025B-2 Bonds.

"Series 2025C Bond Indenture" means the Bond Trust Indenture dated as of December 1, 2025 between the Authority and the Series 2025C Bond Trustee, relating to the issuance of the Series 2025C Bonds.

"Series 2025C Bond Trustee" means Amalgamated Bank of Chicago, or any successor thereto under the Series 2025C Bond Indenture.

"Series 2025C Bonds" means the Illinois Finance Authority Revenue Bonds, Series 2025C (The Moorings of Arlington Heights).

"Series 2025C Loan Agreement" means the Loan Agreement dated as of December 1, 2025 between the Authority and TMAH, relating to the issuance of the Series 2025C Bonds.

"Series 2025C Obligations" means the Series 2025C-1 Obligations, the Series 2025C-2 Obligation and the Series 2025C-3 Obligation.

"Series 2025C-1 Obligation" means the Direct Note Obligation, Series 2025C-1 (Illinois Finance Authority) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, as security for the Series 2025C Bonds.

"Series 2025C-2 Obligation" means the Direct Note Obligation, Series 2025C-2 (Old National Bank) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, to secure the Obligations of the Obligated Group under a certain bank agreement.

"Series 2025C-3 Obligation" means the Direct Note Obligation, Series 2025C-3 (Old National Bank) delivered by TMAH, in substantially the form attached to the First Supplemental Master Indenture, to secure the Obligations of the Obligated Group under a certain swap agreement.

"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.

"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.

"Standard & Poor's" or *"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 assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Standard & Poor's" or "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Master Trustee, at the direction of the Obligated Group Representative.

"Subordinated Indebtedness" means Indebtedness which meets the requirements set forth in the Master Indenture.

"Supplemental Master Indenture" means the First Supplemental Master Indenture and any other 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 (or as of the last day of the second and fourth Fiscal Quarters), commencing September 30, 2026.

"TMAH" means The Moorings of Arlington Heights, LLC, a limited liability company duly organized and existing and in good standing under the laws of the State of Illinois, the sole corporate member which is the Parent.

"TMAH Mortgage" means the Mortgage and Security Agreement dated as of April 1, 2016 by and between TMAH, as mortgagor, and the Master Trustee, as mortgagee, as amended by the

Amended and Restated Mortgage and Security Agreement dated as of December 1, 2025, as the same may be further supplemented and amended.

"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.

"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 contained in the Master Indenture 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 unless being contested in good faith: (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, Liens on its Property and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof, in each case, which are not Permitted Encumbrances.

(f) 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.

(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 material and 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 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 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 each Member which is a Tax-Exempt Organization, 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

Person 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; *provided,* that no such contest shall subject any Related Issuer, any Obligation Holder or the Master Trustee 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

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 Persons engaged in the same or similar activities and similarly situated. 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. In addition, the Obligated Group Representative shall (commencing with its Fiscal Year ending March 31, 2027) cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 150 days of the end of every two Fiscal Years which certificate indicates that the insurance then being maintained by the Members is customary in the case of Persons engaged in the same or similar activities and similarly situated. 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

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, 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) 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 above 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 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 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 1.10:1, 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 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 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.

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 or Capital Addition, the debt service requirements on such Additional Indebtedness, and the Revenues and Expenses relating to the project or 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 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 (6) months following the completion date for such project set forth in the Consultant's report described in (A) below, (ii) the Fiscal Year in which Stable Occupancy is achieved in the case of 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) below to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness or (iii) the end of the 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:

(A) there is delivered to the Master Trustee a report or opinion of an Consultant to the effect that the projected Historical Debt Service Coverage Ratio for the first full Fiscal Year following the Start-Up Period will be not less than 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 an Consultant shall deliver a report to the Master Trustee to the effect that 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 then permitted by such laws or regulations but in no event less than 1.00:1; provided further, however, that in the event an 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);

(B) such Consultant's report demonstrates, or Officer's Certificate certifies, that the interest on such Additional Indebtedness and any projected start-up losses during the Start-Up Period is funded from the proceeds of Additional Indebtedness or other funds of the Obligated Group, and continues to be available for such purposes during the Start-Up Period; and.

(C) such Consultant's report demonstrates, or Officer's Certificate certifies, that no principal of such Additional Indebtedness shall be payable during 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 (B) or (C) 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.

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) $5,000,000 plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026. 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) $5,000,000 plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026. 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) $5,000,000, plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026, 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) $5,000,000, 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) $5,000,000 plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026. 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) $5,000,000 plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026, 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) $5,000,000 plus an amount equal to $5,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of January 1, 2026, 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 to the extent applicable.

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, 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 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, 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) Until the end of the fiscal quarter in which the Obligated Group achieves Stable Occupancy with respect to the Series 2025 Project, a monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 60 days after the completion of such month, including:

(A) Prior to the issuance of the initial occupancy certificate for any portion of the Series 2025 Project, (i) a calculation of the marketing/reservation levels for the Series 2025 Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) a summary statement as to the status of construction; (iii) unaudited financial reports on the development costs of the Series 2025 Project incurred during that month and on an aggregate basis; and (iv) statements of the balances in the Series 2025 Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee), all in reasonable detail, certified by an officer of the Obligated Group Representative;

(B) After the issuance of the initial occupancy certificate for any portion of the Series 2025 Project, (i) a calculation of the marketing/reservation levels for the Series 2025 Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) occupancy levels of the Series 2025 Project as of the end of such month including the number of units that were occupied and vacated during that month and on an aggregate basis; (iii) a summary statement on the status of construction until the later of the completion of construction or the issuance of the last occupancy certificate for the Series 2025 Project; (iv) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last occupancy certificate for the Series 2025 Project; (v) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee) and (vi) a statement showing the amount of the Series 2025 Project Bonds that have been redeemed in the aggregate and during that calendar month, all in reasonable detail and certified by an officer of the Obligated Group Representative.

The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described in this subsection (i) after the end of the fiscal quarter in which Stable Occupancy with respect to the Series 2025 Project has been achieved and the Obligated Group has commenced delivery of the quarterly reports required by subparagraph (ii) below.

(ii) Within 60 days of the end of each Fiscal Quarter of each Fiscal Year (with the fourth quarter subject to final year-end adjustments) commencing June 30, 2026, 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 provided pursuant to subsection (viii) below.

(iii) Within 60 days of the end of each Fiscal Quarter of each Fiscal Year (with the fourth quarter subject to final year-end adjustments) commencing June 30, 2025, 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) 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; all prepared in reasonable detail and certified, subject to year-end adjustment by an officer of the Obligated Group Representative.

(iv) 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 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 1.20:1 and the Days Cash on Hand is at least equal to the Liquidity Requirement.

(v) Within 150 days of the end of each Fiscal Year commencing with the Fiscal Year ended March 31, 2026, 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) commencing March 31, 2026, in comparative form, the financial figures for the preceding Fiscal Year.

(vi) On or before the date of delivery of the financial reports referred to in subsection (v) above, commencing with the Fiscal Year ending March 31, 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 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, and (C) an executive summary of any actuarial reports received by the Obligated Group during the preceding Fiscal Year, if any, as required by subparagraph (ix) below.

(vii) Within 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.

(viii) Copies of (A) any board approved revisions to the annual budget provided pursuant to subsection (vii) 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.

(ix) 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, 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 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 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 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.

PERMITTED ADDITIONAL INDEBTEDNESS

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 fifth 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 20% 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 20% 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 clause (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) 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 the Master Indenture.

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 subsection (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, after the date of issuance of the Series 2025 Obligations, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of the Master Indenture 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 subsection (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 Finance Leases, the Capitalized Rentals under a Finance 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

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) 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 in the judgment of 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) 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 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 300 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 400 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 500 after the effect of such sale, lease or disposition of assets;

(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;

(g) If the amount of such Property pursuant to this subparagraph (h) 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; and

(h) 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 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, 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 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 (b)(ii) under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS." 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 the provisions of the Master Indenture summarized in subparagraph (b)(v) 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 150 Days Cash on Hand on each Testing Date (the *"Liquidity Requirement"*).

Any other provision of the 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 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 an Authorized Officer or 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 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.

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 subsections (ii) and (iii) above and this subsection (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 TMAH, 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.

MERGER, CONSOLIDATION, SALE OR CONVEYANCE

(a) Each Member agrees that it will not merge into, or consolidate with, one or more entities/Persons which are not Members, or allow one or more of such 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 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 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 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 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 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 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 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 Person, such successor Person 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 Person that is a successor, assignee, surviving, resulting or transferee of a Member must agree to become, and satisfy the conditions described in the Master Indenture 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 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 Person shall be released from its obligations thereunder and under any Obligations, if such predecessor Person shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor Person. All Obligations so issued by such successor Person pursuant to the Master Indenture shall in all respects have the same legal rank and benefit under the Master Indenture 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

As of the date of execution of the Master Indenture, TMAH is the only Member 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 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 equal to or 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 (x)(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, the Obligated Group Representative notified any such Rating Agency 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 was "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds was not reduced below "BBB-" (or its equivalent) or (ii) the credit rating(s) on such Related Bonds at the time of the notice was not reduced or withdrawn.

Each Person that is a successor, assignee, surviving, resulting or transferee 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

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, the Obligated Group Representative notified any such Rating Agency 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 was "BBB-" (or its equivalent) or higher, the ratings on such Related Bonds was not reduced below "BBB-" (or its equivalent) or (ii) the credit rating(s) on such Related Bonds at the time of the notice was not reduced or withdrawn.

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 (x) and (y) 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.

RELEASE AND SUBSTITUTION OF OBLIGATIONS UPON DELIVERY OF REPLACEMENT MASTER INDENTURE

Unless otherwise provided in a Related Supplement or other Related Bond Document, each Related Bond Trustee or other holder of an Obligation issued under the Master Indenture will surrender such Obligation upon presentation to such Related Bond Trustee or Obligation holder prior to such surrender of the following:

(a) a copy of an original executed counterpart of a supplemental master indenture admitting TMAH and any other then current member of the Obligated Group to the obligated group created under the Presbyterian Living Master Indenture (such obligated group is referred to as the *"Presbyterian Living Obligated Group"*);

(b) an original replacement note or similar obligation issued by or on behalf of the Presbyterian Living Obligated Group (the *"Substitute Note"*) under and pursuant to and secured by the Presbyterian Living Master Indenture, which Substitute Note has been duly authenticated by the master trustee under the Presbyterian Living Master Indenture;

(c) an Opinion of Independent Counsel addressed to each Related Bond Trustee (in form and substance not unacceptable to the Related Bond Trustees) to the effect that: (1) the Presbyterian Living Master Indenture, as supplemented, has been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group, all Substitute Notes have been duly authorized, executed and delivered by or on behalf of the Presbyterian Living Obligated Group and the Presbyterian Living Master Indenture and the Substitute Notes are each a legal, valid and binding obligation of the Presbyterian Living Obligated Group, subject in each case to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and to customary qualifications with respect to the joint and several obligations of the members of the Presbyterian Living Obligated Group to make payments of debt service on the Substitute Notes; (2) all requirements and conditions to the issuance of the Substitute Notes as set forth in the Presbyterian Living Master Indenture have been complied with and satisfied; and (3) registration of the Substitute Notes under the Securities Act of 1933, as amended, is not required or, if registration is required, the Substitute Notes have been so registered;

(d) an Opinion of Bond Counsel that the surrender of the Obligations and the delivery of the Substitute Notes will not adversely affect the validity of any Related Bonds or any exemption for the purposes of federal income taxation to which interest on any Related Bonds would otherwise be entitled.

