
LOAN AGREEMENT

between

OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

WESTMINSTER PRESBYTERIAN HOMES, INC.

December 1, 2018

Relating to

\$32,840,000

**Oconee County Industrial Development Authority
Revenue Bonds
(Presbyterian Village Athens Project)
Fixed Rate Series 2018A-1**

\$10,000,000

**Oconee County Industrial Development Authority
Revenue Bonds
(Presbyterian Village Athens Project)
Adjustable Rate Series 2018A-2**

\$10,000,000

**Oconee County Industrial Development Authority
Revenue Bonds
(Presbyterian Village Athens Project)
Entrance Fee Series 2018A-3**

Not to Exceed \$40,000,000

**Oconee County Industrial Development Authority
Revenue Bond
(Presbyterian Village Athens Project)
Bank Bought Construction Series 2018A-4**

Not to Exceed \$35,000,000

**Oconee County Industrial Development Authority
Revenue Bond
(Presbyterian Village Athens Project)
Bank Bought Entrance Fee Series 2018A-5**

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This **LOAN AGREEMENT** (this “Loan Agreement”), is dated as of December 1, 2018, and is between the **OCONEE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public body corporate and politic created under the Constitution and laws of the State of Georgia (the “Authority”), and **WESTMINSTER PRESBYTERIAN HOMES, INC.**, a Georgia nonprofit corporation (the “Borrower”).

WITNESSETH:

WHEREAS, the Authority is empowered by the act entitled Oconee County Industrial Development Authority, Ga. L. 1962, p. 871, as amended by Ga. L. 1977, p. 1582, and Ga. L. 1987, p. 5501 (collectively, the “Act”) to borrow money, to issue notes, bonds and revenue certificates, to execute trust agreements or indentures to encourage and promote the expansion and development of industrial and commercial facilities in Oconee County so as to relieve insofar as possible unemployment within its boundaries;

WHEREAS, in order to further the purposes of the Act, the Authority has determined to issue its revenue bonds as follows:

Oconee County Industrial Development Authority Revenue Bonds (Presbyterian Village Athens Project) Fixed Rate Series 2018A-1 (the “Series 2018A-1 Bonds”) in an aggregate principal amount of \$32,840,000,

Oconee County Industrial Development Authority Revenue Bonds (Presbyterian Village Athens Project) Adjustable Rate Series 2018A-2 (the “Series 2018A-2 Bonds”) in an aggregate principal amount of \$10,000,000,

Oconee County Industrial Development Authority Revenue Bonds (Presbyterian Village Athens Project) Entrance Fee Series 2018A-3 (the “Series 2018A-3 Bonds”) in an aggregate principal amount of \$10,000,000,

Oconee County Industrial Development Authority Revenue Bond (Presbyterian Village Athens Project) Bank Bought Construction Series 2018A-4 (the “Series 2018A-4 Bond”) in an aggregate principal amount not to exceed \$40,000,000, and

Oconee County Industrial Development Authority Revenue Bond (Presbyterian Village Athens Project) Bank Bought Entrance Fee Series 2018A-5 (the “Series 2018A-5 Bonds” and together with the Series 2018A-1 Bonds, the Series 2018A-2 Bonds, the Series 2018A-3 Bonds, and the Series 2018A-4 Bond, the “Bonds”) in an aggregate principal amount not to exceed \$35,000,000.

and use the proceeds thereof to make a loan to the Borrower under the terms of this Loan Agreement;

WHEREAS, the Borrower will use the proceeds of the Bonds to (1) finance a portion of the cost of acquiring, constructing, furnishing and equipping certain real property and improvements thereon that will be a continuing care retirement community to be known as “Presbyterian Village Athens,” expected to include 186 independent living units, 30 assisted living units, 30 memory care units, and 40 skilled nursing beds, along with common and administrative areas (the “Project”) to be located on an approximately 70 acre site at 8021 Macon Highway in Oconee County, Georgia, and (2) to finance, if and as needed, capitalized interest on the Bonds, a debt service reserve fund for the Series 2018A-1 and Series 2018A-2 Bonds, costs of issuance related to the issuance of the Bonds, working capital, and other related costs (collectively (1) and (2) above constitute the “Plan of Finance”);

WHEREAS, the Series 2018A-1 Bonds, the Series 2018A-2 Bonds, and the Series 2018A-3 Bonds are being issued pursuant to a Bond Trust Indenture, dated as of December 1, 2018 (the “Bond Indenture”), between the Authority and the Trustee;

WHEREAS, the Series 2018A-4 Bond is being issued pursuant to an Indenture of Trust, dated as of December 1, 2018 (the “Synovus Bank Indenture”), between the Authority and the Trustee;

WHEREAS, the Series 2018A-5 Bond is being issued pursuant to an Indenture of Trust, dated as of December 1, 2018 (the “SunTrust Bank Indenture” and together with the Synovus Bank Indenture, the “Bank Indentures,” and the Bond Indenture together with the Bank Indentures, the “Indentures”), between the Authority and the Trustee;

WHEREAS, the Borrower and Branch Banking and Trust Company, as master trustee (the “Master Trustee”), will enter into a Master Trust Indenture, dated as of December 1, 2018, as supplemented by Supplemental Indenture for Obligations No. 1 through No. 6 dated as of December 1, 2018, between the Borrower and the Master Trustee (collectively, the “Master Indenture.”);

WHEREAS, simultaneously with the issuance of the Series 2018 Bonds, the Borrower will execute and deliver to the Authority its Obligations under the Master Indenture, as follows:

Obligation No. 1 in the principal amount of \$32,840,000, designated “Westminster Presbyterian Homes, Inc. Series 2018A-1 Note,”

Obligation No. 2 in the principal amount of \$10,000,000, designated “Westminster Presbyterian Homes, Inc. Series 2018A-2 Note,”

Obligation No. 3 in the principal amount of \$10,000,000, designated “Westminster Presbyterian Homes, Inc. Series 2018A-3 Note,”

Obligation No. 4 in the principal amount not to exceed \$40,000,000, designated “Westminster Presbyterian Homes, Inc. Series 2018A-4 Note,”

Obligation No. 5 in the principal amount not to exceed \$35,000,000, designated “Westminster Presbyterian Homes, Inc. Series 2018A-5 Note,” and

Obligation No. 6 in the principal amount of \$5,000,000, designated “Westminster Presbyterian Homes, Inc. Series 2018 Subordinate Note.”

each issued under the Master Indenture and secured by the Master Indenture and the Security Deed (as defined below);

WHEREAS, the Authority proposes to lend the proceeds of the sale of the Bonds to the Borrower pursuant to this Loan Agreement, and the Borrower agrees to repay such loan on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Definitions.** Except as set forth below or unless the context otherwise requires, all undefined capitalized terms shall have the meanings assigned to them in the Master Indenture or the Indentures. The following words and terms shall have the following meanings unless the context otherwise requires:

“Act” means the act entitled Oconee County Industrial Development Authority, Ga. L. 1962, p. 871, as amended by Ga. L. 1977, p. 1582, and Ga. L. 1987, p. 5501, as may be further amended from time to time.

