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Utah County Recorder

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RECORDED FOR Fidelity National Title Agency of Utah, LLC (10459S 1300W Ste203 UT 840)
ELECTRONICALLY RECORDED

INDENTURE OF TRUST AND PLEDGE

Dated as of December 1, 2021

between

BRIXTON PARK IMPROVEMENT ASSOCIATION NO. 1
a Utah Nonprofit Corporation
as Issuer

and

UMB BANK, N.A.,
as Trustee

Authorizing the issuance and sale of

\$56,213,000
Special Assessment Bonds
Series 2021
(Taxable)

TAX FDS 58041-0021
0238

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THIS INDENTURE OF TRUST AND PLEDGE, dated as of December 1, 2021 (the "Indenture"), by and between BRIXTON PARK IMPROVEMENT ASSOCIATION NO. 1, a Utah nonprofit corporation created and validly existing under the laws of the State of Utah (the "Issuer"), and UMB BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having an office in Phoenix, Arizona, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, on November 12, 2021, the Articles of Incorporation of the Issuer were filed in the State of Utah Department of Commerce, creating the Issuer; and

WHEREAS, upon issuance of the Bonds, the Declaration of Covenants, Conditions, and Restrictions (the "Declaration") will be recorded on the records of Utah County, Utah; and

WHEREAS, the Utah Revised Nonprofit Corporation Act, Title 16, Part 3, Utah Code Annotated 1953, as amended (the "Nonprofit Act"), provides that a nonprofit corporation may issue bonds and improve real property; and

WHEREAS, the Community Association Act, Title 57, Part 8a, Utah Code Annotated 1953, as amended (the "HOA Act" and together with the Nonprofit Act, the "Act"), provides that a community association may levy an assessment against the owners of property within the community association; and

WHEREAS, in accordance with the Declaration the Issuer levied (and will levy) certain assessments (as hereinafter defined, the "Assessments") against the real property encumbered by the Declaration (as hereinafter defined, the "Assessed Property") for the purpose of servicing and repaying the Bonds (as defined below); and

WHEREAS, in compliance with Section 57-8a-105 of the HOA Act, the Issuer did register with the State of Utah Department of Commerce in accordance with the requirements of such Department and the laws of the State of Utah; and

WHEREAS, on November 23, 2021 Brixton Park Management LLC, as declarant under the Declaration and the governing authority of the Issuer (the "Declarant"), caused the issuer to adopt a resolution authorizing the issuance of the Issuer's Special Assessment Bonds, Series 2021 (Taxable), in the total principal amount of \$56,213,000 (the "Bonds") for the purpose of (i) financing the costs of including but not limited to, improvements for public use such as all right-of-way improvements, streets and roads, utilities, pedestrian and bicycle paths, and trails, parks, and other open space, along with other related improvements (collectively, the "Improvements"); (ii) reimbursing the Developer for costs of purchasing the real estate on which infrastructure improvements and amenities will be constructed and of the costs of utility fees, connection fees, and impact fees (the "Developer Reimbursements"); (iii) paying capitalized interest; (iv) funding a deposit to the reserve fund; and (v) paying costs of issuing the Bonds; and

WHEREAS, the Declarant has caused the Issuer to adopt the Bylaws and acknowledge the Issuer's duties, obligations and responsibilities pursuant to the Declaration, and to confirm the Assessment Plan (as described in the Declaration) for the levying of assessments against the Assessed Property; and

WHEREAS, the Bonds shall be payable solely from (a) certain funds on deposit herein and (b) the levy of Assessments against the Assessed Properties, which are benefited by the Improvements, and shall not constitute or give rise to a general obligation or general liability of the Issuer, or any political subdivision of the State of Utah, or constitute a charge against the general credit of the Issuer; and

WHEREAS, the Issuer hereby determines that it is reasonable, necessary, and prudent at this time to issue the Bonds as provided herein;

NOW, THEREFORE, THIS INDENTURE OF TRUST AND PLEDGE WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds according to their tenor and effect, and the performance and observance by the Issuer of all the covenants expressed or implied herein and in the Bonds, the Issuer does hereby convey, assign, and pledge unto the Trustee and unto its successors in trust forever all right, title, and interest of the Issuer in and to (a) the Assessments, (b) all moneys in funds and accounts and properties held by the Trustee hereunder, and (c) all other rights hereinafter granted for the further securing of the Bonds, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, for the equal and proportionate benefit, security, and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any Bond over any other Bond by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or

provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured, and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Assessments are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I
DEFINITIONS; AUTHORITY

Section 1.1 Definitions. As used in this Indenture, unless the context shall otherwise require, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

“Act” means collectively, the Nonprofit Act and the HOA Act, as defined in the recitals.

“Additional Bonds” means all bonds issued under this Indenture other than the Bonds.

“Administrative Costs Account” means the Administrative Costs Account established within the Bond Fund pursuant to Section 4.3 herein.

“Administrator” means an officer or employee of the Issuer or third party designee of the Issuer designated in writing to the Trustee who is not an officer or employee thereof, who shall have the responsibilities provided in this Indenture, the Declaration, or any other agreement or document approved by the Issuer relating to the duties and responsibilities of Issuer in the administration of its duties and obligations under this Indenture. The Administrator, when acting within the scope of its responsibilities as set forth in writing, shall be an Authorized Representative of the Issuer with respect to those particular responsibilities set forth therein; subject to oversight, control and approval of its actions by the Authorized Representatives of the Issuer.

“Aggregate Annual Debt Service” means the total debt service for any one Bond Fund Year (or other specific period) on all Bonds and Additional Bonds Outstanding or any specified portion thereof.

“Assessed Property” means the parcels of real property encumbered by the Declaration, subject to the Assessment lien of the Issuer and which are benefited by the Improvements, as shown in Exhibit F.

“Assessment Fund” means the Brixton Park Improvement Association No. 1 Assessment Fund created in Section 4.1 hereof to be held and administered by the Issuer.

“Assessments” means those assessments levied and received under the Declaration against the Assessed Property.

“Authorized Representative” means the Declarant or, if Declarant elects to form a Board of Directors for the Issuer, the Chair of the Board and members of said Board, or any officer of Issuer or other person duly designated and authorized by Declarant (or any such Board) to act as the Authorized Representative of the Issuer hereunder when acting within the scope of their authorization.

“Board” means the Board of Directors of the Issuer if or when constituted by the Declarant in accordance with the Declaration and Bylaws of the Issuer.

“Bond Fund” means the Brixton Park Improvement Association No. 1 Bond Fund created in Section 4.3 hereof to be held by the Trustee and administered pursuant to Section 5.2 hereof.

“Bond Fund Year” means the 12-month period beginning January 1 of each year and ending the next succeeding December 31, except that the first Bond Fund Year shall begin on the date of delivery of the Bonds and shall end on the next succeeding December 31.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated November 22, 2021 by and between the Issuer and the Underwriter.

“Bond Registrar” means the Trustee (or other party designated as Registrar by Supplemental Indenture) appointed as the initial registrar for the Bonds pursuant to Section 11.7 hereof, and any additional or successor registrar appointed pursuant hereto.

“Bondholder,” “Bondowner,” “Registered Owner,” or “Owner” means the person or persons in whose name or names any Bond or Additional Bond is registered.

“Bonds” means the Brixton Park Improvement Association No. 1 \$56,213,000 Special Assessment Bonds, Series 2021 (Taxable) authorized for issuance herein.

“Business Day” means any day, except Saturday or Sunday, on which banking business is transacted, but not including any day on which banks are authorized to be closed in the city in which the Trustee has its Corporate Trust Office.

“Capitalized Interest Account” means the Capitalized Interest Account established within the Bond Fund pursuant to Section 4.3 herein.

“Cede” means Cede & Co., the nominee of DTC as record owner of the Bonds, or any successor nominee of DTC with respect to the Bonds.

“Construction Fund” means the Brixton Park Improvement Association No. 1 Construction Fund created in Section 4.2 hereof to be held and administered by the Trustee pursuant to **Error! Reference source not found.** hereof.

“Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016.

“Cost of Issuance Fund” means the Brixton Park Improvement Association No. 1 Cost of Issuance Fund created in Section 4.5 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

“Debt Service Reserve Requirement” means, with respect to the Bonds, an amount initially equal to \$4,519,062.50 which amount shall be adjusted as prepayments are made as provided herein. The Debt Service Reserve Requirement shall be funded as herein provided. The Debt Service Reserve Requirement for any Additional Bonds will be provided in the related Supplemental Indenture.

“Declaration” means the Declaration of the Issuer dated as of December 1, 2021 levying assessments against the Assessed Property.

“Declarant” means the Brixton Park Management LLC, acting in lieu of an Issuer board of directors as the Authorized Representative of the Issuer.

“Developer” means Saratoga 262 Partners LLC, a Utah limited liability company, and its successors or assigns.

“Developer Reimbursements” means collectively, the reimbursement to the Developer for costs of purchasing the real estate on which infrastructure improvements and amenities will be constructed and of the costs of utility fees, connection fees, and impact fees.

“Event of Default” means any occurrence or event specified in and defined as such by Section 8.1(a) hereof.

“Foreclosure Agent” means and refers to the “Association Trustee” as identified and authorized under the Declaration to enforce, through foreclosure, the Assessment payment obligations against individual owners of Assessed Property in accordance with the terms of the Declaration.

“Government Obligations” means solely one or more of the following:

- (a) State and Local Government Series issued by the United States Treasury (“SLGS”);
- (b) United States Treasury bills, notes and bonds, as traded on the open market;
- (c) Zero Coupon United States Treasury Bonds; and
- (d) Any other direct obligations of or obligations fully and unconditionally guaranteed as to timely payment by the United States of America

(including, without limitation, obligations commonly referred to as “REFCORP strips”).

“Improvements” means, collectively, improvements for public use such as all right-of-way improvements, streets and roads, utilities, pedestrian and bicycle paths, and trails, parks, and other open space, along with other related improvements and may include the payment of the annual fee of the Administrator.

“Indenture” means this Indenture of Trust and Pledge as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

“Interest Payment Date” means each June 1 and December 1 beginning June 1, 2022.

“Issuer” means Brixton Park Improvement Association No. 1, and its successors.

“Issuer Counsel” means Miller Harrison LLC (Murray, UT) and Jackson Tidus (Irvine, CA) or another attorney or firm of attorneys of recognized standing in matters pertaining to homeowners associations.

“Original Issue Date” means the initial delivery date of the Bonds.

“Outstanding” or “Bonds Outstanding” means at any date all Bonds which have not been redeemed or canceled and which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

“Paying Agent” means each Person appointed by the Issuer as Paying Agent with respect to the Bonds. The initial Paying Agent is UMB Bank, n.a., or its successors or assigns.

“Person” means natural persons, firms, partnerships, associations, corporations, trusts, public bodies, and other entities.

“Property Seller” means the Person selling its interest in that portion of the Assessed Property subject to a Residential Lot Sale.

“Property Seller Redemption” means a deposit by the respective Property Seller into the Bond Fund of one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption, on the respective redemption date pursuant to Section 2.5(c) hereof.

“Qualified Institutional Buyer” means such term as defined in Rule 144A promulgated pursuant to the Securities Act of 1933, as amended.

