

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA AUTHORIZING THE ISSUANCE AND SALE OF REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$14,200,000 FOR THE BENEFIT OF VIRGINIA LUTHERAN HOMES, INC.**

WHEREAS, the Economic Development Authority of the City of Roanoke, Virginia (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance and refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth; and

WHEREAS, the Authority has received a request from Virginia Lutheran Homes, Inc., a Virginia nonstock corporation (the "Borrower"), whose address is 3807 Brandon Avenue, Suite 2440, Roanoke, Virginia 24018, to issue and sell its revenue bonds, in one or more series at one time or from time to time, to provide funds to the Borrower to finance and refinance the following project:

(1) the refunding of all or a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Series 2012 Bonds"), in the original aggregate principal amount of \$21,065,000, the proceeds of which were used to assist the Borrower in (a) refunding a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2002, the proceeds of which were used to assist the Borrower in financing or refinancing (i) the costs of acquiring, constructing and equipping a residential care facility of independent living units and a personal care facility (the "Personal Care Center") for the aged in the City of Roanoke, Virginia, known as Brandon Oaks, owned and operated by the Borrower and located at 3804 Brandon Avenue, Roanoke Virginia 24018, (ii) the costs of the construction and subsequent expansion of and improvements to an existing nursing care facility adjacent to and interconnected with the Personal Care Center and owned and operated by the Borrower (the "Health Center"), (iii) the costs of certain improvements and additions to the Health Center and (iv) the costs of the acquisition, construction, equipping and renovation of an existing nursing home facility located at 3837 Brandon Avenue, Roanoke, Virginia 24018, (b) funding a debt service reserve fund for the Series 2012 Bonds and (c) paying costs of issuance incurred in connection with the issuance of the Series 2012 Bonds; and

(2) the financing of, if and as needed, capitalized interest on the Bonds (as hereinafter defined), a debt service reserve fund for the Bonds, costs of issuance related to the issuance of the Bonds, working capital, routine capital expenditures at the facilities financed or refinanced with the proceeds of the Bonds and other related costs (collectively (1) and (2), the "Plan of Finance"); and

WHEREAS, the Authority will issue the Bonds under one or more Bond Purchase and Loan Agreements (each a, "Bond Purchase and Loan Agreement") between the Authority, the Borrower and such purchaser of the Bonds as selected by the Borrower (the "Lender"); and

WHEREAS, the Authority will loan the proceeds of such Bonds to the Borrower under the applicable Bond Purchase and Loan Agreement, and the Borrower will apply the proceeds under the terms of the applicable Bond Purchase and Loan Agreement to undertake the Plan of Finance; and

WHEREAS, the Borrower will evidence its payment obligations under the Bonds by one or more promissory notes from the Borrower to the Authority in the principal amount equal to the aggregate principal amount of the applicable series of Bonds (each a "Note"); and

WHEREAS, the Authority will assign each Note related to a series of Bonds issued under a Bond Purchase and Loan Agreement to the Lender under the applicable Bond Purchase and Loan Agreement; and

WHEREAS, the following documents are herein referred to as the "Authority Documents":

- (a) Bonds;
- (b) Bond Purchase and Loan Agreement; and
- (c) Note, with the Authority's assignment thereof.

**NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA:**

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth, and the City of Roanoke, Virginia (the "City"), and their citizens and in particular will promote the provision of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The issuance of the Bonds, to be styled the "Economic Development Authority of the City of Roanoke, Virginia, Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project)" (with an appropriate series designation) (the "Bonds") for the purpose of undertaking the Plan of Finance is hereby authorized and approved.

3. The Bonds (i) shall be issued in a principal amount not to exceed \$14,200,000; (ii) shall bear interest at a variable or fixed rate (as directed by the Borrower); (iii) shall have a maximum true interest cost of not more than 7.0% if the Bonds are fixed rate bonds; (iv) shall have an initial interest rate not exceeding 7.0% if the Bonds are variable rate bonds; and (v) shall mature no later than 40 years after the date of their issuance (collectively, the "Bond Terms").

4. The Bonds and the other Authority Documents are hereby approved in such forms as may be approved, with the advice of counsel to the Authority, by the Chairman or Vice Chairman of the Authority, whose approval shall be evidenced conclusively by the execution and delivery of such Authority Documents; provided that the Bonds and the other Authority Documents shall be consistent with the Bond Terms, and, shall be in substantially the forms submitted to this meeting, with such changes as may be approved, with the advice of counsel to

the Authority, by the Chairman or Vice Chairman of the Authority, whose approval shall be evidenced conclusively by the execution and delivery of such documents.

5. The execution, delivery and performance by the Authority of the Authority Documents are hereby authorized and approved. The execution of the Bonds and delivery against payment therefor, the amount of such payment to be disbursed in accordance with the terms of the Bond Purchase and Loan Agreement, is authorized.

6. The Chairman and the Vice Chairman of the Authority, either of whom may act, are each authorized to execute, on behalf of the Authority, the Bonds and the Authority Documents, and, if required, the Secretary and Assistant Secretary of the Authority, either of whom may act, are each authorized to affix the seal of the Authority to the Bonds and the other Authority Documents (as needed) and to attest such seal.

7. The Chairman and the Vice Chairman of the Authority, either of whom may act, are authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, including but not limited to a tax compliance certificate and an Internal Revenue Service Form 8038, and to do and perform such things and acts, as they shall deem necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Authority Documents or such instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved and confirmed.

8. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates, and to do and perform such things and acts, as he or she deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Authority Documents or such instruments, documents or certificates (including without limitation amendments to existing documents related to other bonds of the Authority issued for the benefit of the Borrower), and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

9. The Bonds and the other Authority Documents shall provide that neither the Commonwealth nor any political subdivision thereof, including the Authority and the City, shall be obligated to pay the obligations under the Bonds and the Authority Documents except from the revenues, receipts and payments pledged therefor, and that neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the City, is pledged to the payment of such obligations. All costs and expenses of the Authority in connection with the issuance of the Bonds and actions taken pursuant to this Resolution, including the fees and expenses of counsel to the Authority, will be paid by the Borrower.

10. The Authority determines that the issuance of the Bonds and all actions of the Authority contemplated in connection therewith will be in furtherance of the purposes for which the Authority was organized.

11. At the request of the Borrower, the Authority hereby approves McGuireWoods LLP, as Bond Counsel in connection with the execution and delivery of the Bonds.

12. The Authority acknowledges one or more series of Bonds could be issued under a forward-delivery Bond Purchase and Loan Agreement. Accordingly, the initially issued series of Bonds will bear interest at a taxable rate and at a date in the future, under any forward-delivery Bond Purchase and Loan Agreement the taxable series of Bonds will be refunded by a tax-exempt series of Bonds. The Authority acknowledges that such subsequent refunding is expected to occur, if at all, in calendar year 2022 and that the principal amount of the subsequent refunding series of Bonds as of the date of such refunding would impact the Authority's ability to issue "bank-qualified" bonds pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, in the calendar year in which such interest rate conversion occurs. The Authority agrees to cooperate with the Borrower and Bond Counsel to permit the taxable series of Bonds to be refunded by a subsequent tax-exempt series of Bonds, and, to the extent such actions are not inconsistent with the needs and expectations of the Authority, the City of Roanoke and other interested parties at the time of the refunding, take action as may be requested by the Borrower or Bond Counsel.

13. This Resolution shall take effect immediately upon its adoption.

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**CERTIFICATE**

The undersigned Secretary of the Economic Development Authority of the City of Roanoke, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on April 21, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Secretary

[SEAL]

**BOND PURCHASE AND LOAN AGREEMENT**

**among**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE,  
VIRGINIA,**

**PINNACLE FINANCIAL PARTNERS, INC., as Bondholder**

**and**

**VIRGINIA LUTHERAN HOMES, INC.**

**Dated as of May 1, 2021**

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EXHIBIT A - Form of Series 2021 Bond (Taxable)



This **BOND PURCHASE AND LOAN AGREEMENT** is dated as of May 1, 2021, and is among the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (as more particularly defined below, the "Authority"), **PINNACLE FINANCIAL PARTNERS, INC.**, a Tennessee corporation (as more particularly defined below, the "Bondholder"), and **VIRGINIA LUTHERAN HOMES, INC.**, a Virginia nonstock corporation (as more particularly defined below, the "Borrower");

**WITNESSETH:**

**WHEREAS**, the Authority intends to issue and sell its Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021 in the original principal amount of \$\_\_\_\_\_ (as more particularly defined below, the "Series 2021 Bond") to the Bondholder;

**WHEREAS**, the Authority will use the proceeds of the Series 2021 Bond, along with other available amounts, to assist the Borrower in financing or refinancing the following project:

(1) the refunding of all or a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Series 2012 Bonds"), in the original aggregate principal amount of \$21,065,000, the proceeds of which were used to assist the Borrower in (a) refunding a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2002, the proceeds of which were used to assist the Borrower in financing or refinancing (i) the costs of acquiring, constructing and equipping a residential care facility of independent living units and a personal care facility (the "Personal Care Center") for the aged in the City of Roanoke, Virginia, known as Brandon Oaks, owned and operated by the Borrower and located at 3804 Brandon Avenue, Roanoke Virginia 24018, (ii) the costs of the construction and subsequent expansion of and improvements to an existing nursing care facility adjacent to and interconnected with the Personal Care Center and owned and operated by the Borrower (the "Health Center"), (iii) the costs of certain improvements and additions to the Health Center and (iv) the costs of the acquisition, construction, equipping and renovation of an existing nursing home facility located at 3837 Brandon Avenue, Roanoke, Virginia 24018, (b) funding a debt service reserve fund for the Series 2012 Bonds and (c) paying costs of issuance incurred in connection with the issuance of the Series 2012 Bonds; and

(2) the financing of, if and as needed, capitalized interest on the Series 2021 Bond, a debt service reserve fund for the Series 2021 Bond, costs of issuance related to the issuance of the Series 2021 Bond, working capital, routine capital expenditures at the facilities financed or refinanced with the proceeds of the Series 2021 Bond and other related costs (collectively (1) and (2), the "Plan of Finance");

**WHEREAS**, the Authority intends to loan the proceeds from the sale of the Series 2021 Bond to the Borrower pursuant to this Agreement; and the Borrower intends to issue and deliver to the Authority its promissory note dated the date of its delivery (as more particularly defined below, the "Series 2021 Note"), to evidence the Borrower's obligation to repay such loan;

**WHEREAS**, the Borrower intends to enter into one or more interest rate swap transactions with the Bondholder with respect to the Series 2021 Bond; and the Borrower intends to issue and deliver to the Bondholder a promissory note dated the date of its delivery (as more particularly defined below, the "Swap Obligation"), to evidence the Borrower's payment obligations under such swap transactions;

**WHEREAS**, the Series 2021 Note and the Swap Obligation will be secured by a Master Trust Indenture dated as of December 1, 2002, between the Borrower and U.S. Bank National Association, as successor master trustee (as more particularly defined below, the "Master Trustee"), as previously supplemented and amended and as further supplemented by a Supplemental Indenture for Obligation No. 16 dated as of May 1, 2021 (as more particularly defined below, the "Related Supplement") and by a Supplemental Indenture for Obligation No. 17 dated as of May 1, 2021 (as more particularly defined below, the "Swap Supplement"), between the Borrower and the Master Trustee;

**WHEREAS**, the Authority, the Borrower and the Bondholder have entered into a Forward Delivery Bond Purchase and Loan Agreement dated as of May 1, 2021 (as altered, amended, modified or supplemented from time to time, the "Forward Delivery Agreement"), under which the Authority has agreed subject to the terms and conditions set forth therein to issue its Tax-Exempt Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2022 (the "Series 2022 Bond") to refund and redeem the Series 2021 Bond on the Series 2021 Bond Refunding Date; and

**WHEREAS**, the Authority, the Bondholder and the Borrower desire to set forth the terms and conditions with respect to such financing.

**NOW, THEREFORE**, the parties hereto agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1 Definitions.** Terms otherwise not defined herein (including the preamble) shall have the same meaning as set forth in the Master Indenture (as defined below). In addition to other terms defined elsewhere in this Agreement, the following terms shall have the following meanings in this Agreement unless the context otherwise requires:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control" when used with respect to a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Bond Purchase and Loan Agreement dated as of May 1, 2021, among the Authority, the Borrower and the Bondholder, as altered, amended, modified or supplemented from time to time.

"Authority" means the Economic Development Authority of the City of Roanoke, Virginia, and its successors and assigns.

"Authority Representative" means the Chairman, the Vice Chairman and any one of the Persons at the time designated to act on behalf of the Authority by written certificate furnished to the Borrower containing the specimen signatures of such Persons and signed on behalf of the Authority by its Chairman or Vice Chairman.

"Authorizing Resolution" means the resolution of the Authority adopted on April 21, 2021, approving, among other things, the issuance and sale of the Series 2021 Bond, and execution of this Agreement, to assist the Borrower in executing the Plan of Finance.

"Bond Counsel" means McGuireWoods LLP, or other nationally recognized bond counsel satisfactory to the Bondholder.

"Bondholder" means Pinnacle Financial Partners, Inc., as holder of the Series 2021 Bond, or any subsequent holder thereof.

"Borrower" means Virginia Lutheran Homes, Inc., a Virginia nonstock corporation, and its successors and assigns.

"Borrower Representative" means the President and Chief Executive Officer, the Chief Financial Officer and any one of the Persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Authority containing the specimen signatures of such Persons and signed on behalf of the Borrower by its President and Chief Executive Officer or Chief Financial Officer.

"Business Day" means (i) any day other than a Saturday, Sunday, legal holiday or any other day on which the Bondholder is authorized or required to close, and (ii) when used in connection with the determination of LIBOR shall also exclude any day on which banks are not open for dealing in dollar deposits in the London interbank market.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Closing Date" means the date of issuance of the Series 2021 Bond.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder.

"Costs of Issuance" means any legal, accounting or financial advisory fees and expenses, including, without limitation, fees and expenses of Bond Counsel and counsel to the Authority, the Borrower, the Bondholder, any fees and expenses of the Authority or any Bondholder, filing fees, and printing and engraving costs, incurred in connection with the authorization, issuance, sale and purchase of the Series 2021 Note or the Series 2021 Bond, and the preparation of the Financing Instruments and all other documents in connection with the authorization, issuance and sale of the Series 2021 Bond.

"Covenant Agreement" means the [Continuing Covenant Agreement] dated as of May 1, 2021, between the Borrower and the Bondholder, as the same may be altered, amended, modified or supplemented from time to time.

"Deed of Trust" shall have the meaning as set forth in the Master Indenture.

"Default Rate" means the applicable interest rate on the Series 2021 Bond plus \_\_\_\_\_% per annum.

"Event of Default" means any of the events set forth in Section 9.1.

"Facilities" has the meaning assigned to it in the Master Indenture.

"Financing Instruments" means this Agreement, the Covenant Agreement, the Series 2021 Bond, the Series 2021 Note, the Swap Obligation, the Swap Agreement, the Master Indenture and the Deed of Trust (including the 2021 Modification).

"Fiscal Year" shall have the meaning set forth in the Master Indenture.

"501(c)(3) Organization" means an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code.

"Indebtedness" shall have the same meaning as set forth in the Master Indenture.

["LIBOR" means, for each Reset Date, the interest rate per annum determined by the Bondholder by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Bondholder which has been approved by the Bondholder as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Reset Date as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a replacement rate as determined in accordance with Section 6.1(g) of this

Agreement), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage. LIBOR shall be adjusted on and as of (a) each Reset Date, and (b) the effective date of any change in the LIBOR Reserve Percentage; provided that LIBOR shall not be less than 0.25% per annum. Each determination of LIBOR by the Bondholder shall be conclusive and binding upon the parties hereto.]

["LIBOR Reserve Percentage" means, for any day, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities"). Without limiting the effect of the foregoing, the LIBOR Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which LIBOR is to be determined or (ii) any category of extension of credit or other assets related to LIBOR.]

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2002, between the Borrower and the Master Trustee, as previously supplemented and amended and as supplemented by the Related Supplement and the Swap Supplement, and as further supplemented and amended from time to time.

"Master Trustee" means U.S. Bank National Association, as successor master trustee under the Master Indenture.

"Net Proceeds" means net proceeds as defined in Section 150(a)(3) of the Code.

"Obligation No. 16" means the Series 2021 Note, which has been designated Obligation No. 16 under the Master Indenture.

"Payment of the Bonds" means payment in full of the Series 2021 Bond and the making in full of all other Required Payments due and payable at the time of such payment.

"Person" means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture, joint-stock company, or a government or agency or political subdivision thereof.

"Related Supplement" means the Supplemental Indenture for Obligation No. 16 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Required Payment" means any payment of money required under the terms of the Financing Instruments to be made by the Borrower for its own account or for the account of the Authority.

"Reset Date" means the Closing Date and thereafter the first Business Day of each calendar month.

"Restricted Gift" means a gift, devise or bequest collected by the Borrower that is conditioned upon its use by the Borrower for the payment or prepayment, in whole or in part, of the Series 2021 Bond.

"Series 2021 Bond" means the Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021 issued by the Authority pursuant to this Agreement, in an aggregate principal amount of up to \$\_\_\_\_\_, as altered, amended, modified or supplemented from time to time.

"Series 2021 Bond Refunding Date" means \_\_\_\_\_, 2022, or such other date as the Borrower may designate in writing to the Authority and the Bondholder.

"Series 2021 Note" means the promissory note issued by the Borrower pursuant to this Agreement in a principal amount equal to the principal amount of the Series 2021 Bond as substantially in the form attached as Exhibit A to the Related Supplement, as altered, amended, modified or supplemented from time to time.

"Swap Agreement" means the ISDA Master Agreement and Schedule thereto dated as of April \_\_\_\_, 2021, between the Borrower and the Bondholder, and any transaction confirmations now or hereafter issued or exchanged in connection therewith, each as amended, restated, supplemented or otherwise modified from time to time.

"Swap Obligation" means the promissory note issued by the Borrower pursuant to the Swap Supplement, as altered, amended, modified or supplemented from time to time.

"Swap Supplement" means the Supplemental Indenture for Obligation No. 17 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Swap Transaction" means any of the following entered into between the Borrower and the Bondholder pursuant to the Swap Agreement: (i) an interest rate swap transaction, basis swap, forward rate transaction, commodity swap, forward commodity contract, commodity option, equity or equity index swap, equity or equity index option, bond or bond price or bond index swap or option, forward bond index transaction, interest rate option or swaption, foreign exchange transaction, interest rate cap transaction, interest rate floor transaction, interest rate collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spot contract, any similar transaction, or any other arrangement designed to alter the risks arising from fluctuation in currency values or interest rates, or any combination of any of the foregoing (including, without limitation, any option to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any Master Agreement; and (ii) any other transaction of any kind, or any related confirmation, which is subject to, or governed by, the Swap Agreement.

"Taxable Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) LIBOR and (ii) 1.35% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

"Title Company" means Fidelity National Title Insurance Company, or any successor title insurance company under the Title Policy.

"Title Policy" means mortgagee title policy No. G52-0276168 issued December 17, 2002, by the Title Company, as previously endorsed and as further endorsed from time to time as provided in this Agreement.

"Trade or Business" means a trade or business as such term is used in Section 141(b)(6) of the Code.

"Unrelated Trade or Business" means a Trade or Business of a 501(c)(3) Organization that is an unrelated trade or business (determined by applying Section 513(a) of the Code) of such 501(c)(3) Organization.

"Virginia Code" means the Code of Virginia of 1950, as amended.

"2021 Modification" means the Ninth Modification to Deed of Trust and Security Agreement dated as of May 1, 2021, executed by the Borrower, the deed of trust trustees named therein and the Master Trustee, modifying the Deed of Trust.

**Section 1.2 Rules of Construction.** The following rules shall apply to the construction of the Financing Instruments unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa, and any gender shall connote any other gender.

(b) All references in a Financing Instrument to particular articles or sections are references to articles or sections of such Financing Instrument unless otherwise indicated.

(c) The headings and Table of Contents in any Financing Instrument are solely for convenience of reference and shall not constitute a part of such Financing Instrument, nor shall they affect its meaning, construction or effect.

(d) Words importing the prepayment or calling for prepayment of the Series 2021 Bond shall not be deemed to refer to or connote the payment of the Series 2021 Bond at its stated maturity.

(e) All accounting terms used in any Financing Instrument which are not expressly defined therein shall have the meanings respectively given to them in accordance with generally accepted accounting principles. All financial computations made pursuant to any Financing Instrument shall be made in accordance with generally accepted accounting principles consistently applied, and all balance sheets and other financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied.