“Authority” means the Oconee County Industrial Development Authority, a public body corporate and politic created and existing under the Act.

“Authority’s Fee” means an amount equal to \$600,000, payable \$155,000 on the Issue Date, \$25,000 per year on or before each anniversary of the Issue Date through 2035, and a final payment of \$20,000 on or before the anniversary of the Issue Date in 2036; provided, however, if the Bonds are paid in full prior to 2036, the unpaid balance of the Authority’s fee shall be payable in full.

“Bank Indentures” means, collectively, the Synovus Bank Indenture and the SunTrust Bank Indenture.

“BB&T Bond Purchase Agreement” means the Bond Purchase Agreement dated December 6, 2018, among the Authority, the Borrower, and the Underwriter with respect to the sale of the Series 2018A-1 Bonds, the Series 2018A-2 Bonds, and the Series 2018A3 Bonds.

“Bond Indenture” means the Bond Trust Indenture dated as of the date hereof between the Authority and Branch Banking and Trust Company, as Bond Trustee, as amended or supplemented from time to time.

“Bond Purchase Agreements” means, collectively, the BB&T Bond Purchase Agreement, the SunTrust Bond Purchase Agreement, and the Synovus Bond Purchase Agreement.

“Bond Trustee” means the bond trustee at the time serving as such under the Indentures, whether the original or a successor trustee.

“Bonds” means, collectively, the Series 2018A-1 Bonds, the Series 2018A-2 Bonds, the Series 2018A-3 Bonds, the Series 2018A-4 Bond, and the Series 2018A-5 Bond.

“Borrower” has the meaning given to it in the Preambles.

“Continuing Disclosure Agreement” means the Disclosure Dissemination Agent Agreement with respect to the Series 2018A-1, Series 2018A-2, and Series 2018A-3 Bonds, dated as of December 1, 2018, between the Borrower and the Dissemination Agent.

“Covenant Agreements” means, collectively, the SunTrust Covenant Agreement and the Synovus Covenant Agreement.

“Debt Service Reserve Fund” means the fund of that name created under the Bond Indenture.

“Debt Service Reserve Fund Requirement” has the meaning given to it the Bond Indenture.

“Dissemination Agent” means Digital Assurance Certification LLC and its successors and assigns.

“Draw-Down Bonds” means, collectively, the Series 2018A-4 Bond and the Series 2018A-5 Bond.

“Electronic Means” means telecopy, telegraph, telex, facsimile transmission, e-mail transmission, or other similar electronic means of communication capable of being evidenced by a paper copy.

“Facilities” has meaning assigned to it in Master Indenture.

“Financial Statements” has meaning assigned to it in Master Indenture.

“Financing Instruments” means the Master Indenture, the Indentures, the Notes, the Security Deed, the Tax Agreement, the Bond Purchase Agreements, the Covenant Agreements, the Liquidity Support Agreement, and this Loan Agreement.

“Indentures” means, collectively, the Bank Indentures and the Bond Indenture.

“Liquidity Support Agreement” means the Liquidity Support Agreement, dated as of December 1, 2018, among the Borrower, the Master Trustee, and Presbyterian Homes of Georgia, Inc.

“Loan” means the loan to the Borrower under this Loan Agreement.

“Master Indenture” has the meaning given to it in the Bond Indenture.

“Master Trustee” means the master trustee at the time serving as such under the Master Indenture, whether the original or a successor trustee.

“Mortgaged Property” has the meaning given to it in the Master Indenture.

“Net Insurance Proceeds” means the gross proceeds from any insurance recovery or condemnation award remaining after payment of reasonable attorneys’ fees, reasonable fees and expenses of the Bond Trustee and all other reasonable expenses incurred in the collection of such gross proceeds.

“Project” has the meaning given to it in the recitals.

“Notes” means the promissory Notes of the Borrower in the aggregate principal amount of the Bonds, dated the date hereof, issued as Obligation No. 1, and Obligation No. 2, Obligation No. 3, Obligation No. 4, and Obligation No. 5 under the Master Indenture, secured by the Security Deed and delivered to the Authority to evidence the Borrower’s obligations hereunder, and any amendments, supplements or substitutions thereto.

“Officer’s Certificate” means Officer’s Certificate as defined in the Master Indenture.

“Plan of Finance” has the meaning given to it in the recitals.

“Prime Rate” means the rate per year announced from time to time by the Bond Trustee, as its prime rate, with any change in the Prime Rate being effective as of the date such announced prime rate is changed.

“Series 2018A-1 Bonds” means the Authority’s Revenue Bonds (Presbyterian Village Athens Project) Fixed Rate Series 2018A-1 in the aggregate principal amount of \$32,840,000.

“Series 2018A-2 Bonds” means the Authority’s Revenue Bonds (Presbyterian Village Athens Project) Adjustable Rate Series 2018A-2 in the aggregate principal amount of \$10,000,000.

“Series 2018A-3 Bonds” means the Authority’s Revenue Bonds (Presbyterian Village Athens Project) Entrance Fee Series 2018A-3 in the aggregate principal amount of \$10,000,000.

“Series 2018A-4 Bond” means the Authority’s Revenue Bond (Presbyterian Village Athens Project) Bank Bought Construction Series 2018A-4 in the aggregate principal amount not to exceed \$40,000,000.

“Series 2018A-5 Bond” means the Authority’s Revenue Bond (Presbyterian Village Athens Project) Bank Bought Entrance Fee Series 2018A-5 in the aggregate principal amount not to exceed \$35,000,000.

“SunTrust Bond Purchase Agreement” means the Contract of Purchase dated December 6, 2018, among the Authority, the Borrower, and STI Institutional & Governmental, Inc. with respect to the sale of the Series 2018A-5 Bonds.

“SunTrust Covenant Agreement” means the Continuing Covenant Agreement, dated as of December 1, 2018, between STI Institutional & Governmental, Inc. and the Borrower.

“SunTrust Bank Indenture” means the Indenture of Trust dated as of the date hereof, relating to the Series 2018A-5 Bonds, between the Authority and Branch Banking and Trust Company, as Bond Trustee, as amended or supplemented from time to time.

