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**SECOND SUPPLEMENTAL BOND INDENTURE**

**Dated as of January 1, 2020**

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**Between**

**ABAG FINANCE AUTHORITY FOR NONPROFIT  
CORPORATIONS**

**And**

**WELLS FARGO BANK, NATIONAL ASSOCIATION  
as Bond Trustee**

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**Supplementing the Bond Indenture dated as of October 1, 2013  
Relating to the  
\$99,423,319  
ABAG Finance Authority for Nonprofit Corporations  
Variable Rate Refunding Revenue Bonds  
(Acacia Creek at Union City)  
Series 2013A**

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## SECOND SUPPLEMENTAL BOND INDENTURE

**This SECOND SUPPLEMENTAL BOND INDENTURE** dated as of January 1, 2020 (the “*Second Supplemental Bond Indenture*”), between **ABAG FINANCE AUTHORITY FOR NONPROFIT CORPORATIONS**, a joint exercise of powers agency organized and existing under the laws of the State, and its successors and assigns (the “*Issuer*”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, qualified to accept and administer the trusts hereunder, as trustee (the “*Bond Trustee*”);

WHEREAS, the Issuer has issued its ABAG Finance Authority for Nonprofit Corporations Variable Rate Refunding Revenue Bonds (Acacia Creek at Union City), Series 2013A (the “*Bonds*”) in the original aggregate principal amount of Ninety-Nine Million Four Hundred Twenty-Three Thousand Three Hundred Nineteen Dollars (\$99,423,319) pursuant to that certain Bond Indenture dated as of October 1, 2013 (the “*Original Bond Indenture*”), for the purposes set forth therein;

WHEREAS, the Bond Indenture provides that interest on the Bonds will bear interest at an Indexed Put Rate for an Indexed Put Rate Period, each such period ending on an Indexed Put Date;

WHEREAS, Section 202(b)(7) of the Bond Indenture provides that not later than ninety (90) days prior to any Indexed Put Date, the Borrower may provide written notice to the Purchaser of its desire for the Purchaser to continue to hold the Bonds for a new Indexed Put Rate Period, after which the Purchaser will make reasonable efforts to respond to such request after receipt of all information necessary to permit the Purchaser to make an informed credit decision, including the Applicable Factor and Applicable Spread;

WHEREAS, pursuant to a First Supplemental Bond Indenture dated as of April 1, 2015 (the “*First Supplemental Bond Indenture*”), a new Indexed Put Rate Period with an Indexed Put Date of March 31, 2020, was established, without adjustment of the Applicable Factor or the Applicable Spread;

WHEREAS, the Borrower and the Purchaser, after discussion and a review of relevant credit information, desire to establish a new Indexed Put Rate Period with an Indexed Put Date of January 7, 2022, and to adjust the mechanism for adjusting the interest rate on the Bonds and to provide for other matters;

WHEREAS, the Issuer and the Bond Trustee desire to enter into this Second Supplemental Bond Indenture to so establish such new Indexed Put Rate Period and interest rate setting mechanism and to provide for such other matters;

WHEREAS, the Issuer has determined that all acts and proceedings required by law necessary to constitute this Second Supplemental Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms have been done and taken, and the execution and delivery of this Second Supplemental Bond Indenture have been in all respects duly authorized;

NOW, THEREFORE, effective as of Effective Date, the Issuer covenants and agrees with the Bond Trustee, for the equal and proportionate benefit of the respective owners of the Bonds, as follows:

1. Definitions. Capitalized terms used but not otherwise defined in this Second Supplemental Bond Indenture shall have the meanings ascribed to them in the Bond Indenture.

2. Interpretation.

a. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to mean and include the neuter, masculine or feminine gender, as appropriate.

b. Headings of section herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

3. Definitions

a. Section 101 of the Indenture is amended to insert the following definitions in the appropriate alphabetical order therein:

*“Credit Rating”* shall mean the standalone, unenhanced credit rating assigned to Guarantor by S&P. References to the Credit Rating herein are references to rating categories as presently determined by S&P and in the event of adoption of any new or changed rating system by S&P, the Credit Rating referred to herein shall be deemed to refer to the rating category under the new rating system that most closely approximates the applicable rating category as currently in effect. Changes in outlook with respect to the Credit Rating shall have no effect on the Applicable Spread.