“Qualified Investments” means, if and to the extent the same are at the time legal for investment of funds held under this Indenture (such legality to be determined and certified conclusively by an Authorized Representative of the Issuer or any designee thereof, and not the Trustee), United States Dollar denominated investments in any of the following:

- (a) Government Obligations;
- (b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency;
- (c) any bond, debenture, note, participation certificate or other similar obligation issued by a government-sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank) which is either (i) rated in the highest rating category by any rating agency, or (ii) backed by the full faith and credit of the United States of America;
- (d) deposit accounts, certificates of deposit and banker’s acceptances of any bank, trust company, or savings and loan association, including the Trustee or its affiliates, which have a rating on its short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency, and which mature not more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency, and which matures not more than 270 days after the date of purchase;
- (f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any rating agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);
- (g) investment agreements with banks that at the time the agreement is executed are rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any rating agency or investment agreements with non-bank financial institutions, provided that (1) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank

financial institution is rated by any rating agency at the time the agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if the non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of the non-bank financial institution is rated by any rating agency in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by any rating agency. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including the Trustee or its affiliates), a trust company, financial services firm or a broker-dealer which is a member of the Securities Investors Protection Corporation, provided that (i) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Trustee or the Trustee's agent;

(i) investments in a money market fund, including funds of the Trustee or its affiliates, rated (at the time of purchase) in the highest rating category for this type of investment by any rating agency; and

(j) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, and whose investments consist solely of Investment Obligations as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

“Redemption Account” means the Redemption Account established within the Bond Fund pursuant to Section 4.3 herein.

“Register” means the record of ownership of the Bonds maintained by the Bond Registrar.

“Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date.

“Reserve Fund” means the Brixton Park Improvement Association No. 1 Reserve Fund created in Section 4.4 hereof to be held by the Trustee.

“Residential Lot Sale” means the sale of any portion of the Assessed Property to a homebuilder, homeowner, or other third-party that is not a Related Party to the Developer. For purpose of this definition, a party receiving conveyance of a Lot shall be deemed a “Related Party” of Developer if either Developer or any of its principals has, individually or in the aggregate, a twenty-five percent (25%) or greater voting or financial interest in such transferee. The term “Related Party” shall include any principal of Developer. As used in the foregoing, a “principal” shall be any person or entity who owns or controls, directly or indirectly, a ten percent (10%) or greater voting or financial interest in Developer. “Financial interest” shall mean an interest in the profits and/or losses of, and/or equity in, such entity.

“Series 2021 Construction Account” means the Series 2021 Construction Account established within the Construction Fund pursuant to Section 4.2 herein.

“Series 2021 Reserve Account” means the Series 2021 Reserve Account established within the Reserve Fund pursuant to Section 4.4 herein.

“State” means the State of Utah.

“Supplemental Indenture” means any supplemental indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

“Trustee” means UMB Bank, n.a., 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016, or any successor corporation or association resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

“Underwriter” means D.A. Davidson & Co., Salt Lake City, Utah.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection, and security of the Owners of the Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority, or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Indenture.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder,” and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs, and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs, and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or lead lines applied to articles, sections, and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II
AUTHORIZATION, TERMS, AND ISSUANCE OF BONDS

Section 2.1 Principal Amount, Designation, and Series. The Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the Improvements, (ii) pay the Developer Reimbursements, (iii) pay capitalized interest, (iv) fund the Series 2021 Reserve Account, and (v) pay the costs of issuance of the Bonds. The Bonds shall be limited to \$56,213,000 in aggregate principal amount, shall be issued in fully registered form, in denominations of \$100,000 or any integral multiple of \$1 in excess thereof, shall be in substantially the form and contain substantially the terms contained in Exhibit A, attached hereto and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Bonds shall be designated as, and shall be distinguished from all other bonds of the Issuer by the title, “Brixton Park Improvement Association No. 1 Special Assessment Bonds, Series 2021 (Taxable).”

Section 2.2 Date, Maturities, and Interest.

(a) The Bonds shall be dated as of their Original Issue Date, and shall mature on the dates in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Original Issue Date or unless, as shown by the records of the Trustee, interest on the Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Original Issue Date, payable on each Interest Payment Date at the rates per annum as set forth below:

| <u>Maturity</u> <u>(December 1)</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|--|-------------------------|----------------------|
| 2051 | \$56,213,000 | 6.875% |

* Term Bond

(b) Interest on the Bonds shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Nature of Obligation. The Issuer hereby pledges all Assessments levied pursuant to the Declaration to the payment of the Bonds. The Bonds, together with interest thereon, shall be special limited obligations of the Issuer payable solely from a first lien pledge of the Assessments levied and collected under the Declaration (except to the extent paid out of moneys attributable to the Bond proceeds, moneys or property collected by the Foreclosure Agent from the foreclosure of Assessed Properties or from other funds created hereunder or the income from the temporary investment thereof).

THE ISSUER IS A UTAH NONPROFIT CORPORATION AND IS NOT AN AGENCY OR INSTRUMENTALITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF AND HAS NO TAXING POWER. NO PROVISION OF THIS INDENTURE, THE BOND PURCHASE AGREEMENT, THE BONDS, THE DECLARATION, OR ANY OTHER INSTRUMENT, SHALL BE CONSTRUED AS CREATING A GENERAL OBLIGATION OF THE ISSUER, OR CREATING A GENERAL OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OR AS INCURRING OR CREATING A CHARGE UPON THE GENERAL CREDIT OF THE ISSUER. NEITHER THE STATE, NOR ANY POLITICAL SUBDIVISION THEREOF, SHALL BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR INTEREST ON THE BONDS.

Section 2.4 Payment of Principal and Interest.

(a) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Register maintained by the Bond Registrar as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such Register or owners of 100% of Bonds then Outstanding by wire transfer to a bank account located in the United States designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. The interest on the Bonds so payable and punctually paid and duly provided for on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. All payments of principal of and premium, if any, on the Bonds shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(b) The Bonds may contain or have endorsed thereon such provisions, specifications, and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise.

Section 2.5 Redemption.

(a) *Optional Redemption of the Bonds.* The Bonds are not subject to optional redemption prior to December 1, 2026. On December 1, 2026, and on any date thereafter, the Bonds shall be subject to optional redemption at the option of the Issuer, in whole or in part, at a redemption price (expressed as a percentage of

principal amount of each Bond to be redeemed) specified below, plus accrued interest to the date of redemption:

| <u>Redemption Date</u> | <u>Redemption Price</u> |
|---------------------------------------|-------------------------|
| December 1, 2026 to November 30, 2027 | 103% |
| December 1, 2027 to November 30, 2028 | 102% |
| December 1, 2028 to November 30, 2029 | 101% |
| December 1, 2029, and thereafter | 100% |

(b) *Extraordinary Mandatory Redemption.* The Bonds are subject to extraordinary mandatory redemption, in whole or in part, on any Business Day that the Issuer selects by notice to the Trustee that is given not more than forty-five (45) days after the Issuer’s receipt of Assessments collected from the foreclosure sale of delinquent property or upon determination by the Issuer that Bond proceeds are not needed for costs of Improvements, at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption in the amount of Assessments (rounded down to the nearest \$1 increment) the Issuer collects from the foreclosure or other sale of delinquent property (less amounts used for debt service on the Bonds or to replenish the accounts in the Reserve Fund) or the amount of Bond proceeds not needed for construction. Whenever less than all of the Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption among maturities of the Bonds and on a pro rata basis as nearly as practicable.

(c) *Extraordinary Mandatory Prepayment Redemption.* Upon a Residential Lot Sale, all Assessments relating to such parcel shall become due and payable. The Bonds are subject to mandatory prepayment redemption, in whole or in part, on any Business Day from prepayments of Assessments received by the Trustee (and not needed to pay debt service) relating to Residential Lot Sales, from the Property Seller Redemption and amounts transferred from the Reserve Fund, and in the amount of not less than \$1 at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed plus accrued interest to the date of redemption. Whenever less than all of the Bonds are to be redeemed, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption among mandatory sinking fund installment amounts of the Bonds and on a pro rata basis as nearly as practicable. Borrowed moneys of the Issuer may not be used for the purpose of redeeming principal of the Bonds pursuant to this Section 2.5(c).

(d) *Mandatory Sinking Fund Redemption.* (i) The Bonds are subject to mandatory sinking fund redemption at a redemption price equal to one hundred percent (100%) of the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date, as follows:

| Mandatory Sinking Fund Redemption Date (December 1) | Mandatory Sinking Fund Installment Amount |
|---|--|
| 2024 | \$654,000 |
| 2025 | 699,000 |
| 2026 | 747,000 |
| 2027 | 798,000 |
| 2028 | 853,000 |
| 2029 | 912,000 |
| 2030 | 975,000 |
| 2031 | 1,041,000 |
| 2032 | 1,113,000 |
| 2033 | 1,190,000 |
| 2034 | 1,271,000 |
| 2035 | 1,359,000 |
| 2036 | 1,452,000 |
| 2037 | 1,552,000 |
| 2038 | 1,659,000 |
| 2039 | 1,773,000 |
| 2040 | 1,895,000 |
| 2041 | 2,025,000 |
| 2042 | 2,164,000 |
| 2043 | 2,313,000 |
| 2044 | 2,472,000 |
| 2045 | 2,642,000 |
| 2046 | 2,824,000 |
| 2047 | 3,018,000 |
| 2048 | 3,225,000 |
| 2049 | 3,447,000 |
| 2050 | 3,684,000 |
| 2051* | 8,456,000 |

* Final maturity

Upon redemption of any Bonds (other than by application of mandatory sinking fund redemption), an amount equal to the principal amount so redeemed shall be credited in increments of not less than \$1, toward the mandatory sinking fund redemption amounts for the Bonds, at the discretion of the Issuer.

(ii) *Selection of the Bonds for Redemption.* If fewer than all of the Bonds of any maturity are to be redeemed, the particular Bonds or portion thereof to be redeemed shall be selected prior to the redemption date by the Bond Registrar, by such method as the Bond Registrar shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Bonds in \$1 increments.

(e) *Notice of Redemption.* Notice of redemption shall be given by the Bond Registrar by regular mail or by electronic means to DTC or its successors, not less than thirty (30) days or more than forty-five (45) days prior to the redemption date, to the Holder, as of the record date established by the Bond Registrar for such redemption, of each Bond which is subject to redemption, at the address of such Holder as it appears on the registration books of the Issuer kept by the Bond Registrar, or at such other address as is furnished to the Bond Registrar in writing by such Holder on or prior to such record date. Each notice of redemption shall state the record date, the redemption date, the place of redemption, the principal amount and, if less than all, the distinctive numbers of the Bonds or portions of Bonds to be redeemed, and shall also state that the interest on the Bonds in such notice designated for redemption shall cease to accrue from and after such redemption date and that on said date there will become due and payable on each of said Bonds the principal of, interest accrued thereon to the redemption date, and premium, if any. Any notice sent as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Bondholder receives such notice. Failure to give such notice or any defect therein with respect to any Bond shall not affect the validity of the proceedings for redemption with respect to any other Bond.

If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date and that such notice shall be of no effect unless such moneys are so deposited.

(f) *Redemption in Part.* In case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. A portion of any Bond of a denomination of more than \$1 to be redeemed will be in the principal amount of \$1 or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such \$1 denomination which is obtained by dividing the principal amount of such Bonds by such \$1 denomination. Provided, however, any Bond redemptions shall be in a minimum amount of \$1,000 with \$1 increments above that.