## ARTICLE II

### REPRESENTATIONS AND FINDINGS

**Section 2.1 Representations and Findings by Authority.** The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Authority is duly organized and existing under the Act, is a political subdivision of the Commonwealth of Virginia vested with the rights and powers conferred upon it under the Act, has the power to execute and deliver the Financing Instruments to which it is a party, to perform its obligations thereunder, to issue the Series 2021 Bond to finance the Plan of Finance, and to loan the proceeds from the sale of the Series 2021 Bond to the Borrower pursuant to this Agreement, each constituting an authorized undertaking under the Act and such loan being in furtherance of the purposes for which the Authority was organized, and to carry out its other obligations under such Financing Instruments. By proper action the Authority has duly authorized the execution and delivery of such Financing Instruments to which it is a party, the performance of its obligations thereunder and the issuance of the Series 2021 Bond and, simultaneously with the execution and delivery of this Agreement, has issued and sold the Series 2021 Bond. No proceedings to dissolve the Authority have been instituted.

(b) The execution and delivery of, and compliance by the Authority with the terms and conditions of, the Financing Instruments to which the Authority is a party will not conflict with, or constitute or result in a default under or violation of, (i) the Act or any existing law, rule or regulation applicable to it, (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject, or (iii) the by-laws or any other rules or procedures of the Authority.

(c) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Series 2021 Bond by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of, the other Financing Instruments to which it is a party, or (iii) the assignment by the Authority of the Series 2021 Note. However, the Authority makes no representation concerning state or federal securities laws.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Authority, threatened against the Authority with respect to (i) the organization or existence of the Authority, (ii) its authority to execute or deliver the Financing Instruments to which it is a party, (iii) the validity or enforceability of any such Financing Instruments or the transactions contemplated thereby, (iv) the title of any officer of the Authority who executed such Financing Instruments, or (v) any authority or proceedings related to the execution and delivery of such Financing Instruments on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.



(e) None of the directors of the Authority has a personal interest (as defined in Section 2.2-3101 of the Virginia Code) in any Financing Instrument or in any transaction contemplated thereby or is an officer or employee of the Borrower or the Bondholder.

(f) In connection with the authorization, issuance and sale of the Series 2021 Bond, the Authority has complied with all provisions of the Constitution and laws of the Commonwealth of Virginia, including the Act.

(g) The Authority is not in default under any of the provisions of the laws of the Commonwealth of Virginia, where any such default would affect the issuance, validity or enforceability of the Series 2021 Bond or the transactions contemplated by this Agreement.

(h) The Authority acknowledges that as provided in the Forward Delivery Agreement, the Borrower desires to refund the Series 2021 Bond on the Series 2021 Bond Refunding Date. The Authority acknowledges that such refunding is expected to occur, if at all, in calendar year 2022 and that the principal amount of the Series 2022 Bond as of the Series 2021 Bond Refunding Date would impact the Authority's ability to issue "bank-qualified" bonds pursuant to Section 265 of the Internal Revenue Code of 1986, as amended, in the calendar year in which such interest rate conversion occurs.

**Section 2.2 Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings hereunder:

(a) The Borrower is a nonstock corporation duly organized, validly existing and in good standing in the Commonwealth of Virginia, has the power and authority to own and operate its properties, including the Facilities, and to enter into the Financing Instruments to which it is a party and the transactions contemplated thereby and to perform its obligations thereunder, and by proper action has duly authorized the execution, delivery and performance of such Financing Instruments.

(b) The loan to the Borrower of the proceeds from the sale of the Series 2021 Bond by the Authority will constitute an inducement to the Borrower to locate or maintain the facilities refinanced with the proceeds of the Series 2021 Bond in the City of Roanoke, Virginia, which will provide improved residential facilities for the use of the inhabitants of the City of Roanoke, Virginia and the Commonwealth of Virginia and promote their welfare.

(c) The Borrower intends to operate the Facilities, or cause such to be operated, as facilities for the residence and care of the aged until the Payment of the Bonds.

(d) No litigation at law or in equity or any proceeding before any governmental agency involving the Borrower is pending or, to the knowledge of the Borrower, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower, its ability to do business, the financing of the Plan of Finance, the validity of the Financing Instruments to which the Borrower is a party or the performance of its obligations thereunder.

(e) The facilities refinanced with the proceeds of the Series 2021 Bond are located entirely within the City of Roanoke, Virginia.

(f) The Borrower is a 501(c)(3) Organization that is not a private foundation (within the meaning of Section 509(a) of the Code). The Borrower has conducted its operations and filed all required reports and documents with the Internal Revenue Service (the "Service") so as to maintain its status as a 501(c)(3) Organization, the letter from the Service to the effect that the Borrower is a 501(c)(3) Organization has not been modified, limited or revoked and the Borrower has received no notice from the Service inquiring about, threatening or proposing to audit its status as a 501(c)(3) Organization. The Borrower is in compliance with all terms, conditions and limitations, if any, contained in such letter or any other notification from the Service. In particular, (i) the Borrower is organized and operated exclusively for benevolent or charitable purposes, (ii) no part of the net earnings of the Borrower has inured to the benefit of any private shareholder or individual, (iii) no substantial part of the activities of the Borrower has consisted of carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise permitted by Section 501(h) of the Code), and (iv) the Borrower has not participated or intervened (through the publishing or distribution of statements or otherwise) in any political campaign on behalf of or in opposition to any candidate for public office. The Borrower is not organized or operated exclusively for religious purposes.

(g) The Borrower normally receives at least 75% of its support (as such term is used for purposes of Section 509 of the Code) in the form of gross receipts from the performance of services and the furnishing of facilities by the Borrower in an activity which is not an Unrelated Trade or Business (not including such receipts from any person or any bureau or similar agency of a governmental unit, as described in Section 170(c)(1) of the Code, in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1% of the Borrower's support in such taxable year) from persons other than disqualified persons (as defined in Section 4946 of the Code) with respect to the Borrower.

(h) The Borrower has filed all material tax returns or forms (federal, state and local) required to be filed, and has paid all material taxes, assessments and governmental charges and levies indicated thereon to be due, including interest and penalties, or has provided adequate reserves for the payment thereof.

(i) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money, and, to the Borrower's knowledge, the Borrower is not otherwise in default under any instrument under which any such indebtedness has been incurred.

**Section 2.3 Survival of Representation and Warranties.** All representations and warranties set forth in this Article II shall be made or deemed to be made at and as of the Closing Date (or any other date on which proceeds of the Series 2021 Bond shall be disbursed as provided herein), shall survive such date and shall not be waived by the execution and delivery of this Agreement by the Bondholder, any investigation made by or on behalf of the Bondholder or any extension of credit hereunder.

## ARTICLE III

### ISSUANCE OF SERIES 2021 BOND; CONDITIONS TO PURCHASE OF SERIES 2021 BOND

**Section 3.1 Sale and Purchase of Series 2021 Bond.** The Authority shall issue and sell the Series 2021 Bond to the Bondholder and secure the Series 2021 Bond by assigning the Series 2021 Note to the Bondholder, upon the terms and conditions set forth herein.

(a) The Bondholder represents that it is purchasing the Series 2021 Bond for its own account for investment and has no present intention of reselling or disposing of the Series 2021 Bond or engaging in any "distribution" thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder). The Bondholder is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Bondholder represents that it is familiar with the operations and financial condition of the Borrower based upon information furnished to the Bondholder by the Borrower and has made such inquiries, as it deems appropriate in connection with the purchase of the Series 2021 Bond. In determining to purchase the Series 2021 Bond, the Bondholder has not relied upon any information (including financial information) relating to the Borrower provided by the Authority, nor has it relied upon the omission of the Authority to provide any such information. The Bondholder relieves the Authority of any liability for failure to provide such information. The Bondholder intends to hold the Series 2021 Bond to maturity.

(b) The Bondholder shall not assign or offer the Series 2021 Bond, or any participation therein, for sale in any state of the United States without first (a) either (i) taking all necessary action to qualify the Series 2021 Bond for offer and sale under the securities and "Blue Sky" laws of the United States and such state, or (ii) determining that no such action is necessary because of a registration exemption or exemptions, and (b) providing to the purchaser of the Series 2021 Bond, or any participant therein, all material information in the Bondholder's possession necessary to evaluate the risks and merits of the investment represented by the purchase of or participation in the Series 2021 Bond.

(c) It is specifically understood and agreed that the Authority makes no representation, covenant or agreement as to the financial position or business condition of the Borrower and does not represent or warrant as to any statements, materials, representations or certifications furnished by the Borrower in connection with the sale of the Series 2021 Bond, or as to the correctness, completeness or accuracy thereof.

(d) The Bondholder understands that the scope of engagement of McGuireWoods LLP as bond counsel with respect to the Series 2021 Bond has been limited to matters set forth in its bond counsel opinion based on its review of such proceedings and documents as they deem necessary to approve the validity of the Series 2021 Bond and the excludability of the interest thereon for federal and state income tax purposes, and that McGuireWoods LLP has not made any assurances or opinion as to the accuracy or completeness of any information that may have been furnished to the Bondholder or relied upon by the Bondholder in acquiring the Series 2021 Bond.

**Section 3.2 Conditions Precedent to Delivery of Series 2021 Bond.** The obligation of the Bondholder to accept delivery of the Series 2021 Bond shall be conditioned upon delivery to the Bondholder, in form and substance satisfactory to it, of the following:

(a) Executed copies of the Financing Instruments, with the Series 2021 Note having been assigned to the Bondholder.

(b) Evidence of the due authorization, execution and delivery of the Financing Instruments by the parties thereto.

(c) A certified copy of the Authorizing Resolution.

(d) The written opinion of McGuireWoods LLP, as bond counsel, that the Series 2021 Bond has been validly authorized and issued by the Authority and is the valid and binding limited obligation of the Authority, enforceable in accordance with its terms.

(e) The written opinion of McGuireWoods LLP, as counsel for the Borrower, relating to the organization and existence of the Borrower, its status as a 501(c)(3) Organization, the power of the Borrower to enter into the Financing Instruments to which it is a party, the enforceability of such Financing Instruments and such other matters as the Bondholder may reasonably request.

(f) The written opinion of Glenn, Feldmann, Darby & Goodlatte, as counsel to the Authority, relating to the organization of the Authority, the due approval, validity and enforceability of the Series 2021 Bond, and such other matters as the Bondholder may reasonably request.

(g) Receipts evidencing the proper recording or filing of the 2021 Modification and any necessary financing statements with the Clerk of the Circuit Court of the City of Roanoke, Virginia in all other places as shall be necessary to perfect the security interests granted in the Master Indenture and the Deed of Trust.

(h) A "pro-forma" endorsement to the Title Policy (with the final endorsement to be issued promptly after the Closing Date), recognizing the recordation of the 2021 Modification and increasing the amount of the Title Policy to equal the maximum principal amount of all outstanding Obligations under the Master Indenture, including without limitation Obligation No. 16 and the Swap Obligation, confirming that the Deed of Trust (as modified by the 2021 Modification) continues to be a first lien on the Mortgaged Premises subject to no exceptions other than Permitted Liens, containing no exceptions for filed or unfiled mechanics' and materialmen's liens except as otherwise covered by pending disbursements language acceptable to the Bondholder, containing no exceptions as to survey matters, and containing no other exceptions except those notice of which has been given to the Bondholder prior to the execution of this Agreement and which are acceptable to the Bondholder.

(i) Evidence regarding the status of title to personal property owned by the Borrower, including information regarding liens or other encumbrances thereon, which evidence may be in the form of a UCC search conducted by a firm or attorney acceptable to the Bondholder,

including but not limited to evidence satisfactory to the Bondholder that the Master Indenture constitutes a first priority lien upon all collateral purported to be covered by such lien.

(j) Evidence satisfactory to the Bondholder that the Borrower has paid or will pay all fees, costs and expenses (including fees and costs of the Bondholder's counsel) then required to be paid pursuant to this Agreement and all other Financing Instruments.

(k) Such other documentation, certificates and opinions as may be reasonably required by the Bondholder, including that required under the Covenant Agreement.

**Section 3.3 Execution.** The Series 2021 Bond shall be executed on behalf of the Authority by the Chairman or Vice Chairman of the Authority and shall have impressed thereon the official seal of the Authority attested by the Secretary or an Assistant Secretary of the Authority.

## ARTICLE IV

### DISPOSITION OF PROCEEDS

**Section 4.1 Disbursement of Proceeds.** On the Closing Date, the Authority hereby directs the Bondholder:

(a) to transfer \$\_\_\_\_\_ of the proceeds of the Series 2021 Bond to U.S. Bank National Association as bond trustee for the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Refunded 2012 Bonds") to redeem and pay the outstanding principal amount of the Refunded 2012 Bonds in accordance with a separate escrow agreement between the Authority, the Borrower and U.S. Bank National Association, as escrow agent and bond trustee;

(b) to disburse \$\_\_\_\_\_ of the proceeds of the Series 2021 Bond to pay Costs of Issuance in accordance with separate instructions provided by the Borrower.

## ARTICLE V

### LOAN BY THE AUTHORITY; THE SERIES 2021 NOTE

**Section 5.1 Loan by the Authority; Repayment of Loan.** Upon the terms and conditions of this Agreement, the Authority shall lend to the Borrower the proceeds of the Series 2021 Bond. Prior to or simultaneously with the issuance of the Series 2021 Bond, to evidence its obligations to repay such loan, the Borrower shall deliver the Series 2021 Note to the Authority for assignment to the Bondholder as security for the Payment of the Bonds. The Authority hereby grants a security interest in and assigns the Series 2021 Note to the Bondholder and shall also execute the form of assignment affixed to the Series 2021 Note.

**Section 5.2 Series 2021 Note as Obligation.** The Series 2021 Note shall constitute an "Obligation" under the Master Indenture and will be designated Obligation No. 16 thereunder, and the Borrower represents and warrants that the Indebtedness represented by this Agreement and the

Series 2021 Note is authorized and permitted under the Master Indenture and that the Borrower is in full compliance with the provisions thereof.

## ARTICLE VI

### PAYMENTS

**Section 6.1 Amounts Payable.** (a) The Borrower shall make, or cause to be made, all payments required under the Series 2021 Note and, for the account of the Authority, shall make, or cause to be made, all payments required under the Series 2021 Bond, as and when the same become due (whether at maturity, by acceleration or otherwise), in the manner set forth in the Series 2021 Bond and shall make, or cause to be made, all other Required Payments in the manner set forth in the applicable Financing Instruments. Payments to the Bondholder shall be made in lawful money of the United States of America at the address of the Bondholder set forth in Section 11.12 or at such other place as the Bondholder may direct in writing. Any amount at any time paid to the Bondholder as a payment of principal of or interest on the Series 2021 Bond shall be credited against the Borrower's obligations hereunder and under the Series 2021 Note (but subject to collection of any instrument, draft, check or order for payment received by the Bondholder). If such amount should be sufficient to pay at the times required the principal of or purchase price and interest on the Series 2021 Bond then remaining unpaid (including amounts accrued as of such date and amounts that will accrue through final Payment of the Bonds), the Borrower shall not be obligated to make any further payments hereunder or under the Series 2021 Note but only if the same constitutes Payment of the Bonds.

(b) The outstanding principal amount of the Series 2021 Bond shall bear interest at the Taxable Rate, unless an Event of Default shall have occurred and be continuing, in which case the Series 2021 Bond will bear interest at the Default Rate.

(c) All interest payable under the Financing Instruments shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

(d) Notwithstanding any other provision herein, the obligations of the Borrower pursuant to this Section shall continue following the expiration of the term of this Agreement.

(e) (A) So long as any portion of the principal amount of the Series 2021 Bond or interest thereon remains unpaid, if (1) any Change in Law changes the basis of taxation of payments to any Bondholder or former Bondholder of principal or interest payable pursuant to the Series 2021 Bond, including without limitation the imposition of any excise tax or surcharge thereon, but excluding changes in the rates of tax applicable to the overall net income of any Bondholder or former Bondholder, or (2) as a result of action by the Borrower or any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, any Bondholder or former Bondholder of the Series 2021 Bond by reason of the ownership of, borrowing money to invest in, or receiving principal or interest from the Series 2021 Bond, the Borrower agrees to reimburse on demand for, and does hereby indemnify each such Bondholder and former Bondholder against, any loss, cost, charge or expense with respect to any such change, payment or loss of deduction.

(B) If any Change in Law shall (1) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bondholder, (2) subject the Bondholder to any additional taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or (3) impose on the Bondholder any other condition, cost or expense affecting this Agreement or the Series 2021 Bond, and the result of any of the foregoing shall be to increase the cost to the Bondholder of holding the Series 2021 Bond, or to reduce the amount of any sum received or receivable by the Bondholder hereunder or under the Series 2021 Bond (whether of principal, interest or any other amount) then, upon request of the Bondholder, the Borrower will pay such additional amount or amounts as will compensate the Bondholder for such additional costs incurred or reduction suffered.

(C) If the Bondholder determines that any Change in Law has or will have the effect of increasing the amount of capital required or expected to be maintained by the Bondholder based on the existence of the Series 2021 Bond, or its obligations hereunder, then upon demand by the Bondholder, the Borrower will pay to the Bondholder such additional amounts as are necessary to compensate for the increased costs to the Bondholder as a result of such increase of capital.

(D) In determining such additional amounts under this Section, the Bondholder will act reasonably and in good faith, and will use averaging and attribution methods which are reasonable, and the Bondholder's determination of compensation shall be conclusive, absent manifest error. Upon determining that any additional amounts will be payable pursuant to this Section, the Bondholder will give prompt written notice thereof to the Borrower, which notice will show the basis for calculation of such additional amounts, although the failure to give any such notice shall not release or diminish any of the Borrower's obligation to pay such additional amounts to the Bondholder.

(f) The Borrower shall pay to the Authority (i) its reasonable costs and expenses, including the reasonable fees of its counsel, bond counsel and other advisers, directly related to the Facilities or the Series 2021 Bond and (ii) the fees of the Authority consisting of (A) the Authority's fee of 1 mill (0.001) of the face amount of the Series 2021 Bond issued up to a maximum fee of \$30,000, such amount to be payable at closing, (B) on or before June 30 each year, the Authority's annual fee equal to 1/16th of 1% of the outstanding principal amount of the Series 2021 Bond (provided that the amounts so paid shall not equal or exceed an amount that would cause the "yield" on the Series 2021 Note or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2021 Bond, as such terms are defined under Section 148 of the Code). The obligations of the Borrower under this subsection shall survive the Payment of the Bonds.

(g) [Reserved for LIBOR replacement provisions].

**Section 6.2 Unconditional Obligations.** Except as provided in Section 9.6, the obligations of the Borrower to make, or cause to be made, Required Payments and to perform and observe all other covenants, conditions and agreements hereunder shall be general obligations of

the Borrower and shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim the Borrower might otherwise have against the Authority or the Bondholder. Nothing in this section shall be construed as a waiver by the Borrower of any rights or claims it may have against the Authority or the Bondholder under this Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Authority or the Bondholder separately. Subject to Section 11.1, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of its other covenants, conditions and agreements under the Financing Instruments for any cause, including without limitation any acts or circumstances that may constitute failure of consideration, failure of title to any part or all of the Facilities, or commercial frustration of purpose, or any damage to or destruction of all or any part of the Facilities, or any change in the tax or other laws of the United States of America, Commonwealth of Virginia or any political subdivision of either, or any failure of the Authority or the Bondholder to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation contained in or arising out of or in connection with any Financing Instrument.

**Section 6.3 Payments Assigned.** The Borrower consents to the assignment of the Series 2021 Note and of certain rights of the Authority under this Agreement to the Bondholder and agrees to pay, or cause to be paid, to the Bondholder all amounts payable pursuant to the Series 2021 Note and this Agreement, except for any amounts payable directly to the Authority pursuant to the provisions hereof.

## ARTICLE VII

### SPECIAL COVENANTS

**Section 7.1 Compliance with Covenants, Conditions and Agreements in Master Indenture.** So long as the Series 2021 Bond is outstanding, the Borrower shall comply with, and with respect to any other Members of the Obligated Group (as defined in the Master Indenture), covenant to cause each such Member to comply with, each and every covenants, condition and agreement in the Master Indenture in its current form.

**Section 7.2 Maintenance and Modifications by Borrower.** The Borrower shall, at its own expense, keep the Facilities in as reasonably safe of a condition as its operations shall permit and keep the Facilities in good repair and operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs, renewals and replacements. The Borrower may, at its own expense, make any additions, modifications or improvements to the Facilities that it deems desirable.

