

MODIFICATION, RELEASE AGREEMENT AND ALLONGE

This MODIFICATION, RELEASE AGREEMENT AND ALLONGE (this “**Agreement**”) dated as of November __, 2024 (the “**Effective Date**”) is by and among **PSG VESTA DERBY OAKS LLC**, a Delaware limited liability company (the “**Borrower**”), the sole member of which is Patriot Services Group, Inc., a Florida not for profit corporation (the “**Sole Member**”) described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”) and exempt from federal income taxation under Section 501(a) of the Code, and its successors and assigns, **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a political subdivision of the Commonwealth of Kentucky (the “**Issuer**”), **THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION**, a national banking association, as bond trustee (the “**Bond Trustee**”) and **THE SOLE MEMBER**. Capitalized terms used herein but not otherwise defined herein shall have the meanings provided to such terms in that certain Trust Indenture dated as of May 1, 2022 (the “**Indenture**”) and entered into by and between the Issuer and the Bond Trustee, or the Loan Agreement (as defined below), as applicable, as each is amended by this Agreement.

PRELIMINARY STATEMENTS:

A. The Issuer previously issued on behalf of the Borrower its Industrial Building Revenue Bonds (Vesta Derby Oaks Project) Convertible Capital Appreciation, Series 2022A in the initial principal amount of \$44,040,993.70 (the “**Series 2022A Bonds**”) and its Industrial Building Revenue Bonds (Vesta Derby Oaks Project) Taxable Series 2022B in the principal amount of \$1,950,000 (the “**Series 2022B Bonds**”) and together with the Series 2022A Bonds, the “**Bonds**”) pursuant to the Indenture.

B. The Borrower and the Issuer previously entered into that certain Loan Agreement dated as of May 1, 2022 (as amended, modified, supplemented or restated, the “**Loan Agreement**”) under the terms of which the Issuer loaned the proceeds of the sale of the Bonds (the “**Loan**”) to the Borrower (i) to finance the acquisition, renovation, furnishing and equipping of a multifamily rental housing development (the “**Project**”), which Project constitutes an “industrial building” as that term is defined in KRS Section 103.200(1)(o), consisting of industrial buildings to be used by an entity recognized by the Internal Revenue Service as an organization described in 26 U.S.C. Section 501(c)(3) in a manner related to or in furtherance of that entity’s exempt purposes where the use would also qualify for federally tax-exempt financing under the rules applicable to a qualified 501(c)(3) bond as defined in 26 U.S.C. Section 145, for individuals and families of low and moderate income located at 3237 Utah Avenue, Louisville Kentucky 40215 and known as “Vesta Derby Oaks Project” (the “**Property**”), (ii) to finance the funding of deposits to one or more reserve funds, if any, for the Bonds, and (iii) to finance the payment of the costs of issuance of the Bonds (collectively, the “**Project**”).

C. To evidence the Borrower’s obligation to repay the Loan, which was in the initial principal amount of \$45,990,993.70 and was advanced pursuant to the Loan, the Borrower executed that certain Multifamily Promissory Note dated as of May 13, 2022 and made by the Borrower in the aggregate initial principal amount of \$45,990,993.70 (such note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to as the “**Note**”), together with interest thereon, with final payment being due on or before May 1, 2052.

D. To further secure the Borrower’s obligations under the Note, the Borrower entered into that certain Multifamily Mortgage, Assignment of Leases and Rents, Security Agreement, Fixture Filing and Environmental Indemnity dated as of May 1, 2022 made by the Borrower for the benefit of the Bond Trustee.

E. Further, the Borrower entered into that certain Land Use Restriction Agreement dated as of May 1, 2022 and entered into by and among the Issuer, the Bond Trustee and the Borrower for the Property (the “**LURA**”).

F. The Borrower is the owner of the Property.

G. The Borrower desires to refinance the Bonds and the Loan and make additional capital improvements to the Property (the “**2024 Restructuring**”) and intends to finance the 2024 Restructuring with its allocable portion of the proceeds (the “**2024 Proceeds**”) of tax exempt bonds intending to be “qualified 501(c)(3) bonds” (as defined in Section 145 of the Internal Revenue Code of 1986, as amended (the “**Code**”)) in the aggregate principal amount not to exceed \$235,000,000 (the “**2024 Bonds**”) and issued in one or more series by Public Finance Authority (the “**Authority**”), a Wisconsin bond issuing commission created under Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes (the “**Act**”).

H. In connection with the 2024 Restructuring, the Borrower will (i) use a portion of the 2024 Proceeds to redeem the Bonds and pay all unpaid and accrued interest on the Bonds through the date of the redemption thereof (collectively, the “**Redemption**”), (ii) be released from any and all of its obligations under the Borrower’s Documents, including those relating to Vesta Derby Oaks Project (the “**Released Property**”), (iii) to release the Released Property from the liens established under the Security Instrument, and (iv) to release the Borrower from its obligations under the LURA relating to the Released Property and enter into a new land use restriction agreement substantially similar terms to the LURA with the Authority and the trustee for the 2024 Bonds (clauses (ii) through (iv) collectively referred to as the “**Borrower Release**”), and (v) to allow for the release of any and all obligations of the Sole Member from the Loan relating to the Released Property (the “**Sole Member Release**” and together with the Borrower Release, the “**Release**”).