*“Effective Date”* shall mean the “Amendment Effective Date” as defined in Section 4 of the Second Amendment to Continuing Covenant Agreement by and between Borrower and Purchaser.

*“Margin Rate Factor”* shall mean the quotient of: (A) 1.0 minus the Maximum Federal Corporate Tax Rate in effect from time to time divided by (B) 1.0 minus the Maximum Federal Corporate Tax Rate in effect as of the Effective Date, *provided* that, from and after April 1, 2020, the Applicable Factor multiplied by the Margin Rate Factor shall never be less than 70%. The effective date of any change in the Margin Rate Factor shall be the effective date of the corresponding decrease or increase (as applicable) in the Maximum Federal Corporate Tax Rate.

*“Maximum Federal Corporate Tax Rate”* shall mean the marginal federal corporate income tax rate at the highest income bracket of corporations in effect in the United States from time to time.

*“S&P”* shall mean S&P Global Ratings, a Standard & Poor’s Financial Services business.

b. The definition of “LIBOR Index” in the Indenture shall be amended in its entirety to be as follows:

*“LIBOR Index”* shall mean a rate of interest per annum equal to the London Interbank Offered Rate, or a comparable or successor rate which rate is approved by Bank of America, N.A., for a period equal in length to an Interest Period, as published on the applicable Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Purchaser from time to time) at approximately 11:00 a.m., London time, two (2) London Banking Days prior to the commencement of each Interest Period, for U.S. Dollar deposits (for delivery on the first day of such Interest Period), as adjusted from time to time in the Purchaser’s sole discretion for reserve requirements, deposit insurance assessment rates and other regulatory costs. If such rate is not available at such time for any reason, then the rate will be determined by such alternate method as reasonably selected by Bank of America, N.A. and such rate shall be applied in a manner consistent with market practice; provided, that to the extent such market practice is not administratively feasible for Bank of America, N.A., such approved rate shall be applied in a manner as otherwise reasonably determined by Bank of America, N.A. If the LIBOR Index would otherwise be less than zero, such rate shall be deemed zero for purposes of this Indenture. If the London Interbank Offered Rate (or a comparable or successor rate) shall be less than zero, such rate shall be deemed zero for purposes of this Indenture. The Purchaser’s determination of the LIBOR Index shall be conclusive, absent manifest error.

c. The definition of “LIBOR Index Rate” in the Indenture shall be amended in its entirety to be as follows:

*“LIBOR Index Rate”* shall mean a per annum rate of interest equal to the product of (i) the sum of (A) the Applicable Spread plus (B) the product of the LIBOR Index multiplied by the Applicable Factor, and from and including April 1, 2020 through the Indexed Put Date of January 7, 2022, multiplied by (ii) the Margin Rate Factor, *provided* that, at any time and from time to time, in the event that the Credit Rating is less than “AA-” for any reason, the Applicable Spread will increase by fifteen basis points (0.15%) per

annum per rating category reduction, on a cumulative basis, below “AA-“ (for example, a rating reduction by S&P from “AA-” to “A+” would constitute one rating category reduction for purposes of this definition, and from “AA-” to “A” would constitute two rating category reductions). Each change in the Applicable Spread resulting from a change in the Credit Rating shall be effective, in the case of an upgrade, during the period commencing on the date of such upgrade (as demonstrated by the notice delivered by the Borrower (or the Guarantor on behalf of the Borrower) to the Purchaser) and ending on the date immediately preceding the effective date of the next such change and, in the case of a downgrade, during the period commencing on the date of such downgrade and ending on the date immediately preceding the effective date of the next such change. In the event that the Credit Rating is suspended, cancelled or withdrawn for any reason, then, upon the occurrence of the foregoing, the Applicable Spread will increase automatically by one hundred and fifty basis points (1.50%) per annum, adjusted on the date that any such rating is suspended, cancelled or withdrawn, without notice to the Borrower, which notice is hereby waived. If, after the date of such suspension, cancellation or withdrawal of the Credit Rating, the Credit Rating is reissued, a new Credit Rating is issued or the suspension of the Credit Rating is removed (the “reinstatement”), the one hundred and fifty basis points (1.50%) increase with respect to the Applicable Spread shall be eliminated as of the date of S&P’s reinstatement. Notwithstanding the foregoing, in the event that S&P withdraws the Credit Rating as a result of its cessation of issuing Credit Ratings to all entities that provide assisted living care to the elderly, the Borrower (or the Guarantor on behalf of the Borrower) shall have one hundred and fifty (150) days to procure a credit rating from another rating agency reasonably satisfactory to the Purchaser before any adjustment to the Applicable Spread shall take effect. In addition to the foregoing, in the event that an Event of Default shall occur and be continuing, then, upon the occurrence of the foregoing, the Applicable Spread will increase automatically by three hundred basis points (3.00%) per annum, adjusted on the date that any such Event of Default occurs, without notice to the Borrower, which notice is hereby waived. All of the foregoing increases shall be cumulative.