**Section 7.3 Taxes, Charges and Liens.** The Borrower (a) shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed with respect to payments under this Agreement, the Facilities or any machinery, equipment or other property installed or brought by the Borrower thereon, and (b) shall pay as the same become due all utility and other charges incurred in the operation, maintenance, use and occupancy of the Facilities and all assessments and charges lawfully made by a governmental body for public improvements to the Facilities. The Borrower may, however, contest in good faith any such tax, assessment or charge after giving the Bondholder ten days' advance notice of such



contest, in which event the Borrower may permit such tax, charge or assessment to remain unpaid, or such lien to remain unsatisfied and undischarged, during the period of such contest and any appeal therefrom, provided such proceedings have the effect of preventing forfeiture or sale of the property or asset subject to such tax, assessment or charge and against which adequate reserves have been set aside for the payment thereof in the event the Borrower loses such contest.

**Section 7.4 Cure by Authority or Bondholder.** If the Borrower shall fail to make any payment or perform any act required of it hereunder, the Authority or the Bondholder, without prior notice to or demand upon the Borrower and without releasing any obligation or waiving any default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority or the Bondholder and all costs, fees and expenses so incurred, including reasonable counsel fees, shall be immediately due and payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the Taxable Rate, to the extent permitted by law.

**Section 7.5 Undertaking and Use of Facilities.** The Borrower shall maintain all necessary permits and approvals for the operation and maintenance of the Facilities and shall comply with all lawful requirements of any governmental body regarding the use or condition of the Facilities, whether now existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other changes to the Facilities and irrespective of the cost of making the same. Upon request by the Bondholder, the Borrower shall furnish to the Bondholder evidence of the Borrower's compliance with the requirements of the preceding sentence. The Borrower shall use the portion of the Facilities the construction and equipping of which is refinanced, in whole or in part, from the proceeds of the Series 2021 Bond for the purposes contemplated by the Authorizing Resolution until Payment of the Bonds; provided that the Borrower may change the use of the Facilities, or cause such use to be changed, if the Borrower shall have first delivered to the Bondholder an opinion of Bond Counsel that such change in use will not adversely affect the exclusion of interest on the Series 2021 Bond from gross income for federal income tax purposes.

**Section 7.6 Indemnification.** (a) The Borrower shall (i) protect, indemnify and save harmless the Authority and the Bondholder, their respective officers, directors, employees and agents, and any person who "controls" (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Securities Exchange Act of 1934, as amended) the Bondholder (collectively, the "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against any Indemnified Party on account of or related to (A) any failure of the Borrower to comply with any of the terms, warranties, covenants or representations in the Financing Instruments, or (B) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facilities or the use thereof; and (ii) at all times protect, indemnify and save harmless the Indemnified Parties from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against the Indemnified Parties on account of or related to (A) the initial sale, issuance or offering for sale of the Series 2021 Bond or (B) any action related to the acts, representations, covenants, obligations or other matters contemplated by, required by or related to the Financing Instruments;

provided that such indemnity shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the proceeds received by it from any insurance carried with respect to such loss and provided further that the benefits of this section shall not inure to any person other than the Indemnified Parties. Nothing contained herein shall require the Borrower to indemnify any Indemnified Party for any claim or liability resulting from its or his gross negligence or willful, wanton acts.

(b) The Borrower shall also indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in information submitted by the Borrower to the Authority or to the Bondholder with respect to the initial issuance and purchase of the Series 2021 Bond or caused by any omission or alleged omission of any material fact necessary to be stated therein in order to make such statements to the Authority and the Bondholder not misleading or incomplete.

(c) If any action is brought against any Indemnified Party in respect of which indemnity may be sought from the Borrower under subsection (a) or (b) above, such Indemnified Party shall promptly notify the Borrower in writing, and the Borrower shall assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Each Indemnified Party has the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnified Party unless the employment of such counsel has been specifically authorized by the Borrower. The Borrower will not be liable for any settlement of any such action made without its consent, but if such action is settled with the consent of the Borrower or if there be a final judgment for the plaintiff in such action, the Borrower shall indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(d) The obligations of the Borrower under this section shall survive Payment of the Bonds. All references in this section to any Indemnified Party shall include its members, directors, officers, employees and agents.

**Section 7.7 Tax Covenants for the Series 2021 Bond.** (a) Neither the Authority nor the Borrower shall cause any proceeds of the Series 2021 Bond to be expended except pursuant to this Agreement. The Borrower shall not (i) permit the proceeds of the Series 2021 Bond to be expended in any way that would result in (A) more than 5% of the Net Proceeds of the Series 2021 Bond being used (directly or indirectly) in one or more Trades or Businesses of one or more persons other than 501(c)(3) Organizations or in one or more Unrelated Trades or Businesses, (B) more than 5% of the proceeds of the Series 2021 Bond being used (directly or indirectly) to make or finance loans to one or more persons other than 501(c)(3) Organizations or to one or more 501(c)(3) Organizations with respect to one or more Unrelated Trades or Businesses, or (C) issuance costs of the Series 2021 Bond in excess of 2% of the proceeds (as such term is used for purposes of Section 147(g) of the Code) of the Series 2021 Bond being financed from the proceeds from the sale of the Series 2021 Bond, or (ii) take or omit to take any other action with respect to the use of such proceeds if the taking of or omission to take such action would result in interest on the Series 2021 Bond being includable, in whole or in part, in the gross income of the owner of the Series 2021 Bond for federal income tax purposes under Section 103 of the Code. The

Borrower shall not take or omit to take any other action if the taking of or omission to take such action would cause such interest to be so includable. All property which is provided by the Net Proceeds of the Series 2021 Bond shall be owned by the Borrower at all times. The Borrower shall not permit or cause the Facilities or any part thereof to be leased to or managed by any person in violation of this subsection.

(b) The Borrower shall not take or omit to take any action, or make or approve any investment or use of any proceeds of the Series 2021 Bond or any other moneys or the taking or omission of any other action, which would cause the Series 2021 Bond to be arbitrage bonds within the meaning of Section 148 of the Code. Without limiting the generality of the foregoing, the Borrower shall at its sole expense take all action required under Section 148 of the Code and regulations thereunder to prevent loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bond under such section.

(c) The Borrower shall not permit any payment out of the proceeds of the Series 2021 Bond if, as a result of such payment the average maturity of the Series 2021 Bond would exceed 120% of the average reasonably expected economic life of the Facilities financed from the Net Proceeds of the Series 2021 Bond, as determined in accordance with Section 147(b) of the Code.

(d) No proceeds of the Series 2021 Bond shall be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises. No proceeds of the Series 2021 Bond shall be used directly or indirectly to provide residential rental property for family units unless the first use of such property is pursuant to the financing provided by the Series 2021 Bond, within the meaning of Section 145(d) of the Code. If the first use of any portion of such property is pursuant to taxable financing (as defined in Section 145(d)(3)(C) of the Code), (i) the Borrower represents that (A) there was a reasonable expectation (at the time such taxable financing was provided) that such taxable financing would be replaced by the financing provided by the Series 2021 Bond, and (B) the Series 2021 Bond is being issued to replace such taxable financing within a reasonable period after such taxable financing was provided, and (ii) the first use of such portion shall be deemed to be pursuant to the financing provided by the Series 2021 Bond if the Borrower shall cause the proceeds from the sale of the Series 2021 Bond to be used to replace such taxable financing on, or as soon as practicable after, the Closing Date.

(e) No portion of the Facilities shall be leased to the United States or any agency or instrumentality thereof, nor shall the Borrower take, or permit any lessee or user of the Facilities to take, any action that would cause the Series 2021 Bond to be deemed to be federally guaranteed (as defined in Section 149(b)(2) of the Code).

(f) The Borrower shall (i) take all such actions as may be necessary to cause the Borrower to continue to be a 501(c)(3) Organization which is not a private foundation (within the meaning of Section 509(a) of the Code), and (ii) shall not take any action which might cause it to cease to be such a 501(c)(3) Organization. The Borrower shall file in a timely manner all reports and other documents which are required to be filed with any governmental body (A) by such a 501(c)(3) Organization or (B) in order to remain such a 501(c)(3) Organization.

(g) The Borrower and the Authority (at the reasonable request and at expense of the Borrower) shall file any reports or statements and take such other action as may be required from time to time to cause the Series 2021 Bond to be and remain qualified 501(c)(3) bonds within the meaning of Section 145 of the Code.

(h) If the Borrower or any Affiliate shall collect a Restricted Gift, the Borrower shall, as soon as practicable and no later than 13 months after its receipt of such Restricted Gift, apply, or cause to be applied, such Restricted Gift to the payment of the cost of the Facilities or to pay debt service on or prepayment of the Series 2021 Bond. To the extent that a Restricted Gift cannot be so applied, the Borrower shall invest, or cause to be invested, such Restricted Gift at a yield not in excess of the yield on the Series 2021 Bond.

(i) The Borrower shall not permit any portion of the Facilities the acquisition, renovation or construction of which is financed or refinanced, in whole or in part, with the proceeds from the sale of the Series 2021 Bond to be used in a Trade or Business of any person which is not a 501(c)(3) Organization or in any Unrelated Trade or Business of the Borrower or any other person.

(j) Any provision of this Section shall be of no further effect if and to the extent that such provision is, in the opinion of Bond Counsel, expressed in an opinion of such Bond Counsel, satisfactory to the Bondholder, delivered to the Bondholder and the Borrower, not necessary to cause the interest on the Series 2021 Bond to be excludable from gross income for federal income tax purposes.

**Section 7.8 References to Bonds Ineffective after Bonds Paid.** Upon Payment of the Bonds, all references in this Agreement to the Series 2021 Bond shall be ineffective, and the Authority and the Bondholder shall thereafter have no rights hereunder, except as explicitly provided herein.

**Section 7.9 Proof of Payment of Taxes and Other Charges.** The Borrower shall upon request furnish the Authority or the Bondholder proof of payment of any taxes, governmental charges, utility charges, insurance premiums or other charges required to be paid by the Borrower under this Agreement.

**Section 7.10 Inspection and Right of Access.** The Bondholder, the Authority and their duly authorized agents shall have the right at all reasonable times and upon reasonable notice to enter upon and inspect any part of the Facilities and to examine, inspect and make copies of the books, records and accounts of the Borrower insofar as such books, records and accounts relate to the Facilities.

**Section 7.11 Compliance with Laws.** The Borrower shall comply in all material respects with all applicable laws and all governmental rules and regulations issued thereunder, including without limitation the ADA, ERISA and all laws pertaining to the use, storage, disposal, transportation, handling or remediation of hazardous materials.

## ARTICLE VIII

### DAMAGE, DESTRUCTION, CONDEMNATION AND LOSS OF TITLE

**Section 8.1 Parties to Give Notice.** In case of any material damage to or destruction of any part of the Facilities, the Borrower shall give prompt notice thereof to the Authority and the Bondholder. In case of a taking of any part of the Facilities or any right therein under the exercise of the power of eminent domain or any loss thereof because of failure of title thereto or the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice to the Authority and the Bondholder. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 8.2 Damage, Destruction, Condemnation and Loss of Title.** (a) The Borrower shall give prompt notice to the Bondholder of (1) any material damage to or destruction of any part of the Facilities, (2) a taking of all or any part of the Facilities or any right therein under the exercise of the power of eminent domain, (3) any loss of any part of the Facilities because of failure of title thereto, or (4) the commencement of any proceedings or negotiations that might result in such a taking or loss. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

(b) The Borrower shall apply any Net Proceeds consistent with the provisions of Section 3.04 of the Master Indenture. The Borrower shall simultaneously provide to the Bondholder the Officer's Certificates and consultant reports required to be delivered to the Master Trustee pursuant to Section 3.04 of the Master Indenture.

(c) The Borrower shall not by reason of the payment of the cost of replacement, repair, rebuilding or restoration be entitled to any reimbursement from the Authority or the Bondholder or to any abatement or diminution of the amount payable under the Series 2021 Note. All real and personal property acquired with Net Proceeds derived from Mortgaged Premises shall be free and clear of all liens and encumbrances of any kind except Permitted Liens and become part of the Mortgaged Premises and the Borrower shall take all steps necessary to subject such property to the lien and security interest of the Deed of Trust and to obtain an endorsement to the Title Policy to insure title to all such real property acquired. Prepayments of the Series 2021 Note shall be used to redeem Series 2021 Bond pursuant to Section 10.1 hereof.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES

**Section 9.1 Event of Default.** Each of the following shall be an Event of Default:

(a) Failure of the Borrower to make, or cause to be made, any payment of principal of or interest on the Series 2021 Note or any other payment under the Financing Instruments when due;

(b) Failure of the Borrower to observe or perform any of its other covenants, conditions or agreements hereunder, which does not constitute an Event of Default under any other

provision of this Section 9.1, for a period of 30 days after notice (unless the Borrower and the Bondholder shall agree in writing to an extension of such time prior to its expiration) specifying such failure and requesting that it be remedied, given by the Bondholder to the Borrower;

(c) A reasonable determination by the Bondholder that any warranty, representation or other statement by or on behalf of the Borrower or the Authority contained in any Financing Instrument or any financial statement or other information furnished in connection with the issuance or sale of the Series 2021 Bond was false or misleading in any material respect at the time it was made or delivered; and

(d) An Event of Default shall occur under the Master Indenture or any of the other Financing Instruments, or the Forward Delivery Agreement, which is not otherwise an Event of Default under any other provision of this Section 9.1.

**Section 9.2 Remedies on Default.** Upon the occurrence and continuation of an Event of Default, the Bondholder may:

(a) Declare all payments hereunder and under the Series 2021 Bond and the Series 2021 Note to be immediately due and payable, whereupon the same shall become immediately due and payable (including without limitation any additional amounts that would be due and payable if the Borrower had voluntarily prepaid the Series 2021 Bond as set forth herein); provided that all such payments shall automatically be immediately due and payable, without the necessity of any action by the Bondholder, upon the occurrence of an Event of Default described in subsection (c) or (d) of Section 9.1;

(b) Notify the Master Trustee of such Event of Default and direct the Master Trustee to accelerate the Series 2021 Note under the Master Indenture;

(c) Exercise any remedy provided the holder of an Obligation under the Master Indenture or any of the other Financing Instruments (or both); and

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or under the Series 2021 Bond or the Series 2021 Note or to enforce observance or performance of any covenant, condition or agreement of the Borrower under the Financing Instruments.

The Bondholder shall give notice to the Borrower and the Authority of the exercise by the Bondholder of any of the rights or remedies under this Section 9.2 in writing in the manner provided in Section 11.12, provided that failure to give such notice by telephone or facsimile shall not affect the validity of the exercise of any right or remedy under this Section 9.2.

Upon the occurrence of any Event of Default, any obligation of the Bondholder to advance any theretofore undisbursed proceeds of the Series 2021 Bond shall immediately cease and be of no further force nor effect.

Furthermore, upon the occurrence and during the continuance of an Event of Default, the Bondholder may (but shall be under no obligation to) at any time thereafter make such payments and/or perform such other acts on behalf of, for the account of and at the expense of the Borrower

in each case as the Bondholder may consider necessary or appropriate for the purpose of protecting its interests under this Agreement.

**Section 9.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

**Section 9.4 Counsel Fees and Other Expenses.** The Borrower shall on demand pay to the Authority and the Bondholder the reasonable counsel fees and other reasonable expenses incurred by either of them in the collection of payments hereunder or the enforcement of any other obligation of the Borrower upon an Event of Default. Further, the Borrower's obligation to pay the expenses of the Authority, the Bondholder, or any other expenses because of the occurrence of an Event of Default shall survive Payment of the Bonds.

**Section 9.5 No Additional Waiver Implied by One Waiver.** If any party or its assignee waives a default by any other party under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 9.6 Set-Off.** The Authority and the Bondholder agree that, in the event the Bondholder fails to pay any Early Termination Amount (as defined in the Swap Agreement) payable to the Borrower under the Swap Agreement, in circumstances where the Bondholder is a Defaulting Party or the sole Affected Party (each as defined in the Swap Agreement), then at the option of the Borrower, the Borrower's obligations under the Series 2021 Note will be automatically reduced without penalty by such Early Termination Amount, and such reduction shall be deemed an optional prepayment of the Series 2021 Bond under Section 10.1 below.

## ARTICLE X

### PREPAYMENT; TERMINATION

**Section 10.1 Option to Prepay.** The Series 2021 Bond may be prepaid by the Authority, at the direction of the Borrower, in whole or in part at any time upon ten (10) days prior written notice to the Bondholder at a price equal to par plus accrued interest to the date of prepayment. Any prepayment of the Series 2021 Bond shall include, without limitation, payment of (a) with respect to any prepayment on a date other than a Reset Date, the amount of any losses, expenses and liabilities (including, without limitation, any loss in connection with the re-employment of such funds) that the Bondholder may sustain as a result of such prepayment, and (b) all amounts payable by the Borrower to the Bondholder for early termination, adjustment and settlement of any affected Swap Transactions, in each case whether such prepayment is made as a result of acceleration, voluntary prepayment or otherwise. Any partial prepayment of the Series 2021 Bond shall be credited as directed by the Borrower. Notwithstanding the foregoing, (1) deemed prepayments occurring under Section 9.6 do not require advance notice and shall be made without

penalty to the Borrower and (2) the prepayment of the Series 2021 Bond on the Series 2021 Bond Refunding Date does not require written notice to the Bondholder.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.1 Term of Agreement.** This Agreement shall be effective upon execution and delivery hereof. Subject to earlier satisfaction upon prepayment of all of the Borrower's obligations hereunder pursuant to Article X and the making in full of all other Required Payments due and payable at the date of such prepayment and subject to any provisions hereof which survive Payment of the Bonds, the Borrower's obligations hereunder shall expire on the date provided in the Series 2021 Bond for the final payment of principal thereon, or if all Required Payments have not been made on such date, when all Required Payments shall have been made.

**Section 11.2 Registration of the Series 2021 Bond.** The Series 2021 Bond shall be issued in registered form without coupons, payable to the registered owner or registered assigns. The Borrower shall keep books for the registration of transfer of the Series 2021 Bond as the Bond Registrar. The transfer of the Series 2021 Bond may be registered only upon an assignment executed by the registered owner in such form as shall be satisfactory to the Borrower and the Authority, such registration to be made on the registration books and endorsed on the applicable Series 2021 Bond by the Bondholder. The person in whose name the applicable Series 2021 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal and purchase price of and interest on such Series 2021 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

**Section 11.3 Authority Representative.** Whenever under the provisions of this Agreement the approval of the Authority is required or the Authority is required to take some action at the request of the Borrower, such approval shall be made or such action shall be taken by the Authority Representative; and the Borrower and the Bondholder shall be authorized to rely on any such approval or action.

**Section 11.4 Borrower Representative.** Whenever under the provisions of this Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the Authority, such approval shall be made or such action shall be taken by the Borrower Representative; and the Authority and the Bondholder shall be authorized to act on any such approval or action.

**Section 11.5 If Payment or Performance Date is Not a Business Day.** If the specified or last date for the making of any payment, the performance of any act or the exercising of any right, as provided in this Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day; provided that interest shall accrue during any such period during which payment shall not occur.

**Section 11.6 Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. No assignment by the Borrower shall relieve the Borrower of its obligations hereunder. The



Bondholder may, from time to time, sell or offer to sell the Series 2021 Bond or interests therein to one or more assignees or participants, and is hereby authorized to disseminate any information it has pertaining to the Series 2021 Bond, including, without limitation, credit information on the Borrower, to any such assignee or participant or prospective assignee or prospective participant, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to this Agreement and the Series 2021 Bond as such Person(s) would have if such Person(s) were the Bondholder hereunder. The Bondholder shall provide prior written notice to the Borrower of any assignment or participation. The Bondholder shall not sell, transfer, assign or participate any interest in this Agreement or the Series 2021 Bond to any person other than a "qualified institutional buyer" (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) that is also a financial institution.

**Section 11.7 Limitation of Authority's Liability.** No covenant, agreement or obligation contained in any Financing Instrument shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither the directors of the Authority nor any officer thereof executing any Financing Instrument shall be liable personally on such Financing Instrument or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, agent or attorney of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to the Financing Instruments or the Act or any of the transactions contemplated thereby, provided he acts in good faith.

The obligations of the Authority under the Financing Instruments to which it is a party are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the repayment of the loan of the proceeds of the Series 2021 Bond made to the Borrower pursuant to this Agreement, which revenues and receipts have been pledged and assigned to such purposes. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City of Roanoke, Virginia, shall be obligated to pay the obligations under the Financing Instruments to which the Authority is a party or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City of Roanoke, Virginia, is pledged to the payment of such obligations. The Authority does not have any taxing power.

**Section 11.8 Reports.** In order that the Authority may comply with annual audit and reporting requirements, the Borrower shall furnish, or shall cause the Bondholder to furnish, to the Authority no later than July 31 of each year a statement setting forth (a) the outstanding principal balance on the Series 2021 Bond as of June 30 of such year, and (b) whether payments due under the Series 2021 Bond are current, and (c) at the expense of the Borrower, such additional information with respect to the Series 2021 Bond as the Authority or its auditors may reasonably request.