“Synovus Bond Purchase Agreement” means the Contract of Purchase dated December 6, 2018, among the Authority, the Borrower, and Synovus Bank with respect to the sale of the Series 2018A-4 Bonds.

“Synovus Covenant Agreement” means the Continuing Covenant Agreement, dated as of December 1, 2018, between Synovus Bank and the Borrower.

“Synovus Bank Indenture” means the Indenture of Trust dated as of the date hereof, relating to the Series 2018A-4 Bonds, between the Authority and Branch Banking and Trust Company, as Bond Trustee, as amended or supplemented from time to time.

“Underwriter” means BB&T Capital Markets, a division of BB&T Securities, LLC, as underwriter for the Bonds.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of this Loan Agreement unless the context otherwise requires:

- (a) Singular words shall connote the plural number as well as the singular and vice versa.
- (b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Loan Agreement unless otherwise indicated.

(d) The headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Loan Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II REPRESENTATIONS

Section 2.1 **Representations by Authority.** The Authority makes the following representations:

(a) The Authority is duly organized under the Act and has the power to (1) enter into this Loan Agreement and the Indentures, (2) assign the Notes to the Bond Trustee, (3) finance costs to be incurred in connection with the Project and (4) carry out its other obligations in connection therewith pursuant to this Loan Agreement. The facilities to be financed and refinanced with the proceeds of the Bonds constitute facilities authorized to be financed under the Act and in furtherance of the purposes for which the Authority was organized.

(b) The Authority (1) has duly authorized (i) the execution and delivery of the Indentures, this Loan Agreement, the assignment of the Notes, (ii) the performance of its obligations hereunder and thereunder, (iii) the issuance of the Bonds and (iv) the sale of the Bonds, and (2) simultaneously with the execution and delivery of this Loan Agreement, has duly executed and delivered the Indentures and issued and sold the Bonds.

(c) The Authority is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred and no event has occurred and is continuing under the provisions of any such instrument that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(d) The Authority is not (1) in violation of the Act or any other existing federal or Georgia law, rule or regulation applicable to it or (2) in default under any indenture, mortgage, Security Deed, lien, lease, contract, notes, order, judgment, decree or other agreement, instrument or restriction of any kind to which any of its assets are subject. The execution and delivery by the Authority of the Indentures, this Loan Agreement, the Bonds and the assignment of the Notes and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the above described documents or other restrictions.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (1) the issuance and delivery of the Bonds by the Authority, (2) the execution or delivery of or compliance by the Authority with the terms and conditions of this Loan Agreement, the Indentures or the Bonds or (3) the assignment and pledge by the Authority pursuant to the Indentures of its rights under this Loan Agreement and the Notes and the payments thereon by the Borrower, as security for payment of the principal of and premium, if any, and interest on the Bonds. The consummation by the Authority of the transactions set forth in the manner and under the terms and conditions as provided herein complies with all state, local or federal laws and any rules and regulations promulgated thereunder.

(f) Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the issuance of the Bonds shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from the payments received hereunder and under the Notes and the security therefor. Neither the Financing Instruments nor any payments to be received by the Authority pursuant to the Notes have been pledged or mortgaged other than as provided in the Indentures.

(g) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to its knowledge, threatened against the Authority with respect to (1) the organization and existence of the Authority, (2) its authority to execute or deliver this Loan Agreement, the Indentures, the Bonds or the assignment of the Notes, to sell the Series 2018A-1, Series 2018A-2, and the Series 2018A-3 Bonds to the Underwriter pursuant to the BB&T Bond Purchase Agreement, to sell the Series 2018A-4 Bonds to Synovus Bank pursuant to the Synovus Bond Purchase Agreement, to sell the Series 2018A-5 Bonds to STI Institutional & Governmental, Inc. pursuant to the SunTrust Bond Purchase Agreement or to finance the Plan of Finance, (3) the validity or enforceability of any of such instruments or the transactions contemplated hereby or thereby, (4) the title of any officer of the Authority who executed such instruments, or (5) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended and all are in full force and effect.

(h) The Authority hereby finds that the financing of the Project, is advisable and in furtherance of the purposes for which the Authority was organized and will serve the purposes of the Act.

Section 2.2 Representations by the Borrower. The Borrower makes the following representations:

(a) The Borrower is a Georgia nonprofit corporation, validly existing and in good standing under the laws of the State of Georgia, has the power to enter into the Financing Instruments to which it is a party and the transactions contemplated thereunder and, by proper corporate action, has duly authorized the execution and delivery of the Financing Instruments and the performance of its obligations thereunder.

(b) The Borrower is an organization described in Section 501(c)(3) of the Code, which has received a determination letter from the Internal Revenue Service classifying it as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to “unrelated business taxable income” within the meaning of Section 512(a) of the Code) and (b) which is not a “private foundation” as defined in Section 509(a) of the Code. Such determination letter has not been modified, limited, revoked or suspended. The Borrower has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under Section 501(c)(3) of the Code has been modified, limited, revoked, or superseded, or that the Internal Revenue Service is considering modifying, limiting, revoking or superseding such exemption. The Borrower is in compliance with all of the terms, conditions and limitations, if any, contained in its applicable determination letter. There has been no change in the facts and circumstances represented to the Internal Revenue Service as a basis for receiving, and which formed the basis on which the Internal Revenue Service issued, the determination letter relating to the status of the Borrower as an organization described in Section 501(c)(3) of the Code and as an organization which is not a “private foundation” as defined in Section 509 of the Code of a nature or to a degree as would warrant any action by the Internal Revenue Service

to modify, limit, revoke or supersede such determination letter as it applies to the Borrower. No administrative or judicial proceedings are pending or threatened which may, in any way, adversely affect the classification of the Borrower as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code and (b) which is not a "private foundation" as defined in Section 509 of the Code. The Borrower has not received a notice or communication of any kind from the Internal Revenue Service directly or indirectly questioning its status described in the first sentence of this subsection or the tax-exempt status of any bonds issued on its behalf, or indicating that the Borrower or any such bonds specifically are being or will be audited with respect to such status. The Borrower is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, within the meaning of the Securities Act of 1933, as amended, and no part of the net earnings of the Borrower inures to the benefit of any person, private stockholder or individual, within the meaning of Section 3(a)(4) of the Securities Act of 1933, as amended.

(c) The Borrower is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder.