In connection with the substitution of an outstanding Obligation with a Substitute Note, the provisions of the Master Indenture summarized under this subcaption shall not permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of, premium, if any, and interest on the Obligation or the underlying Indebtedness it secures, (ii) a reduction in the principal amount of the Obligation or the underlying Indebtedness it secures, (iii) a change in the redemption premiums or rates of interest on the Obligation or the underlying Indebtedness it secures, or (iv) a preference or priority of any Obligation over any other Obligation, unless the Master Trustee and any Related Bond Trustee so affected receives the prior written consent of the Holders of all the outstanding Obligations the priority of which will be adversely affected.

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, any mortgage executed pursuant to the last paragraph under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – PERMITTED ADDITIONAL INDEBTEDNESS," or any other instrument pledged as security for the Master Trustee under the Master Indenture.

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 to 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.

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 under 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 Person 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:

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

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

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

If at any time the Obligated Group Representative shall request the Master Trustee to enter into any Supplemental Master Indenture pursuant to subsection (l) above, the Master Trustee shall cause notice of the proposed execution of such Supplemental Master Indenture to be given to each Rating Agency then maintaining a rating on any Obligations or Related Bonds, in the manner provided in 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 FIRST SUPPLEMENTAL MASTER INDENTURE

The Master Indenture will be amended in connection with the issuance of the Series 2025 Bonds and a portion of such proceeds will be used to finance the Series 2025 Project as set forth in the First Supplemental Master Indenture (the *"Series 2025 Project Amendments"*). The Series 2025 Project Amendments are being made pursuant to the provisions of the Master Indenture (i) which permit the Obligated Group to amend the Master Indenture without the consent of holders of the Obligations outstanding under the Master Indenture in order grant to or confer upon the Master Trustee for the benefit of the Obligation Holders any additional rights, remedies, powers and (ii) that provides that the Master Indenture may be amended with the consent of the holders of not less than a majority of the Obligations outstanding under the Master Indenture. By their acceptance of the Series 2025 Obligations, the owners thereof, which will constitute all of the Obligations outstanding under the Master Indenture, will be deemed to have consented to the Series 2025 Project Amendments making such amendments effective upon execution of the First Supplemental Master Indenture.

DEFINITIONS OF CERTAIN TERMS RELATING TO THE SERIES 2025 PROJECT AMENDMENTS

Capitalized terms relating to the summary of the Series 2025 Project Amendments under this caption are defined below if not otherwise defined under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – DEFINITIONS OF CERTAIN TERMS" above.

"2025 Entrance Fee Fund" means the fund by that name established pursuant to the Master Indenture.

"2025 Liquidity Support Agreement" means the Liquidity Support Agreement dated as of December 1, 2025 among TMAH, the 2025 Liquidity Support Provider, and Amalgamated Bank of Chicago as the bond trustee and as Master Trustee.

"2025 Liquidity Support Fund" means the fund by that name established pursuant to the Master Indenture.

"2025 Liquidity Support Provider" or the *"Foundation"* means Geneva Foundation of Presbyterian Homes, an Illinois not for profit corporation, and its successors and assigns.

"2025 Project" means the construction and equipping of approximately 70 Independent Living Units and other common areas and the renovation of existing skilled nursing units and common areas financed with the proceeds of the Series 2025 Project Bonds.

"2025 Project Entrance Fees" means Initial Entrance Fees received by TMAH in connection with independent living units in the 2025 Project, including without limitation, any Entrance Fee paid to occupy an Independent Living Unit (wherever located) that was made available for occupancy because it was vacated by a resident transferring residency to an Independent Living Unit in the Series 2025 Project.

"2025 Project Stable Occupancy" means 90% of the Independent Living Units included in the 2025 Project have been Occupied.

"2025 Project Start-Up Period" means the period commencing on the date of issuance of the Series 2025 Obligations and continuing until the earlier of the end of the Fiscal Year during which 2025 Project Stable Occupancy is achieved and Fiscal Year ended March 31, 2030.

"Entrance Fee Transfer Date" shall have the meaning set forth under the caption "Entrance Fee Fund" under this heading.

"Series 2025 Bond Obligations" means the Series 2025A Obligation, the Series 2025B-1 Obligation, the Series 2025B-2 Obligation and the Series 2025C-1 Obligation.

"Series 2025 Project Bonds" means the portion of the Series 2025A Bonds, the Series 2025B Bonds and the Series 2025C Bonds allocated to financing the 2025 Project.

RATES AND CHARGES

The provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – RATES AND CHARGES" above are amended to include the following paragraph.

Any other provision of the Master Indenture notwithstanding, during the 2025 Project Start-Up Period, the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group may exclude all principal, interest and premium requirements in respect of the Series 2025 Project Bonds, and all Revenue and Expenses properly allocable to the 2025 Project in accordance with GAAP.

LIQUIDITY COVENANT

The provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – LIQUIDITY COVENANT" above are hereby amended to include the following paragraph.

Any other provision of the Master Indenture notwithstanding, during the 2025 Project Start-Up Period, the calculation of the Days Cash on Hand of the Obligated Group may exclude all interest requirements in respect of the Series 2025 Project Bonds to the extent funded with the proceeds of the Series 2025 Project Bonds (including investment earnings thereon), and all Revenue and Expenses properly allocable to the 2025 Project in accordance with GAAP.

2025 ENTRANCE FEE FUND

The provisions of Master Indenture are hereby amended to include the provisions described below.

2025 Project Entrance Fees. All 2025 Project Entrance Fees received by the Obligated Group for the Independent Living Units included in the 2025 Project shall be transferred to the Master Trustee and designated in writing as such to the Master Trustee within 10 Business Days of the receipt thereof for deposit into the 2025 Entrance Fee Fund described in the next paragraph.

Entrance Fee Fund. The Master Trustee shall establish and maintain a separate account to be known as the "2025 Entrance Fee Fund" (the *"2025 Entrance Fee Fund"*). All moneys received by the Master Trustee and held in the 2025 Entrance Fee Fund pursuant shall be trust funds under the terms of the Master Indenture for the benefit of the Series 2025 Obligations (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of the Master Indenture, but are not bond proceeds (within the meaning of the Code), and are not, except as specifically provided for with respect to the provisions of the Master Indenture described under this subcaption, pledged to payment of principal and interest on the Series 2025 Bonds. Moneys deposited in the 2025 Entrance Fee Fund shall be invested in Qualified Investments as directed by TMAH or, in the absence of such direction, held by the Master Trustee uninvested and without liability for interest.

Moneys in the 2025 Entrance Fee Fund on the first Business Day of each month (each an *"Entrance Fee Transfer Date"*) shall be disbursed by the Master Trustee as follows:

FIRST, to the Obligated Group to pay refunds of Initial Entrance Fees as required by residency agreements with respect to the 2025 Project. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group is required by a residency agreement to pay refunds within the next 15 days and the amount of such refunds.

SECOND, On the first Business Day of each month, the Master Trustee shall review the amount on deposit in the 2025 Entrance Fee Fund and shall transfer moneys in the 2025 Entrance Fee Fund on such date to the Series 2025A/B Bond Trustee for deposit into the Initial Entrance Fees Account of the Optional Redemption Fund established under Section 405 of the Series 2025A/B Bond Indenture for the application to the payment and redemption of the Series 2025B-2 Bonds as soon as practicable following such deposit.

THIRD, after all the Series 2025B-2 Bonds have been redeemed, on the first Business Day of each month, the Master Trustee shall review the amount on deposit in the 2025 Entrance Fee Fund and shall transfer moneys in the 2025 Entrance Fee Fund on such date to the Series 2025A/B

Bond Trustee for deposit into the Initial Entrance Fees Account of the Optional Redemption Fund established by the Series 2025A/B Bond Indenture for the application to the payment and redemption of the Series 2025B-1 Bonds as soon as practicable following such deposit.

After the Series 2025B-1 Bonds and Series 2025B-2 Bonds have been redeemed and if no Event of Default has occurred and is continuing under the Master Indenture or any Related Loan Document, the Obligated Group need not deposit any Initial Entrance Fees into the 2025 Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the 2025 Entrance Fee Fund shall be remitted to the Obligated Group and the 2025 Entrance Fee Fund shall be closed.

2025 LIQUIDITY SUPPORT FUND

The provisions of Master Indenture are hereby amended to include a Liquidity Support Fund as described below.

The Master Trustee shall establish and maintain a separate account to be known as the "2025 Liquidity Support Fund" (the *"2025 Liquidity Support Fund"*). All moneys received by the Master Trustee and held in the 2025 Liquidity Support Fund shall be trust funds under the terms of the Master Indenture for the benefit of the Series 2025 Bond Obligations and shall not be subject to lien or attachment of any other creditor of any Member of the Obligated Group. The money deposited in the 2025 Liquidity Support Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided by the provisions of the Master Indenture described under this subcaption. Pending disbursements of the amounts on deposit in the Liquidity Support Account, the Master Trustee shall promptly invest and reinvest such amounts in accordance with the Liquidity Support Agreement.

If the Master Trustee receives funds from the 2025 Liquidity Support Provider pursuant to the terms of the Liquidity Support Agreement, the Master Trustee shall deposit such funds in the 2025 Liquidity Support Fund.

The Obligated Group may from time to time direct the Master Trustee to withdraw moneys from the 2025 Liquidity Support Fund for operating expenses in accordance with the Liquidity Support Agreement or, if no other funds are available therefor (other than funds in an applicable debt service reserve fund), to pay amounts due but unpaid on the Series 2025 Bond Obligations upon submission of a disbursement request in accordance with the Liquidity Support Agreement.

If the conditions for a 50% reduction of the Support Obligation (as defined in the Liquidity Support Agreement) are satisfied in accordance with the relevant provisions of the Liquidity Support Agreement, the Master Trustee shall transfer any balance in the 2025 Liquidity Support Fund in excess of 50% of the Support Obligation to the 2025 Liquidity Support Provider. If the conditions for the reduction of the Support Obligation (as defined in the Liquidity Support Agreement) to zero ($0) are satisfied in accordance with the relevant provisions of the Liquidity Support Agreement, the Master Trustee shall transfer any balance in the 2025 Liquidity Support Fund to the 2025 Liquidity Support Provider. The Master Trustee is entitled to rely on a certificate delivered by the Obligated Group Representative that the conditions to release have been satisfied.

Upon transfer of the full balance of the 2025 Liquidity Support Fund to the 2025 Liquidity Support Provider, the Master Trustee shall close the 2025 Liquidity Support Fund.