**Section 11.9 Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 11.10 Applicable Law; Entire Understanding.** This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding and all agreements between the parties and may not be modified except in a writing signed by the parties thereto. No Financing Instrument may be modified before Payment of the Bonds without the consent of the Bondholder. The Bondholder and the Borrower may, without the consent of the Authority, amend any of the provisions of Article VII, other than those contained in Sections 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10 and 7.11. The Borrower shall promptly provide the Authority notice of any of the amendments referenced in the preceding sentence.

**Section 11.11 Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

**Section 11.12 Notices.** Except as may otherwise be provided herein, all demands, notices, approvals, consents, requests and other communications hereunder and under the other Financing Instruments shall be in writing and shall be delivered or given by personal delivery, first class mail, postage prepaid, or overnight courier addressed as follows:

(a) If to the Borrower, at:

Virginia Lutheran Homes, Inc.  
3807 Brandon Avenue, Suite 2440  
Roanoke, Virginia 24018  
Attention: Chief Financial Officer

(b) If to the Authority, at:

Economic Development Authority of  
the City of Roanoke, Virginia  
117 Church Avenue, S.W.  
Roanoke, Virginia 24011  
Attention: Chairman

With a copy to:

Glenn, Feldmann, Darby & Goodlatte  
37 Campbell Avenue, S.W.  
Roanoke, Virginia 24011  
Attn: Harwell M. Darby, Jr.

(c) If to the Bondholder, at:

Pinnacle Financial Partners, Inc.  
3515 Glenwood Avenue  
Raleigh, NC 27611  
Attn: \_\_\_\_\_

With a copy to:

Moore & Van Allen PLLC  
100 North Tryon Street, Suite 4700  
Charlotte, NC 28202  
Attn: \_\_\_\_\_

All such demands, notices, approvals, consents, requests and other communications shall be deemed to have been given on (i) the date received if personally delivered, (ii) two Business Days after deposited in the mail if delivered by mail, or (iii) the date sent if sent by overnight courier. The Borrower, the Authority and the Bondholder may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent or persons to whose attention the same shall be directed.

**Section 11.13 Other Agreements.** To the extent that the execution and delivery of any Financing Instrument by the Borrower, or the performance of its obligations thereunder, would constitute a violation of or default under any other agreement to which the Bondholder and the Borrower are parties, such other agreement is hereby amended to permit such execution and delivery or such performance, as the case may be, and any default under such agreement resulting from such execution and delivery or such performance is hereby waived.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Authority, the Bondholder and the Borrower have caused this Agreement to be executed in their respective names, all as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF ROANOKE, VIRGINIA**

By: \_\_\_\_\_  
Braxton G. Naff  
Chair

**PINNACLE FINANCIAL PARTNERS, INC., as  
Bondholder**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VIRGINIA LUTHERAN HOMES, INC.**

By: \_\_\_\_\_  
Gary Ventola  
Chief Financial Officer

**EXHIBIT A**

**FORM OF SERIES 2021 BOND (TAXABLE)**

(See Attached)

**FORWARD DELIVERY BOND PURCHASE AND LOAN AGREEMENT**

**among**

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE,  
VIRGINIA,**

**PINNACLE FINANCIAL PARTNERS, INC., as Bondholder**

**and**

**VIRGINIA LUTHERAN HOMES, INC.**

**Dated as of May 1, 2021**

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EXHIBIT A - Form of Series 2022 Bond (Tax-Exempt)



This **FORWARD DELIVERY BOND PURCHASE AND LOAN AGREEMENT** is dated as of May 1, 2021, and is among the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (as more particularly defined below, the "Authority"), **PINNACLE FINANCIAL PARTNERS, INC.**, a Tennessee corporation (as more particularly defined below, the "Bondholder"), and **VIRGINIA LUTHERAN HOMES, INC.**, a Virginia nonstock corporation (as more particularly defined below, the "Borrower");

**WITNESSETH:**

**WHEREAS**, the Authority intends to issue and sell its Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021 in the original principal amount of \$\_\_\_\_\_ (as more particularly defined below, the "Series 2021 Bond") to the Bondholder;

**WHEREAS**, the Authority will use the proceeds of the Series 2021 Bond, along with other available amounts, to assist the Borrower in financing or refinancing the following project:

(1) the refunding of all or a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Series 2012 Bonds"), in the original aggregate principal amount of \$21,065,000, the proceeds of which were used to assist the Borrower in (a) refunding a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2002, the proceeds of which were used to assist the Borrower in financing or refinancing (i) the costs of acquiring, constructing and equipping a residential care facility of independent living units and a personal care facility (the "Personal Care Center") for the aged in the City of Roanoke, Virginia, known as Brandon Oaks, owned and operated by the Borrower and located at 3804 Brandon Avenue, Roanoke Virginia 24018, (ii) the costs of the construction and subsequent expansion of and improvements to an existing nursing care facility adjacent to and interconnected with the Personal Care Center and owned and operated by the Borrower (the "Health Center"), (iii) the costs of certain improvements and additions to the Health Center and (iv) the costs of the acquisition, construction, equipping and renovation of an existing nursing home facility located at 3837 Brandon Avenue, Roanoke, Virginia 24018, (b) funding a debt service reserve fund for the Series 2012 Bonds and (c) paying costs of issuance incurred in connection with the issuance of the Series 2012 Bonds; and

(2) the financing of, if and as needed, capitalized interest on the Series 2021 Bond, a debt service reserve fund for the Series 2021 Bond, costs of issuance related to the issuance of the Series 2021 Bond, working capital, routine capital expenditures at the facilities financed or refinanced with the proceeds of the Series 2021 Bond and other related costs;

**WHEREAS**, the Borrower desires to provide for the refunding (the "Plan of Refunding") of the Series 2021 Bond on or about the Issuance Date (as defined below) through the issuance by the Authority of its Tax-Exempt Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2022 in the approximate original principal amount of \$\_\_\_\_\_ (as more particularly defined below, the "Series 2022 Bond") to the Bondholder;

**WHEREAS**, the Authority intends to loan the proceeds from the sale of the Series 2022 Bond to the Borrower pursuant to this Agreement; and the Borrower intends to issue and deliver to the Authority its promissory note dated the date of its delivery (as more particularly defined below, the "Series 2022 Note"), to evidence the Borrower's obligation to repay such loan;

**WHEREAS**, the Borrower intends to enter into one or more interest rate swap transactions with the Bondholder with respect to the Series 2022 Bond; and the Borrower intends to issue and deliver to the Bondholder a promissory note dated the date of its delivery (as more particularly defined below, the "Swap Obligation"), to evidence the Borrower's payment obligations under such swap transactions;

**WHEREAS**, the Series 2022 Note and the Swap Obligation will be secured by a Master Trust Indenture dated as of December 1, 2002, between the Borrower and U.S. Bank National Association, as successor master trustee (as more particularly defined below, the "Master Trustee"), as previously supplemented and amended and as further supplemented by a Supplemental Indenture for Obligation No. 18 dated as of May 1, 2021 (as more particularly defined below, the "Related Supplement") and by a Supplemental Indenture for Obligation No. 19 dated as of May 1, 2021 (as more particularly defined below, the "Swap Supplement"), between the Borrower and the Master Trustee; and

**WHEREAS**, the Authority, the Bondholder and the Borrower desire to set forth the terms and conditions with respect to such financing.

**NOW, THEREFORE**, the parties hereto agree as follows:

## **ARTICLE I**

### **DEFINITIONS AND RULES OF CONSTRUCTION**

**Section 1.1** **Definitions.** Terms otherwise not defined herein (including the preamble) shall have the same meaning as set forth in the Master Indenture (as defined below). In addition to other terms defined elsewhere in this Agreement, the following terms shall have the following meanings in this Agreement unless the context otherwise requires:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Adjusted LIBOR Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) the product of (x) 79% and (y) LIBOR and (ii) 1.07% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, "control" when used with respect to a Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" means this Forward Delivery Bond Purchase and Loan Agreement dated as of May 1, 2021, among the Authority, the Borrower and the Bondholder, as altered, amended, modified or supplemented from time to time.

"Authority" means the Economic Development Authority of the City of Roanoke, Virginia, and its successors and assigns.

"Authority Representative" means the Chairman, the Vice Chairman and any one of the Persons at the time designated to act on behalf of the Authority by written certificate furnished to the Borrower containing the specimen signatures of such Persons and signed on behalf of the Authority by its Chairman or Vice Chairman.

"Authorizing Resolution" means the resolution of the Authority adopted on April 21, 2021, approving, among other things, the issuance and sale of the Series 2022 Bond, and execution of this Agreement, to assist the Borrower in executing the Plan of Refunding.

"Bond Counsel" means McGuireWoods LLP, or other nationally recognized bond counsel satisfactory to the Bondholder.

"Bond Year" means (a) the period beginning on the date of issue of the Series 2022 Bond and ending at the close of business on December 31, 2022, and (b) each one-year period thereafter commencing January 1 and ending December 31.

"Bondholder" means Pinnacle Financial Partners, Inc., as holder of the Series 2022 Bond, or any subsequent holder thereof.

"Borrower" means Virginia Lutheran Homes, Inc., a Virginia nonstock corporation, and its successors and assigns.

"Borrower Representative" means the President and Chief Executive Officer, the Chief Financial Officer and any one of the Persons at the time designated to act on behalf of the Borrower by written certificate furnished to the Authority containing the specimen signatures of such Persons and signed on behalf of the Borrower by its President and Chief Executive Officer or Chief Financial Officer.

"Business Day" means (i) any day other than a Saturday, Sunday, legal holiday or any other day on which the Bondholder is authorized or required to close, and (ii) when used in connection with the determination of LIBOR shall also exclude any day on which banks are not open for dealing in dollar deposits in the London interbank market.

"Change in Law" means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank

for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Closing Date" means May 5, 2021.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations and revenue rulings thereunder.

"Computation Date" means (a) the last day of the fifth and each succeeding fifth Bond Year so long as such day occurs before the day the Series 2022 Bond is paid in full, and (b) the day the Series 2022 Bond is paid in full.

"Covenant Agreement" means the [Continuing Covenant Agreement] dated as of May 1, 2021, between the Borrower and the Bondholder, as the same may be altered, amended, modified or supplemented from time to time.

"Date of Taxability" means the earliest date as of which interest on the Series 2022 Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

"Deed of Trust" shall have the meaning as set forth in the Master Indenture.

"Default Rate" means the applicable interest rate on the Series 2022 Bond plus \_\_\_\_% per annum.

"Determination of Taxability" has the meaning set forth in the Series 2022 Bond.

"Event of Default" means any of the events set forth in Section 9.1.

"Event of Taxability" has the meaning set forth in the Series 2022 Bond.

"Facilities" has the meaning assigned to it in the Master Indenture.

"Financing Instruments" means this Agreement, the Covenant Agreement, the Series 2022 Bond, the Series 2022 Note, the Swap Obligation, the Swap Agreement, the Master Indenture and the Deed of Trust (including the 2021 Modification).

"Fiscal Year" shall have the meaning set forth in the Master Indenture.

"501(c)(3) Organization" means an organization described in Section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code.

"Indebtedness" shall have the same meaning as set forth in the Master Indenture.

"Issuance Date" means the date of issuance of the Series 2022 Bond, which is \_\_\_\_\_, 2022, or such other date as the Borrower may designate in writing to the Authority and the Bondholder.

["LIBOR" means, for each Reset Date, the interest rate per annum determined by the Bondholder by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Bondholder which has been approved by the Bondholder as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Reset Date as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a replacement rate as determined in accordance with Section 6.1 of this Agreement), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage. LIBOR shall be adjusted on and as of (a) each Reset Date, and (b) the effective date of any change in the LIBOR Reserve Percentage. Each determination of LIBOR by the Bondholder shall be conclusive and binding upon the parties hereto.]

["LIBOR Reserve Percentage" means, for any day, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities"). Without limiting the effect of the foregoing, the LIBOR Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which LIBOR is to be determined or (ii) any category of extension of credit or other assets related to LIBOR.]

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2002, between the Borrower and the Master Trustee, as previously supplemented and amended and as supplemented by the Related Supplement and the Swap Supplement, and as further supplemented and amended from time to time.

"Master Trustee" means U.S. Bank National Association, as successor master trustee under the Master Indenture.

"Net Proceeds" means net proceeds as defined in Section 150(a)(3) of the Code.

"Obligation No. 18" means the Series 2022 Note, which has been designated Obligation No. 18 under the Master Indenture.

"Payment of the Bonds" means payment in full of the Series 2022 Bond and the making in full of all other Required Payments due and payable at the time of such payment.

"Person" means an individual, partnership, corporation, trust, unincorporated organization, association, joint venture, joint-stock company, or a government or agency or political subdivision thereof.

"Rebate Amount" means the rebate amount (as defined in Section 1.148-1 of the Treasury Regulations) with respect to the Series 2022 Bond.

"Rebate Amount Payable" means, for any Computation Date, the amount (if any) payable to the United States pursuant to Section 148(f) of the Code with respect to the Rebate Amount as of such Computation Date, including any amount payable with respect to income attributable to the Rebate Amount.

"Related Supplement" means the Supplemental Indenture for Obligation No. 18 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Required Payment" means any payment of money required under the terms of the Financing Instruments to be made by the Borrower for its own account or for the account of the Authority.

"Reset Date" means the Issuance Date and thereafter the first Business Day of each calendar month.

"Restricted Gift" means a gift, devise or bequest collected by the Borrower that is conditioned upon its use by the Borrower for the payment or prepayment, in whole or in part, of the Series 2022 Bond.

"Series 2021 Bond" means the Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021, as altered, amended, modified or supplemented from time to time.

"Series 2022 Bond" means the Tax-Exempt Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2022 issued by the Authority pursuant to this Agreement, in an aggregate principal amount of up to \$\_\_\_\_\_, as altered, amended, modified or supplemented from time to time.

"Series 2022 Note" means the promissory note issued by the Borrower pursuant to this Agreement in a principal amount equal to the principal amount of the Series 2022 Bond as substantially in the form attached as Exhibit A to the Related Supplement, as altered, amended, modified or supplemented from time to time.

"Swap Agreement" means the ISDA Master Agreement and Schedule thereto dated as of April \_\_\_, 2021, between the Borrower and the Bondholder, and any transaction confirmations now or hereafter issued or exchanged in connection therewith, each as amended, restated, supplemented or otherwise modified from time to time.

"Swap Obligation" means the promissory note issued by the Borrower pursuant to the Swap Supplement, as altered, amended, modified or supplemented from time to time.

"Swap Supplement" means the Supplemental Indenture for Obligation No. 19 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Swap Transaction" means any of the following entered into between the Borrower and the Bondholder pursuant to the Swap Agreement: (i) an interest rate swap transaction, basis swap,

forward rate transaction, commodity swap, forward commodity contract, commodity option, equity or equity index swap, equity or equity index option, bond or bond price or bond index swap or option, forward bond index transaction, interest rate option or swaption, foreign exchange transaction, interest rate cap transaction, interest rate floor transaction, interest rate collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option, spot contract, any similar transaction, or any other arrangement designed to alter the risks arising from fluctuation in currency values or interest rates, or any combination of any of the foregoing (including, without limitation, any option to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any Master Agreement; and (ii) any other transaction of any kind, or any related confirmation, which is subject to, or governed by, the Swap Agreement.

"Taxable Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) LIBOR and (ii) 1.35% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

"Tax-Exempt Bond" means an obligation the interest on which is excluded from gross income for federal income tax purposes and shall include any interest in a regulated investment company to the extent provided in Treasury Regulations Section 1.150-1(b); provided, however, that no specified private activity bond (as defined in Section 57(a)(5)(C) of the Code) shall be deemed to be a Tax-Exempt Bond.

"Tax Compliance Agreement" means the Tax Certificate and Agreement dated as of the Issuance Date between the Authority and the Borrower, delivered as of the date of, and in connection with, the issuance and sale of the Series 2022 Bond.

"Title Company" means Fidelity National Title Insurance Company, or any successor title insurance company under the Title Policy.

"Title Policy" means mortgagee title policy No. G52-0276168 issued December 17, 2002, by the Title Company, as previously endorsed and as further endorsed from time to time as provided in this Agreement.

"Trade or Business" means a trade or business as such term is used in Section 141(b)(6) of the Code.

"Unrelated Trade or Business" means a Trade or Business of a 501(c)(3) Organization that is an unrelated trade or business (determined by applying Section 513(a) of the Code) of such 501(c)(3) Organization.

"Virginia Code" means the Code of Virginia of 1950, as amended.

"2021 Modification" means the Ninth Modification to Deed of Trust and Security Agreement dated as of May 1, 2021, executed by the Borrower, the deed of trust trustees named therein and the Master Trustee, modifying the Deed of Trust.

**Section 1.2 Rules of Construction.** The following rules shall apply to the construction of the Financing Instruments unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa, and any gender shall connote any other gender.

(b) All references in a Financing Instrument to particular articles or sections are references to articles or sections of such Financing Instrument unless otherwise indicated.

(c) The headings and Table of Contents in any Financing Instrument are solely for convenience of reference and shall not constitute a part of such Financing Instrument, nor shall they affect its meaning, construction or effect.

(d) Words importing the prepayment or calling for prepayment of the Series 2022 Bond shall not be deemed to refer to or connote the payment of the Series 2022 Bond at its stated maturity.

(e) All accounting terms used in any Financing Instrument which are not expressly defined therein shall have the meanings respectively given to them in accordance with generally accepted accounting principles. All financial computations made pursuant to any Financing Instrument shall be made in accordance with generally accepted accounting principles consistently applied, and all balance sheets and other financial statements shall be prepared in accordance with generally accepted accounting principles consistently applied.

## ARTICLE II

### REPRESENTATIONS AND FINDINGS

**Section 2.1 Representations and Findings by Authority.** The Authority makes the following representations and findings as the basis for its undertakings hereunder:

(a) The Authority is duly organized and existing under the Act, is a political subdivision of the Commonwealth of Virginia vested with the rights and powers conferred upon it under the Act, has the power to execute and deliver the Financing Instruments to which it is a party, to perform its obligations thereunder, to issue the Series 2022 Bond to finance the Plan of Refunding, and to loan the proceeds from the sale of the Series 2022 Bond to the Borrower pursuant to this Agreement, each constituting an authorized undertaking under the Act and such loan being in furtherance of the purposes for which the Authority was organized, and to carry out its other obligations under such Financing Instruments. By proper action the Authority has duly authorized the execution and delivery of such Financing Instruments to which it is a party, the performance of its obligations thereunder and the issuance of the Series 2022 Bond and, simultaneously with the execution and delivery of this Agreement, has issued and sold the Series 2022 Bond. No proceedings to dissolve the Authority have been instituted.

(b) The execution and delivery of, and compliance by the Authority with the terms and conditions of, the Financing Instruments to which the Authority is a party will not conflict with, or constitute or result in a default under or violation of, (i) the Act or any existing law, rule or regulation applicable to it, (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject, or (iii) the by-laws or any other rules or procedures of the Authority.



(c) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (i) the issuance and delivery of the Series 2022 Bond by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of, the other Financing Instruments to which it is a party, or (iii) the assignment by the Authority of the Series 2022 Note. However, the Authority makes no representation concerning state or federal securities laws.

(d) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the knowledge of the Authority, threatened against the Authority with respect to (i) the organization or existence of the Authority, (ii) its authority to execute or deliver the Financing Instruments to which it is a party, (iii) the validity or enforceability of any such Financing Instruments or the transactions contemplated thereby, (iv) the title of any officer of the Authority who executed such Financing Instruments, or (v) any authority or proceedings related to the execution and delivery of such Financing Instruments on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended but are in full force and effect.

(e) None of the directors of the Authority has a personal interest (as defined in Section 2.2-3101 of the Virginia Code) in any Financing Instrument or in any transaction contemplated thereby or is an officer or employee of the Borrower or the Bondholder.

(f) In connection with the authorization, issuance and sale of the Series 2022 Bond, the Authority has complied with all provisions of the Constitution and laws of the Commonwealth of Virginia, including the Act.

(g) The Authority is not in default under any of the provisions of the laws of the Commonwealth of Virginia, where any such default would affect the issuance, validity or enforceability of the Series 2022 Bond or the transactions contemplated by this Agreement.

**Section 2.2 Representations by Borrower.** The Borrower makes the following representations as the basis for its undertakings hereunder:

(a) The Borrower is a nonstock corporation duly organized, validly existing and in good standing in the Commonwealth of Virginia, has the power and authority to own and operate its properties, including the Facilities, and to enter into the Financing Instruments to which it is a party and the transactions contemplated thereby and to perform its obligations thereunder, and by proper action has duly authorized the execution, delivery and performance of such Financing Instruments.