(g) *Pro-Rata Pass-Through Distribution of Principal.* Notwithstanding the foregoing, as long as the Bonds are registered in book-entry only form and so long as DTC, or a successor securities depository, is the sole registered owner of such Bonds and if less than all of the Bonds of a maturity are called for prior redemptions, the particular Bonds or portions thereof to be redeemed shall be selected on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance

with DTC procedures. However, so long as the Bonds are registered in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect. If the DTC operational arrangements do not allow for the redemption for the Bonds on a Pro Rata Pass-Through Distribution of Principal basis as discussed above, then the Bonds will be selected for redemption in accordance with DTC procedures.

Section 2.6 Delivery of Bonds. The Bonds shall be delivered to the Underwriter at such time and place as provided in the Bond Purchase Agreement. Prior to the authentication and delivery by the Trustee of the Bonds, there shall have been filed with the Trustee:

(a) A copy, duly certified by the Declarant, of the Articles of Incorporation of the Issuer, the Declaration and this Indenture.

(b) A copy, certified by the Declarant, of the consent and resolution of the Declarant, as the governing body of the Issuer (in lieu of a board of directors) authorizing and approving the execution and delivery of the Indenture and the Bonds, together with a certificate, dated as of the date of authentication, of the Declarant that such authorizing resolution is still in force and effect without amendments.

(c) A request and authorization of the Issuer to the Trustee to authenticate the Bonds in the aggregate principal amount therein specified and deliver them to the Underwriter upon payment to the Trustee, for account of the Issuer, of the sum specified in the Bond Purchase Agreement.

(d) An opinion of Issuer Counsel dated the date of authentication of the Bonds substantially to the effect that (i) this Indenture has been duly executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer with standard limitations regarding bankruptcy, equitable remedies and judicial discretion; and (ii) the Bonds are valid, binding and enforceable special limited obligations of the Issuer.

Section 2.7 Reserved.

Section 2.8 Application of Moneys upon Issuance of Bonds. The Issuer shall concurrently with the issuance of the Bonds, deposit with the Trustee the amount of \$56,213,000 being the par amount of the Bonds, less an Underwriter's discount of \$1,405,325 as follows:

(a) \$41,256,652.18 into the Series 2021 Construction Account to be used to pay the acquisition, construction and installation costs of the Improvements;

(b) \$7,729,287.52 into the Capitalized Interest Account, representing capitalized interest;

(c) \$4,519,062.50 into the Series 2021 Reserve Account; and

(d) \$425,750.00 into the Cost of Issuance Fund established herein and used to pay for costs with respect to the issuance of the Bonds.

The Issuer has executed a Requisition (attached hereto as Exhibit E) from the Series 2021 Construction Account, and the Trustee is hereby instructed to transfer \$22,957,347.01 from the Series 2021 Construction Account in accordance with the Requisition, representing the Developer Reimbursements.

Section 2.9 Further Authority. The Declarant (or other Authorized Representative) of the Issuer are, and each of them is, hereby authorized to do or perform all such acts and to execute all such certificates, documents, and other instruments as may be necessary or advisable to provide for the issuance, sale, registration, and delivery of the Bonds.

Section 2.10 Additional Bonds. Except as provided below, no additional indebtedness, bonds, or notes of the Issuer secured by a pledge of the Assessments for the payment of the Bonds herein authorized shall be created or incurred without the prior written consent of the Owners of a majority of the Outstanding Bonds. Nothing in this section shall be interpreted to restrict the ability of the Issuer to issue (i) Additional Bonds to the extent (a) they are issued for the purpose of refunding or refinancing Bonds issued hereunder and (b) the average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining average Aggregate Annual Debt Service for the Bonds being refunded therewith, or (ii) private assessment bonds payable from additional assessments against all or any portion of the Assessed Property for different improvements in compliance with the Act that do not interfere with the priority of the lien for the Assessments herein.

Section 2.11 Book-Entry System.

(a) The Bonds shall be initially issued in the form of single, certificated, fully registered Bonds for each maturity. Upon initial issuance, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of Cede.

(b) With respect to Bonds registered in the name of Cede or held by a Depository, neither the Issuer nor the Trustee shall have any responsibility or obligation to any Participant or Beneficial Owner including, without limitation, any responsibility or obligation with respect to: (i) the accuracy of the records of the Depository or any Participant concerning any ownership interest in the Bonds; (ii) the delivery to any Participant, Beneficial Owner, or person other than the Owner, of any notice concerning the Bonds, including notice of redemption; or (iii) the payment to any Participant, Beneficial Owner, or person other than the Owner, of the principal of, premium if any, and interest on the Bonds. The Issuer and the Trustee may treat the Owner of any Bond as the absolute owner of such Bond for the purpose of payment of the principal of, premium if any, and interest on such Bond, for purposes of giving notices of redemption and other matters with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all

principal of, premium if any, and interest on or in connection with the Bonds only to or upon the order of the Owners, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to the payment of the same. No person, other than an Owner, shall receive a certificated Bond evidencing the obligations of the Issuer pursuant to this Indenture.

(c) DTC may determine to discontinue providing its service as Depository with respect to the Bonds at any time by giving notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. Upon the termination of the services of DTC, a substitute Depository which is willing and able to undertake the system of book-entry transfers upon reasonable and customary terms may be engaged by the Issuer or, if the Issuer determines in its sole and absolute discretion that it is in the best interests of the Beneficial Owners or the Issuer that the Beneficial Owners should be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the name of Cede or other nominee of a Depository but shall be registered in whatever name or names the Beneficial Owners shall designate at that time, and fully registered Bond certificates shall be delivered to the Beneficial Owners.

ARTICLE III
EXECUTION, TRANSFER, AND EXCHANGE OF BONDS; BOND REGISTRAR

Section 3.1 Execution of Bonds; Investor Letter for Initial Owners. The Bonds shall be executed on behalf of the Issuer by the Declarant or other Authorized Representative (the signatures of said Authorized Representative being either manual and/or by electronic transmission (by facsimile or portable document file (PDF))). The use of such electronic transmission signatures of said Authorized Representative on the Bonds are hereby authorized, approved, and adopted by the Issuer as the authorized and authentic execution, and attestation of the Bonds by said officials. The Bonds shall then be delivered to the Bond Registrar for manual authentication by it. The Certificate of Authentication shall be substantially in the form provided in Exhibit A hereof. Only such of the Bonds as shall bear thereon a Certificate of Authentication, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Bond Registrar shall be conclusive evidence that the Bonds so certified have been duly registered and delivered under, and are entitled to the benefits of, this Indenture and that the Holder thereof is entitled to the benefits of this Indenture. The Certificate of Authentication of the Bond Registrar on any Bond shall be deemed to have been executed by it if (a) such Bond is signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication on all of the Bonds issued hereunder or that all of the Bonds hereunder be certified as registered by the same Bond Registrar, and (b) the date of authentication of the Bond is inserted in the place provided therefor on the Certificate of Authentication.

In case any officer whose signature or an electronic transmission of whose signature shall appear on any Bond shall cease to be such officer before the issuance or delivery of such Bond, such signature or such electronic transmission shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until such issuance or delivery, respectively.

The Bonds are offered only to, and may be acquired only by, Qualified Institutional Buyers. Each initial purchaser of the Bonds shall be required to execute an investor letter, in substantially the form of Exhibit B hereto, as a condition to its purchase of the Bonds. The Trustee shall have no duty to determine whether the purchaser of any Bonds constitutes Qualified Institutional Buyer and may conclusively rely upon such investor letter without making any independent investigation in connection therewith.

Section 3.2 Transfer of Bonds.

(a) Any Bond may, in accordance with its terms, be transferred, upon the registration books kept by the Bond Registrar pursuant to Section 3.4 hereof, by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Bond Registrar, accompanied by delivery of a written instrument of transfer in a form approved by the Bond Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Bond Registrar and the Paying Agent may treat and consider the Person in whose

name each Bond is registered in the registration books kept by the Bond Registrar as the Holder and absolute Owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and interest due thereon and for all other purposes whatsoever.

(b) Whenever any Bond or Bonds shall be surrendered for transfer, the Bond Registrar shall authenticate and deliver a new fully registered Bond or Bonds of the same series, designation, maturity date, and interest rate and of authorized denominations duly executed by the Issuer, for a like aggregate principal amount. The Bond Registrar shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. With respect to each Bond, no such transfer shall be required to be made after the Regular Record Date with respect to any Interest Payment Date to and including such Interest Payment Date, and no such transfer shall be made without receipt of the letter described in Section 3.3 hereof.

Section 3.3 Exchange of Bonds. The Bonds may be exchanged at the Corporate Trust Office of the Bond Registrar for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Additional Bond issued upon any exchange or transfer, but shall require the Bondholder requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Additional Bonds shall be surrendered for registration of transfer or exchange, the Issuer shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Additional Bond or Additional Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of (i) Bonds or Additional Bonds for a period of fifteen (15) days next preceding any selection of the Bonds or Additional Bonds to be redeemed; or (ii) any Bonds or Additional Bonds chosen for redemption. Notwithstanding the foregoing, by purchase or other means of obtaining ownership of the Bonds, all Bondholders are deemed to have acknowledged that the Bonds have not been and will not be registered under the Securities Act of 1933 and may not be reoffered, resold, pledged or otherwise transferred except (i) to a person who the purchaser reasonably believes is a qualified institutional buyer in a transaction meeting the requirements of Rule 144A promulgated under the Securities Act of 1933 and (ii) in accordance with all applicable securities laws of the States of the United States.

Section 3.4 Bond Registration Books. The Bond Registrar shall keep or cause to be kept, at its principal office, sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the Issuer; and, upon presentation for such purpose, the Bond Registrar shall, under such reasonable regulations as it may prescribe, register, or transfer or cause to be registered or transferred on said books, the Bonds as herein provided.

Section 3.5 List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the Holders of all Bonds and upon any transfer shall add the name

and address of the new Bondholder and eliminate the name and address of the transferor Bondholders.

Section 3.6 Duties of Bond Registrar. If requested by the Bond Registrar, the Declarant (or other Authorized Representative designated by the Declarant) is authorized to execute the Bond Registrar's standard form of agreement between the Issuer and the Bond Registrar with respect to the compensation, obligations, and duties of the Bond Registrar hereunder which may include the following:

- (a) to act as Bond Registrar, authenticating agent, Paying Agent, and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the Issuer upon request, but otherwise to keep such list confidential;
- (c) to cancel and/or destroy the Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (d) upon request, to furnish the Issuer at least annually a certificate with respect to the Bonds canceled and/or destroyed; and
- (e) upon request, to furnish the Issuer at least annually an audit confirmation of the Bonds paid, the Bonds Outstanding, and payments made with respect to interest on the Bonds.

Section 3.7 Mutilated, Lost, Destroyed or Stolen Bonds or Additional Bonds. If any Bond or Additional Bond shall become mutilated, the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond or Additional Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Additional Bond so mutilated, but only upon surrender to the Trustee of the Bond or Additional Bond so mutilated. Every mutilated Bond or Additional Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 11.2 hereof. If any Bond or Additional Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the Issuer shall execute and the Trustee shall authenticate and deliver, a new Bond or Additional Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Additional Bond so lost, destroyed or stolen. Any Bond or Additional Bond issued in lieu of any Bond or Additional Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Additional Bonds issued hereunder. The Trustee shall not treat both the original Bond or Additional Bond and any replacement Bond or Additional Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Additional Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Additional Bonds Outstanding hereunder, but both the original and replacement Bond or Additional Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of

delivering a new Bond or Additional Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Additional Bonds.