From and after an Event of Default, moneys held in the 2025 Liquidity Support Fund shall be disbursed or applied as determined by the Master Trustee, upon direction the owners of a majority in aggregate principal amount of the Series 2025 Obligations.

REPAYMENT OF 2025 LIQUIDITY SUPPORT OBLIGATION; SUBORDINATION

The provisions of the Master Indenture are amended to include the following provision:

Repayment of 2025 Liquidity Support Obligation; Subordination. The Liquidity Support Repayment Obligation (as defined in the 2025 Liquidity Support Agreement) constitutes Subordinated Indebtedness of the Obligated Group. The Obligated Group shall not make any portion of the Liquidity Support Repayment Obligation unless the conditions set forth in the relevant provision of the Liquidity Support Agreement have been satisfied.

2025 PROJECT OCCUPANCY COVENANT

The provisions of the Master Indenture are amended to include the following provision:

2025 Project Occupancy Covenant. Within 30 days of receipt of the Occupancy certificate for the Independent Living Units included in the 2025 Project and any necessary licenses to commence occupancy thereof (the *"2025 Occupancy Certificate"*), TMAH shall notify the Master Trustee that such occupancy certificate has been received and deliver a copy of the occupancy certificate with such notice. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first full fiscal quarter following the issuance of the 2025 Occupancy Certificate and (b) ending at the end of the first full fiscal quarter following the date on which not less than 75% of all Independent Living Units included in the 2025 Project have been Occupied (an *"Occupancy Quarter"*), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units included in the 2025 Project (the *"Percentage of Units Occupied"*) at or above the requirements set forth below which levels shall be measured as of the last day of the applicable Occupancy Quarter or as an average for such Occupancy Quarter (the *"Occupancy Requirements"*):

Occupancy Quarter	Occupancy Requirements
1	12%
2	29
3	47
4	65
5 and thereafter	75

If the report submitted pursuant to the provisions of the Master Indenture described in clause (b)(i) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS" above states that the Percentage of Units Occupied for any

Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Obligated Group Agent shall within 45 days after the end of such Occupancy Quarter submit an occupancy corrective action plan prepared by management to the Master Trustee setting forth in detail the reasons therefor and the plan to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above by the Occupancy Quarter immediately succeeding the Occupancy Quarter with respect to which a corrective action plan is being submitted (a *"Corrective Occupancy Action Plan").*

If the report submitted pursuant to the provisions of the Master Indenture described in clause (b)(i) under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – FINANCIAL STATEMENTS AND RELATED MATTERS" above states that the Percentage of Units Occupied for any two consecutive Occupancy Quarters is less than the Occupancy Requirement set forth above for those Occupancy Quarters, the Obligated Group Agent shall select a Consultant within 45 days of the end of such second fiscal quarter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to at least the Occupancy Requirement set forth above on the earliest date practicable. Such Consultant shall be approved and retained as set forth in the provisions of the Master Indenture summarized under "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – APPROVAL OF CONSULTANTS" above. Within 60 days after retaining any such Consultant, the Obligated Group Agent shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member, the Master Trustee and each Required Information Recipient. Each Member shall follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Obligated Group shall not be required to obtain a Consultant's report more than one time in any six-month period.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter 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 Corrective Occupancy Action Plan or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Agent) and permitted by law.

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 TMAH (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.

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT

TABLE OF CONTENTS

PAGE

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT E-1

DEFINITIONS OF CERTAIN TERMS E-1

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE E-10

Funds; Disposition of Revenues E-10
Investment of Funds E-15
Arbitrage; Compliance with Tax Exemption Agreement E-16
Supplemental Bond Indentures E-16
Defeasance E-18
Redemption after Satisfaction of Bond Indenture E-20
Events of Default; Acceleration; Remedies E-21
Waiver of Events of Default E-24
Direction of Proceedings by Bondholders E-24
Application of Moneys E-25
Rights and Remedies of Bondholders E-27
Removal of the Bond Trustee E-27
Bond Trustee's Agent E-28
Bond Trustee as Holder of the Series 2025 Obligations E-28

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT E-29

Representations E-29
Payment of Series 2025 Bonds; Assignment of Rights Under the Loan Agreement and the Series 2025 Obligations E-29
Payments in Respect of the Series 2025 Obligations and the Loan Agreement E-29
The Borrower's Obligations Unconditional E-30
Certain Covenants of the Borrower Relating to the Use and Operation of the Bond Financed Property E-30
Transfer of Assets E-31
Indemnification of the Authority and the Bond Trustee E-31
Maintenance of Corporate Existence and Status E-33
Discharge of Orders, Etc E-34
Rates and Charges E-35
Licensure E-35
Financial Statements, Etc E-35
Supplements and Amendments to the Loan Agreement E-36
Defaults and Remedies E-37
Exchange of Series 2025 Bonds E-39

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE AND THE LOAN AGREEMENT

Brief descriptions of certain provisions of the Bond Indenture and the Loan Agreement are included hereafter in this APPENDIX E of this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the provisions of the Bond Indenture and the Loan Agreement 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 Series 2025 Bonds at the offices of the Authority and thereafter at the offices of the Bond Trustee. All references to the Series 2025 Bonds are qualified in their entirety by reference to the definitive forms thereof and the information with respect thereto included in the Bond Indenture.

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in the Bond Indenture, the Loan Agreement, 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 Borrower and not objected to by the Authority or the Bond Trustee.

"Bond Financed Property" means all of the property of the Borrower financed and refinanced with the proceeds of the Series 2025 Bonds.

"Bond Indenture" means the Bond Trust Indenture dated as of December 1, 2025 between the Authority and the Bond Trustee, as it may from time to time be amended or supplemented.

"Bond Register" means the registration books of the Authority kept by the Bond Trustee to evidence the registration and transfer of the Series 2025 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 E.

"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 E and at the time serving in that capacity.

"Bondholder," "holder," "owner," "owner of the Series 2025 Bonds" or *"Series 2025 Bondholder"* each means the registered owner of any Series 2025 Bond and does not mean any beneficial owner of a Series 2025 Bond whether through a book-entry system or otherwise.

"Bonds" means collectively, the Series 2025A Bonds and the Series 2025B Bonds authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Borrower" means The Moorings of Arlington Heights, an Illinois limited liability company, and its successors and assigns and any surviving, resulting or transferee corporation.

"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 Series 2025 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 Series 2025 Bonds or the use of the proceeds thereof.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement dated as of December 1, 2025 of the Borrower and Amalgamated Bank of Chicago, as dissemination agent, as it may from time to time be amended further in accordance with the terms thereof.

"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.

"Entrance Fee Fund" means the Entrance Fee Fund created by the Master Indenture.

"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.

"First Supplemental Master Indenture" means the First Supplemental Master Trust Indenture dated as of December 1, 2025 between the Borrower and the Master Trustee.

"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 Borrower 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 Borrower with written notice to the Bond Trustee and the Authority.

"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 Borrower, any other Member of the Obligated Group, the Bond Trustee or the Master Trustee.

"Initial Entrance Fees" has the meaning given such term in the Master Indenture.

"Initial Purchaser" means B.C. Ziegler and Company, the initial purchaser of the Series 2025 Bonds.

"Interest Payment Date" means each May 1 and November 1, commencing May 1, 2026, and, if any date so specified is not a Business Day, the Interest Payment Date shall be the immediately following Business Day.

"Loan Agreement" means the Loan Agreement dated as of December 1, 2025 between the Authority and the Borrower relating to the Series 2025 Bonds, as it may from time to time be amended and supplemented.

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2025, between the Borrower and the Master Trustee, as supplemented by the First Supplemental Master Indenture, and as it may from time to time be further supplemented and amended 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 Borrower by notice to the Bond Trustee and the Authority.

"Obligated Group" means, collectively, the Members of the Obligated Group.

"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 Series 2025 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," "Outstanding Series 2025 Bonds" or *"Bonds outstanding"* means, as of any given date, all Series 2025 Bonds which have been duly authenticated and delivered by the Bond Trustee under the Bond Indenture, except:

(a) Series 2025 Bonds cancelled after purchase thereof in the open market or because of payment at or redemption prior to maturity;

(b) Series 2025 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 Series 2025 Bonds) in accordance with the Bond Indenture; *provided* that if such Series 2025 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) Series 2025 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 Series 2025 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.

"Principal Payment Date" means each date on which payments of principal on the Series 2025 Bonds are due.

"Project Certificate" means the Project Certificate dated the Closing Date delivered by the Borrower in connection with the initial issuance and delivery of the Series 2025 Bonds.

"Project Certificate Exhibit" means Exhibit A to the Project Certificate.

"Project Completion Certificate" means the certificate attached to the Bond Indenture.

"Purchase Contract" means the Bond Purchase Agreement among the Initial Purchaser, the Borrower and the Authority, providing for the sale of the Series 2025 Bonds.

"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 Bonds, the April 15 or October 15 (whether or not a Business Day) next preceding an Interest Payment Date.

"Series 2025 Bonds" means the Series 2025A Bonds and the Series 2025B Bonds.

"Series 2025 Obligations" means the Series 2025A Obligation and the Series 2025B Obligation.

"Series 2025A Bonds" means the $63,870,000 aggregate principal amount of Illinois Finance Authority Revenue Bonds, Series 2025A (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Series 2025A Obligation" means the $63,870,000 principal amount Direct Note Obligation, Series 2025A (Illinois Finance Authority) delivered by the Borrower, in substantially the form attached to the First Supplemental Master Indenture.

"Series 2025B Bonds" means the Series 2025B-1 Bonds and the Series 2025B-2 Bonds.

"Series 2025B Obligation" means the Series 2025B-1 Obligation and the Series 2025B-2 Obligation.

"Series 2025B-1 Bonds" means the $15,600,000 Illinois Finance Authority Revenue Bonds, Series 2025B-1 (Tax-Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Series 2025B-1 Obligation" means the $15,600,000 principal amount Direct Note Obligation, Series 2025B-1 (Illinois Finance Authority) delivered by the Borrower, in substantially the form attached to the First Supplemental Master Indenture.

"Series 2025B-2 Bonds" means the $22,300,000 Illinois Finance Authority Revenue Bonds, Series 2025B-2 (Tax-Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights), authorized to be issued pursuant to the terms and conditions of the Bond Indenture.

"Series 2025B-2 Obligation" means the $22,300,000 principal amount Direct Note Obligation, Series 2025B-2 (Illinois Finance Authority) delivered by the Borrower, in substantially the form attached to the First Supplemental Master Indenture.

"Special Record Date" means the date fixed by the Bond Trustee pursuant to the Bond Indenture for the payment of Defaulted Interest.

"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 Borrower by notice to the Bond Trustee and the Authority.

"State" means the State of Illinois.

"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" means the Tax Exemption Certificate and Agreement relating to the Series 2025 Bonds dated the Closing Date among the Borrower, the Authority and the Bond Trustee and all amendments and supplements thereto.

"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.

"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 Borrower, as the case may be.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE

The following is a summary of certain covenants and provisions of the Bond Indenture. Reference is made to the Bond Indenture for a full and complete statement of its provisions.