(d) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Borrower pending or, to the knowledge of the Borrower, threatened in which any liability of the Borrower is not adequately covered by insurance or for which adequate reserves are not provided or for which any judgment or order would have a material adverse effect upon the business or assets of the Borrower or affect its existence or authority to do business, the operation of the Facilities, the Plan of Finance, the validity of the Financing Instruments or the performance of the Borrower's obligations thereunder.

(e) The execution and delivery of the Financing Instruments, the performance by the Borrower of its obligations thereunder and the consummation of the transactions therein contemplated do not and will not conflict with, or constitute a breach or result in a violation of, articles of incorporation or bylaws of the Borrower, any agreement or other instrument to which the Borrower is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Borrower or its property.

(f) The Borrower has obtained all consents, approvals, authorizations and orders of any governmental or regulatory authority ("Consents") that are required to be obtained by the Borrower as a condition precedent to the issuance of the Bonds and the execution and delivery of the Financing Instruments. The Borrower has obtained all Consents obtainable to date for the performance by the Borrower of its obligations hereunder and thereunder, or required as of the date hereof for the acquisition, construction, renovation and equipping of the Project and the operation of the Facilities. The Borrower will obtain when needed all other Consents required for the performance of its obligations under the Financing Instruments, and for the operation of the Facilities and the undertaking of the Project and has no reason to believe that all such Consents cannot be promptly obtained when needed.

ARTICLE III

FINANCING OF THE PLAN OF FINANCE

Section 3.1 **Loan by the Authority.** (a) Upon the terms and conditions of this Loan Agreement and the Indentures, the Authority shall lend to the Borrower the proceeds of the sale of the Bonds. The Loan shall be made by depositing proceeds of such sale in accordance with Section 206 of the Bond Indenture and Section 6.06 of the Bank Indentures. The deposit of the Initial Advance and the Additional Advances as provided in Section 6.06 of the Bank Indentures will constitute the loan of the proceeds of the Draw-Down Bonds from the Authority to the Borrower. Additional Advances

(b) No Additional Advances under the Draw-Down Bonds shall be made until the amounts held in the Construction Fund held under the Bond Indenture have been

Section 3.2 **Agreement to Undertake the Plan of Finance.** The Borrower shall use a portion of the proceeds of the Loan to undertake the Plan of Finance.

(a) After an Event of Default hereunder, the Borrower shall assign to the Authority or the Master Trustee any contract relating to construction of the Project.

(b) The Borrower shall, in carrying out such obligations:

(1) obtain all licenses, permits and consents required for the construction and operation of the Project, including all required Certificates of Need, if any, for the Project, and

(2) bring any action or proceeding against any person with respect to the Project as the Borrower shall deem proper.

(c) Other than the making of the Loan under this Loan Agreement, no contract with respect to the Project shall obligate the Authority in any way.

Section 3.3 **Repayment of Loan.** Prior to or simultaneously with the issuance of the Bonds, to evidence its obligations to repay the Loan, the Borrower shall deliver the Notes to the Authority for assignment to the Bond Trustee as security for the payment of the Bonds.

Section 3.4 **Borrower To Provide Funds To Complete the Project.** If the proceeds derived from the Loan are not sufficient to pay in full the costs of the Plan of Finance, the Borrower shall pay such moneys as are necessary to provide for payment in full of such costs of the Plan of Finance, provided that, if all proceeds of the Bonds available therefor have been spent on the Plan of Finance, the Borrower shall not be obligated hereunder to undertake additional costs if (a) such expenditures are not related to a portion of the Project expected to have a material effect on the revenues of the Borrower or (b) such expenditures are required to comply with the covenants of Section 5.5. The Borrower shall not be entitled to any reimbursement therefor from the Authority or the Bond Trustee nor shall it be entitled to any abatement, diminution or postponement of its payments hereunder or under the Notes. Notwithstanding the foregoing, subject to its obligations under Section 5.7, the Borrower may alter the Project or suspend the acquisition, construction, renovation or equipping of any part of the Project.

Section 3.5 **Limitation of Authority's Liability.** Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the financing of the Plan of Finance shall not be deemed to constitute a general obligation of the Authority but shall be payable

solely from the revenues and receipts derived by it from or in connection with this Loan Agreement, including payments received under the Notes.

ARTICLE IV

PAYMENTS ON NOTES, ADDITIONAL PAYMENTS

Section 4.1 **Amounts Payable.** (a) The Borrower shall make all payments required by the Notes, the Indentures and the Master Indenture as and when they become due and shall promptly pay all other amounts necessary to enable the Bond Trustee to make the transfers required by Article VI of the Indentures and all other payments required of the Authority pursuant to the Indentures. On or before the tenth day of each month, the Borrower shall transfer to the Bond Trustee, for use pursuant to Section 602 of the Indentures, the amount necessary to permit the Bond Trustee to provide in all funds held by the Bond Trustee the full amounts required by Section 602. The Borrower immediately shall pay to the Bond Trustee any amounts necessary (i) pursuant to the Indentures to provide for payment of principal and interest on the Bonds when due at maturity or subject to mandatory sinking fund redemption and (ii) pursuant to the Master Indenture to provide the full amount of Debt Service Reserve Fund Requirement in Debt Service Reserve Fund if such fund does not contain the full amount of the Debt Service Reserve Fund Requirement.

(b) The Borrower shall also pay or cause to be paid, as and when the same become due:

(1) An amount equal to (a) the fees and charges of the Bond Trustee incurred in connection with the rendering of its ordinary and extraordinary services as Bond Trustee under the Indentures, including the reasonable fees and expenses of its counsel, (b) the fees and expenses of the rating agencies, if any, for issuing and maintaining their securities rating on the Bonds, and (c) the Authority's Fee and the out-of-pocket expenses, administrative expenses and counsel fees of the Authority. If the Borrower should fail to make any of the payments required in this Section, the item or installment which the Borrower has failed to make shall continue as an obligation of the Borrower until the same shall have been fully paid, with interest thereon at the rate per annum borne by the Bonds until paid in full (provided that any amounts in this Section required to be paid by the Borrower shall not equal or exceed an amount that would cause the "yield" on the Notes or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Bonds, as such terms are defined under Section 148 of the Code).

(2) Amounts described in Section 4.7.

(3) Beginning on the 25th day of the month following a month in which money is withdrawn from a Debt Service Reserve Fund, the Members of the Obligated Group jointly and severally covenant promptly to pay or cause to be paid to the Master Trustee for deposit into the Debt Service Reserve Fund, one-twelfth (1/12) of the amount or amounts so withdrawn until the amount then on deposit in the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement. If an additional withdrawal is made from the Debt Service Reserve Fund prior to the restoration of the initial withdrawal, such additional withdrawal shall be restored by the Members of the Obligated Group in equal monthly installments over the remainder of the restoration period for the initial withdrawal. If the Debt Service Reserve Fund secures more than one Obligation, the Master Trustee shall deposit each amount paid to restore the Debt

Service Reserve Fund into each account within the Debt Service Reserve Fund on a pro rata basis based on the amounts withdrawn from each such account.