(b) The loan to the Borrower of the proceeds from the sale of the Series 2022 Bond by the Authority will constitute an inducement to the Borrower to locate or maintain the facilities refinanced with the proceeds of the Series 2022 Bond in the City of Roanoke, Virginia, which will provide improved residential facilities for the use of the inhabitants of the City of Roanoke, Virginia and the Commonwealth of Virginia and promote their welfare.

(c) The Borrower intends to operate the Facilities, or cause such to be operated, as facilities for the residence and care of the aged until the Payment of the Bonds.

(d) No litigation at law or in equity or any proceeding before any governmental agency involving the Borrower is pending or, to the knowledge of the Borrower, threatened in which any liability of the Borrower is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the business or assets of the Borrower, its ability to do business, the financing of the Plan of Refunding, the validity of the Financing Instruments to which the Borrower is a party or the performance of its obligations thereunder.

(e) The facilities refinanced with the proceeds of the Series 2022 Bond are located entirely within the City of Roanoke, Virginia.

(f) The Borrower is a 501(c)(3) Organization that is not a private foundation (within the meaning of Section 509(a) of the Code). The Borrower has conducted its operations and filed all required reports and documents with the Internal Revenue Service (the "Service") so as to maintain its status as a 501(c)(3) Organization, the letter from the Service to the effect that the Borrower is a 501(c)(3) Organization has not been modified, limited or revoked and the Borrower has received no notice from the Service inquiring about, threatening or proposing to audit its status as a 501(c)(3) Organization. The Borrower is in compliance with all terms, conditions and limitations, if any, contained in such letter or any other notification from the Service. In particular, (i) the Borrower is organized and operated exclusively for benevolent or charitable purposes, (ii) no part of the net earnings of the Borrower has inured to the benefit of any private shareholder or individual, (iii) no substantial part of the activities of the Borrower has consisted of carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise permitted by Section 501(h) of the Code), and (iv) the Borrower has not participated or intervened (through the publishing or distribution of statements or otherwise) in any political campaign on behalf of or in opposition to any candidate for public office. The Borrower is not organized or operated exclusively for religious purposes.

(g) The Borrower normally receives at least 75% of its support (as such term is used for purposes of Section 509 of the Code) in the form of gross receipts from the performance of services and the furnishing of facilities by the Borrower in an activity which is not an Unrelated Trade or Business (not including such receipts from any person or any bureau or similar agency of a governmental unit, as described in Section 170(c)(1) of the Code, in any taxable year to the extent such receipts exceed the greater of \$5,000 or 1% of the Borrower's support in such taxable year) from persons other than disqualified persons (as defined in Section 4946 of the Code) with respect to the Borrower.

(h) The information contained in the certifications of the Borrower delivered at the time of the execution and delivery of this Agreement with respect to compliance with the requirements of Section 145 of the Code, including the information in IRS Form 8038 to be filed by the Authority on or after the Issuance Date with respect to the Series 2022 Bond, is true and correct in all respects.

(i) The Borrower has filed all material tax returns or forms (federal, state and local) required to be filed, and has paid all material taxes, assessments and governmental charges and levies indicated thereon to be due, including interest and penalties, or has provided adequate reserves for the payment thereof.

(j) The Borrower is not in default in the payment of the principal of or interest on any indebtedness for borrowed money, and, to the Borrower's knowledge, the Borrower is not otherwise in default under any instrument under which any such indebtedness has been incurred.

**Section 2.3 Survival of Representation and Warranties.** All representations and warranties set forth in this Article II shall be made or deemed to be made at and as of the Closing Date and the Issuance Date, shall survive such date and shall not be waived by the execution and delivery of this Agreement by the Bondholder, any investigation made by or on behalf of the Bondholder or any extension of credit hereunder.

### ARTICLE III

#### ISSUANCE OF SERIES 2022 BOND; CONDITIONS TO PURCHASE OF SERIES 2022 BOND

**Section 3.1 Sale and Purchase of Series 2022 Bond.** The Authority shall issue and sell the Series 2022 Bond to the Bondholder and secure the Series 2022 Bond by assigning the Series 2022 Note to the Bondholder, upon the terms and conditions set forth herein.

(a) The Bondholder represents that it is purchasing the Series 2022 Bond for its own account for investment and has no present intention of reselling or disposing of the Series 2022 Bond or engaging in any "distribution" thereof (as that term is used in the Securities Act of 1933, as amended, and the regulations of the Securities and Exchange Commission thereunder). The Bondholder is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended. The Bondholder represents that it is familiar with the operations and financial condition of the Borrower based upon information furnished to the Bondholder by the Borrower and has made such inquiries, as it deems appropriate in connection with the purchase of the Series 2022 Bond. In determining to purchase the Series 2022 Bond, the Bondholder has not relied upon any information (including financial information) relating to the Borrower provided by the Authority, nor has it relied upon the omission of the Authority to provide any such information. The Bondholder relieves the Authority of any liability for failure to provide such information. The Bondholder intends to hold the Series 2022 Bond to maturity.

(b) The Bondholder shall not assign or offer the Series 2022 Bond, or any participation therein, for sale in any state of the United States without first (a) either (i) taking all necessary action to qualify the Series 2022 Bond for offer and sale under the securities and "Blue Sky" laws of the United States and such state, or (ii) determining that no such action is necessary because of a registration exemption or exemptions, and (b) providing to the purchaser of the Series 2022 Bond, or any participant therein, all material information in the Bondholder's possession necessary to evaluate the risks and merits of the investment represented by the purchase of or participation in the Series 2022 Bond.

(c) It is specifically understood and agreed that the Authority makes no representation, covenant or agreement as to the financial position or business condition of the Borrower and does not represent or warrant as to any statements, materials, representations or certifications furnished by the Borrower in connection with the sale of the Series 2022 Bond, or as to the correctness, completeness or accuracy thereof.

(d) The Bondholder understands that the scope of engagement of McGuireWoods LLP as bond counsel with respect to the Series 2022 Bond has been limited to matters set forth in its bond counsel opinion based on its review of such proceedings and documents as they deem necessary to approve the validity of the Series 2022 Bond and the excludability of the interest thereon for federal and state income tax purposes, and that McGuireWoods LLP has not made any assurances or opinion as to the accuracy or completeness of any information that may have been furnished to the Bondholder or relied upon by the Bondholder in acquiring the Series 2022 Bond.

**Section 3.2 Conditions Precedent to Closing.** The obligations of the Bondholder under this Agreement are conditioned on receipt by the Bondholder, in form and substance satisfactory to it, of the following:

(a) Executed copies of the Financing Instruments, but without the Series 2022 Note having been assigned to the Bondholder.

(b) Evidence of the due authorization, execution and delivery of the Financing Instruments by the parties thereto.

(c) A certified copy of the Authorizing Resolution.

(d) The written opinion of McGuireWoods LLP, as counsel for the Borrower, relating to the organization and existence of the Borrower, its status as a 501(c)(3) Organization, the power of the Borrower to enter into the Financing Instruments to which it is a party, the enforceability of such Financing Instruments and such other matters as the Bondholder may reasonably request.

(e) Receipts evidencing the proper recording or filing of the 2021 Modification and any necessary financing statements with the Clerk of the Circuit Court of the City of Roanoke, Virginia in all other places as shall be necessary to perfect the security interests granted in the Master Indenture and the Deed of Trust.

(f) A "pro-forma" endorsement to the Title Policy (with the final endorsement to be issued promptly after the Closing Date), recognizing the recordation of the 2021 Modification and increasing the amount of the Title Policy to equal the maximum principal amount of all outstanding Obligations under the Master Indenture, including without limitation Obligation No. 18 and the Swap Obligation, confirming that the Deed of Trust (as modified by the 2021 Modification) continues to be a first lien on the Mortgaged Premises subject to no exceptions other than Permitted Liens, containing no exceptions for filed or unfiled mechanics' and materialmen's liens except as otherwise covered by pending disbursements language acceptable to the Bondholder, containing no exceptions as to survey matters, and containing no other exceptions except those notice of which has been given to the Bondholder prior to the execution of this Agreement and which are acceptable to the Bondholder.

(g) Evidence regarding the status of title to personal property owned by the Borrower, including information regarding liens or other encumbrances thereon, which evidence may be in the form of a UCC search conducted by a firm or attorney acceptable to the Bondholder,

including but not limited to evidence satisfactory to the Bondholder that the Master Indenture constitutes a first priority lien upon all collateral purported to be covered by such lien.

(h) Evidence satisfactory to the Bondholder that the Borrower has paid or will pay all fees, costs and expenses (including fees and costs of the Bondholder's counsel) then required to be paid pursuant to this Agreement and all other Financing Instruments.

(i) Such other documentation, certificates and opinions as may be reasonably required by the Bondholder, including that required under the Covenant Agreement.

### **Section 3.3 Conditions Precedent to Delivery of Series 2022 Bond.**

(a) The obligation of the Bondholder to accept delivery of the Series 2022 Bond in substantially the form attached hereto as Exhibit A on the Issuance Date shall be conditioned upon delivery to the Bondholder, in form and substance satisfactory to it, of the following:

(i) Executed copy of the Series 2022 Note and its assignment to the Bondholder.

(ii) The written opinion of McGuireWoods LLP, as bond counsel, that the Series 2022 Bond has been validly authorized and issued by the Authority and is the valid and binding limited obligation of the Authority, enforceable in accordance with its terms, and, subject to customary exceptions, that interest thereon is excludable from gross income for federal income tax purposes and exempt from income taxation by the Commonwealth of Virginia.

(iii) The written opinion of counsel to the Authority, relating to the organization of the Authority, the due approval, validity and enforceability of the Series 2022 Bond, and such other matters as the Bondholder may reasonably request.

(iv) Payment of all accrued and unpaid interest on the Series 2021 Bond through the Issuance Date.

(v) Evidence satisfactory to the Bondholder that the Borrower has paid or will pay all fees, costs and expenses (including fees and costs of the Bondholder's counsel) then required to be paid pursuant to this Agreement and all other Financing Instruments.

(vi) Such other documentation, certificates and opinions as may be reasonably required by the Bondholder, including that may be required under the Covenant Agreement.

(b) The obligation of the Authority to issue and sell the Series 2022 Bond is conditioned upon the issuance of the Series 2022 Bond being consistent with the needs and expectations of the Authority, the City of Roanoke and other interested parties.

**Section 3.4 Execution.** The Series 2022 Bond shall be executed on behalf of the Authority by the Chairman or Vice Chairman of the Authority and shall have impressed thereon the official seal of the Authority attested by the Secretary or an Assistant Secretary of the Authority.

## ARTICLE IV

### DISPOSITION OF PROCEEDS

**Section 4.1 Disbursement of Proceeds.** On the Issuance Date, the Bondholder will be deemed to have disbursed proceeds of the Series 2022 Bond in the amount of the outstanding principal amount of the Series 2021 Bond to redeem the Series 2021 Bond on the Issuance Date.

## ARTICLE V

### LOAN BY THE AUTHORITY; THE SERIES 2022 NOTE

**Section 5.1 Loan by the Authority; Repayment of Loan.** Upon the terms and conditions of this Agreement, on the Issuance Date the Authority shall lend to the Borrower the proceeds of the Series 2022 Bond. Prior to or simultaneously with the issuance of the Series 2022 Bond, to evidence its obligations to repay such loan, the Borrower shall deliver the Series 2022 Note to the Authority for assignment to the Bondholder as security for the Payment of the Bonds. The Authority hereby grants a security interest in and assigns the Series 2022 Note to the Bondholder and shall also execute the form of assignment affixed to the Series 2022 Note.

**Section 5.2 Series 2022 Note as Obligation.** The Series 2022 Note shall constitute an "Obligation" under the Master Indenture and will be designated Obligation No. 18 thereunder, and the Borrower represents and warrants that the Indebtedness represented by this Agreement and the Series 2022 Note is authorized and permitted under the Master Indenture and that the Borrower is in full compliance with the provisions thereof.

## ARTICLE VI

### PAYMENTS

**Section 6.1 Amounts Payable.** (a) The Borrower shall make, or cause to be made, all payments required under the Series 2022 Note and, for the account of the Authority, shall make, or cause to be made, all payments required under the Series 2022 Bond, as and when the same become due (whether at maturity, by acceleration or otherwise), in the manner set forth in the Series 2022 Bond and shall make, or cause to be made, all other Required Payments in the manner set forth in the applicable Financing Instruments. Payments to the Bondholder shall be made in lawful money of the United States of America at the address of the Bondholder set forth in Section 11.12 or at such other place as the Bondholder may direct in writing. Any amount at any time paid to the Bondholder as a payment of principal of or interest on the Series 2022 Bond shall be credited against the Borrower's obligations hereunder and under the Series 2022 Note (but subject to collection of any instrument, draft, check or order for payment received by the Bondholder). If such amount should be sufficient to pay at the times required the principal of or purchase price and interest on the Series 2022 Bond then remaining unpaid (including amounts accrued as of such date and amounts that will accrue through final Payment of the Bonds), the Borrower shall not be obligated to make any further payments hereunder or under the Series 2022 Note but only if the same constitutes Payment of the Bonds.

(b) The outstanding principal amount of the Series 2022 Bond shall bear interest at the Adjusted LIBOR Rate, unless:

(i) a Determination of Taxability shall have occurred, in which case the Series 2022 Bond shall bear interest at the Taxable Rate from and after the Date of Taxability and the Borrower shall pay to the Bondholder, on demand, such additional amounts as shall be necessary to provide that interest shall have been payable at the Taxable Rate from the Date of Taxability;

(ii) at any time after the Closing Date there should be any change in the combined maximum marginal rate of federal and Virginia state income tax applicable to the taxable income of the Bondholder, its successor and assigns (the "Bondholder Tax Rate"), in which case the Adjusted LIBOR Rate, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted (upwards or downward as the case may be), effective as of the effective date of any such change in the Bondholder Tax Rate, by multiplying the Adjusted LIBOR Rate by a fraction, the denominator of which is 100% minus the Bondholder Tax Rate in effect upon the date hereof, and the numerator of which is 100% minus the Bondholder Tax Rate after giving effect to such change; and

(iii) an Event of Default shall have occurred and be continuing, in which case the Series 2022 Bond will bear interest at the Default Rate.

(c) All interest payable under the Financing Instruments shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

(d) Upon an Event of Taxability, the Borrower shall pay to any past or present Bondholder any amounts that may be necessary to reimburse such Bondholder for any interest, penalties or other charges assessed against such Bondholder by reason of such Bondholder's not including interest on the Series 2022 Bond in its federal gross income during the period following the Date of Taxability, including, without limitation, the costs incurred by such Bondholder or prior Bondholder to amend any of its tax returns.

(e) The Borrower shall make reasonable arrangements satisfactory to the Authority and the Bondholder for the payment of their reasonable expenses, including reasonable legal expenses, incurred in connection with any Event of Taxability.

(f) Notwithstanding any other provision herein, the obligations of the Borrower pursuant to this Section shall continue following the expiration of the term of this Agreement.

(g) The Bondholder shall, if requested by the Borrower, have an attorney in fact, qualified to practice before the Internal Revenue Service, designated by the Borrower for the purpose of appealing or challenging any Event of Taxability; provided, however, the Borrower provides indemnity reasonably satisfactory to the Bondholder to indemnify it against any additional tax liability, penalties or interest that may result from any such appeal. All legal fees, costs and expenses of such appeal shall be paid by the Borrower. In the event a final judgment or order shall have been entered within 180 days of the Event of Taxability finding, as a final determination, that no Event of Taxability has indeed occurred, the Bondholder shall reimburse to the Borrower all supplemental interest that has been paid on the Series 2022 Bond, and no

additional supplemental interest shall be payable unless and until an Event of Taxability shall subsequently occur. Notwithstanding anything in this subsection to the contrary, the right of the Borrower to challenge any Event of Taxability shall terminate if no such final judgment or order shall have been entered within 180 days after the occurrence of the Event of Taxability, unless the Bondholder shall otherwise agree, and after the expiration of such 180-day period without the entry of a final judgment or order, the Series 2022 Bond shall immediately bear interest at the Taxable Rate. In addition, unless the Borrower shall otherwise provide reasonable indemnification to the Bondholder, the right of the Borrower to challenge any Event of Taxability shall terminate if the exercise of such right would cause any tax return of the Bondholder to be inaccurate or would delay the timely filing thereof or would in the Bondholder's opinion result in an adverse impact on its tax returns.

(h) (A) So long as any portion of the principal amount of the Series 2022 Bond or interest thereon remains unpaid, if (1) any Change in Law changes the basis of taxation of payments to any Bondholder or former Bondholder of principal or interest payable pursuant to the Series 2022 Bond, including without limitation the imposition of any excise tax or surcharge thereon, but excluding changes in the rates of tax applicable to the overall net income of any Bondholder or former Bondholder, or (2) as a result of action by the Borrower or any public body or governmental agency, any payment is required to be made by, or any federal, state or local income tax deduction is denied to, any Bondholder or former Bondholder of the Series 2022 Bond by reason of the ownership of, borrowing money to invest in, or receiving principal or interest from the Series 2022 Bond, the Borrower agrees to reimburse on demand for, and does hereby indemnify each such Bondholder and former Bondholder against, any loss, cost, charge or expense with respect to any such change, payment or loss of deduction.

(B) If any Change in Law shall (1) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Bondholder, (2) subject the Bondholder to any additional taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto, or (3) impose on the Bondholder any other condition, cost or expense affecting this Agreement or the Series 2022 Bond, and the result of any of the foregoing shall be to increase the cost to the Bondholder of holding the Series 2022 Bond, or to reduce the amount of any sum received or receivable by the Bondholder hereunder or under the Series 2022 Bond (whether of principal, interest or any other amount) then, upon request of the Bondholder, the Borrower will pay such additional amount or amounts as will compensate the Bondholder for such additional costs incurred or reduction suffered.

(C) If the Bondholder determines that any Change in Law has or will have the effect of increasing the amount of capital required or expected to be maintained by the Bondholder based on the existence of the Series 2022 Bond, or its obligations hereunder, then upon demand by the Bondholder, the Borrower will pay to the Bondholder such additional amounts as are necessary to compensate for the increased costs to the Bondholder as a result of such increase of capital.



(D) In determining such additional amounts under this Section, the Bondholder will act reasonably and in good faith, and will use averaging and attribution methods which are reasonable, and the Bondholder's determination of compensation shall be conclusive, absent manifest error. Upon determining that any additional amounts will be payable pursuant to this Section, the Bondholder will give prompt written notice thereof to the Borrower, which notice will show the basis for calculation of such additional amounts, although the failure to give any such notice shall not release or diminish any of the Borrower's obligation to pay such additional amounts to the Bondholder.

(i) The Borrower shall pay to the Authority (i) its reasonable costs and expenses, including the reasonable fees of its counsel, bond counsel and other advisers, directly related to the Facilities or the Series 2022 Bond and (ii) the Authority's annual fee equal to 1/16th of 1% of the outstanding principal amount of the Series 2022 Bond (provided that the amounts so paid shall not equal or exceed an amount that would cause the "yield" on the Series 2022 Note or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2022 Bond, as such terms are defined under Section 148 of the Code). The obligations of the Borrower under this subsection shall survive the Payment of the Bonds.

(j) [Reserved for replacement LIBOR language].

**Section 6.2 Unconditional Obligations.** Except as provided in Section 9.6, the obligations of the Borrower to make, or cause to be made, Required Payments and to perform and observe all other covenants, conditions and agreements hereunder shall be general obligations of the Borrower and shall be absolute and unconditional, irrespective of any defense or any rights of setoff, recoupment or counterclaim the Borrower might otherwise have against the Authority or the Bondholder. Nothing in this section shall be construed as a waiver by the Borrower of any rights or claims it may have against the Authority or the Bondholder under this Agreement or otherwise, but any recovery upon such rights and claims shall be had from the Authority or the Bondholder separately. Subject to Section 11.1, the Borrower shall not suspend or discontinue any such payment hereunder or fail to observe and perform any of its other covenants, conditions and agreements under the Financing Instruments for any cause, including without limitation any acts or circumstances that may constitute failure of consideration, failure of title to any part or all of the Facilities, or commercial frustration of purpose, or any damage to or destruction of all or any part of the Facilities, or any change in the tax or other laws of the United States of America, Commonwealth of Virginia or any political subdivision of either, or any failure of the Authority or the Bondholder to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation contained in or arising out of or in connection with any Financing Instrument.