ARTICLE IV CREATION OF FUNDS AND ACCOUNTS

Section 4.1 Creation of Assessment Fund. There is hereby created and ordered established in the custody of the Issuer a fund in the name of the Issuer referred to as the Assessment Fund. For accounting purposes, the Assessment Fund may be redesignated by different account names by the Issuer from time to time.

Section 4.2 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Construction Fund. Within the Construction Fund, there is hereby created and ordered established a Series 2021 Construction Account for the Bonds.

Section 4.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Bond Fund. Within the Bond Fund, there is hereby created and ordered established an Administrative Costs Account, a Capitalized Interest Account, and a Redemption Account.

Section 4.4 Creation of Reserve Fund. Consistent with the terms of the Declaration, there is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Reserve Fund. Within the Reserve Fund, there is hereby created and ordered established a Series 2021 Reserve Account for the Bonds which shall secure only the Bonds.

Section 4.5 Creation of Cost of Issuance Fund. There is hereby created and ordered established in the custody of the Trustee a special trust fund in the name of the Issuer referred to as the Cost of Issuance Fund.

Section 4.6 Additional Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article IV until such funds or accounts shall be utilized. The Issuer may authorize the creation of additional funds and additional accounts within any funds.

ARTICLE V
USE OF FUNDS

Section 5.1 Use of Assessment Fund. All payments of Assessments received and collected by the Issuer pursuant to the Declaration, including Assessments received by the Issuer or for its account from the foreclosure sale of delinquent properties shall be deposited upon receipt in the Assessment Fund and shall be transferred to the Trustee within five (5) days after receipt. Upon such transfer, such amounts, together with amounts that may be received by the Trustee from the subsequent sale of foreclosed properties transferred by the Issuer to the Trustee, shall be placed and allocated in the funds and accounts in the specified order of priority, each priority being fully paid before funds are used to pay any lower priority and no payment being made on any priority if funds have been exhausted in the payment of higher priorities, as listed below. Moneys on deposit in the Assessment Fund and transferred to the Trustee, shall be applied by the Trustee on the fortieth (40) day prior to each Interest Payment Date (or if such date is not a Business Day, the immediately preceding Business Day) to the extent necessary for the purposes and in the amounts as set forth below.

(a) *First*, all regularly scheduled payments of Assessments (i) in the amount needed to pay the principal of and interest on the Bonds on each Interest Payment Date and at maturity or upon mandatory sinking fund redemption shall be deposited by the Trustee in the Bond Fund, with the Assessments due on any October 1 intended to be used to make the payments on the Bonds on the following December 1 and June 1, and (ii) in the amount attributable to the Issuer's administration fee (plus any direct out of pocket costs, including, but not limited to, legal fees, accounting fees, and fees of the Administrator, Trustee, and Foreclosure Agent), such amounts which will be identified in writing by the Issuer to the Trustee no later than the fortieth (40) day prior each Interest Payment Date, shall be deposited by the Trustee in the Administrative Costs Account in the Bond Fund and then remitted annually each December 1 to the Issuer (and to the extent regularly scheduled payments of Assessments are not sufficient for (i) and (ii) in whole, such amount shall be distributed pro rata);

(b) *Second*, all prepayments of Assessments, including prepayment premiums, if any, identified in writing by the Issuer to the Trustee shall be deposited by the Trustee first in the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption and second, in the Redemption Account within the Bond Fund to redeem Bonds as provided in Section 2.5(c);

(c) *Third*, all Assessments received from the foreclosure sale of delinquent property, identified in writing by the Issuer to the Trustee shall be deposited by the Trustee first to the Bond Fund to the extent needed to pay principal of and interest on the Bonds on the next succeeding Interest Payment Date and at maturity or upon mandatory sinking fund redemption and second, an amount sufficient to replenish the Reserve Fund for draws made thereon to pay principal of or interest on Bonds when due or to reimburse the respective accounts of the

Reserve Fund for any moneys used thereunder for foreclosure costs, shall be deposited into the respective Accounts of the Reserve Fund; and

(d) *Fourth*, all remaining Assessments received from the foreclosure sale of delinquent property shall be deposited by the Trustee in the Redemption Account within the Bond Fund to redeem Bonds pursuant to Section 2.5(b) herein.

Section 5.2 Use of Bond Fund.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

- (i) the amounts provided for in Section 5.1 herein;
- (ii) moneys transferred from the Reserve Fund as provided in Section 5.4 herein; and
- (iii) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in this Section, moneys in the Bond Fund shall be expended solely for the payment of principal of and interest on the Bonds as the same become due on each Interest Payment Date and at maturity or upon earlier redemption.

(c) Notwithstanding anything herein to the contrary, in the event the Issuer receives a prepayment in full on a parcel of property ("Prepaid Parcel") prior to December 1, 2023, it shall transfer moneys from the Capitalized Interest Account to the Redemption Account in an amount equal to the amount of interest due on such Prepaid Parcel from the most recent Interest Payment Date (or the date of issuance of the Bonds if no Interest Payment Date has occurred) through December 1, 2023. Those moneys, together with any amounts released from the Reserve Fund and the prepayment of Assessments, shall be used to redeem the series of Bonds related to such prepayment as provided in Section 2.5(c) herein. The Issuer shall give written instruction to the Trustee as to the amounts of money in the Capitalized Interest Account to be transferred from the Capitalized Interest Account to the Redemption Account within the Bond Fund to redeem the Bonds. Any moneys remaining on deposit in the Capitalized Interest Account after December 1, 2023 shall be transferred to the Bond Fund, and the Capitalized Interest Account shall thereafter be closed.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient moneys from the Bond Fund to pay principal of and interest on the Bonds as the same become due and payable at maturity or upon earlier redemption and to make said moneys so withdrawn available to the Paying Agent for the purpose of paying said principal and interest. Any moneys on deposit in the Bond Fund after final payment of the Bonds and all administrative

costs shall at the written direction of the Issuer, be remitted to the payors of the Assessments as an overpayment of Assessments.

Section 5.3 Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing and except as otherwise provided by Supplemental Indenture, moneys deposited in the Construction Fund shall be disbursed by the Trustee to pay the costs of the Improvements, in each case within ten (10) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit D attached hereto, directing that the Trustee disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition. The Issuer shall only submit such requisitions upon confirming that the amount set forth therein is due and owing and constitutes a cost of acquisition and/or construction of the Improvements up to the amount set forth in the itemized cost estimate for such Improvements.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the Construction Fund. In making such payments the Trustee may conclusively rely upon such requisition without making any independent investigation in connection therewith. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee within ninety (90) days after all moneys have been expended from the Construction Fund, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that the portion of the Improvements to be financed with proceeds of the Bonds has been fully completed in accordance with the plans and specifications therefor, as amended from time to time or that the Developer has posted an improvement bond (or other guaranty) therefor in an amount satisfactory to the applicable government entity; and

(ii) that said Improvements have been fully paid for or guaranteed and no claim or claims exist against the Developer, the Issuer or against such Improvements out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Developer or the Issuer intends to contest such claim or claims,

in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 5.3(c) herein states that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Upon completion of that portion of the Improvements to be financed with proceeds of the Bonds, and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this **Error! Reference source not found.**, any balance remaining in the Construction Fund shall as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund, to be applied to pay interest next falling due with respect to the Bonds or to redeem Bonds with any remaining funds.

The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder described in Section 8.1(a) or 8.1(b).

Section 5.4 Use of Reserve Fund.

(a) Moneys on deposit in the Reserve Fund shall be used to make up any deficiencies in the Bond Fund for the payment of the Bonds when due, including to pay any foreclosure costs.

(b) Amounts recovered by exercise of any of the remedies provided in the Declaration or otherwise from delinquent Assessments (and not needed to pay amounts coming due on the Bonds) shall be used to replenish (up to the respective requirement) amounts drawn from the Accounts within the Reserve Fund to pay the Bonds and any Additional Bonds.

(c) Except as otherwise provided in this Section, the Series 2021 Reserve Account shall at all times be maintained in an amount not less than the Debt Service Reserve Requirement. Moneys at any time on deposit in the Series 2021 Reserve Account in excess of the Debt Service Reserve Requirement shall on July 1 of each year be transferred to the Bond Fund to be used to pay principal and/or interest on the Bonds as the same come due. Payments of Assessments coming due on the next assessment payment date shall be reduced pro rata as a result of any such transfer from the Series 2021 Reserve Account.

Notwithstanding anything herein to the contrary, in the event the Issuer receives a prepayment in full on a Prepaid Parcel it shall transfer moneys from the Reserve Fund to the Redemption Account in an amount equal to that Prepaid Parcel's pro rata share of the Debt Service Reserve Requirement (taking into account any outstanding delinquencies with respect to the Prepaid Parcel). Those moneys, together with any amounts transferred from the Capitalized Interest Account and the prepayment of Assessments, shall be used to redeem the series of Bonds related to such prepayment as provided in Section 2.5(c) herein. Following a prepayment and, if permitted, application of moneys from the Reserve Fund, the new Debt Service Reserve Requirement with respect to the Bonds shall then be the original Debt Service Reserve Requirement, less the amounts transferred from the Reserve Fund to the Redemption Account as described in this paragraph and in accordance with Section 5.9 herein. The Issuer shall give written instruction to the Trustee as to the amounts of money in the Reserve Fund to be transferred from the Reserve Fund to the Redemption Account within the Bond Fund to redeem the Bonds.

Upon the final payment of the Bonds, any moneys on deposit in the Series 2021 Reserve Account shall be applied by the Trustee to said final payment, and any excess moneys net of outstanding administrative charges on deposit thereafter shall at the written direction of the Issuer, be remitted to the payors of the Assessments as an overpayment of Assessments.

If at any time the amount on deposit in the Series 2021 Reserve Account is less than the Debt Service Reserve Requirement with respect to the Bonds, the Trustee shall notify the Issuer of such deficiency and the Issuer shall replenish the Series 2021 Reserve Account from proceeds received from the sale of delinquent property as provided in the Act. If, however, the Series 2021 Reserve Account is not fully replenished from proceeds received from the sale of delinquent property, the Issuer shall not be required to replenish the Series 2021 Reserve Account to the Debt Service Reserve Requirement except as funds become available from those sources pledged and described herein.

Section 5.5 Cost of Issuance Fund. Upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit C attached hereto, the Trustee will disburse from the Cost of Issuance Fund the amounts to the parties identified on the Cost of Issuance Disbursement Request. Any amounts remaining in the Cost of Issuance Fund on the date that is one hundred eighty (180) days after the date of issuance of the Bonds shall be transferred by the Trustee into the Construction Fund.

Section 5.6 Reserved.

Section 5.7 Investment of Funds. All moneys in the Bond Fund, the Construction Fund, the Reserve Fund, and the Cost of Issuance Fund, may, at the discretion and written direction of the Issuer, be invested by the Trustee in Qualified Investments, including guaranteed investment contracts secured solely by Qualified Investments. Absent such written direction, the Trustee shall hold all such moneys uninvested. All income derived from the investment of the Bond Fund, the Construction Fund, the Reserve Fund,

and Cost of Issuance Fund shall be maintained in said Funds and accounts respectively and shall be disbursed along with the other moneys on deposit therein as herein provided.