(5) Unless otherwise provided in the Bond Indenture directing that the Debt Service Reserve Fund be established and maintained, beginning on the 25th day of the month (and on the 25th day of each month thereafter) following a valuation made in accordance with Section 604 of the Bond Indenture in which the amount on deposit in the Debt Service Reserve Fund is less than ninety percent (90%) of the Debt Service Reserve Fund Requirement due to a loss resulting from a decline in the value of Investment Obligations held for the credit of the Debt Service Reserve Fund, each Member of the Obligated Group covenants promptly to pay or cause to be paid to the Bond Trustee for deposit into the Debt Service Reserve Fund, one-sixth (1/6) of the amount by which the Debt Service Reserve Fund Requirement exceeds such balance until the amount on deposit to the credit of the Debt Service Reserve Fund is equal to the Debt Service Reserve Fund Requirement.

(6) All other amounts that the Borrower agrees to pay under the terms of this Loan Agreement.

Section 4.2 Payments Assigned. The Borrower consents to the assignment made by the Indentures of the Notes and of rights of the Authority under this Loan Agreement to the Bond Trustee. The Borrower shall pay to the Bond Trustee all amounts payable by the Borrower pursuant to the Notes and this Loan Agreement, except for payments made to the Authority pursuant to Sections 4.1(b)(2) and 5.5.

Section 4.3 Default in Payments. If the Borrower fails to make any payments required by the Notes or this Loan Agreement when due, the Borrower shall pay to the Bond Trustee (or the Authority, if the failure relates to payments owed to the Authority) interest thereon until paid at the rate equal to the highest rate on any Bonds then Outstanding or, in case of the payment of any amounts not to be used to pay principal of or interest on Bonds at the rate equal to the Prime Rate plus one percent per year.

Section 4.4 Obligations of Borrower Unconditional. The obligation of the Borrower to make the payments on the Notes and to observe and perform all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim it might otherwise have against the Authority or the Bond Trustee. Subject to the prepayment of the Notes as provided therein, the Borrower shall not suspend or discontinue any payment on the Notes or hereunder or fail to observe and perform any of its other covenants, conditions or agreements hereunder for any cause, including without limitation, any acts or circumstances that may constitute an eviction or constructive eviction, 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 or condemnation of all or any part of the Facilities, or any change in the tax or other laws of the United States of America, State of Georgia or any political subdivision of either, or any failure of the Authority or the Bond Trustee to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Indentures or this Loan Agreement. The Borrower may, after giving to the Authority and the Bond Trustee ten days' notice of its intention to do so, at its own expense and in its own name, or in the name of the Authority if procedurally required, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrower reasonably deems necessary to secure or protect any of its rights hereunder. In the event the Borrower takes any such action, the Authority shall, solely at the Borrower's expense, reasonably

cooperate with the Borrower and take necessary action to substitute the Borrower for the Authority in such action or proceeding if the Borrower shall reasonably request.

Section 4.5 Advances by Authority. If the Borrower fails to make any payment or perform any act required of it hereunder, the Authority, without prior notice or demand on the Borrower and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority and all costs, fees and expenses so incurred shall be payable by the Borrower on demand as an additional obligation under the Notes, together with interest thereon at the Prime Rate plus one percent per year until paid.

Section 4.6 Agreement of Authority. At the request of the Borrower, the Authority shall (a) at any time moneys held pursuant to the Indentures are sufficient to effect redemption of any Bonds and if the same are then redeemable under the Indentures, take all steps that may be necessary to effect redemption thereunder and (b) take any other action required by the Indentures or as directed by the Borrower pursuant to the provisions of the Indentures or this Loan Agreement.

Section 4.7 Rebate Requirement. (a) Except with respect to earnings on funds covered by the exceptions provided by Section 148(f)(4)(B) of the Code, at its sole expense on behalf of the Authority, the Borrower shall determine and pay to the United States the Rebate Amount, as provided in the Tax Agreement, as and when due in accordance with the “rebate requirement” described in Section 148(f) of the Code and Treasury Regulations thereunder, including without limitation, Treasury Regulations Section 1.148. The Borrower shall retain records of all such determinations until six years after Payment of the Bonds.

(b) The Authority shall not be liable to the Borrower by way of contribution, indemnification, counterclaim, set-off or otherwise for any payment made or expense incurred by the Borrower pursuant to this section or the Indentures.

ARTICLE V

SPECIAL COVENANTS

Section 5.1 Compliance with Covenants, Conditions and Agreements in Master Indenture. So long as the Bonds are Outstanding, the Borrower shall comply with, and with respect to the other members of the Obligated Group (as defined in the Master Indenture), covenant to cause each such member to comply with, each and every covenant, condition and agreement in the Master Indenture. Each such covenant, condition and agreement in the Master Indenture is hereby incorporated by reference and made a part of this Loan Agreement with the same effect intended as though the text of each such covenant, condition and agreement were set forth in this Loan Agreement as express covenants, conditions and agreements of the Borrower.

Section 5.2 Merger, Sale and Transfer. Except as provided in Section 3.09 of the Master Indenture, the Borrower shall not consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or to merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets and thereafter dissolve.

Section 5.3 Examination of Books and Records; Information to the Authority. The Bond Trustee and the Authority shall be permitted, during normal business hours and upon reasonable notice, to examine the books and records (other than confidential resident records) of the Borrower with respect to the Borrower’s financial standing or its compliance with its obligations hereunder and under the Master Indenture.

Section 5.4 Damage, Destruction, Condemnation and Loss of Title. (a) The Borrower shall give prompt written notice to the Bond Trustee and the Authority 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 Insurance Proceeds consistent with the provisions of Section 3.04 of the Master Indenture. The Borrower shall simultaneously provide to the Bond Trustee the Officer's Certificates and consultant reports required to be delivered to the Master Trustee pursuant to Section 3.04 of the Master Indenture.

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 Bond Trustee or to any abatement or diminution of the amount payable under the Notes. All real and personal property acquired with Net Insurance Proceeds derived from Mortgaged Property shall be free and clear of all liens and encumbrances of any kind except Permitted Liens and become part of the Mortgaged Property and the Borrower shall take all steps necessary to subject such property to the lien and security interest of the Security Deed and to obtain an amendment to the mortgagee title policy required by the Master Indenture to insure title to all such real property acquired. Prepayments of the Notes shall be used to redeem Bonds pursuant to Section 301 of the Bond Indenture and 3.01 of the Bank Indenture.