I. In connection with the 2024 Restructuring, the Sole Member desires to obtain the Sole Member Release.

J. The Issuer, the Bond Trustee and the Sole Member (collectively, the “**Releasing Parties**” and individually, a “**Releasing Party**”) desire to effectuate the Redemption and the Release as of the Effective Date.

STATEMENT OF AGREEMENT

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, including the agreement of the parties to effectuate the Redemption and the Release, and the covenants, terms and conditions hereinafter appearing, all of which each party agrees constitutes sufficient consideration received at and before the execution hereof, the parties hereto agree as follows:

Redemption and Principal Reduction Provisions

1. **Indenture Definitions.** On the Effective Date, the following definitions, as they are used in the Master Indenture, are hereby amended and restated to read as follows:

“**Borrower’s Documents**” means collectively, the Loan Agreements, the Mortgage, the Note, the Land Use Restriction Agreement, the Continuing Disclosure Agreement, the Tax Agreement, the Management Agreement, the Bond Placement Agreement and the Private Placement Memorandum, together with all other documents or instruments executed by the Borrower evidencing or securing the Borrower’s obligations under the Loan Agreement, in each case as originally executed or as it may thereafter be amended or supplemented in

accordance with its respective terms, including by the Modification, Release Agreement and Allonge.

“Modification, Release Agreement and Allonge” means that certain Modification, Release Agreement and Allonge dated as of November __, 2024 by and among the Borrower, the Sole Member, the Issuer, and the Bond Trustee and consented and approved by the Controlling Holder.

2. Section 3.02 of the Bond Indenture. Effective as of November __, 2024, Section 3.01 of the Bond Indenture is amended by adding the following text at the end of that Section:

Notwithstanding the foregoing to the contrary, effective as of November __, 2024, with the prior written consent of Controlling Holders, the Series 2022A Bonds and the Series 2022B Bonds are subject to optional redemption in whole on any date on or after November __, 2024, at the redemption price set forth below as the percentage of the principal amount or Accreted Value, as applicable, of then Outstanding Bonds, together with accrued interest to the date of redemption:

<u>Bond Series</u>	<u>CUSIP Number</u>	<u>Redemption Price</u>
Series 2022A Bonds	546594AG7	85.620%
Series 2022B Bonds	546594AH5	100.000%

The Borrower shall give the Trustee written notice of optional redemption not more than 60 days and not less than 45 days prior to the redemption date in accordance with the applicable provisions of the Loan Agreement and, upon delivery of such written notice, the Issuer shall be deemed, without the necessity of any action on the Issuer’s part, to have exercised its option to redeem the Bonds under this Section 3.02. A copy of such notice shall be provided to the Issuer, but failure or delay in providing such copy to the Issuer shall not affect the validity of such notice or redemption.

Money used to pay principal or Accreted Value, as applicable, premium, if any, and interest on the Bonds to be redeemed must constitute Available Money.

3. After the Redemption, the Borrower shall be released and discharged from any and all liabilities and obligations under the Borrower’s Documents (each as defined in the Bond Indenture) (collectively, the **“Borrower Released Documents”**) other than this Agreement.
4. After the Redemption, the obligations of the Borrower secured by the Security Instrument shall be deemed paid in full with respect to the Released Property, the Security Instrument shall terminate and the Borrower shall be released and discharged from any and all liabilities and obligations under such Security Instrument, except for any such obligations or liabilities which by their express terms survive the termination and release of the Security Instrument.
5. On the Effective Date, the Borrower shall be released and discharged from any and all liabilities and obligations under the LURA for any period after the Effective Date, provided that the Borrower has entered into a new land use restriction agreement or similar document (the **“New LURA”**) on substantially the same terms as the LURA with the Authority and the trustee for

the 2024 Bonds and upon satisfaction thereof, the LURA shall cease to apply to the Borrower and shall terminate. Neither the Issuer nor the Bond Trustee shall be required to be a party to the New LURA.

6. After the Redemption, the Released Property shall be released from any and all liens established under the Security Instrument applicable to such Released Property and the Issuer and the Bond Trustee, to the extent applicable, shall execute such documents reasonably requested by the Borrower to release such liens.
7. On the Effective Date and after the Redemption, the Sole Member shall be released and discharged from any liabilities and obligations relating to the Bonds.