**Section 6.3 Payments Assigned.** The Borrower consents to the assignment of the Series 2022 Note and of certain rights of the Authority under this Agreement to the Bondholder and agrees to pay, or cause to be paid, to the Bondholder all amounts payable pursuant to the Series 2022 Note and this Agreement, except for any amounts payable directly to the Authority pursuant to the provisions hereof.

## ARTICLE VII

### SPECIAL COVENANTS

**Section 7.1 Compliance with Covenants, Conditions and Agreements in Master Indenture.** So long as the Series 2022 Bond is outstanding, the Borrower shall comply with, and with respect to any other Members of the Obligated Group (as defined in the Master Indenture), covenant to cause each such Member to comply with, each and every covenants, condition and agreement in the Master Indenture in its current form.

**Section 7.2 Maintenance and Modifications by Borrower.** The Borrower shall, at its own expense, keep the Facilities in as reasonably safe of a condition as its operations shall permit and keep the Facilities in good repair and operating condition, ordinary wear and tear excepted, making from time to time all necessary repairs, renewals and replacements. The Borrower may, at its own expense, make any additions, modifications or improvements to the Facilities that it deems desirable.

**Section 7.3 Taxes, Charges and Liens.** The Borrower (a) shall pay, as the same become due, all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed with respect to payments under this Agreement, the Facilities or any machinery, equipment or other property installed or brought by the Borrower thereon, and (b) shall pay as the same become due all utility and other charges incurred in the operation, maintenance, use and occupancy of the Facilities and all assessments and charges lawfully made by a governmental body for public improvements to the Facilities. The Borrower may, however, contest in good faith any such tax, assessment or charge after giving the Bondholder ten days' advance notice of such contest, in which event the Borrower may permit such tax, charge or assessment to remain unpaid, or such lien to remain unsatisfied and undischarged, during the period of such contest and any appeal therefrom, provided such proceedings have the effect of preventing forfeiture or sale of the property or asset subject to such tax, assessment or charge and against which adequate reserves have been set aside for the payment thereof in the event the Borrower loses such contest.

**Section 7.4 Cure by Authority or Bondholder.** If the Borrower shall fail to make any payment or perform any act required of it hereunder, the Authority or the Bondholder, without prior notice to or demand upon the Borrower and without releasing any obligation or waiving any default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority or the Bondholder and all costs, fees and expenses so incurred, including reasonable counsel fees, shall be immediately due and payable by the Borrower as an additional obligation under this Agreement, together with interest thereon at the Taxable Rate, to the extent permitted by law.

**Section 7.5 Undertaking and Use of Facilities.** The Borrower shall maintain all necessary permits and approvals for the operation and maintenance of the Facilities and shall comply with all lawful requirements of any governmental body regarding the use or condition of the Facilities, whether now existing or later enacted or foreseen or unforeseen or whether involving any change in governmental policy or requiring structural or other changes to the Facilities and irrespective of the cost of making the same. Upon request by the Bondholder, the Borrower shall furnish to the Bondholder evidence of the Borrower's compliance with the requirements of the

preceding sentence. The Borrower shall use the portion of the Facilities the construction and equipping of which is refinanced, in whole or in part, from the proceeds of the Series 2022 Bond for the purposes contemplated by the Authorizing Resolution until Payment of the Bonds; provided that the Borrower may change the use of the Facilities, or cause such use to be changed, if the Borrower shall have first delivered to the Bondholder an opinion of Bond Counsel that such change in use will not adversely affect the exclusion of interest on the Series 2022 Bond from gross income for federal income tax purposes.

**Section 7.6 Indemnification.** (a) The Borrower shall (i) protect, indemnify and save harmless the Authority and the Bondholder, their respective officers, directors, employees and agents, and any person who "controls" (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20(a) of the Securities Exchange Act of 1934, as amended) the Bondholder (collectively, the "Indemnified Parties") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against any Indemnified Party on account of or related to (A) any failure of the Borrower to comply with any of the terms, warranties, covenants or representations in the Financing Instruments, or (B) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Facilities or the use thereof; and (ii) at all times protect, indemnify and save harmless the Indemnified Parties from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, attorneys' fees and expenses and settlement amounts) imposed upon or incurred by or asserted against the Indemnified Parties on account of or related to (A) the initial sale, issuance or offering for sale of the Series 2022 Bond or (B) any action related to the acts, representations, covenants, obligations or other matters contemplated by, required by or related to the Financing Instruments; provided that such indemnity shall be effective only to the extent of any loss that may be sustained by an Indemnified Party in excess of the proceeds received by it from any insurance carried with respect to such loss and provided further that the benefits of this section shall not inure to any person other than the Indemnified Parties. Nothing contained herein shall require the Borrower to indemnify any Indemnified Party for any claim or liability resulting from its or his gross negligence or willful, wanton acts.

(b) The Borrower shall also indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in information submitted by the Borrower to the Authority or to the Bondholder with respect to the initial issuance and purchase of the Series 2022 Bond or caused by any omission or alleged omission of any material fact necessary to be stated therein in order to make such statements to the Authority and the Bondholder not misleading or incomplete.

(c) If any action is brought against any Indemnified Party in respect of which indemnity may be sought from the Borrower under subsection (a) or (b) above, such Indemnified Party shall promptly notify the Borrower in writing, and the Borrower shall assume the defense thereof, including the employment of counsel, the payment of all expenses and the right to negotiate and consent to settlement. Each Indemnified Party has the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of such Indemnified Party unless the employment of such

counsel has been specifically authorized by the Borrower. The Borrower will not be liable for any settlement of any such action made without its consent, but if such action is settled with the consent of the Borrower or if there be a final judgment for the plaintiff in such action, the Borrower shall indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment.

(d) The obligations of the Borrower under this section shall survive Payment of the Bonds. All references in this section to any Indemnified Party shall include its members, directors, officers, employees and agents.

**Section 7.7 Tax Exemption for the Series 2022 Bond.** (a) Neither the Authority nor the Borrower shall cause any proceeds of the Series 2022 Bond to be expended except pursuant to this Agreement. The Borrower shall not (i) permit the proceeds of the Series 2022 Bond to be expended in any way that would result in (A) more than 5% of the Net Proceeds of the Series 2022 Bond being used (directly or indirectly) in one or more Trades or Businesses of one or more persons other than 501(c)(3) Organizations or in one or more Unrelated Trades or Businesses, (B) more than 5% of the proceeds of the Series 2022 Bond being used (directly or indirectly) to make or finance loans to one or more persons other than 501(c)(3) Organizations or to one or more 501(c)(3) Organizations with respect to one or more Unrelated Trades or Businesses, or (C) issuance costs of the Series 2022 Bond in excess of 2% of the proceeds (as such term is used for purposes of Section 147(g) of the Code) of the Series 2022 Bond being financed from the proceeds from the sale of the Series 2022 Bond, or (ii) take or omit to take any other action with respect to the use of such proceeds if the taking of or omission to take such action would result in interest on the Series 2022 Bond being includable, in whole or in part, in the gross income of the owner of the Series 2022 Bond for federal income tax purposes under Section 103 of the Code. The Borrower shall not take or omit to take any other action if the taking of or omission to take such action would cause such interest to be so includable. All property which is provided by the Net Proceeds of the Series 2022 Bond shall be owned by the Borrower at all times. The Borrower shall not permit or cause the Facilities or any part thereof to be leased to or managed by any person in violation of this subsection.

(b) (i) The Borrower shall not (A) take or omit to take any action, or make or approve any investment or use of any proceeds of the Series 2022 Bond or any other moneys or the taking or omission of any other action, which would cause the Series 2022 Bond to be arbitrage bonds within the meaning of Section 148 of the Code, or (B) approve the use of any proceeds from the sale of the Series 2022 Bond otherwise than in accordance with the Tax Compliance Agreement barring any unforeseen circumstances, in which event the Borrower shall use such proceeds with due diligence and shall comply with the Tax Compliance Agreement to the extent feasible. Without limiting the generality of the foregoing, the Borrower shall at its sole expense take all action required under Section 148 of the Code and regulations thereunder to prevent loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2022 Bond under such section.

(ii) Not later than 50 days after each Computation Date, the Borrower shall (A) pay to the United States on behalf of the Authority the Rebate Amount Payable for such Computation Date, and (B) furnish to the Bondholder a certificate of the Borrower that such payment was made, setting forth the amount and date of such payment. Such certificate shall be

accompanied by a certificate prepared or approved by independent certified public accountants or by some other person, satisfactory to the Bondholder, experienced in the computation of amounts to be rebated under Section 148(f) of the Code, setting forth the Rebate Amount and Rebate Amount Payable with respect to such Computation Date and the computation thereof.

(iii) Any payment to the United States under this subsection shall be made in accordance with regulations under Section 148(f) of the Code, shall be made to such address as may be specified in such regulations or otherwise specified by the United States Treasury Department, and shall be accompanied by such forms, statements or other items as may be specified in such regulations or otherwise specified by the United States Treasury Department.

(iv) If the regulations under Section 148(f) of the Code as in effect at the date of issue of the Series 2022 Bond should hereafter be modified or replaced, the Borrower shall pay to the United States in a timely manner all amounts to be rebated pursuant to Section 148(f) of the Code in accordance with the regulations in effect from time to time and otherwise comply with such regulations in such manner as may be necessary to prevent the Series 2022 Bond from being arbitrage bonds (to the extent such regulations are applicable with respect to the Series 2022 Bond). With respect to any such payment to the United States, the Borrower shall immediately furnish to the Bondholder the certificates provided for in paragraph (ii).

(v) For a period of six years following the final Computation Date or such longer period as may be specified in regulations under Section 148(f) of the Code, the Borrower, on behalf of the Authority, shall maintain (A) an executed counterpart of each election made by the Authority with respect to amounts to be rebated to the United States under Section 148(f) of the Code with respect to the Series 2022 Bond and (B) records of all events made with respect to such amounts.

(vi) The provisions of this subsection shall survive the Payment of the Bonds.

(vii) The provisions of paragraphs (ii) through (v), inclusive, shall be inapplicable (A) with respect to any portion (including all) of the Series 2022 Bond which is not subject to the requirements of Section 148(f)(2) of the Code by reason of subparagraph (A), (B) or (C) of Section 148(f)(4) of the Code or Treasury Regulations Section 1.148-7, and (B) at any time as of and prior to which no nonpurpose investments (as defined in Section 148(f)(6) of the Code) shall have been acquired with gross proceeds (as defined in Section 148(f)(6) of the Code) of the Series 2022 Bond.

(c) The Borrower shall not permit any payment out of the proceeds of the Series 2022 Bond if, as a result of such payment the average maturity of the Series 2022 Bond would exceed 120% of the average reasonably expected economic life of the Facilities financed from the Net Proceeds of the Series 2022 Bond, as determined in accordance with Section 147(b) of the Code.

(d) No proceeds of the Series 2022 Bond shall be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises. No proceeds

of the Series 2022 Bond shall be used directly or indirectly to provide residential rental property for family units unless the first use of such property is pursuant to the financing provided by the Series 2022 Bond, within the meaning of Section 145(d) of the Code. If the first use of any portion of such property is pursuant to taxable financing (as defined in Section 145(d)(3)(C) of the Code), (i) the Borrower represents that (A) there was a reasonable expectation (at the time such taxable financing was provided) that such taxable financing would be replaced by the financing provided by the Series 2022 Bond, and (B) the Series 2022 Bond is being issued to replace such taxable financing within a reasonable period after such taxable financing was provided, and (ii) the first use of such portion shall be deemed to be pursuant to the financing provided by the Series 2022 Bond if the Borrower shall cause the proceeds from the sale of the Series 2022 Bond to be used to replace such taxable financing on, or as soon as practicable after, the Issuance Date.

(e) No portion of the Facilities shall be leased to the United States or any agency or instrumentality thereof, nor shall the Borrower take, or permit any lessee or user of the Facilities to take, any action that would cause the Series 2022 Bond to be deemed to be federally guaranteed (as defined in Section 149(b)(2) of the Code).

(f) The Borrower shall (i) take all such actions as may be necessary to cause the Borrower to continue to be a 501(c)(3) Organization which is not a private foundation (within the meaning of Section 509(a) of the Code), and (ii) shall not take any action which might cause it to cease to be such a 501(c)(3) Organization. The Borrower shall file in a timely manner all reports and other documents which are required to be filed with any governmental body (A) by such a 501(c)(3) Organization or (B) in order to remain such a 501(c)(3) Organization.

(g) The Borrower and the Authority (at the reasonable request and at expense of the Borrower) shall file any reports or statements and take such other action as may be required from time to time to cause the Series 2022 Bond to be and remain qualified 501(c)(3) bonds within the meaning of Section 145 of the Code.

(h) If the Borrower or any Affiliate shall collect a Restricted Gift, the Borrower shall, as soon as practicable and no later than 13 months after its receipt of such Restricted Gift, apply, or cause to be applied, such Restricted Gift to the payment of the cost of the Facilities or to pay debt service on or prepayment of the Series 2022 Bond. To the extent that a Restricted Gift cannot be so applied, the Borrower shall invest, or cause to be invested, such Restricted Gift as provided in the Tax Compliance Agreement.

(i) The Borrower shall not permit any portion of the Facilities the acquisition, renovation or construction of which is financed or refinanced, in whole or in part, with the proceeds from the sale of the Series 2022 Bond to be used in a Trade or Business of any person which is not a 501(c)(3) Organization or in any Unrelated Trade or Business of the Borrower or any other person.

(j) Any provision of this Section shall be of no further effect if and to the extent that such provision is, in the opinion of Bond Counsel, expressed in an opinion of such Bond Counsel, satisfactory to the Bondholder, delivered to the Bondholder and the Borrower, not necessary to cause the interest on the Series 2022 Bond to be excludable from gross income for federal income tax purposes.

**Section 7.8 References to Bonds Ineffective after Bonds Paid.** Upon Payment of the Bonds, all references in this Agreement to the Series 2022 Bond shall be ineffective, and the Authority and the Bondholder shall thereafter have no rights hereunder, except as explicitly provided herein.

**Section 7.9 Proof of Payment of Taxes and Other Charges.** The Borrower shall upon request furnish the Authority or the Bondholder proof of payment of any taxes, governmental charges, utility charges, insurance premiums or other charges required to be paid by the Borrower under this Agreement.

**Section 7.10 Inspection and Right of Access.** The Bondholder, the Authority and their duly authorized agents shall have the right at all reasonable times and upon reasonable notice to enter upon and inspect any part of the Facilities and to examine, inspect and make copies of the books, records and accounts of the Borrower insofar as such books, records and accounts relate to the Facilities.

**Section 7.11 Compliance with Laws.** The Borrower shall comply in all material respects with all applicable laws and all governmental rules and regulations issued thereunder, including without limitation the ADA, ERISA and all laws pertaining to the use, storage, disposal, transportation, handling or remediation of hazardous materials.

## ARTICLE VIII

### DAMAGE, DESTRUCTION, CONDEMNATION AND LOSS OF TITLE

**Section 8.1 Parties to Give Notice.** In case of any material damage to or destruction of any part of the Facilities, the Borrower shall give prompt notice thereof to the Authority and the Bondholder. In case of a taking of any part of the Facilities or any right therein under the exercise of the power of eminent domain or any loss thereof because of failure of title thereto or the commencement of any proceedings or negotiations which might result in such a taking or loss, the Borrower shall give prompt notice to the Authority and the Bondholder. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

**Section 8.2 Damage, Destruction, Condemnation and Loss of Title.** (a) The Borrower shall give prompt notice to the Bondholder of (1) any material damage to or destruction of any part of the Facilities, (2) a taking of all or any part of the Facilities or any right therein under the exercise of the power of eminent domain, (3) any loss of any part of the Facilities because of failure of title thereto, or (4) the commencement of any proceedings or negotiations that might result in such a taking or loss. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

(b) The Borrower shall apply any Net Proceeds consistent with the provisions of Section 3.04 of the Master Indenture. The Borrower shall simultaneously provide to the Bondholder the Officer's Certificates and consultant reports required to be delivered to the Master Trustee pursuant to Section 3.04 of the Master Indenture.

(c) The Borrower shall not by reason of the payment of the cost of replacement, repair, rebuilding or restoration be entitled to any reimbursement from the Authority or the Bondholder or to any abatement or diminution of the amount payable under the Series 2022 Note. All real and personal property acquired with Net Proceeds derived from Mortgaged Premises shall be free and clear of all liens and encumbrances of any kind except Permitted Liens and become part of the Mortgaged Premises and the Borrower shall take all steps necessary to subject such property to the lien and security interest of the Deed of Trust and to obtain an endorsement to the Title Policy to insure title to all such real property acquired. Prepayments of the Series 2022 Note shall be used to redeem Series 2022 Bond pursuant to Section 10.1 hereof.

## ARTICLE IX

### EVENTS OF DEFAULT AND REMEDIES

**Section 9.1 Event of Default.** Each of the following shall be an Event of Default:

(a) Failure of the Borrower to make, or cause to be made, any payment of principal of or interest on the Series 2022 Note or any other payment under the Financing Instruments when due;

(b) Failure of the Borrower to observe or perform any of its other covenants, conditions or agreements hereunder, which does not constitute an Event of Default under any other provision of this Section 9.1, for a period of 30 days after notice (unless the Borrower and the Bondholder shall agree in writing to an extension of such time prior to its expiration) specifying such failure and requesting that it be remedied, given by the Bondholder to the Borrower;

(c) A reasonable determination by the Bondholder that any warranty, representation or other statement by or on behalf of the Borrower or the Authority contained in any Financing Instrument or any financial statement or other information furnished in connection with the issuance or sale of the Series 2022 Bond was false or misleading in any material respect at the time it was made or delivered; and

(d) An Event of Default shall occur under the Master Indenture or any of the other Financing Instruments, or the Bond Purchase and Loan Agreement dated as of May 1, 2021, among the Issuer, the Bondholder and the Borrower with respect to the Series 2021 Bond, which is not otherwise an Event of Default under any other provision of this Section 9.1.

**Section 9.2 Remedies on Default.** Upon the occurrence and continuation of an Event of Default, the Bondholder may:

(a) Declare all payments hereunder and under the Series 2022 Bond and the Series 2022 Note to be immediately due and payable, whereupon the same shall become immediately due and payable (including without limitation any additional amounts that would be due and payable if the Borrower had voluntarily prepaid the Series 2022 Bond as set forth herein); provided that all such payments shall automatically be immediately due and payable, without the necessity of any action by the Bondholder, upon the occurrence of an Event of Default described in subsection (c) or (d) of Section 9.1;



(b) Notify the Master Trustee of such Event of Default and direct the Master Trustee to accelerate the Series 2022 Note under the Master Indenture;

(c) Exercise any remedy provided the holder of an Obligation under the Master Indenture or any of the other Financing Instruments (or both); and

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or under the Series 2022 Bond or the Series 2022 Note or to enforce observance or performance of any covenant, condition or agreement of the Borrower under the Financing Instruments.

The Bondholder shall give notice to the Borrower and the Authority of the exercise by the Bondholder of any of the rights or remedies under this Section 9.2 in writing in the manner provided in Section 11.12, provided that failure to give such notice by telephone or facsimile shall not affect the validity of the exercise of any right or remedy under this Section 9.2.

Upon the occurrence of any Event of Default, any obligation of the Bondholder to advance any theretofore undisbursed proceeds of the Series 2022 Bond shall immediately cease and be of no further force nor effect.

Furthermore, upon the occurrence and during the continuance of an Event of Default, the Bondholder may (but shall be under no obligation to) at any time thereafter make such payments and/or perform such other acts on behalf of, for the account of and at the expense of the Borrower in each case as the Bondholder may consider necessary or appropriate for the purpose of protecting its interests under this Agreement.

**Section 9.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Bondholder is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

**Section 9.4 Counsel Fees and Other Expenses.** The Borrower shall on demand pay to the Authority and the Bondholder the reasonable counsel fees and other reasonable expenses incurred by either of them in the collection of payments hereunder or the enforcement of any other obligation of the Borrower upon an Event of Default. Further, the Borrower's obligation to pay the expenses of the Authority, the Bondholder, or any other expenses because of the occurrence of an Event of Default shall survive Payment of the Bonds.

**Section 9.5 No Additional Waiver Implied by One Waiver.** If any party or its assignee waives a default by any other party under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**Section 9.6 Set-Off.** The Authority and the Bondholder agree that, in the event the Bondholder fails to pay any Early Termination Amount (as defined in the Swap Agreement) payable to the Borrower under the Swap Agreement, in circumstances where the Bondholder is a

Defaulting Party or the sole Affected Party (each as defined in the Swap Agreement), then at the option of the Borrower, the Borrower's obligations under the Series 2022 Note will be automatically reduced without penalty by such Early Termination Amount, and such reduction shall be deemed an optional prepayment of the Series 2022 Bond under Section 10.1 below.