Section 5.5 Indemnification. (a) The Borrower shall at all times protect, indemnify and save harmless the Authority and the Bond Trustee (together, the "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (hereinafter referred to as "Damages"), including without limitation (1) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the Borrower, (2) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Borrower, the Facilities or the Indemnitees, (3) any judgments, penalties, fines, damages, assessments, indemnities or contributions, and (4) the reasonable fees of attorneys, auditors, and consultants, provided that the Damages arise out of:

(1) failure by the Borrower or its officers, employees or agents, to comply with the terms of the Financing Instruments, and any agreements, covenants, obligations, or prohibitions set forth therein;

(2) any action, suit, claim or demand contesting or affecting the title of the Facilities;

(3) any breach of any representation or warranty set forth in the Financing Instruments or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Borrower contains or contained any untrue or misleading statement of fact or omits or omitted to state any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(4) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Facilities or the Project;

(5) any suit, action, administrative proceeding, audit, enforcement action, or governmental or private action of any kind whatsoever commenced against the Borrower, the Facilities, the Project or the Indemnites that might adversely affect the validity, enforceability or tax-exempt status of the Bonds, the Financing Instruments, or the performance by the Borrower or any Indemnitee of any of their respective obligations thereunder; or

(6) the acceptance or administration of this Loan Agreement, the Indentures, the Master Indenture or any related documents to which the Bond Trustee or the Authority are a party;

provided that such indemnity shall be effective only to the extent of any loss that may be sustained by the Indemnites in excess of the proceeds net of any expenses of collection, received by them or 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 Indemnites.

(b) If any action, suit or proceeding is brought against the Indemnites for any loss or damage for which the Borrower is required to provide indemnification under this section, the Borrower, upon request, shall at its expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Borrower and approved by the Indemnites, which approval shall not be unreasonably withheld, provided that such approval shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense pursuant to any applicable policy of insurance. The obligations of the Borrower under this section shall survive any termination of this Loan Agreement, including prepayment of the Notes and the resignation or removal of the Bond Trustee.

(c) Nothing contained herein shall require the Borrower to indemnify the Authority for any claim or liability resulting from the Authority's willful wrongful acts or the Bond Trustee for any claim or liability resulting from the Bond Trustee's gross negligence (under the standard of care set forth in Article X of the Indentures) or the Bond Trustee's willful, wrongful acts.

(d) All references in this section to the Authority and the Bond Trustee, including references to Indemnites, shall include their directors, commissioners, officers, employees and agents.

Section 5.6 Maintenance of 501(c)(3) Status; Prohibited Activities. The Borrower shall file all required reports and documents with the Internal Revenue Service so as to maintain its status as an organization described in Section 501(c)(3) of the Code, and the Borrower shall not operate the Facilities, including the Project and the facilities financed or refinanced with the proceeds of the Bonds, in any manner and shall not engage in any activities or take any action that might reasonably be expected to result in the Borrower ceasing to be a "501(c)(3) organization" within the meaning of Section 145 of the Code. The Borrower shall promptly notify in writing the Bond Trustee and the Authority of any loss of the Borrower's status as a "501(c)(3) organization" or of any investigation, proceeding or ruling that might result in such loss of status.

Section 5.7 Tax Covenants; Compliance with Indenture. The Borrower agrees that it will not directly or indirectly use or permit the use of any of the proceeds of the Bonds or any other of its funds, or direct the Bond Trustee to invest any funds held by the Bond Trustee under the Indentures or this Agreement, in such manner as would, or enter into, or allow any other Person to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause any Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Borrower acknowledges having read the Indentures and agrees to perform all duties imposed upon it by the

Indentures and by the Tax Agreement. Insofar as the Indentures and the Tax Agreement impose duties and responsibilities on the Borrower, they are specifically incorporated by reference into this Agreement.

Section 5.8 Investment and Use of Trust Funds. An Authorized Representative of the Borrower shall provide instructions for the investment, in accordance with Article VII of the Indentures, of all funds held by the Bond Trustee under the Indentures.

Section 5.9 Operation of the Facilities. The Borrower will operate the Facilities, or cause such Facilities to be operated, as facilities for the residence and care of the aged until payment of the Notes in full.

Section 5.10 Continuing Disclosure. The Borrower covenants and agrees to comply with the continuing disclosure requirements under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”), as they may from time to time hereafter be amended or supplemented, and to incur all costs associated with such continuing disclosure requirements to the extent the Bonds are subject to the Rule, however, failure to comply with such requirements shall not constitute an Event of Default hereunder or any other Financing Documents. The Borrower’s continuing disclosure obligations are further set out in the Continuing Disclosure Agreement.

Section 5.11 Rating Solicitation. The Borrower covenants to, not later than sixty (60) days after receipt of the Financial Statements for the Fiscal Year ending on December 31, 2023, and each Fiscal Year thereafter, to retain a Retirement Industry Consultant to assess the likelihood of whether the Obligated Group could obtain from any of the Rating Agencies a credit rating of “Baa3” or “BBB-” (or an equivalent rating) or better (an “Investment Grade Credit Rating”). The Obligated Group will provide the Retirement Industry Consultant such information as it may reasonably request in order to assist it in making such assessment. If the Retirement Industry Consultant determines that such a rating is obtainable, the Obligated Group will, at its sole expense, solicit and make a good faith effort to obtain such rating. Once an Investment Grade Credit Rating is obtained and for so long as it is maintained, this requirement will no longer be in effect. “Retirement Industry Consultant” means an investment banking firm or financial advisory firm knowledgeable and experienced in assessing the creditworthiness of organizations operating retirement facilities similar to the Facilities.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Event of Default Defined. Each of the following events shall be an Event of Default:

(a) Failure of the Borrower to make any payment on the Notes when the same becomes due and payable, whether at maturity, redemption, acceleration or otherwise pursuant to the terms thereof or this Loan Agreement.

(b) Failure of the Borrower to observe or perform any other covenant, condition or agreement hereunder, including covenants applicable to other Members of the Obligated Group pursuant to Section 5.1, for a period of 30 days after notice in writing (unless the Borrower and the Bond Trustee 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 Authority or the Bond Trustee to the Borrower, or in the case of any default which can be cured, but cannot with due

diligence be cured within such 30 day period, failure by the Borrower to proceed promptly to prosecute the curing of the same with due diligence and to cure such within 90 days.