FUNDS; DISPOSITION OF REVENUES

1. *Revenue Fund.* The Authority shall establish with the Bond Trustee and maintain so long as any of the Series 2025 Bonds are outstanding a separate account to be known as the "Revenue Fund – The Moorings of Arlington Heights – Series 2025" (the *"Revenue Fund"*). All payments upon the Series 2025 Obligations 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 2025 Obligations set forth in the granting clauses contained in the Bond Indenture, the Authority will direct the Borrower to make payments upon the Series 2025 Obligations 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 2025 Bonds are outstanding a separate account to be known as the "Interest Fund – The Moorings of Arlington Heights – Series 2025" (the "*Interest Fund*"). Within the Interest Fund, the Bond Trustee shall create and maintain separate accounts to be known as the "Series 2025A Account," the "Series 2025B-1 Account," and the "Series 2025B-2 Account." The Bond Trustee shall also establish and maintain separate and segregated accounts in the Interest Fund designated the "Special Interest Account – The Moorings of Arlington Heights – Series 2025A" (the *"Series 2025A Special Interest Account"*) and the "Special Interest Account – The Moorings of Arlington Heights – Series 2025B" (the *"Series 2025B Special Interest Account"*). Initial deposits shall be made to the Series 2025A Special Interest Account and the Series 2025B Special Interest Account as provided in the Bond Indenture.

On or before the second Business Day preceding each Interest Payment Date commencing with the May 1, 2026 Interest Payment Date, the Bond Trustee shall deposit in the Series 2025A Account of the Interest Fund from moneys on deposit in the Series 2025A Special Interest Account the amount set forth in the Bond Indenture. No funds shall be transferred from the Series 2025A Special Interest Account to the Series 2025A Account of the Interest Fund after November 1, 2028 unless the Bond Trustee receives an Opinion of Bond Counsel to the effect that such transfer will not adversely affect the validity of the Series 2025 Bonds or any exemption from federal income taxation to which the Series 2025 Bonds would otherwise be entitled. Amounts on deposit in the Series 2025A Special Interest Account may be used by the Borrower to pay the cost of any "project" as defined in the Act upon receipt of an Opinion of Bond Counsel to the effect that such application of funds will not adversely affect the validity of the Series 2025 Bonds or any exemption from federal income taxation to which the interest on the Series 2025 Bonds would otherwise be entitled.

On or before the second Business Day preceding each Interest Payment Date commencing with the May 1, 2026 Interest Payment Date, the Bond Trustee shall deposit in the respective Series 2025B-1 Account and Series 2025B-2 Account of the Interest Fund from moneys on deposit in the Series 2025B Special Interest Account an amount which, together with amounts already on deposit in the respective Series 2025B-1 Account and Series 2025B-2 Account, equals the amount of interest due on the Series 2025B-1 Bonds and the Series 2025B-2 Bonds, respectively on the next succeeding Interest Payment Date, until no funds remain on deposit in the Series 2025B Special Interest Account; provided that (i) no funds shall be transferred from the Series 2025B Special Interest Account to the Interest Fund representing interest on the Series 2025B Bonds after November 1, 2028 unless the Bond Trustee receives an Opinion of Bond Counsel to the effect that such transfer will not adversely affect the validity of the Series 2025 Bonds or any exemption from federal income taxation to which the Series 2025 Bonds would otherwise be entitled, (ii) amounts on deposit in the Series 2025B Special Interest Account may be used by the Borrower to pay the cost of any "project" as defined in the Act upon receipt of an Opinion of Bond Counsel to the effect that such application of funds will not adversely affect the validity of the Series 2025 Bonds or any exemption from federal income taxation to which the interest on the Series 2025 Bonds would otherwise be entitled and (iii) amounts on deposit in the Series 2025B Special Interest may be used to pay the accrued interest of Series 2025B Bonds being redeemed with Initial Entrance Fees pursuant to the provisions of the Bond Indenture described under "THE SERIES 2025 BONDS – Redemption of the Series 2025 Bonds – *Mandatory Optional Redemption of Series 2025 Bonds from Initial Entrance Fees*" in the forepart to this Official Statement.

On or before the second Business Day preceding each Interest Payment Date commencing with the May 1, 2029 Interest Payment Date, the Bond Trustee shall deposit in the Series 2025A Account of the Interest Fund from moneys in the Revenue Fund an amount, taking into account any amounts to be transferred from the Series 2025A Special Interest Account upon receipt of an Opinion of Bond Counsel for any transfer occurring after November 1, 2028, which is not less than the interest to become due on each Interest Payment Date of the Series 2025A 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 the Series 2025A Account and available for such purpose.

On or before the second Business Day preceding each Interest Payment Date commencing with the May 1, 2029 Interest Payment Date, the Bond Trustee shall deposit in the Series 2025B-1 Account of the Interest Fund from moneys in the Revenue Fund an amount, taking into account any amounts to be transferred from the Series 2025B-1 Special Interest Account upon receipt of an Opinion of Bond Counsel for any transfer occurring after November 1, 2028, which is not less than the interest to become due on each Interest Payment Date of the Series 2025B-1 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 the Series 2025B-1 Account and available for such purpose.

On or before the second Business Day preceding each Interest Payment Date commencing with the May 1, 2029 Interest Payment Date, the Bond Trustee shall deposit in the Series 2025B-2 Account of the Interest Fund from moneys in the Revenue Fund an amount, taking into account any amounts to be transferred from the Series 2025B-2 Special Interest Account upon receipt of an Opinion of Bond Counsel for any transfer occurring after November 1, 2028, which is not less than the interest to become due on each Interest Payment Date of the Series 2025B-2 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 the Series 2025B-2 Account 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 Series 2025 Bonds as it becomes due.

In connection with any partial redemption or defeasance prior to maturity of the Series 2025 Bonds, the Bond Trustee may, at the request of the Borrower, use any amounts on deposit in the Interest Fund in excess of the amount needed to pay the interest on the Series 2025 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 Series 2025 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 2025 Bonds are outstanding a separate account to be known as the "Bond Sinking Fund – The Moorings of Arlington Heights – Series 2025" (the "*Bond Sinking Fund*"). Within the Bond Sinking Fund, the Bond Trustee shall create and maintain four separate accounts to be known as the "Series 2025A Account," the "Series 2025B-1 Account" and the "Series 2025B-2 Account," respectively.

On or before the second Business Day preceding each May 1 commencing May 1, 2026, 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 Series 2025 Bonds on each May 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 Series 2025 Bonds as it becomes due and to redeem the Series 2025 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 Borrower, 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 Series 2025 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 Borrower 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 Series 2025 Bonds, the Bond Trustee may, at the request of the Borrower, use any amounts on deposit in the Bond Sinking Fund in excess of the amount needed to pay principal on the Series 2025 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 Series 2025 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 2025 Bonds are outstanding a separate account to be known as the "Optional Redemption Fund – The Moorings of Arlington Heights – Series 2025" (the "*Optional Redemption Fund*"). Within Optional Reserve Fund, the Bond Trustee shall create and maintain a separate account to be known as the "Initial Entrance Fees Account." In the event of (i) prepayment by or on behalf of the Borrower or any other Member of amounts payable on the Series 2025 Obligations pledged under the Bond Indenture, including prepayment with condemnation, insurance or sale proceeds, (ii) deposit of Initial Entrance Fees into the Entrance Fee Fund and transfer by the Master Trustee to the Optional Redemption Fund in accordance with the provisions of the Bond Indenture and the Master Indenture or (iii) deposit with the Bond Trustee by the Borrower 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 Series 2025 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. Initial Entrance Fees transferred to the Bond Trustee pursuant to the provisions of the Master Indenture shall be deposited to the Initial Entrance Fees Account and applied to redeem the Series 2025B Bonds in the order described in 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 Borrower.

5. *Expense Fund.* The Authority shall establish with the Bond Trustee a separate account to be known as the "Expense Fund – The Moorings of Arlington Heights – Series 2025" (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 Borrower in connection with or incident to the issuance and sale of the Series 2025 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 Project Fund and the Expense Fund shall then be closed.

6. *Project Fund.* The Authority shall establish with the Bond Trustee a separate account to be known as the "Project Fund – The Moorings of Arlington Heights – Series 2025" (the *"Project Fund"*). Moneys deposited in the Project Fund shall be paid out from time to time by the Bond Trustee upon receipt by the Bond Trustee of a Project Fund Request.

The Borrower shall deliver to the Bond Trustee and the Authority within 90 days after the completion of the Project a Project Completion Certificate substantially in the form attached to the Bond Indenture.

If after payment by the Bond Trustee of all Project Fund Requests and after receipt by the Bond Trustee of the Project Completion Certificate there shall remain any moneys in the Project Fund, the Borrower may (a) elect to retain all or a portion of such moneys in the Project Fund until the three-year anniversary of the Closing Date and withdraw such moneys by submission of additional Project Fund Requests with respect to additional costs of a continuing care facility; provided that no such additional costs may be paid if (i) such payment would cause the average maturity of the Series 2025 Bonds to exceed 120% of the average reasonably expected economic life of the Project, or (ii) such health care facility is not located on the real estate described in the notice of public hearing published in connection with the issuance of the Series 2025 Bonds; provided, that the Bond Trustee is entitled to conclusively rely on the Written Request of the Borrower with respect to a request for funds pursuant to (a) above, that such payment is permitted under the Bond Indenture and that the conditions of (i) and (ii) of this paragraph have been satisfied; (b) direct the Bond Trustee to transfer such moneys to the Optional Redemption Fund to optionally redeem Bonds; or (c) direct the Bond Trustee to apply such moneys in any other manner, provided there shall be delivered to the Bond Trustee and the Authority an Opinion of Bond Counsel to the effect that such application will not adversely affect the validity of the Series 2025 Bonds or any exemption from federal income taxation to which the interest on the Series 2025 Bonds would otherwise be entitled.

As soon as practicable after the Borrower has made an election or direction pursuant to (a), (b) or (c) of the immediately preceding paragraph, the Borrower shall recalculate the average reasonably expected economic life of the Bond Financed Property, which calculation shall include (i) the average reasonably expected economic life of any additional projects undertaken with moneys remaining on deposit in the Project Fund at the completion of the Project as originally described, and (ii) the amount of moneys transferred from the Project Fund to the Optional Redemption Fund as an asset with an economic life of zero.

If the Borrower makes no such election and in any event on the third anniversary date of the Closing Date, the Bond Trustee shall transfer such moneys to the Interest Fund to the extent necessary to make the next interest payment therefrom, then to the Bond Sinking Fund to the extent necessary to make the next principal payment therefrom, if such principal payment is required to be made within one year from the date of deposit therein, and then to the Optional Redemption Fund; *provided, however,* that if the Borrower and the Bond Trustee receive an Opinion of Bond Counsel to the effect that such moneys may be retained in the Project Fund or deposited in a manner not in accordance with the foregoing provisions, such moneys may be retained in the Project Fund or, if such opinion is received by the Bond Trustee in sufficient time to permit the Bond Trustee to follow any directions contained therein, deposited as set forth in such opinion.