Miscellaneous Provisions

8. On the Effective Date, the Borrower shall pay an administrative fee of \$0.00 to the Issuer in connection with the Redemption and the Release and shall pay reasonable closing costs, including reasonable attorneys' fees, including bond counsel fees, incurred by the Issuer, the Bond Trustee and the Controlling Holder related thereto.
9. This Agreement is limited as specified and shall not constitute a modification, acceptance, waiver or release of any other provision of the Borrower's Documents, or with respect to any other party under the Borrower's Documents.
10. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of executed counterparts shall be lodged with the Issuer, the Borrower, the Bond Trustee, and the Sole Member.
11. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of the Commonwealth of Kentucky (without reference to choice of law doctrine).
12. This Agreement shall become effective on the date when the Issuer, the Borrower, the Sole Member and the Bond Trustee shall have signed a copy hereof (whether the same or different copies) and delivered (including by way of telecopier) the same to each other with the executed consent of the Controlling Holder.
13. Conforming Changes. To the extent any provision of any Borrower's Document conflicts with the amendments made in this Agreement, those conflicting provisions shall be deemed amended to conform with the amendments effected by this Agreement.
14. Allonge to Bonds and Note. This Agreement shall constitute an allonge to the Bonds and the Note, and a counterpart hereof shall be attached to each Bond and the Note, and no Bond or Note shall be transferred unless a counterpart of this Agreement is attached at the time of transfer.
15. Representations and Warranties. The Sole Member and the Borrower hereby represent and warrant to the Issuer and the Bond Trustee as follows as of the date hereof: (i) no Event of Default has occurred and is continuing under any of the Borrower's Documents; (ii) all representations and warranties contained in the Borrower's Documents are true and correct in

- all material respects; (iii) the Sole Member has the requisite corporate power and authority to execute, deliver and perform this Agreement and the Borrower has the requisite limited liability company power and authority to execute, deliver and perform this Agreement; and (iv) the Controlling Holders have consented in writing to the 2024 Restructuring and the Redemption.
16. Further Assurances. The parties agree to execute and deliver such additional documents, amendments to the Borrower's Documents and other further assurances as may reasonably be required to implement the amendments identified in this Agreement.
17. New Approving Opinion. The effectiveness of this Agreement is subject to the receipt by the Issuer, the Bond Trustee and the Controlling Holder of a new approving opinion of Coats Rose, P.C., bond counsel, in form and substance satisfactory to the Issuer and the Bond Trustee.

[Signatures appear on the following page]

To indicate its understanding of, and agreement to the foregoing, by Borrower, as of the day and year first above written.

BORROWER:

PSG VESTA DERBY OAKS LLC, a
Delaware limited liability company

By: Patriot Services Group, Inc., a Florida not
for profit corporation, its sole member

By: _____
Paul Anderson
Authorized Signatory

To indicate its understanding of, and agreement to the foregoing, by Issuer, as of the day and year first above written.

ISSUER

**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

By: _____
Name: Craig Greenberg
Title: Mayor

Attest:

Sonya Harward, Metro Council Clerk

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: _____
Assistant Jefferson County Attorney

To indicate its understanding of, and agreement to the foregoing, by Sole Member, as of the day and year first above written.

SOLE MEMBER:

PATRIOT SERVICES GROUP, INC., a
Florida not for profit corporation

By: _____
Paul Anderson
Authorized Signatory

To indicate its understanding of, and agreement to the foregoing, by Bond Trustee, as of the day and year first above written.

BOND TRUSTEE:

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION**

By: _____

Name: _____

Title: _____

To indicate its understanding of, consent to and approval of the foregoing, including the 2024 Restructuring, and the waiver of any and all advance notice requirements under the Bond Indenture relating to any amendments to the Bond Indenture, the Loan Agreement, the Bonds, the Note, or the other Borrower's Documents or redemption of the Bonds, each as specified herein, by Controlling Holder, which owns 100% of the Bonds on the date hereof, as of the day and year first above written.

CONTROLLING HOLDER:

FRANKLIN ADVISERS INC., as investment manager for the benefit of all or a portion of the mutual funds described in **Exhibit A**, attached hereto

By: _____
Name: _____
Title: _____

EXHIBIT A

LIST OF MUTUAL FUNDS

Franklin New York Intermediate-Term Tax-Free Income Fund
Franklin New York Tax-Free Income Fund
Franklin Ohio Tax-Free Income Fund
Franklin Minnesota Tax-Free Income Fund
Franklin Pennsylvania Tax-Free Income Fund
Franklin Missouri Tax-Free Income Fund
Franklin Michigan Tax-Free Income Fund
Franklin North Carolina Tax-Free Income Fund
Franklin New Jersey Tax-Free Income Fund
Franklin Colorado Tax-Free Income Fund
Franklin Virginia Tax-Free Income Fund
Franklin Federal Intermediate-Term Tax-Free Fund
Franklin California Intermediate-Term Tax-Free Fund
Franklin Georgia Tax-Free Income Fund
Franklin Liberty Federal Intermediate Tax-Free Bond ETF
Franklin California Tax-Free Income Fund
Franklin Federal Tax-Free Income Fund
Franklin High Yield Tax-Free Income Fund
Franklin California High Yield Municipal Fund
Franklin Oregon Tax-Free Income Fund
Franklin Arizona Tax-Free Income Fund
Franklin Massachusetts Tax-Free Income Fund
Franklin Maryland Tax-Free Income Fund
Franklin Louisiana Tax-Free Income Fund
Franklin Alabama Tax-Free Income Fund
Franklin Connecticut Tax-Free Income Fund