(c) An Event of Default under the Master Indenture, the Security Deed or the Indentures.

(d) The Master Trustee shall have declared the aggregate principal amount of any Obligation issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with Section 4.02(a) of the Master Indenture.

Section 6.2 Remedies on Default. Whenever an Event of Default shall have happened and be continuing, the Bond Trustee, as the assignee of the Authority, but subject to the provisions of the Indentures, or the Authority (in the case of the Authority's Unassigned Rights in the event the Bond Trustee fails to act under this section) may:

(a) Declare all amounts due under this Loan Agreement and the Notes to be immediately due and payable, whereupon all such payments shall become and shall be immediately due and payable; and

(b) Take any action at law or in equity necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the Borrower under the Notes or this Loan Agreement.

Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the Notes to be immediately due and payable except in accordance with the provisions of the Master Indenture or at the direction of the Master Trustee in the event the Master Trustee shall have declared the aggregate principal amount of the Notes issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with the Master Indenture.

If the Bond Trustee exercises any of its rights or remedies under this section, it shall give notice of such exercise to the Borrower (1) in writing in the manner provided in Section 8.2 and (2) by Electronic Means, provided that failure to give such notice by Electronic Means shall not affect the validity of the exercise of any right or remedy under this section.

Section 6.3 Application of Amounts Realized in Enforcement of Remedies. Any amounts collected pursuant to action taken under Section 6.2 hereof shall be applied in accordance with the provisions of Section 905 of the Bond Indenture and Section 9.07 of the Bank Indenture, or, if payment of the Bonds shall have been made, shall be applied according to the provisions of Section 609 of the Bond Indenture and Section 6.11 of the Bank Indenture.

Section 6.4 No Remedy Exclusive. No remedy herein conferred on or reserved to the Authority or the Bond Trustee or the holder of the Notes 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 6.5 Attorneys' Fees and Other Expenses. Upon an Event of Default, the Borrower shall on demand pay to the Authority and the Bond Trustee the reasonable fees and expenses of attorneys

and other reasonable expenses incurred by them in the collection of payments due on the Notes or the enforcement of performance of any other obligations of the Borrower.

Section 6.6 **No Additional Waiver Implied by One Waiver.** If either party or its assignee waives a default by the 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 default hereunder.

ARTICLE VII

PREPAYMENT OF NOTES

Section 7.1 **Option To Prepay Notes.** The Borrower shall have the option to prepay the Notes in full and terminate this Agreement if one of the following has occurred:

(a) Damage or destruction of all or a portion of the Mortgaged Property by fire or other casualty to such extent that, or loss of title to or use of substantially all of one or more of the specific facilities that comprise the Mortgaged Property as a result of the exercise of the power of eminent domain or failure of title to the extent that, in the opinion of both the Borrower's Board of Trustees (expressed in a resolution) and an independent architect or engineer, both filed with the Bond Trustee, (1) the applicable portion of the Mortgaged Property cannot be reasonably repaired, rebuilt or restored within a period of 12 months to their condition immediately preceding such damage or destruction, or (2) the Borrower is prevented from carrying on its normal operations at the applicable portion of the Mortgaged Property for a period of 12 months, or (3) the cost of repairs, rebuilding or restoration would exceed, by more than one percent of Book Value, the Net Insurance Proceeds of insurance (including self-insurance) plus the amounts for which the Borrower is self-insured with respect to deductible amounts.

(b) A change in the Constitution of Georgia or of the United States of America or a legislative or administrative action (whether local, state or federal) or a final decree, judgment or order of any court or administrative body (whether local, state or federal) contested by the Borrower in good faith which causes this Agreement or the Notes to become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed herein or unreasonable burdens or excessive liabilities to be imposed on the Authority or the Borrower.

(c) The Borrower shall have the option to prepay the Notes in part without premium following loss of title to or use of a portion of the Mortgaged Property as a result of the exercise of the power of eminent domain or failure of title, or damage to or destruction of the Mortgaged Property if the Borrower shall have furnished to the Bond Trustee:

(1) an Officer's Certificate certifying that the projected Obligated Group Long-Term Debt Service Coverage Ratio for each of the next two full Fiscal Years is not less than 1.30, as shown by projected financial statements for such period, accompanied by a statement of the relevant assumptions upon which such projected financial statements are based; or

(2) a written forecast, projection or other report of a Consultant to the effect that, for each of the next two full Fiscal Years, the projected Obligated Group Long-Term Debt Service Coverage Ratio is not less than 1.20.

The principal amount of the Notes that may be prepaid in part may not exceed the principal amount of the Bonds permitted to be redeemed as determined in accordance with Section 301(a) of the Bond Indenture and Section 3.02 of the Bank Indenture.

(d) To exercise any of the above options, the Borrower shall within 120 days after the event permitting their exercise file the required resolutions and opinions with the Authority and the Bond Trustee and specify a date not more than 60 days thereafter for making such prepayment. In such case the Authority shall cause the Bond Trustee to redeem the Bonds as provided in Section 301(a) of the Bond Indenture and Section 3.02 of the Bank Indenture.

Section 7.2 Option to Prepay Notes in Whole. The Borrower shall have the option to prepay the Notes in whole, with any applicable premium, and terminate this Loan Agreement before payment of the Bonds so long as any such payment allocable to principal of the Notes shall be used contemporaneously to discharge a like amount of Bonds; provided, however, that the covenants in Sections 4.7, 5.5, 5.6 and 5.7 shall continue until the final maturity date of all Bonds or the earlier date on which provision for payment for all Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter. In such case the Authority shall cause the Bond Trustee to redeem the Bonds as provided in Section 301 of the Bond Indenture and Section 3.02 of the Bank Indenture.

Section 7.3 Option To Prepay Notes in Part. The Borrower shall have the option to prepay the Notes in part, with any applicable premium, so long as any such payment allocable to principal of the Notes shall be used contemporaneously to discharge a like amount of Bonds. The amount so prepaid shall, so long as all payments then due under the Notes have been made (a) if Bonds are then redeemable as provided in Section 301 of the Bond Indenture and Section 3.02 of the Bank Indenture be used to redeem Bonds to the extent possible under such section, and (b) if Bonds are not then redeemable, be transferred to the Bond Fund.