The foregoing notwithstanding, amounts remaining in the Project Fund after completion of the Project as described above which are attributable to investment earnings may be transferred to the Rebate Fund (as defined in the Tax Exemption Agreement) upon the Written Request of the Borrower.

Subject to the provisions of the Bond Indenture summarized under the caption "INVESTMENT OF FUNDS" below, moneys at any time on deposit in the Project Fund shall, by Written Request of the Borrower, be invested or reinvested by the Bond Trustee in Qualified Investments maturing at such time or times so that the Bond Trustee will be able to pay the costs of the Project from time to time upon the order of the Authority and the Borrower as provided in the Bond Indenture. The Bond Trustee and the Authority shall be entitled to conclusively rely upon a schedule of anticipated payments of construction and equipment costs provided by the Borrower. Except for transfers of investment income to the Rebate Fund established under the Tax Exemption Agreement as provided in the Bond Indenture, any interest or profit on such investments shall be credited to and any losses on such investments shall be charged against the Project Fund. The Bond Trustee shall not be obligated to invest any moneys held by it under the Bond Indenture except as directed by the Borrower, in writing (such direction to specify the particular investment to be made). In the event of a loss on the sale of such investments (after giving effect to any interest or other income thereon except to the extent theretofore paid to the Borrower), the Bond Trustee shall have no responsibility in respect of such loss. The Bond Trustee may sell or present for redemption any obligations so purchased whenever it shall be necessary in order to provide moneys to meet any payment pursuant to the provisions of the Bond Indenture summarized under this caption, and the Bond Trustee shall not be liable or responsible for any loss, fee, tax or other charge incurred in connection with or resulting from such investments, reinvestment or liquidation of an investment under the Bond Indenture. Notwithstanding any other provisions of the Bond Indenture, all investment earnings shall be subject to the provisions of the Tax Exemption Agreement.

INVESTMENT OF FUNDS

Upon a Written Request of the Borrower filed with the Bond Trustee, moneys in the Project Fund, 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 Borrower 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 Borrower, 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.

The investment earnings on funds on deposit in the Project Fund shall be transferred to the Series 2025A Special Interest Account and the Series 2025B Special Interest Account of the Interest Fund on a pro-rata basis based on the outstanding principal amount of the Series 2025A Bonds and the Series 2025B Bonds.

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 Series 2025 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 Series 2025 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 Borrower 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 Series 2025 Bonds issued under the Bond Indenture or with respect to the payments derived from the Series 2025 Obligations 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 Series 2025 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 Series 2025 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 Series 2025 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 Series 2025 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 Series 2025 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: (1) 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 Series 2025 Bonds without the consent of the owners of such Bonds; (2) 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; (3) 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 Series 2025 Bonds at the time outstanding; (4) 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 Series 2025 Bonds at the time outstanding which would be affected by the action to be taken; or (5) 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 Borrower is not in default under the Loan Agreement, a supplemental indenture which adversely affects the rights of the Borrower under the Loan Agreement or the Borrower or any Member under the Master Indenture shall not become effective unless and until the Borrower 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 Borrower 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 Borrower, as their respective interests may appear.

If the Authority shall pay or provide for the payment of the entire indebtedness on any of the Series 2025 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 Series 2025 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 Series 2025 Bonds would otherwise be entitled. As a condition precedent to the refunding of any Series 2025 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 Series 2025 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 Borrower unless, in connection with making the deposits referred to in those sections, the Authority, at the direction of the Borrower, shall have irrevocably elected to waive any future right to call the Series 2025 Bonds or portions thereof for redemption prior to maturity. Notwithstanding anything to the contrary in the Bond Indenture, upon provision for payment of the Series 2025 Bonds or any portion thereof prior to the maturity thereof as specified in the Bond Indenture, the Authority, at the direction of the Borrower, 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 Borrower 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 Borrower 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 Series 2025 Bonds would otherwise be entitled. The Bond Trustee will give written notice of any such redemption or restructuring to the owners of the Series 2025 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 Series 2025 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 Series 2025 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 2025 Obligations 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 2025 Obligations 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 2025 Obligations 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 Series 2025 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 Borrower 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 Series 2025 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 Borrower 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 Borrower 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 Borrower or the Bond Trustee to remedy such default within such 30-day period shall not constitute a default under the Bond Indenture if the Borrower 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 Borrower in the performance of its 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 Series 2025 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 Series 2025 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 E.

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 Series 2025 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 Series 2025 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 Series 2025 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 Series 2025 Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST: To the payment of amounts, if any, payable to the United States Treasury pursuant to the Tax Exemption Agreement;

SECOND: To the payment to the Persons entitled thereto of all installments of interest then due on the Series 2025 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 Series 2025 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 Series 2025 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 Borrower pursuant to any provision of the Loan Agreement, the Bond Indenture or the Series 2025 Obligations;

SIXTH: To the payment of any other sums required to be paid by the Borrower pursuant to any provision of the Master Indenture; and

SEVENTH: To the payment of the surplus, if any, to the Borrower, its successors or assigns upon the written request of the Borrower 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 Series 2025 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 Series 2025 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 Series 2025 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 Series 2025 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 Borrower.

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 Series 2025 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 Series 2025 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 Borrower 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 Borrower, 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 Series 2025 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 Series 2025 Bonds, make payments on the Series 2025 Bonds or hold funds.

The Bond Trustee may appoint a Bond Trustee's Agent for the Series 2025 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 Series 2025 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 Series 2025 Bonds and make payments on the Series 2025 Bonds. The Bond Trustee shall serve as Bond Registrar for the Series 2025 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 Series 2025 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 Series 2025 Bonds and payment of Series 2025 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 Series 2025 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 2025 OBLIGATIONS

The Bond Trustee shall be considered the holder of the Series 2025 Obligations.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement. The Borrower agrees that the proceeds of the Series 2025 Bonds being loaned to the Borrower as evidenced by the Series 2025 Obligations shall be deposited with the Bond Trustee and applied for the benefit of the Borrower as provided in the Bond Indenture.

REPRESENTATIONS

The Borrower is a limited liability company duly incorporated under the laws of the State, is in good standing and duly authorized to conduct its business in the State, is duly authorized and has full power under all the laws of the State and all other applicable provisions of law and its Articles of Organization and Operating Agreement to create, issue, enter into, execute and deliver, as the case may be, the Master Indenture, the Series 2025 Obligations, the Official Statement, the Tax Exemption Agreement, the Mortgage (as defined in the Master Indenture), the Purchase Contract, the Continuing Disclosure Agreement and the Loan Agreement (collectively, the *"Borrower Agreements"*), and all action on its part necessary for the valid execution and delivery of the Borrower Agreements has been duly and effectively taken.

PAYMENT OF SERIES 2025 BONDS; ASSIGNMENT OF RIGHTS UNDER THE LOAN AGREEMENT AND THE SERIES 2025 OBLIGATIONS

The Borrower agrees that the principal of, the redemption premium, if any, and the interest on the Series 2025 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 2025 Obligations shall be assigned and pledged to the Bond Trustee to secure the payment of the Series 2025 Bonds. The foregoing notwithstanding, the Borrower agrees that the moneys and securities, if any, on deposit in the Rebate Fund are not part of the "trust estate" and are not available to make payments of principal, premium, if any, and interest on the Series 2025 Bonds. The Borrower agrees that the Series 2025 Obligations, the Loan Agreement and all of the rights, interests, powers, privileges and benefits accruing to or vested in the Authority under the Series 2025 Obligations 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 Series 2025 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 2025 OBLIGATIONS AND THE LOAN AGREEMENT

Under the terms of the Loan Agreement, the Borrower agrees 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 Series 2025 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 Borrower 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 Series 2025 Bonds. All payments due on the Series 2025 Obligations, 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 BORROWER'S OBLIGATIONS UNCONDITIONAL

The Authority and the Borrower agree that the Borrower shall bear all risk of damage or destruction in whole or in part to its Property or any part thereof including without limitation any loss, complete or partial, or interruption in the use, occupancy or operation of such Property, or any manner or thing which for any reason interferes with, prevents or renders burdensome, the use or occupancy of such Property or the compliance by the Borrower 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 Borrower agrees that its obligations to pay the principal, premium, if any, and interest on the Series 2025 Obligations, to pay the other sums provided for in the Loan Agreement and to perform and observe its other agreements contained in the Loan Agreement shall be absolute and unconditional and that the Borrower 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 BORROWER RELATING TO THE USE AND OPERATION OF THE BOND FINANCED PROPERTY

The Borrower agrees under the Loan Agreement that it 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 Borrower; the Borrower will use the Bond Financed Property as a "project" within the meaning of the Act; and the Borrower will operate all of its Property on a nondiscriminatory basis.

The Borrower also agrees that it will not permit any of the Bond Financed Property to be used (i) by any Person in an "unrelated trade or business" (as defined in Section 513(a) of the Code) of the Borrower (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 Series 2025 Bonds otherwise afforded under Section 103(a) of the Code.

The Borrower further agrees that it will not use or permit to be used any of the Bond Financed Property: (i) primarily for sectarian instruction or study or as a place of devotional activities or religious worship or as a facility used primarily in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, nuns, rabbis or other similar persons in the field of religion or (ii) in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America and the decisions of the United States Supreme Court interpreting the same or by any comparable provisions of the Constitution of the State of Illinois and decisions of the Supreme Court of the State interpreting the same.

The Borrower agrees 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 Borrower may reasonably prescribe.

TRANSFER OF ASSETS

The Borrower covenants and agrees that it will not sell, lease or otherwise dispose of any Property except as permitted by the provisions of the Master Indenture summarized in APPENDIX E 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 Borrower covenants and agrees that it will not sell, lease or otherwise dispose, directly or indirectly, in whole or in part, any portion of the Bond Financed Property unless the conditions set forth in the Project Certificate are satisfied.

INDEMNIFICATION OF THE AUTHORITY AND THE BOND TRUSTEE

The Borrower 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 the 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 Borrower 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 Series 2025 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 Series 2025 Bonds or the use of any official statement (or other disclosure document) related thereto;

(vi) any statement or information concerning the Borrower, any of its officers and members, or its 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 Series 2025 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 Borrower, any of its 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 Borrower; 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 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 Borrower pursuant to any of the paragraphs above, the Indemnified Person seeking indemnity shall promptly notify the Borrower, in writing, and the Borrower shall promptly assume the defense thereof, including the employment of counsel chosen by the Borrower and approved by the Authority or the Bond Trustee, or both (*provided,* that such approval by the Authority or Bond Trustee shall not be unreasonably withheld), the payment of all expenses and the right to negotiate and consent to settlement. If any Indemnified Person is advised in a written opinion of counsel that there may be legal defenses available to such Indemnified Person which are adverse to or in conflict with those available to the Borrower or that the defense of such Indemnified Person should be handled by separate counsel, the Borrower shall not have the right to assume the defense of such Indemnified Person, but the Borrower 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 Borrower 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 Borrower. 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 Borrower or unless the provisions of the immediately preceding sentence are applicable. The Borrower shall not be liable for any settlement of any such action affected without the consent of the Borrower, but if settled with the consent of the Borrower or if there be a final judgment for the plaintiff in any such action with or without consent, the Borrower agrees to indemnify and hold harmless the Indemnified Person from and against any loss, liability or expense by reason of such settlement or judgment.