The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or any other regulatory entity grant the Issuer the right to receive brokerage confirmations of the security transaction as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

Section 5.8 Trust Funds. All moneys received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys shall be held in trust and applied in accordance with the provisions hereof. Unless and until disbursed pursuant to the terms hereof, all such moneys (and the income therefrom) shall be held by the Trustee as security for payment of the principal, premium, if any, and interest on the Bonds and the fees and expenses of the Issuer and Trustee payable hereunder.

Section 5.9 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market. With respect to all funds and accounts, valuation shall occur annually, each December 1, except in the event of a withdrawal from the Reserve Fund, whereupon the securities therein shall be valued immediately after such withdrawal.

Section 5.10 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Assessments and all other applicable funds and moneys pledged under this Indenture in favor of the Trustee as security for payment of the Bonds, enforceable by the Trustee in accordance with the terms thereof.

(b) Pursuant to Section 57-8a-301 of the HOA Act, the recording of the Declaration constitutes record notice and perfection of the lien for Assessments and for the costs, fees and charges associated with the collection of the Assessments as described in the Declaration. The lien was perfected upon recording of the Declaration on December 1, 2021, 2021.

ARTICLE VI
COVENANTS AND UNDERTAKINGS

Section 6.1 Covenants of Issuer. All covenants, statements, representations, and agreements contained in the Bonds, and all recitals and representations in this Indenture are hereby considered and understood as the covenants, statements, representations, and agreements of the Issuer.

Section 6.2 Levy and Collection of Assessments; Punctual Payment. The Issuer hereby appoints, authorizes, empowers and directs the Administrator, on behalf of the Issuer, to cause the Foreclosure Agent to enforce collection all Assessments levied to repay the Bonds from which proceeds were used to pay the cost of the Improvements within the boundaries of, or providing a special benefit to, the Assessed Property, the installments thereon, the interest thereon, and any charges or fees thereon, including without limiting the generality of the foregoing, the whole of the unpaid principal, interest charges and fees accrued which become due and payable immediately because of the failure to pay any installment whether of principal or interest, when due, and to cause such payments to be paid to the Trustee as herein provided. The Issuer covenants that it will receive all Assessments, all recoveries through enforcement, and all foreclosed Assessed Property in trust for the Owners and shall have no beneficial right or interest in the Assessments deposited or Assessed Property obtained, except as provided in this Indenture. All Assessments levied or Assessed Property obtained shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the Issuer.

The Issuer covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Additional Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Additional Bonds and in accordance with this Indenture to the extent that Assessments levied and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Additional Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Additional Bonds issued hereunder.

Section 6.3 Lien of Assessment.

(a) The Assessments, any interest accruing on the Assessments and the charges, fees, and costs of collection of the Assessments shall continue to constitute and are hereby declared to be a lien against the Assessed Properties upon which the Assessments are levied from and after the date on which the Declaration became effective.

(b) The lien of the Assessment shall be superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance, *except for* the lien for general real property taxes and other governmental assessments and

charges against the Assessed Properties and shall be senior to any assessments by any other homeowners associations, as set forth in the Declaration.

(c) The lien of the Assessment shall apply without interruption, change in priority, or alteration in any manner to any reduced payment obligations and shall continue until the Assessment and any interest, charges, and costs thereon are paid in full in accordance with the Declaration; provided, that any sale of a lot or other parcel of the Assessed Property for or on account of a delinquent general property tax, special tax, other assessment by a governmental taxing authority, or the issuance of a tax deed, may result in termination of the Assessment Lien. Under those circumstances, preservation of the Issuer's Assessment Lien upon such lot or parcel would require that the Issuer either (i) purchase the property at the tax lien sale, or (ii) complete the foreclosure of the subject property prior to the tax lien sale and, in the event it acquires the property by credit bid or otherwise, satisfy the tax delinquencies. The Issuer shall take all reasonable actions to preserve the lien of the Assessment as may be directed by the Trustee or the Bondholders.

Section 6.4 Default in Payment of Assessments. As further described in the Declaration, in the event a default occurs in the payment of any installment of principal or interest of the Assessments levied pursuant to the Declaration when due, the Issuer shall subject to the Act or any other applicable law of the State, or lawful order of any governmental authority of competent jurisdiction (a) either declare the unpaid amount delinquent and subject to collection or declare the whole of the unpaid Assessment immediately due and payable and subject to collection, (b) provide notice of such default, and (c) following the lapse of a 30-day period to remedy the default provided in the Notice, all as provided in the Declaration, the Issuer may immediately (i) initiate a sale of the property as provided in Title 57, Chapter 1, Parts 24 through 34, Utah Code Annotated 1953, as amended or (ii) sell the property pursuant to the HOA Act, in the manner provided for judicial foreclosures and nonjudicial foreclosures. If at the sale, no person or entity shall bid and pay the Issuer the amount due on the Assessment plus interest, charges and costs, plus attorneys' fees and foreclosure costs, if any, the property shall be deemed sold to the Issuer for these amounts. The Issuer shall have no obligation to pay any Assessment installments in the case of temporary ownership while the property is being foreclosed upon. Pursuant to the Declaration, the Issuer hereby elects to transfer ownership of the delinquent property "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind to the Bondholders of the Bonds (or a legally created entity designated by the Bondholders) in full satisfaction of all outstanding assessment obligations related to such property hereunder and any payment obligations of the Issuer to the Bondholders of the Bonds. If the Bondholders or any legally created entity of the Bondholders refuses to accept such delivery of the delinquent property, then the Issuer shall sell such property (subject to real property taxes and other assessments (if any) for the then current year and thereafter as well as any easements, rights of way, covenants, restrictions and all other matters of every kind that are then of record and all matters that an accurate survey or a physical inspection of the property would then disclose). The property is to be conveyed "AS-IS, WHERE-IS" AND WITH ALL FAULTS, with no warranties or representations of any kind, and deposit the proceeds thereof (after reimbursement of reasonable administrative and foreclosure expenses of the Issuer in

connection therewith) with the Trustee for the benefit of the Bondholders, in full satisfaction of all outstanding assessment obligations related to such property hereunder and any payment obligations of the Issuer to the Bondholders of the Bonds. By purchase or other means of obtaining ownership of the Bonds, all Bondholders are deemed to have consented to the provisions of this Section 6.4.

The remedies provided in this Section for the collection of Assessments and the enforcement of liens shall be deemed and construed to be cumulative and the use of any one method or means of collection or enforcement shall not deprive the Issuer of the use of any other method or means. In the event of any foreclosure proceedings or other remedies pursued hereunder, the Issuer shall accept direction from the Bondholders to the extent permitted by law in pursuing any such remedies. In the absence of any direction from Bondholders, the Issuer shall not be liable for any harm to Bondholders from its efforts to complete its duties hereunder in a reasonable manner, nor shall the Issuer be required to expend any of its own funds to complete such duties. The Issuer shall not be responsible to pay for the costs associated with the collection of default Assessments and the enforcement of liens. However, such costs shall be paid by the Trustee from funds available under the Indenture, as approved and directed by a simple majority of Bondholders and consented to by the Issuer, and included in amounts required to be collected in connection with the sale of delinquent property upon foreclosure.

Section 6.5 Limited Obligation of Issuer. Notwithstanding anything contained elsewhere herein to the contrary, the Bonds, or any other obligation hereunder, are not a general obligation of the Issuer but are payable exclusively out of the funds and/or property described herein. The Issuer shall not be liable for the payment of the Bonds, except to the extent of the funds created and received from (a) payments of the Assessments by the owners of the Assessed Properties, (b) moneys and property collected through Issuer's enforcement of the Assessment obligations, including foreclosure sales resulting from unpaid Assessments (after payment of costs as described in Section 6.4 herein), and (c) moneys on deposit in the Reserve Fund, but the Issuer shall be held responsible for the lawful levy of all Assessments, for the creation and maintenance of the Series 2021 Reserve Account as provided herein, and for the faithful accounting, collection, settlement, and payment of the Assessments (but only with funds available under the Indenture and thereafter dependent on funding by the Bondholders).

Section 6.6 No Additional Security Interest. The Issuer covenants that so long as any Bonds remain Outstanding, it shall not pledge or grant any security interest in the Assessments or any investment proceeds thereof (except as expressly provided in this Indenture).

Section 6.7 Further Assurances. The Issuer shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the assuring and confirming unto the Owners of the Bonds and any Additional Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII
THE TRUSTEE

Section 7.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but only upon the following terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee, before the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If any Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder. The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers, or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds) or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The

Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by its Authorized Representatives as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default as provided in Section 8.1(a) or Section 8.1(b) herein or an Event of Default which the Trustee has been notified or of which by Section 8.1 herein it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except an Event of Default that occurs under Section 8.1(a) or Section 8.1(b) and a failure to fund or replenish the Series 2021 Reserve Account as provided herein, unless the Trustee shall be specifically notified in writing of such default by the Issuer or by the Registered Owners of at least 25% in the aggregate principal amount the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right fully to inspect all books, papers, and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers identified herein or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or the Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law and this Indenture. Neither the Trustee nor the Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs in exercising any rights or remedies or performing any of its duties hereunder.

(m) Before taking any action under this Indenture (other than making any payment of principal, premium or interest on the Bonds), the Trustee may require that a satisfactory indemnity be furnished to it for the payment or reimbursement of all costs and expenses (including, without limitation, attorney's fee and expenses) to which it may be put and to protect it against all liability which it may incur in or by reason of such action, except liability which is adjudicated to have resulted from its gross negligence or willful misconduct.

Section 7.2 Fees, Charges, and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. The Issuer shall pay and reimburse the Trustee for its fees and expenses as provided in this Section solely from amounts available to the Issuer as set forth in Section 5.1(a)(ii) and, if such amount is not sufficient, from the other sources available hereunder. Trustee shall have a first lien with right of payment before payment on account of principal of or interest on any Bond, upon all moneys in its possession under any provisions hereof for the foregoing reasonable advances, fees, costs and expenses incurred.

Section 7.3 Notice to Registered Owners if Event of Default Occurs. The Trustee shall give written notice of any Event of Default (as herein defined) relating to any Event of Default that occurs under Section 8.1(a) or Section 8.1(b) by registered or certified mail to all Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 7.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee shall intervene on behalf of such Bondholders if requested in writing by the Registered Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section are subject to the approval of a court of competent jurisdiction.

Section 7.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 7.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered mail, and by registered or certified mail to each Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of a successor Trustee by the Registered Owners or by the Issuer as provided in Section 7.8 hereof; provided, however that if no successor Trustee has been appointed within sixty (60) days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 7.7 Removal of the Trustee. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, and signed by the Issuer (so long as the Issuer is not in default under any of its obligations hereunder) or signed by the Registered Owners of at least a majority in aggregate principal amount of Bonds then Outstanding, provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 7.8 Appointment of Successor Trustee; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed

by a court, a successor may be appointed by the Issuer or by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Bondholders, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Issuer by an instrument executed by the Declarant or other Authorized Representative, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee (including any temporary Trustee) appointed pursuant to the provisions of this Section or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than \$50,000,000.