d. The definition of “Taxable Rate” in the Indenture shall be amended in its entirety to be as follows:

“*Taxable Rate*” shall mean, with respect to a Taxable Period (as defined in the Continuing Covenant Agreement), the product of (i) the average interest rate on the Bonds during such period and (ii)

(A) 1.0 divided by (B) (1.0 minus the Maximum Federal Corporate Tax Rate), truncated to the fourth decimal place.

4. New Indexed Put Rate Period. From and after the Effective Date, there shall be an Indexed Put Rate Period having an Indexed Put Date of January 7, 2022.

5. Applicable Factor and Applicable Spread. As of the date hereof, (i) and through and including March 31, 2020, the Applicable Factor is 67%, and the Applicable Spread is 60 basis points (0.60%); and (ii) from and including April 1, 2020 through the Indexed Put Date of January 7, 2022, the Applicable Factor shall be 80% and the Applicable Spread shall be 35 basis points (0.35%) (*provided* that, in each case, such Applicable Spread subject to adjustment from time to time as provided in the Bond Indenture and this Second Supplemental Bond Indenture).

6. Ratification of Bond Indenture. As supplemented hereby, the Bond Indenture is in all respects ratified and confirmed and the Bond Indenture and this Second Supplemental Bond Indenture shall be read, taken and construed as one and the same instrument.

7. Counterparts. This Second Supplemental Bond Indenture may be executed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

8. Governing Law. This Second Supplemental Bond Indenture shall be governed by and construed in accordance with the laws of the State of California.

***[Remainder of Page Intentionally Left Blank]***

**IN WITNESS WHEREOF**, the Issuer and the Bond Trustee have caused this Second Supplemental Bond Indenture to be duly executed by their duly authorized officers, as of the day and year first above written.

**ABAG FINANCE AUTHORITY FOR NONPROFIT  
CORPORATIONS**

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

**WELLS FARGO BANK, NATIONAL  
ASSOCIATION**, as Bond Trustee

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

### **CONSENT OF PURCHASER**

Banc of America Public Capital Corp, being the Purchaser of all of the ABAG Finance Authority for Nonprofit Corporations Variable Rate Refunding Revenue Bonds (Acacia Creek at Union City), Series 2013A in the original aggregate principal amount of \$99,423,319, hereby consents to the execution and delivery of the Second Supplemental Bond Indenture to which this Consent is attached, and the establishment of a new Indexed Put Rate Period ending January 7, 2022 and other matters.

**BANC OF AMERICA PUBLIC CAPITAL CORP**, as  
Purchaser

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

### **CONSENT OF BORROWER**

Acacia Creek, a Masonic Senior Living Facility at Union City, a California nonprofit public benefit corporation, being the Borrower of all of the proceeds of the ABAG Finance Authority for Nonprofit Corporations Variable Rate Refunding Revenue Bonds (Acacia Creek at Union City), Series 2013A in the original aggregate principal amount of \$99,423,319, hereby consents to the execution and delivery of the Second Supplemental Bond Indenture to which this Consent is attached, and the establishment of a new Indexed Put Rate Period ending January 7, 2022 and other matters.

**ACACIA CREEK, A MASONIC SENIOR LIVING  
FACILITY AT UNION CITY**, as Borrower

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