## ARTICLE X

### PREPAYMENT; TERMINATION

**Section 10.1 Option to Prepay.** The Series 2022 Bond may be prepaid by the Authority, at the direction of the Borrower, in whole or in part at any time upon ten (10) days prior written notice to the Bondholder at a price equal to par plus accrued interest to the date of prepayment. Any prepayment of the Series 2022 Bond shall include, without limitation, payment of (a) with respect to any prepayment on a date other than a Reset Date, the amount of any losses, expenses and liabilities (including, without limitation, any loss in connection with the re-employment of such funds) that the Bondholder may sustain as a result of such prepayment, and (b) all amounts payable by the Borrower to the Bondholder for early termination, adjustment and settlement of any affected Swap Transactions, in each case whether such prepayment is made as a result of acceleration, voluntary prepayment or otherwise. Notwithstanding the foregoing, deemed prepayments occurring under Section 9.6 do not require advance notice and shall be made without penalty to the Borrower.

**Section 10.2 Ability of Borrower to Terminate.** If the Series 2022 Bond is not delivered, or if the Borrower desires to have the Authority not deliver the Series 2022 Bond because a Change in Law or other circumstances makes delivery of the Series 2022 Bond impossible or impracticable, the Borrower (in either event) shall provide written notice to the Authority and the Bondholder that it desires to terminate this Agreement. If the Borrower provides notice of its desire to terminate this Agreement as described in the preceding sentence, this Agreement shall terminate as of the date of the Borrower's notice and the parties shall have no further obligations to each other under this Agreement, except for those that explicitly would survive Payment of the Bonds.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.1 Term of Agreement.** This Agreement shall be effective upon execution and delivery hereof. Subject to earlier satisfaction upon prepayment of all of the Borrower's obligations hereunder pursuant to Article X and the making in full of all other Required Payments due and payable at the date of such prepayment and subject to any provisions hereof which survive Payment of the Bonds, the Borrower's obligations hereunder shall expire on the date provided in the Series 2022 Bond for the final payment of principal thereon, or if all Required Payments have not been made on such date, when all Required Payments shall have been made.

**Section 11.2 Registration of the Series 2022 Bond.** The Series 2022 Bond shall be issued in registered form without coupons, payable to the registered owner or registered assigns. The Borrower shall keep books for the registration of transfer of the Series 2022 Bond as the Bond

Registrar. The transfer of the Series 2022 Bond may be registered only upon an assignment executed by the registered owner in such form as shall be satisfactory to the Borrower and the Authority, such registration to be made on the registration books and endorsed on the applicable Series 2022 Bond by the Bondholder. The person in whose name the applicable Series 2022 Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal and purchase price of and interest on such Series 2022 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

**Section 11.3 Authority Representative.** Whenever under the provisions of this Agreement the approval of the Authority is required or the Authority is required to take some action at the request of the Borrower, such approval shall be made or such action shall be taken by the Authority Representative; and the Borrower and the Bondholder shall be authorized to rely on any such approval or action.

**Section 11.4 Borrower Representative.** Whenever under the provisions of this Agreement the approval of the Borrower is required or the Borrower is required to take some action at the request of the Authority, such approval shall be made or such action shall be taken by the Borrower Representative; and the Authority and the Bondholder shall be authorized to act on any such approval or action.

**Section 11.5 If Payment or Performance Date is Not a Business Day.** If the specified or last date for the making of any payment, the performance of any act or the exercising of any right, as provided in this Agreement is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day; provided that interest shall accrue during any such period during which payment shall not occur.

**Section 11.6 Successors and Assigns.** This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns. No assignment by the Borrower shall relieve the Borrower of its obligations hereunder. The Bondholder may, from time to time, sell or offer to sell the Series 2022 Bond or interests therein to one or more assignees or participants, and is hereby authorized to disseminate any information it has pertaining to the Series 2022 Bond, including, without limitation, credit information on the Borrower, to any such assignee or participant or prospective assignee or prospective participant, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to this Agreement and the Series 2022 Bond as such Person(s) would have if such Person(s) were the Bondholder hereunder. The Bondholder shall provide prior written notice to the Borrower of any assignment or participation. The Bondholder shall not sell, transfer, assign or participate any interest in this Agreement or the Series 2022 Bond to any person other than a "qualified institutional buyer" (as defined in Rule 144A promulgated under the Securities Act of 1933, as amended) that is also a financial institution.

**Section 11.7 Limitation of Authority's Liability.** No covenant, agreement or obligation contained in any Financing Instrument shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither the directors of the Authority nor any officer thereof executing any Financing Instrument shall be liable personally on such Financing Instrument or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer,

employee, agent or attorney of the Authority shall incur any personal liability with respect to any other action taken by him pursuant to the Financing Instruments or the Act or any of the transactions contemplated thereby, provided he acts in good faith.

The obligations of the Authority under the Financing Instruments to which it is a party are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the repayment of the loan of the proceeds of the Series 2022 Bond made to the Borrower pursuant to this Agreement, which revenues and receipts have been pledged and assigned to such purposes. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the City of Roanoke, Virginia, shall be obligated to pay the obligations under the Financing Instruments to which the Authority is a party or other costs incident thereto except from the revenues and receipts pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the City of Roanoke, Virginia, is pledged to the payment of such obligations. The Authority does not have any taxing power.

**Section 11.8 Reports.** In order that the Authority may comply with annual audit and reporting requirements, the Borrower shall furnish, or shall cause the Bondholder to furnish, to the Authority no later than July 31 of each year a statement setting forth (a) the outstanding principal balance on the Series 2022 Bond as of June 30 of such year, and (b) whether payments due under the Series 2022 Bond are current, and (c) at the expense of the Borrower, such additional information with respect to the Series 2022 Bond as the Authority or its auditors may reasonably request.

**Section 11.9 Severability.** If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 11.10 Applicable Law; Entire Understanding.** This Agreement shall be governed by the applicable laws of the Commonwealth of Virginia. The Financing Instruments express the entire understanding and all agreements between the parties and may not be modified except in a writing signed by the parties thereto. No Financing Instrument may be modified before Payment of the Bonds without the consent of the Bondholder. The Bondholder and the Borrower may, without the consent of the Authority, amend any of the provisions of Article VII, other than those contained in Sections 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8, 7.9, 7.10 and 7.11. The Borrower shall promptly provide the Authority notice of any of the amendments referenced in the preceding sentence.

**Section 11.11 Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original, and all of which together shall constitute but one and the same instrument.

**Section 11.12 Notices.** Except as may otherwise be provided herein, all demands, notices, approvals, consents, requests and other communications hereunder and under the other Financing Instruments shall be in writing and shall be delivered or given by personal delivery, first class mail, postage prepaid, or overnight courier addressed as follows:

(a) If to the Borrower, at:

Virginia Lutheran Homes, Inc.  
3807 Brandon Avenue, Suite 2440  
Roanoke, Virginia 24018  
Attention: Chief Financial Officer

(b) If to the Authority, at:

Economic Development Authority of  
the City of Roanoke, Virginia  
117 Church Avenue, S.W.  
Roanoke, Virginia 24011  
Attention: Chairman

With a copy to:

Glenn, Feldmann, Darby & Goodlatte  
37 Campbell Avenue, S.W.  
Roanoke, Virginia 24011  
Attn: Harwell M. Darby, Jr.

(c) If to the Bondholder, at:

Pinnacle Financial Partners, Inc.

\_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_

With a copy to:

Moore & Van Allen PLLC

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All such demands, notices, approvals, consents, requests and other communications shall be deemed to have been given on (i) the date received if personally delivered, (ii) two Business Days after deposited in the mail if delivered by mail, or (iii) the date sent if sent by overnight courier. The Borrower, the Authority and the Bondholder may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests and other communications shall be sent or persons to whose attention the same shall be directed.

**Section 11.13 Other Agreements.** To the extent that the execution and delivery of any Financing Instrument by the Borrower, or the performance of its obligations thereunder, would constitute a violation of or default under any other agreement to which the Bondholder and the

Borrower are parties, such other agreement is hereby amended to permit such execution and delivery or such performance, as the case may be, and any default under such agreement resulting from such execution and delivery or such performance is hereby waived.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Authority, the Bondholder and the Borrower have caused this Agreement to be executed in their respective names, all as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF ROANOKE, VIRGINIA**

By: \_\_\_\_\_  
Braxton G. Naff  
Chair

**PINNACLE FINANCIAL PARTNERS, INC., as  
Bondholder**

By: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VIRGINIA LUTHERAN HOMES, INC.**

By: \_\_\_\_\_  
Gary Ventola  
Chief Financial Officer

**EXHIBIT A**

**FORM OF SERIES 2022 BOND (TAX-EXEMPT)**

(See Attached)



Dated: May 5, 2021

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF ROANOKE, VIRGINIA**

**Taxable Residential Care Facility Revenue Refunding Bond**  
**(Virginia Lutheran Homes Brandon Oaks Project),**  
**Series 2021**

The Economic Development Authority of the City of Roanoke, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received, hereby promises to pay, solely from the source as hereinafter provided, to the order of Pinnacle Financial Partners, Inc. (together with any successor registered holder of this Bond, the "Bondholder"), at its principal office in Raleigh, North Carolina, or at such other place as the holder of this Bond may in writing designate, in lawful money of the United States of America, the principal amount of \$ \_\_\_\_\_, together with interest on the outstanding and unpaid principal amount as set forth below.

This Bond is authorized and issued pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (as altered, amended, modified or supplemented from time to time, the "Act") and a Bond Purchase and Loan Agreement dated as of May 1, 2021 (as altered, amended, modified or supplemented from time to time, the "Agreement"), among the Authority, Virginia Lutheran Homes, Inc. (the "Borrower") and the Bondholder. The proceeds of this Bond will be used, along with other available funds, for the purpose of assisting the Borrower the Authority will use the proceeds of the Series 2021 Bond, along with other available amounts, to assist the Borrower in financing or refinancing the following project:

(1) the refunding of all or a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Series 2012 Bonds"), in the original aggregate principal amount of \$21,065,000, the proceeds of which were used to assist the Borrower in (a) refunding a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2002, the proceeds of which were used to assist the Borrower in financing or refinancing (i) the costs of acquiring, constructing and equipping a residential care facility of independent living units and a personal care facility (the "Personal Care Center") for the aged in the City of Roanoke, Virginia, known as Brandon Oaks, owned and operated by the Borrower and located at 3804 Brandon Avenue, Roanoke Virginia 24018, (ii) the costs of the construction and subsequent expansion of and improvements to an existing nursing care facility

adjacent to and interconnected with the Personal Care Center and owned and operated by the Borrower (the "Health Center"), (iii) the costs of certain improvements and additions to the Health Center and (iv) the costs of the acquisition, construction, equipping and renovation of an existing nursing home facility located at 3837 Brandon Avenue, Roanoke, Virginia 24018, (b) funding a debt service reserve fund for the Series 2012 Bonds and (c) paying costs of issuance incurred in connection with the issuance of the Series 2012 Bonds; and

(2) the financing of, if and as needed, capitalized interest on the Series 2021 Bond, a debt service reserve fund for the Series 2021 Bond, costs of issuance related to the issuance of the Series 2021 Bond, working capital, routine capital expenditures at the facilities financed or refinanced with the proceeds of the Series 2021 Bond and other related costs.

Reference is hereby made to the Agreement for a description of the provisions, among others, with respect to the nature and extent of the security for this Bond, additional amounts payable thereunder, the rights, duties and obligations of the Authority and the rights of the holder of this Bond with respect thereto. Each capitalized term used and not defined in this Bond has the meaning given to it in the Agreement.

Interest on the unpaid principal balance from time to time outstanding under this Bond, shall be due and payable on the first day of each month, commencing May 1, 2021, at the Taxable Rate, subject to adjustment as provided below.

All interest payable shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

If not sooner paid pursuant to Article X of the Agreement, the outstanding principal amount on this Bond shall be payable on the first day of each month, commencing on May 1, 2021, and continuing on the first day of each month thereafter in the amounts set forth in Schedule I attached hereto. On December 31, 2032 (the "Maturity Date"), the entire outstanding and unpaid principal hereof, and accrued interest thereon, unless sooner prepaid, shall be due and payable, subject, however, to prepayment as hereinafter provided. Both principal and interest are payable in lawful money of the United States of America.

If the specified or last date for the making of any payment is not a Business Day, such payment shall be made as set forth in Section 11.5 of the Agreement.

The outstanding principal amount of this Bond shall bear interest at the Taxable Rate, unless an Event of Default shall have occurred and be continuing, in which case this Bond will bear interest at the Default Rate.

As used in this Bond, the following capitalized terms shall have the meanings set forth below:

"Business Day" means (i) any day other than a Saturday, Sunday, legal holiday or any other day on which the Bondholder is authorized or required to close, and (ii) when used in connection with the determination of LIBOR shall also exclude any day on which banks are not open for dealing in dollar deposits in the London interbank market.

"Closing Date" means the date of issuance of this Bond.

"Default Rate" means the applicable interest rate on this Bond plus \_\_\_\_% per annum.

["LIBOR" means, for each Reset Date, the interest rate per annum determined by the Bondholder by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Bondholder which has been approved by the Bondholder as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Reset Date as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a replacement rate as determined in accordance with Section 6.1 of the Agreement), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage. LIBOR shall be adjusted on and as of (a) each Reset Date, and (b) the effective date of any change in the LIBOR Reserve Percentage. Each determination of LIBOR by the Bondholder shall be conclusive and binding upon the parties hereto.]

["LIBOR Reserve Percentage" means, for any day, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities"). Without limiting the effect of the foregoing, the LIBOR Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which LIBOR is to be determined or (ii) any category of extension of credit or other assets related to LIBOR.]

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2002, between the Borrower and the Master Trustee, as previously supplemented and amended and as supplemented by the Related Supplement, and as further supplemented and amended from time to time.

"Master Trustee" means the master trustee serving under the Master Indenture.

"Related Supplement" means the Supplemental Indenture for Obligation No. 16 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Reset Date" means the Closing Date and thereafter the first Business Day of each calendar month.

"Taxable Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) LIBOR and (ii) 1.35% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

This Bond may be prepaid by the Authority, at the direction of the Borrower, in whole or in part at any time upon ten (10) days prior written notice to the Bondholder at a price equal to par plus accrued interest to the date of prepayment. Any prepayment of this Bond shall include, without limitation, payment of (a) with respect to any prepayment on a date other than a Reset Date, the amount of any losses, expenses and liabilities (including, without limitation, any loss in connection with the re-employment of such funds) that the Bondholder may sustain as a result of such prepayment, and (b) all amounts payable by the Borrower to the Bondholder for early termination, adjustment and settlement of any affected Swap Transactions, in each case whether such prepayment is made as a result of acceleration, voluntary prepayment or otherwise. Any partial prepayment of this Bond shall be applied as directed by the Borrower. Notwithstanding the foregoing, (1) deemed prepayments occurring under Section 9.6 of the Agreement do not require advance notice and shall be made without penalty to the Borrower and (2) the prepayment of the Series 2021 Bond on the Series 2021 Bond Refunding Date (as defined in the Agreement) does not require written notice to the Bondholder.

Section 9.2(a) of the Agreement provides that the Bondholder, at its option, may declare all amounts payable under this Bond to be immediately due and payable upon an Event of Default thereunder, and upon such declaration all amounts hereunder shall become immediately due and payable. Upon an Event of Default, this Bond shall bear interest at the Default Rate.

This Bond is issued pursuant to and in full compliance with the Act. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT, INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE BONDHOLDER TO SECURE PAYMENT OF THIS BOND. THE PRINCIPAL OF, PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY OF ROANOKE, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY OF ROANOKE, VIRGINIA, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA, INCLUDING THE CITY OF ROANOKE, VIRGINIA, NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF ROANOKE, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither directors of the Authority nor any officer thereof executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

Simultaneously with the issuance of this Bond, the Borrower will execute and deliver to the Authority a promissory note in the aggregate principal amount of this Bond to be issued as an Obligation ("Obligation No. 16") under the Master Indenture.

Pursuant to the Agreement and the Assignment affixed to Obligation No. 16, the Authority has assigned to the Bondholder, as security for this Bond, Obligation No. 16, and certain rights of the Authority under the Agreement. Pursuant to Obligation No. 16, the Borrower agrees to pay amounts sufficient to pay the principal of, premium (if any) and interest on this Bond as the same become due.

Obligation No. 16 and all other Obligations issued under the Master Indenture will be equally and ratably secured by the provisions of the Master Indenture. Additional Obligations of the Borrower and future Members of the Obligated Group (as such terms are defined in the Master Indenture) may be issued on the terms provided in the Master Indenture.

Ownership of this Bond may be transferred only by surrender hereof to the Borrower, as registrar, and the issuance of this Bond or a replacement therefor to the transferee by the Authority. The Authority shall not be required to affect any such transfer unless properly indemnified for its expenses related to such transfer (including reasonable attorneys' fees) by the prospective transferee.

All acts, conditions and things required to happen, exist or to be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Authority has caused this Bond to be signed by its Chair and its seal to be affixed hereon and attested by its Secretary as of the dated date of this Bond.

**ECONOMIC DEVELOPMENT  
AUTHORITY OF THE CITY OF  
ROANOKE, VIRGINIA**

By: \_\_\_\_\_  
Braxton G. Naff, Chair

(SEAL)

ATTEST:

By: \_\_\_\_\_  
William D. Poe, Secretary

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, endorses without recourse and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

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

IN THE PRESENCE OF:

\_\_\_\_\_  
NOTICE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Paying Agent, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Paying Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date.

**SCHEDULE I**

**Principal Payments**

Payment <u>Date</u>	Principal Payment Amount <u>(in dollars)</u>
------------------------	---



Dated: \_\_\_\_\_, 2022

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF VIRGINIA**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
**OF THE CITY OF ROANOKE, VIRGINIA**  
**Tax-Exempt Residential Care Facility Revenue Refunding Bond**  
**(Virginia Lutheran Homes Brandon Oaks Project),**  
**Series 2022**

The Economic Development Authority of the City of Roanoke, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received, hereby promises to pay, solely from the source as hereinafter provided, to the order of Pinnacle Financial Partners, Inc. (together with any successor registered holder of this Bond, the "Bondholder"), at its principal office in Raleigh, North Carolina, or at such other place as the holder of this Bond may in writing designate, in lawful money of the United States of America, the principal amount of \$\_\_\_\_\_, together with interest on the outstanding and unpaid principal amount as set forth below.

This Bond is authorized and issued pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (as altered, amended, modified or supplemented from time to time, the "Act") and a Forward Delivery Bond Purchase and Loan Agreement dated as of May 1, 2021 (as altered, amended, modified or supplemented from time to time, the "Agreement"), among the Authority, Virginia Lutheran Homes, Inc. (the "Borrower") and the Bondholder. The proceeds of this Bond will be used to refund and redeem the Authority's Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021 (the "Series 2021 Bond"), the proceeds of which, along with other available funds, were used by the Borrower to:

(1) refund all or a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2012 (the "Series 2012 Bonds"), in the original aggregate principal amount of \$21,065,000, the proceeds of which were used to assist the Borrower in (a) refunding a portion of the Authority's Residential Care Facility Mortgage Revenue Refunding Bonds (Virginia Lutheran Homes Brandon Oaks Project), Series 2002, the proceeds of which were used to assist the Borrower in financing or refinancing (i) the costs of acquiring, constructing and equipping a residential care facility of independent living units and a personal care facility (the "Personal Care Center") for the aged in the City of Roanoke, Virginia, known as Brandon Oaks, owned and operated by the Borrower and located at 3804 Brandon Avenue, Roanoke Virginia 24018, (ii) the costs of the construction and subsequent expansion of and improvements to an existing nursing care facility adjacent to and

interconnected with the Personal Care Center and owned and operated by the Borrower (the "Health Center"), (iii) the costs of certain improvements and additions to the Health Center and (iv) the costs of the acquisition, construction, equipping and renovation of an existing nursing home facility located at 3837 Brandon Avenue, Roanoke, Virginia 24018, (b) funding a debt service reserve fund for the Series 2012 Bonds and (c) paying costs of issuance incurred in connection with the issuance of the Series 2012 Bonds; and

(2) finance, if and as needed, capitalized interest on the Series 2021 Bond, a debt service reserve fund for the Series 2021 Bond, costs of issuance related to the issuance of the Series 2021 Bond, working capital, routine capital expenditures at the facilities financed or refinanced with the proceeds of the Series 2021 Bond and other related costs

Reference is hereby made to the Agreement for a description of the provisions, among others, with respect to the nature and extent of the security for this Bond, additional amounts payable thereunder, the rights, duties and obligations of the Authority and the rights of the holder of this Bond with respect thereto. Each capitalized term used and not defined in this Bond has the meaning given to it in the Agreement.