The Borrower 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 Borrower under the Loan Agreement or any related agreement, (ii) taking any action requested by the Borrower, (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 Borrower, 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 Borrower, 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 Borrower for any reason. The obligations of the Borrower 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 E under the caption "SUMMARY OF CERTAIN PROVISIONS OF THE MASTER INDENTURE – MERGER, CONSOLIDATION, SALE OR CONVEYANCE," unless the Borrower complies with the following provisions summarized under this caption, the Borrower agrees that as long as any Series 2025 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 the 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 the Borrower, affirms) in writing and without condition or qualification the obligations of the Borrower under each of the Borrower Agreements;

(c) neither the validity nor the enforceability of the Series 2025 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 Series 2025 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;

(f) any successor to the 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 Borrower (at its 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 item (d) 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 Borrower, 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.

The 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 the 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 Borrower covenants and agrees to operate its 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 its Property on a nondiscriminatory basis, to charge such fees and rates for its Facilities and services and to exercise such skill and diligence as to provide income from its Property together with other available funds sufficient to pay promptly all expenses of operation, maintenance and repair of its Property, all amounts owing on the Series 2025 Obligations and to pay all other payments required to be made by the Borrower under the Loan Agreement and under the Master Indenture to the extent permitted by law. The Borrower further covenants and agrees that it will from time to time as often as necessary, to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of 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 the Borrower from satisfying the other requirements of the Loan Agreement summarized in this paragraph.

LICENSURE

The Borrower warrants that its existing Facilities have all material state and local licenses required for the operation thereof. The Borrower will obtain and maintain or cause to be obtained and maintained, all such licenses required for the operation of its Facilities and the Bond Financed Property and will use its 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 Borrower and the Bondholders, as determined by the governing body of the Borrower.

FINANCIAL STATEMENTS, ETC.

The Borrower covenants that it will keep proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of, or in relation to, the business and affairs of the Borrower 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 E 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 Borrower 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 Series 2025 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 Borrower 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 Series 2025 Bonds; (e) to provide that Series 2025 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 Borrower 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 Series 2025 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 Series 2025 Bonds remain outstanding, the consent of the owners of such Bonds shall not be required. If at any time the Authority and the Borrower 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 described in this paragraph. If the owners of not less than a majority in aggregate principal amount of the Series 2025 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 2025 Obligations 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 Series 2025 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 Borrower to pay any installment of principal, interest or premium on the Series 2025 Obligations 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 Borrower 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 Borrower; *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 Borrower commencing corrective action and the Borrower diligently pursues such corrective action until it shall have complied with or performed such covenants, conditions or provisions; or

(c) if any representation or warranty made by the Borrower in the Loan Agreement or in any statement or certificate furnished to the Authority or the Bond Trustee or the purchaser of any Series 2025 Bonds in connection with the sale of Bonds or furnished by the Borrower 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

Borrower 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 Borrower commencing corrective action and the Borrower diligently pursues 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 2025 Obligations; or

(e) if the 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 the Borrower or for the major part of its Property; or

(f) if a trustee, custodian or receiver is appointed for the 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 the Borrower (other than bankruptcy proceedings instituted by the Borrower against third parties), and if instituted against the Borrower are allowed against the 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 Borrower to comply with or perform its 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 Borrower, request that the Master Trustee declare the principal of the Series 2025 Obligations (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 2025 Obligations or in the Loan Agreement to the contrary notwithstanding. The Authority shall request that the Master Trustee declare the principal of the Series 2025 Obligations 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 2025 Obligations shall have been so declared and become due and payable, all arrears of interest, if any, upon the Series 2025 Obligations and the expenses of the Authority shall be paid by the Borrower, and every other default in the observance or performance of any covenant, condition or agreement in the Series 2025 Obligations 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 Borrower may waive the event of default by reason of which the principal of the Series 2025 Obligations shall have been so declared and become due and payable and may rescind and annul such declaration and its consequences; *provided, however,* that there shall not be waived any event of default in the payment of the principal payable on the Series 2025 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 2025 Obligations (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 2025 Obligations 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 2025 Obligations, 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 2025 Obligations, to enforce performance and observance of any obligation, agreement or covenant of the Borrower under the Loan Agreement, under the Series 2025 Obligations or under the Master Indenture or to protect and enforce any of the Authority's rights or duties thereunder.

EXCHANGE OF SERIES 2025 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 Series 2025 Bonds issued by the Authority are declared to be invalid and unenforceable, and if as a result thereof the obligation of the Borrower to make payments on the Series 2025 Obligations pledged under the Bond Indenture is determined to be unenforceable, then the Borrower agrees that it will issue its own bonds (the interest on which may not be exempt from federal income tax) in exchange for the Series 2025 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 Series 2025 Bonds being exchanged. The Series 2025 Bonds to be issued by the Borrower 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 Borrower will be issued thereunder in exchange for the Series 2025 Bonds surrendered by the holders thereof. Notice of any such exchange shall be given as provided for redemption of the Series 2025 Bonds under the Bond Indenture and the expenses of such exchange, including the printing of the Series 2025 Bonds and other reasonable expenses in connection therewith, shall be borne by the Borrower.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of **DECEMBER 1, 2025** (this *"Continuing Disclosure Agreement"*), is executed and delivered by **THE MOORINGS OF ARLINGTON HEIGHTS, LLC,** (the *"Borrower"*), and **AMALGAMATED BANK OF CHICAGO,** as dissemination agent (the *"Dissemination Agent"*).

RECITALS

1. This Continuing Disclosure Agreement is executed and delivered in connection with the issuance by the Illinois Finance Authority (the *"Authority"*) of its (i) Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) in the aggregate principal amount of $63,870,000 (the *"Series 2025A Bonds*"), (ii) Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $15,600,000 (the *"Series 2025B-1 Bonds"*), and (iii) Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $22,300,000 (the *"Series 2025B-2 Bonds"* and together with the Series 2025A Bonds and the Series 2025B-1 Bonds, the *"Bonds"*), pursuant to the Bond Trust Indenture dated as of December 1, 2025, between the Authority and Amalgamated Bank of Chicago, as bond trustee. The proceeds of the Bonds are being loaned by the Authority to the Borrower, pursuant to the Loan Agreement, dated as of December 1, 2025.

2. The Borrower and the Dissemination Agent are entering into this Continuing Disclosure Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the *"Rule"*). The Borrower is the only *"obligated person"* (as defined by the Rule) with responsibility for continuing disclosure, and the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Continuing Disclosure Agreement, and has no liability to any person, including any Beneficial Owner of the Bonds, with respect to the Rule.

In consideration of the mutual covenants and agreements herein, the Borrower and the Dissemination Agent covenant and agree as follows:

Section 1. Definitions.

In addition to the definitions set forth in the Master Indenture and the Bond Indenture, which apply to any capitalized term used in this Continuing Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"2025 Project Stable Occupancy" means, with respect to the Project financed with the Bonds, 90% of the Independent Living Units included in the 2025 Project have been Occupied.

"Annual Report" means a document or set of documents that identifies the *"obligated person"* (as defined by the Rule) as of the date of the Annual Report and contains the required annual reporting information contained in **Section 2(a)** of this Continuing Disclosure Agreement.

"Annual Report Date" means the date that is no more than **150** days after the last day of the Borrower's Fiscal Year, commencing with the Fiscal Year ending March 31, 2026.

"Authority" means the Illinois Finance Authority, and its successors and assigns or any body, agency or instrumentality of the State of Illinois succeeding to or charged with the powers, duties and functions of the Authority.

"Beneficial Owner" means any Registered Owner of any Bonds and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Bond Indenture" means the trust indenture between the Authority and the Trustee for the benefit of the bondholders establishing the rights, duties and remedies of the Authority and the Trustee and specifying the security for the Bonds.

"Borrower" means The Moorings of Arlington Heights, LLC.

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

"Dissemination Agent" means Amalgamated Bank of Chicago, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Borrower.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"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.

"Fiscal Year" means the 12-month period beginning on April 1 and ending on March 31 or any other **12**-month period selected by the Borrower as the Fiscal Year of the Borrower for financial reporting purposes.

"Loan Agreement" means the Loan Agreement dated as of December 1, 2025 between the Authority and the Borrower pursuant to which the Authority loaned the proceeds of the Bonds to the Borrower.

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2025, among the Borrower and Amalgamated Bank of Chicago, as master trustee, as supplemented and amended in accordance with its terms.

"Material Events" means any of the events listed in **Section 4(a)** of this Continuing Disclosure Agreement.

"Monthly Report" means a document or set of documents that contains the required monthly reporting information contained in **Section 2(c)** of this Continuing Disclosure Agreement.

"Monthly Report Date" means as soon as practicable after the information is available, but in no event more than **60** days after the completion of such month, commencing with the month ending January 31, 2026.

"MSRB" means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

"Obligated Group" and "Member of the Obligated Group" have the meanings given those terms in the Master Indenture. The Borrower is the only Member of the Obligated Group as of the date of this Continuing Disclosure Agreement.

"Participating Underwriter" means any of the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Quarterly Report" means a document or set of documents that identifies the *"obligated person"* (as defined by the Rule) as of the date of the Quarterly Report and contains the required quarterly reporting information identified in **Section 2(b)** hereto.

"Quarterly Report Date" means the date that is the **60th** day following the end of the each of the fiscal quarters of the Borrower's Fiscal Year, commencing with the fiscal quarter ending June 30, 2026.

"Rule" means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 2. Provision of Annual, Quarterly, and Monthly Reports.

The Borrower shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, Quarterly Report Date, or Monthly Report Date, as applicable, file with the MSRB, through EMMA the following:

(a) *Provision of Annual Reports.* The Borrower shall, or shall cause the Dissemination Agent to, not later than **150** days after the end of the Borrower's Fiscal Year (the *"Annual Report Date"*), commencing with the Fiscal Year ending March 31, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the *"Annual Report"*): (1) audited financial statements that include the Borrower for the prior Fiscal Year prepared in accordance with accounting principles generally accepted in the United States and (2) the annual operating data identified on **Exhibit A** hereto; provided, however, that, if audited financial statements are not available by the Annual Report Date, the Annual Report may contain unaudited financial statements in the format included in the Quarterly Reports required by this Continuing Disclosure Agreement, and the audited financial statements shall 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 or permit consolidation of certain financial information of entities that are not Members of the Obligated Group with financial information of the Borrower or other Members of the Obligated Group, consolidated financial statements prepared in accordance with generally accepted accounting principles that include information with respect to entities that are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Continuing Disclosure Agreement so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Borrower 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.

(b) *Provision of Quarterly Reports.* The Borrower shall, or shall cause the Dissemination Agent to, not later than the date that is the **60th** day following the end of each of the fiscal quarters of the Borrower's Fiscal Year (with the fourth quarter subject to final year-end adjustments, the *"Quarterly Report Date"*), commencing with the fiscal quarter ending June 30, 2026, file with the MSRB, through EMMA, the following financial information and operating data (the *"Quarterly Report"*): (1) the unaudited financial statements 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; and (2) the quarterly operating data identified on **Exhibit A** hereto.