Section 7.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer and all Bondholders an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall, upon payment of its fees and expenses, deliver all Bonds and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer.

Section 7.10 Trustee Protected in Relying on Indenture, Etc. This Indenture, opinions, certificates, and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant and protection to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 7.11 Successor Trustee; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee, Bond Registrar, and Paying Agent hereunder, and the successor Trustee shall become such Trustee, Bond Registrar and Paying Agent for the Bonds.

Section 7.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights,

or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 7.13 Accounting. The Trustee shall prepare a written monthly accounting for each calendar month by the end of the month following each such calendar month showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer. On or before the end of the month following each calendar month, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor, representations as to the accuracy of the facts contained in said financial report.

Section 7.14 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees, or agents, may in good faith buy, sell, own, hold, and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

ARTICLE VIII
EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. Each of the following events is hereby declared an Event of Default:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable; or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity, by mandatory sinking fund redemption or by proceedings for redemption in advance of maturity; or

(c) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within thirty (30) days after the entry thereof; or

(d) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any law or statute of the United States of America or any state thereof; or

(e) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment, or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

(f) if the Issuer shall file a petition or answer seeking reorganization, relief, or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(g) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(h) if the Issuer defaults in the performance or observance of any covenant, agreement, or condition on the part of the Issuer hereunder or under the Declaration (other than defaults mentioned in (a) or (b) above) and fails to remedy

the same for a period of thirty (30) days after notice of the default is given by the Trustee or Bondholders of at least a majority in aggregate principal amount of then Outstanding Bonds.

Section 8.2 Remedies; Rights of Bondholders. Upon the occurrence and continuance of any Event of Default, the Trustee may, upon request of the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding (subject to the indemnity provisions provided herein), pursue any available remedy by suit at law or in equity (including an action seeking the appointment of a receiver) to enforce payment on such Bonds or to enforce any obligation of the Issuer hereunder or under the Declaration (including, without limitation, by writ of mandamus, action for specific performance, or otherwise). No remedy conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each remedy is cumulative and is in addition to every other remedy given hereunder and under the Declaration or at law or otherwise to the Trustee or to the Bondholders.

The Bondholders of at least a majority in aggregate principal amount of Bonds then Outstanding shall have the right at any time to direct, by instruments delivered to the Trustee, the method and place of conducting all proceedings to be taken by the Trustee in connection with the enforcement of the terms and conditions of this Indenture and the Declaration; provided, that such direction is in accordance with the provisions of law and of this Indenture and the Declaration and the Trustee is indemnified to its satisfaction.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.3 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of Trustee's fees and expenses (including attorneys' fees and expenses) of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund (excluding moneys in the Redemption Account and the Administrative Costs Account) together with any other money held in any fund established hereunder, shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds as follows:

(i) Unless the principal of all of the Bonds shall have become due and payable, all such moneys shall be applied:

(A) FIRST—To the payment to the Bondholders entitled thereto of all installments of interest then due on the Bonds in the

order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment pro rata, according to the amounts due on such installment, to the Bondholders entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the Bondholders entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the principal, and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, pro rata, according to the amounts due respectively for principal and interest, to the Bondholders entitled thereto without any discrimination or privilege.

Subject to compliance with Section 9.2 herein, whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bondholders shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds to be applied pursuant to this Section, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 8.4 Rights and Remedies of Bondholders. Except as provided in the last sentence of this Section, no Bondholder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder. No one or more Bondholder of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien hereof by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Bondholders of all Bonds then Outstanding. Nothing herein contained shall, however, affect or impair the right of any Bondholder to enforce the covenants of the Issuer to pay the principal of, and premium, if any, and interest on, each of the Bonds issued

hereunder held by such Bondholder at the time, place, from the source, and in the manner in said Bonds expressed.

Section 8.5 Termination of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or Bondholders, then and in every such case the Issuer, the Trustee and the Bondholder shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Trustee and Bondholders shall continue as if no such proceedings had been taken.

Section 8.6 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

ARTICLE IX
SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of, or notice to the Bondholders, enter into a Supplemental Indenture hereto, or adopt an amendment to the Declaration as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.10 herein;

(b) To cure any inconsistency, ambiguity or defect or omission herein or in the Declaration;

(c) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Trustee or the Bondholders or any of them;

(d) To subject to this Indenture additional properties, collateral, or security;

(e) To conform the Declaration to any subdivision of the Assessed Property as described therein or to otherwise permit the adjustment of Assessments as deemed appropriate by the Issuer so long as the Issuer shall certify that the remaining balance of the Assessments being collected will be sufficient for payment of principal and interest on the Bonds; and

(f) To amend the Declaration to (1) conform the Declaration to any laws or regulations or any governmental authority, (2) correct typographical or engineering errors or amend, replace or substitute any exhibit to correct typographical or engineering errors, (3) include any exhibit that was inadvertently omitted from the Declaration at the time of recording, (4) change or update any exhibit or portion of an exhibit to conform to final subdivision plats and as-built conditions of the Assessed Property so long as such change does not materially adversely affect the Assessment obligation or lien rights of the Association or the Bondholders, or (5) for any other purpose in order to effectuate the purposes described herein for the funding of the Financed Improvements for the benefit of the Assessed Property.

Section 9.2 Supplemental Indentures Requiring Consent of Bondholders; Waivers and Consents by Bondholders. Exclusive of Supplemental Indentures and ordinances covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the Bondholders of at least a majority in aggregate principal amount of the Bonds then Outstanding, shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (a) consent to and approve the execution by the Issuer of such other Supplemental Indenture and amendment to the Declaration as shall be deemed necessary and desirable by the Issuer for the purpose of

modifying, altering, amending, adding to, or rescinding any of the terms or provisions contained herein or in any Supplemental Indenture or in the Declaration as supplemented, or (b) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any Supplemental Indenture hereto or in the Declaration as supplemented; provided, however, that nothing in this Section contained shall permit or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Bondholder of such Bond, or (ii) except as provided in Section 9.1(e) a reduction in the amount or extension of the time of any Assessment or any other payment required hereunder or under the Declaration to any fund established hereunder without the consent of the Bondholders of all the Bonds which would be affected by the action to be taken, or (iii) a reduction in the aforesaid aggregate principal amount of Bonds, the Bondholders of which are required to consent to any such waiver or Supplemental Indenture or ordinance, or (iv) affect the rights of the Bondholders of less than all Bonds then Outstanding, without the consent of the Bondholders of all the Bonds at the time Outstanding which would be affected by the action to be taken. Prior to any Supplemental Indenture or ordinance becoming effective under this Section, the Trustee shall have on file written consent to such Supplemental Indentures or ordinances executed by at least a majority in aggregate principal amount of all Bonds then Outstanding.

In executing or accepting any Supplemental Indenture or amendment to the Declaration permitted by this Article, the Trustee and the Issuer shall receive, and, shall be fully protected in relying upon, an opinion of Issuer's Counsel addressed and delivered to the Trustee and the Issuer that (a) the execution of such Supplemental Indenture or amendment to the Declaration is permitted by and in compliance with this Indenture, and (b) such Supplemental Indenture or amendment to the Declaration will, upon the execution and delivery thereof, be a valid and binding obligation of the Issuer.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental

Indenture as in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X
DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Bondholders of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Paying Agent all sums of moneys due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, whereupon the Trustee at the request of the Issuer shall cancel and discharge the lien hereof, except moneys or Bonds held by the Trustee for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article when payment of the principal of such Bond, plus premium, if any, and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof or (b) shall have been provided by irrevocably depositing with the Trustee for the benefit of the Bondholders, in trust and irrevocably setting aside exclusively for such payment (i) moneys sufficient to make such payment or (ii) Government Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all proper fees, compensation and expenses (including attorneys' fees and expenses) of the Trustee and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Government Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, irrevocable instructions:

- (a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);
- (b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to the provisions of this Indenture; and
- (c) instructing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Bondholders of such Bonds which have been selected by the Trustee by lot that the deposit required by this Section has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date upon

which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds.

Any moneys so deposited with the Trustee as provided in this Article may at the written direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Issuer shall first obtain and deliver to the Trustee a written verification from a firm of independent certified public accountants that the moneys remaining on deposit with the Trustee and invested in Government Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything herein to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Trustee pursuant to this Article for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article shall be made without the consent of the Bondholder of each Bond affected thereby.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection, or other instrument required hereby to be executed by the Registered Owners may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution. The amount of Bonds held by any person executing such instrument as a Registered Owner of Bonds and the fact, amount and numbers of the Bonds held by such person and the date of his holding the same shall be proved by the registration books of the Trustee.

Section 11.2 Cancellation of Bonds and Additional Bonds. All Bonds and Additional Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Additional Bond purchased by the Issuer as authorized herein and delivered to the Trustee for such purpose shall be, cancelled in accordance with customary practices of the Trustee and applicable retention laws.

Section 11.3 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Additional Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Additional Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the

principal of any such Bond or Additional Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Additional Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the Issuer to such proof, it being intended that the Trustee or the Issuer may accept any other evidence of the matters herein stated which the Trustee or the Issuer may deem sufficient. Any request or consent of the Owner of any Bond or Additional Bond shall bind every future Owner of the same Bond or Additional Bond in respect of anything done or suffered to be done by the Trustee or the Issuer in pursuance of such request or consent.

Section 11.4 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect hereto or any covenants, conditions, and provisions herein contained, this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds as herein provided.

Section 11.5 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.6 Notices. It shall be sufficient service of any notice, request, complaint, demand, or other paper on the Issuer or Bondholders and the Trustee if the same shall be duly mailed by registered or certified mail, postage pre-paid, return receipt requested, or sent by telegram, telecopy or telex or other similar communication, confirmed by telephone, on the same day, addressed as follows provided that the notice to the Trustee shall be effective only upon receipt:

If to the Issuer: Brixton Park Improvement Association No. 1
 10771 South Rippling Bay
 South Jordan, UT 84009
 Attention: Declarant

If to the Trustee: UMB Bank, n.a.
Corporate Trust Department
2777 East Camelback Road, Suite 350
Phoenix, Arizona 85016
Attention: Joshua Gottschall

Section 11.7 Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.8 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The transactions described herein may be conducted and related documents may be sent and stored by electronic means.

Section 11.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.10 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement herein contained against any past, present, or future officer, or other public official, employee, or agent of the Issuer.

Section 11.11 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.12 Effective Date. This Indenture shall become effective immediately.

Section 11.13 Compliance with Act. It is hereby declared that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

BRIXTON PARK IMPROVEMENT
ASSOCIATION NO. 1, as Issuer

By: _____
Name: _____
Title: President

ATTEST:

DECLARANT

Brixton Park Management LLC,
a Utah limited liability company

By: _____
Name: _____
Title: Declarant Manager

UMB BANK, N.A., AS TRUSTEE

By: _____
Title: _____

[acknowledgment to follow]

STATE OF UTAH)

ss:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____ as President of Brixton Park Improvement Association No. 1.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

STATE OF UTAH)

ss:

COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____ as _____ of Brixton Park Management LLC.