Interest on the unpaid principal balance from time to time outstanding under this Bond, shall be due and payable on the first day of each month, commencing \_\_\_\_\_ 1, 2022, at the Adjusted LIBOR Rate, subject to adjustment upon an Event of Taxability and as otherwise provided below.

All interest payable shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

If not sooner paid pursuant to Article X of the Agreement, the outstanding principal amount on this Bond shall be payable on the first day of each month, commencing on \_\_\_\_\_ 1, 2022, and continuing on the first day of each month thereafter in the amounts set forth in Schedule I attached hereto. On \_\_\_\_\_ 1, 20\_\_ (the "Maturity Date"), the entire outstanding and unpaid principal hereof, and accrued interest thereon, unless sooner prepaid, shall be due and payable, subject, however, to prepayment as hereinafter provided. Both principal and interest are payable in lawful money of the United States of America.

If the specified or last date for the making of any payment is not a Business Day, such payment shall be made as set forth in Section 11.5 of the Agreement.

The outstanding principal amount of this Bond shall bear interest at the Adjusted LIBOR Rate, unless:

(i) a Determination of Taxability shall have occurred, in which case this Bond shall bear interest at the Taxable Rate from and after the Date of Taxability and the Borrower shall pay to the Bondholder, on demand, such additional amounts as shall be necessary to provide that interest shall have been payable at the Taxable Rate from the Date of Taxability;

(ii) at any time after the Closing Date there should be any change in the combined maximum marginal rate of federal and Virginia state income tax applicable to the taxable income of the Bondholder, its successor and assigns (the "Bondholder Tax Rate"), in which case the

Adjusted LIBOR Rate, for so long as there shall not have occurred a Determination of Taxability, shall be adjusted (upwards or downward as the case may be), effective as of the effective date of any such change in the Bondholder Tax Rate, by multiplying the Adjusted LIBOR Rate by a fraction, the denominator of which is 100% minus the Bondholder Tax Rate in effect upon the date hereof, and the numerator of which is 100% minus the Bondholder Tax Rate after giving effect to such change; and

(iii) an Event of Default shall have occurred and be continuing, in which case this Bond will bear interest at the Default Rate.

As used in this Bond, the following capitalized terms shall have the meanings set forth below:

"Adjusted LIBOR Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) the product of (x) 79% and (y) LIBOR and (ii) 1.07% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

"Business Day" means (i) any day other than a Saturday, Sunday, legal holiday or any other day on which the Bondholder is authorized or required to close, and (ii) when used in connection with the determination of LIBOR shall also exclude any day on which banks are not open for dealing in dollar deposits in the London interbank market.

"Closing Date" means the date of issuance of this Bond.

"Date of Taxability" shall mean the earliest date as of which interest on this Bond shall have been determined to be includable in the gross income of the Bondholder pursuant to a Determination of Taxability.

"Default Rate" means the applicable interest rate on this Bond plus \_\_\_\_% per annum.

"Determination of Taxability" or "Determination" shall mean and shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the Borrower files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability, as hereinafter defined, shall have in fact occurred;

(b) on the date when any Bondholder or former Bondholder notifies the Borrower that it has received a written opinion by an attorney or firm of attorneys of recognized standing on the subject of municipal bonds to the effect that an Event of Taxability shall have occurred unless, within 180 days after receipt by the Borrower of such notification from any Bondholder or any former Bondholder, the Borrower shall deliver to each Bondholder and former Bondholder a ruling or determination letter issued to or on behalf of the Borrower by the Commissioner or any District Director of Internal Revenue (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts that formed the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(c) on the date when the Borrower shall be advised in writing by the Commissioner or any District Director of Internal Revenue (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Borrower, or upon any review or audit of the Borrower or upon any other ground whatsoever, an Event of Taxability shall have occurred;

(d) on that date when the Borrower shall receive notice from any Bondholder or former Bondholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Bondholder or any former Bondholder the interest on this Bond due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (c) or (d) hereof unless the Borrower has been afforded the opportunity, at its expense, to contest any such assessment and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; provided further, however, that upon demand from any Bondholder or former Bondholder, the Borrower shall immediately reimburse such Bondholder or former Bondholder for any payments such Bondholder or former Bondholder shall be obligated to make as a result of the Determination of Taxability during any such contest.

"Event of Taxability" shall mean (a) a change in law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Borrower, or the failure to take any action by the Borrower, or the making by the Borrower of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of this Bond), or (b) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case which has the effect of causing the interest paid or payable on this Bond to become includable in the gross income of any Bondholder or former Bondholder of this Bond for federal income tax purposes.

["LIBOR" means, for each Reset Date, the interest rate per annum determined by the Bondholder by dividing (i) the rate which appears on the Bloomberg Page BBAM1 (or on such other substitute Bloomberg page that displays rates at which US dollar deposits are offered by leading banks in the London interbank deposit market), or the rate which is quoted by another source selected by the Bondholder which has been approved by the Bondholder as an authorized information vendor for the purpose of displaying rates at which US dollar deposits are offered by leading banks in the London interbank deposit market (an "Alternate Source"), at approximately 11:00 a.m., London time, two (2) Business Days prior to such Reset Date as the one (1) month London interbank offered rate for U.S. Dollars commencing on such Reset Date (or if there shall at any time, for any reason, no longer exist a Bloomberg Page BBAM1 (or any substitute page) or any Alternate Source, a replacement rate as determined in accordance with Section 6.1 of the Agreement), by (ii) a number equal to 1.00 minus the LIBOR Reserve Percentage. LIBOR shall be adjusted on and as of (a) each Reset Date, and (b) the effective date of any change in the LIBOR Reserve Percentage. Each determination of LIBOR by the Bondholder shall be conclusive and binding upon the parties hereto.]

["LIBOR Reserve Percentage" means, for any day, the maximum effective percentage in effect on such day as prescribed by the Board of Governors of the Federal Reserve System (or any successor) for determining the reserve requirements (including, without limitation, supplemental, marginal and emergency reserve requirements) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities"). Without limiting the effect of the foregoing, the LIBOR Reserve Percentage shall reflect any other reserves required to be maintained by such member banks by reason of any applicable regulatory change against (i) any category of liability which includes deposits by reference to which LIBOR is to be determined or (ii) any category of extension of credit or other assets related to LIBOR.]

"Master Indenture" means the Master Trust Indenture dated as of December 1, 2002, between the Borrower and the Master Trustee, as previously supplemented and amended and as supplemented by the Related Supplement, and as further supplemented and amended from time to time.

"Master Trustee" means the master trustee serving under the Master Indenture.

"Related Supplement" means the Supplemental Indenture for Obligation No. 18 dated as of May 1, 2021, between the Borrower and the Master Trustee, as altered, amended, modified or supplemented from time to time.

"Reset Date" means the Closing Date and thereafter the first Business Day of each calendar month.

"Taxable Rate" means a fluctuating rate of interest per annum equal to the sum obtained (rounded upwards, if necessary, to the next higher 1/100th of 1.0%), by adding (i) LIBOR and (ii) 1.35% per annum, with LIBOR to be established on each Reset Date and remain in effect until the next Reset Date.

This Bond may be prepaid by the Authority, at the direction of the Borrower, in whole or in part at any time upon ten (10) days prior written notice to the Bondholder at a price equal to par plus accrued interest to the date of prepayment. Any prepayment of this Bond shall include, without limitation, payment of (a) with respect to any prepayment on a date other than a Reset Date, the amount of any losses, expenses and liabilities (including, without limitation, any loss in connection with the re-employment of such funds) that the Bondholder may sustain as a result of such prepayment, and (b) all amounts payable by the Borrower to the Bondholder for early termination, adjustment and settlement of any affected Swap Transactions, in each case whether such prepayment is made as a result of acceleration, voluntary prepayment or otherwise. Any partial prepayment of this Bond shall be applied as directed by the Borrower. Notwithstanding the foregoing, deemed prepayments occurring under Section 9.6 of the Agreement do not require advance notice and shall be made without penalty to the Borrower.

Section 9.2(a) of the Agreement provides that the Bondholder, at its option, may declare all amounts payable under this Bond to be immediately due and payable upon an Event of Default thereunder, and upon such declaration all amounts hereunder shall become immediately due and payable. Upon an Event of Default, this Bond shall bear interest at the Default Rate.

This Bond is issued pursuant to and in full compliance with the Act. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES AND RECEIPTS DERIVED FROM THE AGREEMENT, INCLUDING PAYMENTS RECEIVED THEREUNDER, WHICH PAYMENTS, REVENUES AND RECEIPTS HAVE BEEN PLEDGED AND ASSIGNED TO THE BONDHOLDER TO SECURE PAYMENT OF THIS BOND. THE PRINCIPAL OF, PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY OF ROANOKE, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE CITY OF ROANOKE, VIRGINIA, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT OF THE AUTHORITY, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION OF THE COMMONWEALTH OF VIRGINIA, INCLUDING THE CITY OF ROANOKE, VIRGINIA, NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE CITY OF ROANOKE, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither directors of the Authority nor any officer thereof executing this Bond shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance hereof.

Simultaneously with the issuance of this Bond, the Borrower will execute and deliver to the Authority a promissory note in the aggregate principal amount of this Bond to be issued as an Obligation ("Obligation No. 18") under the Master Indenture.

Pursuant to the Agreement and the Assignment affixed to Obligation No. 18, the Authority has assigned to the Bondholder, as security for this Bond, Obligation No. 18, and certain rights of the Authority under the Agreement. Pursuant to Obligation No. 18, the Borrower agrees to pay amounts sufficient to pay the principal of, premium (if any) and interest on this Bond as the same become due.

Obligation No. 18 and all other Obligations issued under the Master Indenture will be equally and ratably secured by the provisions of the Master Indenture. Additional Obligations of the Borrower and future Members of the Obligated Group (as such terms are defined in the Master Indenture) may be issued on the terms provided in the Master Indenture.

Ownership of this Bond may be transferred only by surrender hereof to the Borrower, as registrar, and the issuance of this Bond or a replacement therefor to the transferee by the Authority. The Authority shall not be required to affect any such transfer unless properly indemnified for its

expenses related to such transfer (including reasonable attorneys' fees) by the prospective transferee.

All acts, conditions and things required to happen, exist or to be performed precedent to and in the issuance of this Bond have happened, exist and have been performed.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Authority has caused this Bond to be signed by its Chair and its seal to be affixed hereon and attested by its Secretary as of the dated date of this Bond.

**ECONOMIC DEVELOPMENT  
AUTHORITY OF THE CITY OF  
ROANOKE, VIRGINIA**

By: \_\_\_\_\_  
Braxton G. Naff, Chair

(SEAL)

ATTEST:

By: \_\_\_\_\_  
William D. Poe, Secretary



**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, endorses without recourse and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS,  
INCLUDING ZIP CODE OF ASSIGNEE)

PLEASE INSERT SOCIAL SECURITY OR  
OTHER IDENTIFYING NUMBER OF TRANSFEREE

\_\_\_\_\_  
the within Bond and all rights hereunder, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

By: \_\_\_\_\_

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

IN THE PRESENCE OF:

\_\_\_\_\_  
NOTICE: Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Paying Agent, which requirements include membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined by the Paying Agent in addition to, or in substitution for, STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

Please affix signature guarantee ink stamp below with appropriate signature, title of officer and date.

**Schedule I**

**Principal Payments**

Payment <u>Date</u>	Principal Payment Amount <u>(in dollars)</u>
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**VIRGINIA LUTHERAN HOMES, INC.**  
**PROMISSORY NOTE DESIGNATED OBLIGATION NO. 16**

\$ \_\_\_\_\_

May 5, 2021

Virginia Lutheran Homes, Inc. (the "Corporation"), a Virginia nonstock corporation, for value received, hereby promises to pay to the Economic Development Authority of the City of Roanoke, Virginia (the "Authority"), or assigns, the principal sum of \_\_\_\_\_ MILLION \_\_\_\_\_ THOUSAND \_\_\_\_\_ AND \_\_\_/100 DOLLARS (\$ \_\_\_\_\_) as follows.

Installments of principal and interest shall be made as required by the Bond Purchase and Loan Agreement dated as of May 1, 2021 (as altered, amended, modified or supplemented from time to time, the "Agreement"), among the Authority, the Corporation and Pinnacle Financial Partners, Inc., as bondholder (the "Bondholder"), and to make payments on the Authority's Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021 in the original principal amount of \$ \_\_\_\_\_ (as more particularly defined in the Supplemental Indenture, the "Series 2021 Bond"). In addition to the payments of principal and interest, the Corporation shall also pay such additional amounts, if any, that it is required to pay pursuant to the terms of the Master Indenture and the Agreement.

The principal sum payable under this Promissory Note shall be equal to the outstanding principal amount of the Series 2021 Bond and this Promissory Note, less the aggregate amount of principal payments which have been made on the Series 2021 Bond and this Promissory Note (whether upon principal installment dates, by prepayment or otherwise). No notation is required to be made on this Promissory Note of the payment of any principal or interest on normal installment payment dates. **HENCE, THE FACE AMOUNT OF THIS PROMISSORY NOTE MAY EXCEED THE PRINCIPAL SUM REMAINING OUTSTANDING AND DUE HEREUNDER.**

All payments of principal and interest shall be made in lawful money of the United States of America at the principal office of the Bondholder, in Richmond, Virginia, or at such other place as the Bondholder may direct in writing and giving notice of payment to the Master Trustee as provided in the Master Indenture.

The Authority, by the execution of the Agreement and the assignment form at the foot of this Promissory Note, is assigning this Promissory Note and the payments thereon to the Bondholder as security for the Series 2021 Bond, as issued pursuant to the Agreement. Payments of principal of and premium, if any, and interest on this Promissory Note shall be made directly to the Bondholder for the account of the Authority pursuant to such assignment and applied only to the principal of and premium, if any, and interest on the Series 2021 Bond. All obligations of the Corporation hereunder shall terminate when all sums due and to become due pursuant to the Agreement, this Promissory Note and the Series 2021 Bond, have been paid or provided for in full.

This Promissory Note may be prepaid only as provided in the Series 2021 Bond, the Master Indenture and Article X of the Agreement.

This Promissory Note is issued in satisfaction of the Corporation's payment obligations of the Agreement and is entitled to the benefits and subject to the conditions thereof. This is a single Obligation of the Corporation, and any other Members of the Obligated Group (as defined in the Master Indenture hereafter defined), limited to \$\_\_\_\_\_ in principal amount, issued under the Master Trust Indenture dated as of December 1, 2002 (as previously supplemented and amended, the "Master Trust Indenture"), between the Corporation and U.S. Bank National Association, Richmond, Virginia, as successor master trustee (together with its successors, the "Master Trustee") and the Supplemental Indenture for Obligation No. 16 dated as of May 1, 2021 (as altered, amended, modified, or supplemented from time to time, the "Supplemental Indenture" and the Master Trust Indenture as supplemented by the Supplemental Indenture and as altered, amended, modified, or supplemented from time to time, the "Master Indenture"). Capitalized terms used in this Promissory Note and not defined herein have the meaning assigned to them in the Master Indenture

This Promissory Note, together with all other Obligations Outstanding under the Master Indenture, is equally and ratably secured by the provisions of the Master Indenture and by the Deed of Trust and any other Mortgages subsequently entered into by the Members. All the terms, conditions and provisions of the Agreement, Master Indenture, the Deed of Trust, and any Mortgage are, by this reference, incorporated herein as a part of this Promissory Note.

The Master Indenture permits the issuance of additional Obligations under the Master Indenture to be secured by the covenants made therein, all of which, regardless of the times of issue or maturity, are to be of equal rank with this Promissory Note and all other Obligations theretofore or thereafter issued under the Master Indenture without preference, priority or distinction of any Obligation issued under the Master Indenture over any other such Obligation.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture and of the rights and obligations of the Obligated Group and of the Holders of the Obligations in any particular may be made by the execution and delivery of an indenture or indentures supplemental to the Master Indenture. Such indenture or indentures supplemental to the Master Indenture may be executed and delivered without the consent of the Holder of this Obligation No. 16 except as expressly provided in the Supplement. Any consent by the Holder of this Obligation No. 16 shall be conclusive and binding upon such Holder and all future Holders hereof irrespective of whether or not any notation of such consent is made upon this Obligation No. 16.

Upon the occurrence of certain Events of Default, the principal of all Obligations then Outstanding under the terms of the Master Indenture may be declared, and the same shall become due, in accordance with the Master Indenture.

Upon the occurrence and during the continuance of an Event of Default under the Master Indenture, (i) the holder may require the Master Trustee to accelerate this Promissory Note by delivering written notice to the Master Trustee directing the Master Trustee to declare this

Promissory Note immediately due and payable in accordance with Section 4.02 of the Master Indenture, and (ii) the Master Trustee may not accelerate this Promissory Note under Section 4.02 of the Master Indenture until the Master Trustee receives the written consent of the holder to such acceleration.

The registered owner of this Promissory Note shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

This Promissory Note is issuable only as a fully registered Obligation. This Promissory Note shall be registered on the registration books to be maintained by the Master Trustee for that purpose at the corporate trust office of the Master Trustee and the transfer of this Promissory Note shall be registrable only upon presentation of this Promissory Note at such office by the registered owner or by his duly authorized attorney and subject to the limitations, if any, set forth in the Master Indenture. Such registration of transfer shall be without charge to the registered owner hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the registered owner requesting such registration of transfer as a condition precedent to the exercise of such privilege. Upon any such registration of transfer, the Corporation shall execute and the Master Trustee shall authenticate and deliver in exchange for this Promissory Note a new Obligation, registered in the name of the transferee.

Before due presentment hereof for registration of transfer, the Corporation, all other Members of the Obligated Group and the Master Trustee may deem and treat the person in whose name this Promissory Note is registered as the absolute owner hereof for all purposes; and neither the Corporation, any other Members of the Obligated Group nor the Master Trustee shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Promissory Note.

Upon the prepayment or the call for redemption and the surrender of this Promissory Note for prepayment or redemption in part only, the Corporation shall cause to be executed, and the Master Trustee shall authenticate and deliver to or upon the written order of the Bondholder, at the expense of the Corporation, a new Promissory Note of like form and tenor, but in principal amount equal to the unpaid or unredeemed portion of the principal of this Promissory Note. The Bondholder may, in lieu of surrendering this Promissory Note for a new fully registered Promissory Note, endorse on this Promissory Note acknowledgment of such partial prepayment or redemption, which acknowledgment shall set forth, over the signature of the Bondholder, the payment date, the principal amount prepaid or redeemed and the principal amount remaining unpaid.

This Promissory Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Promissory Note shall have been authenticated as an Obligation under the Master Indenture by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Promissory Note exist, have happened and have been performed and that the issuance, authentication and delivery of this Promissory Note have been duly authorized by the Corporation and the Corporation has full power to execute this Promissory Note.

[Remainder of this page intentionally left blank.]

**IN WITNESS WHEREOF**, Virginia Lutheran Homes, Inc. has caused this Promissory Note Designated Obligation No. 16 to be duly executed and to be dated the date first above written.

**VIRGINIA LUTHERAN HOMES, INC.**

By: \_\_\_\_\_  
Name: Heather Neff  
Title: President and Chief Executive Officer

*[Signature Page to Promissory Note Designated Obligation No. 16]*

**MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE**

The undersigned Master Trustee hereby certifies that this Promissory Note Designated Obligation No. 16 is one of the Obligations described in the within-mentioned Master Indenture.

**U.S. BANK NATIONAL ASSOCIATION,**  
as Master Trustee

By: \_\_\_\_\_

Name: Nancy H. Taylor

Title: Vice President



## **ASSIGNMENT**

The Economic Development Authority of the City of Roanoke, Virginia (the "Authority"), hereby irrevocably assigns, without recourse, the foregoing Promissory Note Designated Obligation No. 16 to Pinnacle Financial Partners, Inc. (the "Bondholder"), pursuant to the Bond Purchase and Loan Agreement dated as of May 1, 2021 (the "Agreement"), among the Authority, Virginia Lutheran Homes, Inc. (the "Corporation") and the Bondholder. The Authority further hereby directs the Corporation, as the maker of the Promissory Note Designated Obligation No. 16, to make all payments of principal of, premium and interest thereon directly to the Bondholder as provided in the Agreement, or at such other place as the Bondholder may direct in writing. Such assignment is made as security for the payment of the Authority's Taxable Residential Care Facility Revenue Refunding Bond (Virginia Lutheran Homes Brandon Oaks Project), Series 2021.

### **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF ROANOKE, VIRGINIA**

By: \_\_\_\_\_  
Name: Braxton G. Naff  
Title: Chair