(c) *Provision of Monthly Reports.* The Borrower shall, or shall cause the Dissemination Agent to, until the end of the fiscal quarter in which the Obligated Group achieves 2025 Project Stable Occupancy, as soon as practicable after the information is available but in no event more than **60** days after the completion of such month (the *"Monthly Report Date"*), commencing with the month ending January 31, 2026, a monthly statement including the monthly operating and financial data identified on **Exhibit A** hereto (the *"Monthly Report"*). Obligated Group Representative will notify the Dissemination Agent in writing when they achieve the 2025 Project Stable Occupancy.

Section 3. Requirements of Reports.

(a) Any or all of the items listed in **Section 2** may be included by specific reference to other documents, including official statements of debt issues with respect to which the Borrower is an *"obligated person"* (as defined by the Rule), which have been filed with the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Borrower shall clearly identify each such other document so included by reference.

(b) In each case, the Annual Report, Quarterly Report or Monthly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section and **Section 2** hereof; provided that the audited financial statements of the Borrower may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(c) If the Borrower's Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 4(d)**.

(d) Not later than the Annual Report Date, Quarterly Report Date or Monthly Report Date, as applicable, the Borrower shall either (1) provide the Annual Report, Quarterly Report, or Monthly Report, as applicable, to the Dissemination Agent, with written instructions to file such report as specified in **Section 2** hereof, or (2) provide written notice to the Dissemination Agent that the Borrower has filed such report with the MSRB (or will do so prior to the Annual Report Date, Quarterly Report Date, or Monthly Report Date, as applicable).

(e) Promptly following receipt of the Annual Report, Quarterly Report, or Monthly Report, as applicable, and instructions pursuant to subsection (d) of this Section, the Dissemination Agent shall file the respective report with the MSRB and, in the case of the Annual Report, file the Annual Report with the Borrower, the Authority and, if the Dissemination Agent is not the Bond Trustee, the Bond Trustee, certifying that the Annual Report has been filed pursuant to this Continuing Disclosure Agreement and stating the date it was filed, and, in the case of the Quarterly Report, provide the Borrower and the Bond Trustee written confirmation that the Quarterly Report was filed with the MSRB in accordance with **Section 3** hereof.

(f) If the Dissemination Agent has not received the Annual Report, Quarterly Report, Monthly or written notice as described in subsection (d) of this Section, the Dissemination Agent shall send a notice to the MSRB in substantially the form attached as **Exhibit B**, **Exhibit C**, or **Exhibit D**, as applicable.

(g) The Dissemination Agent shall notify the Borrower each year, not later than **30** days prior to the date for providing the Annual Report to the MSRB, of the date on which its Annual Report must be provided to the Dissemination Agent or the MSRB.

(h) In addition to the foregoing requirements of this Section and **Section 2**, the Borrower agrees to provide copies of the most recent Annual Report or Quarterly Report to any requesting Beneficial Owner or prospective Beneficial Owner, but only after the same have been filed with the MSRB on EMMA.

(i) The Annual Report, Quarterly Report and Monthly Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 4. Reporting of Material Events.

(a) No later than **10** Business Days after the occurrence of any of the following events, the Borrower 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 Bonds (*"Material Events"*):

(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 Bonds, or other material events affecting the tax status of the 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 Bonds, if material;

(11) rating changes;

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

(13) the consummation of a merger, consolidation, or acquisition involving the Borrower or the sale of all or substantially all of the assets of a Member of the Borrower, 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.

(b) The Dissemination Agent shall, promptly after obtaining actual knowledge of the occurrence of any event that it believes may constitute a Material Event, contact the chief financial officer of the Borrower or his or her designee or such other person as the Borrower shall designate in writing to the Dissemination Agent from time to time, inform such person of the event, and request that the Borrower promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). If in response to a request under this subsection (b), the Borrower determines that the event does not constitute a Material Event, the Borrower shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (d).

(c) Whenever the Borrower obtains knowledge of the occurrence of a Material Event, because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Borrower shall promptly notify and instruct the Dissemination Agent in writing to report the occurrence pursuant to subsection (d).

(d) If the Dissemination Agent receives written instructions from the Borrower to report the occurrence of a Material Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB, with a copy to the Borrower. Notwithstanding the foregoing, notice of Material Events described in subsections (a)(8) or (9) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is provided to the Beneficial Owners of affected Bonds pursuant to the Bond Indenture.

Section 5. Termination of Reporting Obligation.

The Borrower's obligations under this Continuing Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If the Borrower's obligations under this Continuing Disclosure Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Agreement in the same manner as if it were the Borrower, and the Borrower shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Bonds, the Borrower shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 4(d)**.

Section 6. Dissemination Agent.

The Borrower may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign as dissemination agent hereunder at any time upon **30** days prior written notice to the Borrower. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Borrower pursuant to this Continuing Disclosure Agreement. The initial Dissemination Agent is Amalgamated Bank of Chicago

Section 7. Amendment; Waiver.

Notwithstanding any other provision of this Continuing Disclosure Agreement, the Borrower and the Dissemination Agent may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Borrower and the Dissemination Agent with its written opinion that the undertaking of the Borrower contained herein, 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 this Continuing Disclosure Agreement.

If a provision of this Continuing Disclosure Agreement is amended or waived, the Borrower shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Borrower. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 4(d)**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Additional Information.

Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Borrower from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report, Quarterly Report, Monthly Report, or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Agreement. If the Borrower chooses to include any information in any Annual Report, Quarterly Report, Monthly Report, or notice of occurrence of a

Material Event, in addition to that specifically required by this Continuing Disclosure Agreement, the Borrower shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report, Quarterly Report, Monthly Report, or notice of occurrence of a Material Event. The Borrower may direct the Dissemination Agent to file such additional information with the MSRB through EMMA.

Section 9. Default.

If there is a failure of the Borrower or the Dissemination Agent to comply with any provision of this Continuing Disclosure Agreement, the Bond Trustee may (and, at the request of any Participating Underwriter or the Registered Owners of at least **25%** aggregate principal amount of Outstanding Bonds, shall) take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower or the Dissemination Agent, as the case may be, to comply with its obligations under this Continuing Disclosure Agreement. A default under this Continuing Disclosure Agreement shall not be deemed an event of default under the Bond Indenture, the Loan Agreement, or the Master Indenture, and the sole remedy under this Continuing Disclosure Agreement if there is any failure of the Borrower or the Dissemination Agent to comply with this Continuing Disclosure Agreement shall be an action to compel performance.

Section 10. Duties and Liabilities of Dissemination Agent.

The Dissemination Agent shall have only such duties as are specifically set forth in this Continuing Disclosure Agreement, and the Borrower agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Borrower under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Borrower shall pay the fees, charges and expenses of the Dissemination Agent in connection with its administration of this Continuing Disclosure Agreement.

The Dissemination Agent shall not be liable for the Borrower's failure to submit a complete Annual Report, Quarterly Report or Monthly Report and shall not be liable for any act or omission hereunder except its gross negligence or willful misconduct (as determined by a court of competent jurisdiction). The Dissemination Agent may consult legal counsel in the event of any dispute or question as to the construction of any provisions hereof or its duties hereunder, and it shall incur no liability and shall be fully protected in acting in good faith in accordance with the opinion or instructions of such counsel. The Dissemination Agent shall not be responsible for ensuring the compliance with any rule or regulation of the Borrower or Participating Underwriter in connection with the filings of information herein, but is merely responsible for the filing of any such information provided to the Dissemination Agent by the Borrower.

Section 11. Notices.

Any notices or communications to or among any of the parties to this Continuing Disclosure Agreement may be given by registered or certified mail, return receipt requested, or by facsimile or by e-mail, receipt confirmed by telephone, or delivered in person or by overnight courier, and will be deemed given on the second day following the date on which the notice or communication is so mailed, as follows:

To the Borrower:	**The Moorings of Arlington Heights, LLC** 811 E. Central Road Arlington Heights, Illinois 60005 Attention: Chief Financial Officer Telephone: (847) 979-3904 E-mail: mhavrilka@presbyterianhomes.org
To the Dissemination Agent:	**Amalgamated Bank of Chicago** 30 N. LaSalle Street, 38th Floor Chicago, Illinois 60602 Attention: Corporate Trust Department Telephone: (312) 822-3053 E-mail: fmendoza@aboc.com

Any person may, by written notice to the other persons listed above, designate a different address or an e-mail address, or telephone number to which subsequent notices or communications should be sent.

Section 12. Beneficiaries.

This Continuing Disclosure Agreement shall inure solely to the benefit of the Authority, the Borrower, the Borrower, the Bond Trustee, the Dissemination Agent, the Participating Underwriter, and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Severability.

If any provision in this Continuing Disclosure Agreement, the Bond Indenture, the Loan Agreement or the Bonds shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of this Continuing Disclosure Agreement shall not in any way be affected or impaired thereby.

Section 14. Counterparts.

This Continuing Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15. Electronic Transactions.

The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 16. Governing Law.

This Continuing Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, the Borrower and the Dissemination Agent have caused this Continuing Disclosure Agreement to be executed as of the day and year first above written.

THE MOORINGS OF ARLINGTON HEIGHTS, LLC

By: ___________________________________
Title: Chief Financial Officer

AMALGAMATED BANK OF CHICAGO,
as Dissemination Agent

By: ___________________________________
Title: Authorized Officer

EXHIBIT A

CERTAIN FINANCIAL INFORMATION AND OPERATING DATA TO BE INCLUDED IN ANNUAL, QUARTERLY, AND MONTHLY REPORTS

Annual Report

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

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

Quarterly Report

Updates as of the end of the preceding fiscal quarter of the following financial information and operating data in substantially the same format contained in the following tables in Appendix A of the final Official Statement for the Bonds:

(i) Occupancy of The Moorings (on a year-to-date basis);
(ii) The Moorings Average Payor Mix – Health Care Center (on a year-to-date basis);
(iii) Debt Service Coverage Ratio (on a year-to-date basis); and
(iv) Days Cash on Hand.