NOTARY PUBLIC

Residing at: _____

My Commission Expires:

[continued on following page]

EXHIBIT A

FORM OF BONDS

Each fully registered Bond shall be, respectively, in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements, and variations as may be required:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

Registered

Registered

UNITED STATES OF AMERICA

BRIXTON PARK IMPROVEMENT ASSOCIATION NO. 1
SPECIAL ASSESSMENT BONDS
SERIES 2021 (TAXABLE)

Number R- _____ \$ _____

| | | | |
|----------------------|----------------------|----------------------------|--------------|
| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Original Issue Date</u> | <u>CUSIP</u> |
| _____ % | _____ | _____ | |

Registered Owner: CEDE AND CO.

Principal Amount: _____ AND NO/100 DOLLARS

Brixton Park Improvement Association No. 1 (the "Issuer"), a nonprofit corporation duly organized and existing under the Constitution and laws of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date identified above, upon presentation and surrender hereof, the Principal Amount identified above, and to pay the Registered Owner hereof interest on the balance of said Principal Amount from time to time remaining unpaid at the Interest Rate per annum (calculated on the basis of a year of 360 days and twelve 30-day months) identified above, payable semi-annually on each June

1 and December 1, beginning June 1, 2022, until payment in full of said Principal Amount, except as the provisions set forth in the hereinafter mentioned Indenture with respect to redemption prior to maturity may become applicable hereto. Interest on this Bond shall accrue from the Interest Payment Date next preceding the date on which it is authenticated, unless (a) it is authenticated before the first Interest Payment Date following the Original Issue Date identified above, in which case interest shall accrue from the Original Issue Date, or (b) if this Bond is authenticated on an Interest Payment Date, in which case interest shall accrue from such Interest Payment Date; provided that if at the time of authentication of this Bond, interest is in default, interest shall accrue from the date to which interest has been paid in full. Principal of and premium, if any, on this Bond shall be payable upon surrender of this Bond at the corporate trust office of UMB Bank, n.a., Kansas City, Missouri, as Paying agent; and payment of the interest hereon shall be made to the Registered Owner hereof and shall be paid by check or draft mailed or to owners of \$1,000,000 or more of Bonds (or 100% of the Bonds) by wire in immediately available funds to the person who is the Registered Owner of record as of the Bond Registrar's close of business on the fifteenth day immediately preceding each Interest Payment Date at the address of such Registered Owner as it appears on the registration books kept by the hereinafter defined Bond Registrar, or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar as provided in the hereinafter defined Indenture. Principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the Special Assessment Bonds, Series 2021 (Taxable) of the Issuer (the "Bonds") limited to the aggregate principal amount of \$56,213,000, issued under and by virtue of the Community Association Act, Title 57, Part 8a, Utah Code Annotated 1953, as amended and the Utah Revised Nonprofit Corporation Act, Title 16, Part 3, Utah Code Annotated 1953, as amended (collectively, the "Act"), and under and pursuant to an Indenture of Trust and Pledge dated as of December 1, 2021, by and between the Issuer and the Trustee (the "Indenture"). The Bonds are being issued for the purpose of (a) financing the costs of the Improvements, (b) paying the Developer Reimbursements, (c) paying capitalized interest, (d) funding a reserve fund, and (d) paying issuance expenses incurred in connection with the issuance of the Bonds. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

The Bonds are issuable solely in the form of registered bonds without coupons in the denomination of 100,000 or any integral multiple of \$1 in excess thereof.

The Bonds are subject to redemption as provided in the Indenture.

UMB Bank, n.a. is the initial trustee, bond registrar, and paying agent with respect to the Bonds. Said trustee, bond registrar, and paying agent, together with any successor trustee, bond registrar, or paying agent, respectively, is referred to herein as the "Trustee," the "Bond Registrar," and the "Paying Agent."

Payment of this Bond and the interest thereon shall be made from, and as security for such payment there is pledged a first lien on the moneys on deposit in, the Bond Fund of Brixton Park Improvement Association No. 1, containing the receipts derived by the Issuer from the Assessments levied upon the property encumbered by the Declaration dated as of December 1, 2021, as amended from time to time (the "Declaration") all other applicable funds and moneys pledged under the Indenture.

It is hereby certified that a Series 2021 Reserve Account has been created and the Issuer agrees that at all times during the life of this Bond and until payment thereof in full, said Fund shall be maintained as described in the Indenture. This Bond is not a general obligation of the Issuer, but is payable exclusively out of the funds described in the Indenture. The Issuer shall not be liable for the payment of the Bond, except to the extent of the funds created and received from (a) proceeds from the sale of the Bond, (b) the Assessments including Assessments and property collected through foreclosure sales resulting from unpaid Assessments, and (c) moneys on deposit in the Series 2021 Reserve Account, but the Issuer shall be held responsible for the lawful levy of all Assessments, for the creation and maintenance of the Series 2021 Reserve Account as provided in the Indenture, and for the faithful accounting, collection, settlement, and payment of the Assessments. The Issuer may apply at its sole discretion any other legally available funds or revenues to the payment of the principal and interest on the Bond.

The Assessments made and levied pursuant to the Declaration, with accruing interest thereon, and the charges, fees, and cost of collection of the Assessments constitute a lien upon and against the property upon which such Assessments were made and levied from and after the date upon which the Declaration, which lien is superior to the lien of any trust deed, mortgage, mechanic's or materialman's lien, or other encumbrance. Said lien is subordinate to the lien for general property taxes.

This Bond is transferable, as provided in the Indenture, only upon the books of the Issuer kept for that purpose at the Corporate Trust Office of the Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the Registered Owner or such duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of authorized denominations of the same aggregate principal amount, series, designation, maturity and interest rate as the surrendered Bond, all as provided in the Indenture and upon the payment of the charges therein prescribed. No transfer of this Bond shall be effective until entered on the registration books kept by the Bond Registrar. The Issuer, the Trustee, the Bond Registrar and the Paying Agent may treat and consider the person in whose name this Bond is registered on the registration books kept by the Bond Registrar as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever, and neither the Issuer, nor the Bond Registrar nor the Paying Agent shall be affected by any notice to the contrary.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

This Bond and the issue of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby certified and recited that all conditions, acts, and things required by the Constitution or statutes of the State of Utah and by the Act and the Indenture to exist, to have happened, or to have been performed precedent to or in connection with the issuance of this Bond exist, have happened, and have been performed and that the issue of Bonds, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes, and that the aggregate amount of Bonds of the Issuer, including this Bond, does not exceed the amount authorized by law nor the special assessment levied to cover the cost of the Improvements within the boundaries of, or benefiting, the Assessed Properties, and that all said special Assessments have been lawfully levied.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

IN WITNESS WHEREOF, THE ISSUER has caused this Bond to be signed in its name and on its behalf by the Declarant, as the Authorized Representative of Brixton Park Improvement Association No. 1 and attested by the Declarant, acting as the officers of the Issuer.

BRIXTON PARK IMPROVEMENT
ASSOCIATION NO. 1

By: _____ (Do Not Sign)
Authorized Representative

ATTEST:

By: _____ (Do Not Sign)
Declarant

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM – as tenants in common
- TEN ENT – as tenants by the entireties
- JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT _____
(Cust.)

Custodian for_____
(Minor)

under Uniform Gifts to Minors Act of _____
(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned sells, assigns, and transfers unto:

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature: _____

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

Signature Guaranteed:

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15

EXHIBIT B

FORM OF INVESTOR LETTER

December 1, 2021

D.A. Davidson & Co.
Salt Lake City, Utah

UMB Bank, n.a.
Phoenix, Arizona

Re: Brixton Park Improvement Association No. 1, Special Assessment Bonds, Series 2021 (Taxable), in the aggregate principal amount of \$56,213,000

Ladies and Gentlemen:

The undersigned ("Beneficial Owner") is the purchaser of the above-captioned bonds (the "Bonds") issued by Brixton Park Improvement Association No. 1 (the "Issuer") pursuant to that certain Indenture of Trust, dated as of December 1, 2021 (the "Indenture"), between the Issuer and UMB Bank, n.a., as Trustee ("Trustee").

Capitalized terms not defined herein shall be given the meaning ascribed thereto in the Indenture.

Beneficial Owner has been informed that the Issuer will not sell or permit any Bonds to be sold to Beneficial Owner unless Beneficial Owner makes the representations, warranties and covenants herein and authorizes the Issuer and the Trustee to rely thereon and such representations, warranties and covenants are made by the Beneficial Owner AS AN INDUCEMENT to the sale of the Bonds to Beneficial Owner.

In connection with the sale of the Bonds to Beneficial Owner, Beneficial Owner hereby makes the following representations upon which you are authorized to rely:

1. Beneficial Owner has received and read the Limited Offering Memorandum dated November 22, 2021 including the Indenture (including the form of Bond) and the Declaration appended thereto, together with such other documents, agreements, certificates and instruments referenced therein or pertaining thereto or to the Bonds to which Beneficial Owner is a party or deems necessary and appropriate in its evaluation of the Bonds.
2. Beneficial Owner has sufficient knowledge and experience in financial and investment matters to be able to evaluate the risks and merits of an investment in the Bonds.
3. Beneficial Owner is acquiring the Bonds for its own account for investment purposes and not with a view to the resale or other distribution thereof, provided that it is understood that the Beneficial Owner may transfer and dispose all or any part of the Bonds in its full discretion subject to the transfer restrictions described in the Indenture.
4. Beneficial Owner understands that it may be required to bear the risks of this investment in the Bonds for an indefinite time, since any sale prior to maturity may not be possible.
5. The Bonds are a financially suitable investment for Beneficial Owner consistent with Beneficial Owner's investment needs and objectives.

6. Beneficial Owner is a “qualified institutional buyer” as defined in Rule 144A under the 1933 Act; Beneficial Owner understands that the Bonds are not registered under the 1933 Act and that such registration is not legally required as of the date hereof; and further understands that the Bonds (A) are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state, (B) will not be listed in any stock or other securities exchange, (C) will not carry a rating from any rating service, and (D) will be delivered in a form which may not be readily marketable.
7. Beneficial Owner acknowledges that the Bonds are not transferable except to another qualified institutional buyer as provided by the Indenture, and Beneficial Owner agrees to abide by the transfer restrictions set forth in the Indenture; and that Beneficial Owner shall be solely and exclusively responsible for compliance with such transfer restrictions, including verifying that its transferee a qualified institutional buyer.
8. Beneficial Owner acknowledges that it has either been supplied with or been given access to information and Beneficial Owner has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Bonds and the security therefor so that the Beneficial Owner has been able to make its decision to purchase the Bonds.
9. **BENEFICIAL OWNER ACKNOWLEDGES THAT THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE ISSUER. THE ISSUER IS A UTAH NONPROFIT CORPORATION AND IS NOT A POLITICAL SUBDIVISION OF THE STATE OF UTAH. THE BONDS ARE NOT OBLIGATIONS OF THE STATE OF UTAH OR ANY POLITICAL SUBDIVISION THEREOF.**
10. Beneficial Owner has made its own inquiry and analysis with respect to the Bonds and the security therefor (including, without limitation, a credit evaluation of the Issuer and the Developer, to the extent Beneficial Owner deemed it necessary or appropriate), and other material factors affecting the security and payment of the Bonds. Beneficial Owner is aware that the development of the Assessed Property involves certain economic variables and risks that could adversely affect the security for the Bonds.