Section 7.4 Amount Required for Prepayment. To prepay the Notes in whole or in part under Sections 5.4, 7.1, 7.2 or 7.3, the Borrower shall pay to the Bond Trustee, for deposit in the Bond Funds of the Indentures, an amount of cash and Defeasance Obligations, as defined in the Bond Indenture, and Government Obligations, as defined in the Bank Indenture, that will be sufficient (1) in the case of prepayment in whole, to discharge the lien of the Bond Indenture pursuant to Section 801 thereof and the Bank Indenture, pursuant to Section 8.01 thereof, and (2) in the case of prepayment in part, to cause any Bonds that will be paid with the prepayment to be no longer Outstanding under the Bond Indenture and the Bank Indenture. If the Borrower has prepaid the Notes, as provided above, the Borrower shall not direct the expenditure of any funds from such prepayment in the Bond Fund for any purpose other than the payment of principal of or premium, if any, or interest on the Bonds to be paid. The Borrower shall instruct the Bond Trustee to give the notice of redemption required by Section 302 of the Bond Indenture and Section 3.03 of the Bank Indenture if any of the Bonds are to be paid other than at maturity.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Term of Loan Agreement. This Loan Agreement shall be effective upon its execution and delivery and, subject to earlier termination upon prepayment in full of the Notes and other amounts described in Articles IV, VI and VII, shall expire on the first date upon which the Bonds are no longer Outstanding; provided, however, that the covenants in Sections 5.5, 5.6 and 5.7 shall continue until the final maturity date of all Bonds or the earlier redemption date on which provision for payment for all Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter. In such case

the Authority shall cause the Bond Trustee to redeem the Bonds as provided in Section 301 of the Bond Indenture and Section 3.02 of the Bank Indenture.

Section 8.2 **Notices.** Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid or by overnight courier service, or by hand delivery, or by Electronic Means, addressed as follows:

If to any Member of the: Obligated Group	Westminster Presbyterian Homes, Inc. 301 East Screven Street Quitman, Georgia 31643 Attention: Chief Financial Officer Telephone: (229) 263-6193 Facsimile: (229) 263-6195 Email: darrendale@phgainc.org
If to the Authority:	Oconee County Industrial Development Authority 23 North Main Street Watkinsville, Georgia 30677 Attention: Chairman
With a copy to:	Daniel C. Haygood, Esquire Two South Main Street, Suite C Watkinsville, Georgia 30677 Telephone: (706) 310-0001 Email: daniel@dch2001.com
If to the Bond Trustee:	Branch Banking and Trust Company 223 West Nash Street Wilson, North Carolina 27893 Attention: Corporate Trust Services Telephone: (704) 838-8915 Facsimile: (252) 246-4303 Email: crhodebeck@bbandt.com
If to the Underwriter:	BB&T Capital Markets 901 East Bryd Street, Suite 260 Richmond, Virginia 23219 Attention: John R. Franklin Telephone: (804) 649-3943 Facsimile: (804) 649-3964 Email: jfranklin@bbandtcm.com
If to the Series 2018A-4 Bondowner:	Synovus Bank 3400 Overton Park Drive SE, 5 th Floor Atlanta, Georgia 30339 Attention: Bradley C. Beard Telephone: (770) 751-4718 Facsimile: (888) 338-8565 Email: bradbeard@synovus.com

If to the Series 2018A-5 Bondowner: STI Institutional & Government, Inc.
1155 Peachtree Street, NE, 8th Floor
Atlanta, Georgia 30309
Attention: Randall Loggins
Telephone: (404) 813-0400
Email: randall.loggins@suntrust.com

A duplicate copy of each demand, notice, approval, request, consent, opinion or other communication given hereunder shall be given to all the parties listed above. The parties listed above may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed. Until so changed, the address for the Bond Trustee provided above will be its designated corporate trust office.

Section 8.3 Amendments to Loan Agreement and Notes. Neither this Loan Agreement nor the Notes shall be amended or supplemented and no substitution shall be made for the Notes before payment of the Bonds without the consent of the Bond Trustee and the Authority (except as described in Section 4.7), given in accordance with and subject to Article XI of the Indentures .

Section 8.4 Successors and Assigns. This Loan Agreement shall be binding on, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 8.5 Severability. If any provision of this Loan Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 8.6 Applicable Law; Entire Understanding. This Loan Agreement and the Notes shall be governed by the applicable laws of the State of Georgia. This Loan Agreement and the Notes (including the applicable provisions of the Indentures, the Master Indenture and the Tax Agreement) express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

Section 8.7 Limitation of Liability of Directors of Authority and Borrower. No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, trustee, officer, employee or agent of the Authority or the Borrower in his individual capacity so long as he acts in good faith, and no such director, officer, employee or agent shall be subject to any liability under this Loan Agreement or the Notes or with respect to any other action taken by him provided that he acts in good faith.

Section 8.8 Counterparts. This Loan Agreement may be executed in several counterparts, each of which together shall be an original and all of which shall constitute one instrument.

Section 8.9 Further Assurances. The Authority and the Borrower agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Loan Agreement.

Section 8.10 USA Freedom Act Requirements of the Bond Trustee. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. Accordingly, the Bond Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity.

The Bond Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

Section 8.11 **Third Party Beneficiary.** The Bond Trustee shall be a third party beneficiary under this Loan Agreement.

Section 8.12 **Consent to Jurisdiction and Service.** To the fullest extent permitted by applicable law, the Borrower hereby irrevocably submits to the jurisdiction of any federal or State court in any suit, action or proceeding based on or arising out of or relating to this Loan Agreement, the Bond Indenture, the SunTrust Bank Indenture, or the Synovus Bank Indenture, and irrevocably agrees that all claims in respect of such suit or proceeding may be determined in any such court. The Borrower irrevocably waives, to the fullest extent permitted by law, any objection which it may have to the laying of the venue of any such suit, action or proceeding brought in an inconvenient forum. The Borrower agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon the Borrower, and may be enforced in any courts to the jurisdiction of which the Borrower is subject by a suit upon such judgment, provided, that service of process is effected upon the Borrower in the manner specified herein or as otherwise permitted by law. To the extent the Borrower has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, executor or otherwise) with respect to itself or its property, the Borrower hereby irrevocably waives such immunity in respect of its obligations under this Loan Agreement to the extent permitted by law.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Authority and the Borrower has caused this Loan Agreement to be executed in their respective corporate names.


[SEAL]



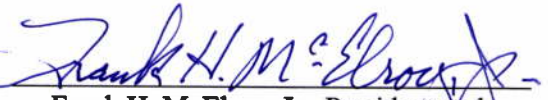
**OCONEE COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

By: 
Chairman

Attest:


Secretary

**WESTMINSTER PRESBYTERIAN
HOMES, INC.**

By: 
**Frank H. McElroy, Jr., President and
Chief Executive Officer**

[SEAL]

Attest:


Alex Patterson, Assistant Secretary