Monthly Report

Until the end of the fiscal quarter in which the Obligated Group achieves 2025 Project Stable Occupancy, a monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than **60** days after the completion of such month, including:

(i) Prior to the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) a summary statement as to the status of construction; (iii) unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis; and (iv) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee), all in reasonable detail, certified by an officer of the Obligated Group Representative;

(ii) After the issuance of the initial occupancy certificate for any portion of the Project, (i) a calculation of the marketing/reservation levels for the Project as of the end of such month, including the number of units that have been reserved or cancelled during that month and on an aggregate basis; (ii) occupancy levels of the Project as of the end of such month including the number of units that were occupied and vacated during that month and on an aggregate basis; (iii) a summary statement on the status of construction until the later of the completion of construction or the issuance of the last occupancy certificate for the Project; (iv) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last occupancy certificate for the Project; (v) statements of the balances in the Project Funds under the Series 2025 Bond Indentures as of the end of such month (to the extent available from the applicable trustee); and (vi) a statement showing the amount of the Bonds that have been redeemed in the aggregate and during that calendar month, all in reasonable detail and certified by an officer of the Obligated Group Representative.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Illinois Finance Authority
Name of Bond Issue:	Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) in the aggregate principal amount of $63,870,000; Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $15,600,000; and (iii) Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $22,300,000 (collectively, the "Bonds")
Name of Obligated Person:	The Moorings of Arlington Heights, LLC
Date of Issuance:	December 30, 2025

NOTICE IS HEREBY GIVEN that the Borrower (as defined in the Continuing Disclosure Agreement referenced below) has not filed an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 1, 2025, between The Moorings of Arlington Heights, LLC and Amalgamated Bank of Chicago, as Dissemination Agent. [The Borrower has informed the Dissemination Agent that the Borrower anticipates that the Annual Report will be filed by _____________.]

Dated: __________ ___ _____.

AMALGAMATED BANK OF CHICAGO,
as Dissemination Agent
on behalf of **THE MOORINGS OF ARLINGTON HEIGHTS, LLC**

EXHIBIT C

NOTICE OF FAILURE TO FILE QUARTERLY REPORT

Name of Issuer:	Illinois Finance Authority
Name of Bond Issue:	Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) in the aggregate principal amount of $63,870,000; Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $15,600,000; and (iii) Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $22,300,000 (collectively, the "Bonds")
Name of Obligated Person:	The Moorings of Arlington Heights, LLC
Date of Issuance:	December 30, 2025

NOTICE IS HEREBY GIVEN that the Borrower (as defined in the Continuing Disclosure Agreement referenced below) has not filed a Quarterly Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 1, 2025, between The Moorings of Arlington Heights, LLC and Amalgamated Bank of Chicago, as Dissemination Agent. [The Obligated Person has informed the Dissemination Agent that the Obligated Person anticipates that the Quarterly Report will be filed by _____________.]

Dated: __________ ___ _____.

AMALGAMATED BANK OF CHICAGO,
as Dissemination Agent
on behalf of **THE MOORINGS OF ARLINGTON HEIGHTS, LLC**

EXHIBIT D

NOTICE OF FAILURE TO FILE MONTHLY REPORT

Name of Issuer:	Illinois Finance Authority
Name of Bond Issue:	Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) in the aggregate principal amount of $63,870,000; Revenue Bonds, Series 2025B-1 (Tax Exempt Mandatory Paydown Securities (TEMPS–85^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $15,600,000; and (iii) Revenue Bonds, Series 2025B-2 (Tax Exempt Mandatory Paydown Securities (TEMPS–50^{SM})) (The Moorings of Arlington Heights) in the aggregate principal amount of $22,300,000 (collectively, the "Bonds")
Name of Obligated Person:	The Moorings of Arlington Heights, LLC
Date of Issuance:	December 30, 2025

NOTICE IS HEREBY GIVEN that the Borrower (as defined in the Continuing Disclosure Agreement referenced below) has not filed a Monthly Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement dated as of December 1, 2025, between The Moorings of Arlington Heights, LLC and Amalgamated Bank of Chicago, as Dissemination Agent. [The Obligated Person has informed the Dissemination Agent that the Obligated Person anticipates that the Monthly Report will be filed by _____________.]

Dated: __________ ___ _____.

AMALGAMATED BANK OF CHICAGO,
as Dissemination Agent
on behalf of **THE MOORINGS OF ARLINGTON HEIGHTS, LLC**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

FORM OF OPINIONS OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

December 30, 2025

Illinois Finance Authority
Chicago, Illinois

B.C. Ziegler and Company
Chicago, Illinois

The Moorings of Arlington Heights
Arlington Heights, Illinois

Amalgamated Bank of Chicago, as bond trustee
Chicago, Illinois

Re: $63,870,000 Illinois Finance Authority
Revenue Bonds, Series 2025A
(The Moorings of Arlington Heights)

$15,600,000 Illinois Finance Authority
Revenue Bonds, Series 2025B-1
(Tax-Exempt Mandatory Paydown Securities (TEMPS–85^{SM}))
(The Moorings of Arlington Heights)

$22,300,000 Illinois Finance Authority
Revenue Bonds, Series 2025B-2
(Tax-Exempt Mandatory Paydown Securities (TEMPS–50^{SM}))
(The Moorings of Arlington Heights)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Illinois Finance Authority (the *"Authority"*) of its (i) $63,870,000 Revenue Bonds, Series 2025A (The Moorings of Arlington Heights) (the *"Series 2025A Bonds"*), (ii) $15,600,000 Revenue Bonds, Series 2025B-1 (Tax-Exempt Mandatory Paydown Securities (TEMPS-85^{SM})) (The Moorings of Arlington Heights) (the *"Series 2025B-1 Bonds"*) and (iii) $22,300,000 Revenue Bonds, Series 2025B-2 (Tax-Exempt Mandatory Paydown Securities (TEMPS-50^{SM})) (The Moorings of Arlington Heights) (the *"Series 2025B-2 Bonds"* and, together with the Series 2025B-1 Bonds, the *"Series 2025B Bonds*"). The Series 2025A Bonds and the Series 2025B Bonds are collectively referred to herein as the *"Series 2025 Bonds."* The Series 2025 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 December 1, 2025 (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 2025 Bonds are being loaned by the Authority to The Moorings of Arlington Heights, an Illinois limited liability company (the "*Borrower*"), pursuant to the Loan Agreement dated as of December 1, 2025 (the *"Loan Agreement"*), between the Borrower and the Authority for the purpose of providing funds to be used to (i) pay or reimburse the Borrower for the costs of acquiring, constructing, renovating, remodeling and equipping certain facilities of the Borrower, including, but not limited to, (a) the construction of (1) 70 independent living units in a 5 story building with underground parking that will be approximately 172,000 square feet, and (2) new dining, social areas and parking lots and (b) the renovation of the existing Health Care Center and common areas, all to be located at the continuing care retirement community known as The Moorings of Arlington Heights (the *"Project"*), (ii) refund all of the outstanding (a) $29,615,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016A (The Moorings of Arlington Heights) (the *"Series 2016A Bonds"*), (b) $30,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016B (The Moorings of Arlington Heights) (the *"Series 2016B Bonds"*), (c) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016C (The Moorings of Arlington Heights) (the *"Series 2016C Bonds"*) and (d) $5,000,000 Maximum Principal Amount Illinois Finance Authority Variable Rate Revenue Bonds, Series 2016D (The Moorings of Arlington Heights) (the *"Series 2016D Bonds"* and, collectively with the Series 2016A Bonds, the Series 2016B Bonds and the Series 2016C Bonds, the *"Prior Bonds"*), (iii) pay a portion of the interest on the Series 2025 Bonds, and (iv) pay certain expenses incurred in connection with the refunding of the Prior Bonds and the issuance of the Series 2025 Bonds.

In order to secure the payment of the Series 2025 Bonds, the Borrower will issue to the Authority its (i) $63,870,000 Direct Note Obligation, Series 2025A (Illinois Finance Authority) (the *"Series 2025A Obligation"*), (ii) $15,600,000 Direct Note Obligation, Series 2025B-1 (Illinois Finance Authority) (the *"Series 2025B-1 Obligation"*) and (iii) $22,300,000 Direct Note Obligation, Series 2025B-2 (Illinois Finance Authority) (the *"Series 2025B-2 Obligation"* and, together with the Series 2025A Obligation and the Series 2025B-1 Obligation, the *"Series 2025 Obligations"*), pursuant to the First Supplemental Master Trust Indenture dated as of December 1, 2025 (the "*First Supplemental Master Indenture*"), between the Borrower and Amalgamated Bank of Chicago, as master trustee (the "*Master Trustee*"), amending and supplementing the Amended and Restated Master Trust Indenture dated as of December 1, 2025 (the "*Amended and Restated Master Indenture*" and, together with the First Supplemental Master Indenture, the "*Master Indenture*") between the Borrower and the Master Trustee. Pursuant to the terms of the Loan Agreement and the Series 2025 Obligations, the Borrower is obligated to make payments sufficient to pay the principal of, premium, if any, and interest on the Series 2025 Bonds. Pursuant to the terms of the Master Indenture, the Borrower and each other entity that hereafter executes the Master Indenture (individually, a *"Member"* and, collectively, 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 2025 Obligations.

The Series 2025 Obligations and all other Obligations heretofore and hereinafter issued under the Master Indenture are secured by a Mortgage and Security Agreement dated as of

December 1, 2025 (the *"Mortgage"*), as supplemented and amended, between the Borrower, as mortgagor, and the Master Trustee, as mortgagee.

The Series 2025 Bonds have been sold to B.C. Ziegler and Company (the *"Underwriter"*), pursuant to the Bond Purchase Agreement dated December 9, 2025 (the *"Purchase Contract"*), among the Underwriter, the Authority and the Borrower.

In connection with the sale of the Series 2025 Bonds, the Borrower has executed and delivered an Official Statement dated December 9, 2025 (the *"Official Statement"*).

In connection with the issuance of the Series 2025 Bonds, the Borrower, 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.

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 November 26, 2025, as supplemented by the Supplement to Preliminary Official Statement dated December 8, 2025, and the Official Statement and the issuance and sale of the Series 2025 Bonds;

b. an executed Official Statement, the executed Series 2025 Obligations and executed counterparts of the Bond Indenture, the Loan Agreement, the Mortgage, the Purchase Contract, the Master Indenture and the Tax Agreement;

c. specimen Series 2025 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 Borrower; 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 2025 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 2025 Bonds are entitled to the benefits and security of the Bond Indenture.

3. Subject to compliance by the Authority and the Borrower with certain covenants, under present law, interest on the Series 2025 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 2025 Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such covenants by the Authority and the Borrower with respect to the Series 2025 Bonds could cause the interest on the Series 2025 Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2025 Bonds. Ownership of the Series 2025 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 2025 Bonds is not exempt from present Illinois income taxation. Ownership of the Series 2025 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, counsel to the Borrower, referred to in paragraph (d) above, with respect to, among other things, (i) the status of Presbyterian Homes, as the sole member of the Borrower (a disregarded entity for federal income tax purposes), as an organization described in Section 501(c)(3) of the Code that is exempt from federal income taxation under Section 501(a) of the Code and (ii) the validity and binding effect upon and enforceability against the Borrower of the Loan Agreement, the Series 2025 Obligations, the Master Indenture, the Tax Agreement, the Mortgage 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 Borrower with respect to certain material facts solely within the knowledge of the Borrower relating to the property to be financed with the proceeds of the Series 2025 Bonds and the application of the proceeds of the Series 2025 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,

[THIS PAGE INTENTIONALLY LEFT BLANK]

Presbyterian Living
PEOPLE. COMMUNITY. MISSION.

The Moorings
A PRESBYTERIAN LIVING COMMUNITY

ILLINOIS FINANCE AUTHORITY • REVENUE BONDS, SERIES 2025 (THE MOORINGS OF ARLINGTON HEIGHTS)

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com