[name of purchaser]

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

BRIXTON PARK IMPROVEMENT
ASSOCIATION NO. 1, as Issuer

By: [Signature]
Name: Harry Miller
Title: President

ATTEST:

DECLARANT

Brixton Park Management LLC,
a Utah limited liability company

By: [Signature]
Name: James Horley
Title: Declarant Manager

UMB BANK, N.A., AS TRUSTEE

By: _____
Title: _____

[acknowledgment to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

BRIXTON PARK IMPROVEMENT
ASSOCIATION NO. 1, as Issuer

By: _____
Name: _____
Title: President

ATTEST:

DECLARANT

Brixton Park Management LLC,
a Utah limited liability company

By: _____
Name: _____
Title: Declarant Manager

UMB BANK, N.A., AS TRUSTEE

By:  _____
Title: Steven Finklea
Senior Vice President

[acknowledgment to follow]

STATE OF UTAH)

ss:

COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 23 day of November, 2021, by Larry Myler as President of Brixton Park Improvement Association No. 1.

Joanna Alice Franciska Matus
NOTARY PUBLIC
Residing at: Salt Lake City, Utah

My Commission Expires:

09/24/2025



STATE OF UTAH)

ss:

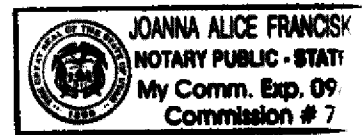
COUNTY OF Salt Lake)

The foregoing instrument was acknowledged before me this 23 day of November, 2021, by James Horsley as Declarant Manager of Brixton Park Management LLC.

Joanna Alice Franciska Matus
NOTARY PUBLIC
Residing at: Salt Lake City, Utah

My Commission Expires:

09/24/2025



[continued on following page]

EXHIBIT C

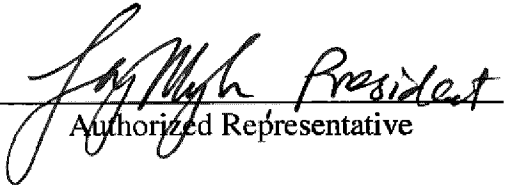
COST OF ISSUANCE DISBURSEMENT REQUEST

UMB Bank, n.a.
Phoenix, Arizona

Pursuant to Section 5.5 of the Indenture of Trust and Pledge dated as of December 1, 2021, you are hereby authorized to pay to the following costs of issuance from the Cost of Issuance Fund:

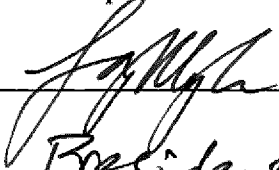
[See Attached Schedule]

BRIXTON PARK IMPROVEMENT
ASSOCIATION NO. 1

By:  President
Authorized Representative

DATED: December 1, 2021

Brixton Park Improvement Association No. 1

By: 

Its: President

EXHIBIT D

FORM OF REQUISITION

Re: Brixton Park Improvement Association No. 1 Special Assessment Bonds, Series 2021 (Taxable), in the sum of \$56,213,000

You are hereby authorized to disburse from the Series 2021 Construction Account with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE:

AMOUNT: \$ _____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

Each obligation, item of cost, or expense mentioned herein: (i) has been properly incurred, is a proper charge against the Series 2021 Construction Account based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), and has not been the basis for a previous withdrawal and (ii) has been confirmed by Brixton Park Improvement Association No. 1, in its reasonable discretion the cost of which is not greater than the fair market value of the same.

With respect to this requested disbursement, the Brixton Park Improvement Association No. 1 (i) certifies it has reviewed any wire instructions set forth in this written disbursement direction to confirm such wire instructions are accurate, (ii) agrees, to the extent permitted by law, to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

DATED: _____

Brixton Park Improvement Association No. 1

By: _____

Its: _____

EXHIBIT E

INITIAL REQUISITION

Re: Brixton Park Improvement Association No. 1 Special Assessment Bonds, Series 2021 (Taxable), in the sum of \$56,213,000

You are hereby authorized to disburse from the Series 2021 Construction Account with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____ 1 _____

NAME AND ADDRESS OF PAYEE: Fidelity National Title Agency of Utah, LLC

8899 S. 700 E., Suite 100

Sandy, UT 84070

AMOUNT: \$22,957,347.01

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED:

Reimbursing the Developer for costs of purchasing the real estate on which infrastructure improvements and amenities will be constructed and of the costs of utility fees, connection fees, and impact fees.

Each obligation, item of cost, or expense mentioned herein: (i) has been properly incurred, is a proper charge against the Series 2021 Construction Account based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), and has not been the basis for a previous withdrawal and (ii) has been confirmed by Brixton Park Improvement Association No. 1, in its reasonable discretion the cost of which is not greater than the fair market value of the same.

With respect to this requested disbursement, the Brixton Park Improvement Association No. 1 (i) certifies it has reviewed any wire instructions set forth in this written disbursement direction to confirm such wire instructions are accurate, (ii) agrees, to the extent permitted by law, to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with the disbursement direction.

DATED: December 1, 2021

Brixton Park Improvement Association No. 1

By: _____

Its: _____

EXHIBIT F

ASSESSED PROPERTY

PARCEL 1 (162.36± Acres; Tax Parcel No. 58:041:0021):

THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN.

MORE PARTICULARLY DESCRIBED BY SURVEY AS FOLLOWS:

ALL OF THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AS DESCRIBED IN THAT CERTAIN WARRANTY DEED RECORDED AS ENTRY NO. 5968:1983 IN THE OFFICE OF THE UTAH COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST 1/4 CORNER OF SECTION 33, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARING IS S89°50'07"E BETWEEN SAID EAST 1/4 CORNER OF SAID SECTION 33 AND AN LEI ENGINEERING REBAR & CAP AT THE NORTHWEST CORNER OF THE BENCHES PLAT 10 SUBDIVISION REPRESENTING THE CENTER 1/4 CORNER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN); RUNNING THENCE ALONG THE SECTION LINE S00°29'05"W 2,653.56 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 33; THENCE ALONG THE SECTION LINE N89°52'27"W 2,652.13 FEET TO THE SOUTH 1/4 CORNER OF SAID SECTION 33; THENCE ALONG THE 1/4 SECTION LINE N00°28'16"E 2,679.23 FEET TO THE CENTER OF SAID SECTION 33; THENCE ALONG THE 1/4 SECTION LINE S89°19'11"E 2,652.73 FEET TO THE POINT OF BEGINNING.

PARCEL 2 (84.150± Acres; Tax Parcel No. 58:041:0238):

A PART OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AS DESCRIBED IN THAT CERTAIN WARRANTY DEED RECORDED AS ENTRY NO. 5968:1983 IN THE OFFICE OF THE UTAH COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST 1/4 CORNER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARING IS S89°50'07"E BETWEEN SAID WEST 1/4 CORNER OF SAID SECTION 34 AND AN LEI ENGINEERING REBAR & CAP AT THE NORTHWEST CORNER OF THE BENCHES PLAT 10 SUBDIVISION REPRESENTING THE CENTER 1/4 CORNER OF SAID SECTION 34); RUNNING THENCE ALONG THE 1/4 SECTION LINE S89°50'07"E 1,047.92 FEET TO THE NORTHWEST CORNER OF A PARCEL OF LAND DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED RECORDED AS ENTRY NO. 37348:2021 IN THE OFFICE OF THE UTAH COUNTY RECORDER; THENCE ALONG SAID DEED AND THE EXTENSION THEREOF

SOUTH 2,048.51 FEET; THENCE EAST 105.00 FEET; THENCE SOUTH 105.54 FEET; THENCE EAST 59.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 12.00 FEET (RADIUS BEARS: EAST) A DISTANCE OF 18.85 FEET THROUGH A CENTRAL ANGLE OF 90°00'00" CHORD: N45°00'00"E 16.97 FEET; THENCE EAST 509.72 FEET; THENCE ALONG THE ARC OF A CURVE TO THE LEFT WITH A RADIUS OF 179.00 FEET A DISTANCE OF 116.19 FEET THROUGH A CENTRAL ANGLE OF 37°11'30" CHORD: N71°24'15"E 114.16 FEET; THENCE N52°48'30"E 97.58 FEET; THENCE ALONG THE ARC OF A CURVE TO THE RIGHT WITH A RADIUS OF 12.00 FEET A DISTANCE OF 18.47 FEET THROUGH A CENTRAL ANGLE OF 88°11'55" CHORD: S83°05'32"E 16.70 FEET; THENCE N51°33'15"E 59.00 FEET TO A RADIAL POINT ON A CURVE; THENCE NORTHWESTERLY ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 3,555.50 FEET A DISTANCE OF 77.70 FEET THROUGH A CENTRAL ANGLE OF 1°15'07" CHORD: N37°49'12"W 77.69 FEET; THENCE N53°18'55"E 130.51 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 3,425.00 FEET (RADIUS BEARS: N52°47'12"E) A DISTANCE OF 203.46 FEET THROUGH A CENTRAL ANGLE OF 3°24'13" CHORD: N35°30'41"W 203.43 FEET; THENCE EAST 793.61 FEET TO THE 1/4 SECTION LINE BETWEEN SAID CENTER 1/4 CORNER AND SOUTH 1/4 CORNER OF SECTION 34; THENCE ALONG SAID 1/4 SECTION LINE S0°23'55"E 958.42 FEET TO SAID SOUTH 1/4 CORNER; THENCE ALONG THE SECTION LINE N89°41'30"W 2,744.09 FEET TO THE SOUTHWEST CORNER OF SAID SECTION 34; THENCE ALONG THE SECTION LINE N00°29'13"E 2,653.78 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THEREFROM:

A PART OF THE SOUTHWEST QUARTER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AS DESCRIBED IN THAT CERTAIN WARRANTY DEED RECORDED AS ENTRY NO. 5968:1983 IN THE OFFICE OF THE UTAH COUNTY RECORDER, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED SOUTH 00°23'52"EAST 1,702.36 FEET ALONG THE 1/4 SECTION LINE FROM THE CENTER 1/4 CORNER OF SECTION 34, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARING IS NORTH 89°50'07"WEST BETWEEN AN LEI ENGINEERING REBAR & CAP AT THE NORTHWEST CORNER OF THE BENCHES PLAT 10 SUBDIVISION REPRESENTING THE CENTER 1/4 CORNER AND THE WEST 1/4 CORNER OF SAID SECTION 34); RUNNING THENCE ALONG SAID 1/4 SECTION LINE SOUTH 00°23'52"EAST 821.91 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 3,410.00 FEET (RADIUS BEARS: NORTH 36°52'41" EAST) A DISTANCE OF 1,139.45 FEET THROUGH A CENTRAL ANGLE OF 19°08'43" CHORD: NORTH 43°32'58"WEST 1,134.16 FEET TO THE

SOUTHERLY LINE A PARCEL OF LAND DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED RECORDED AS ENTRY NO. 37348:2021 IN THE OFFICE OF THE UTAH COUNTY RECORDER; THENCE ALONG SAID SOUTHERLY LINE, AND ALONG THE SOUTHERLY LINE OF A PARCEL OF LAND DESCRIBED IN THAT CERTAIN SPECIAL WARRANTY DEED RECORDED AS ENTRY NO. 51454:2018 IN THE OFFICE OF THE UTAH COUNTY RECORDER, SOUTH 89°59'27" EAST 775.70 FEET TO THE POINT OF BEGINNING.