

JOINT NOTICE REGARDING EXTENSION OF FORBEARANCE AGREEMENT

JUNE 14, 2023

To the holders of:

TARRANT COUNTY CULTURAL EDUCATION FACILITIES FINANCE CORPORATION
RETIREMENT FACILITY REVENUE BONDS
(THE STAYTON AT MUSEUM WAY PROJECT)

SERIES	CUSIP ¹	MATURITY
2020	87638RKD8	December 1, 2054

THIS NOTICE CONTAINS IMPORTANT INFORMATION THAT IS OF INTEREST TO THE REGISTERED AND BENEFICIAL OWNERS OF THE BONDS. IF YOU RECEIVE THIS NOTICE AND ARE ACTING FOR A BENEFICIAL OWNER OF THE BONDS, PLEASE SEND THIS NOTICE TO THE BENEFICIAL OWNER(S) IMMEDIATELY.

BOKF, N.A., as successor trustee (the “Bond Trustee”), and Tarrant County Senior Living Center, Inc. d/b/a The Stayton at Museum Way, a not-for-profit corporation organized under the laws of Texas (the “Company”) jointly provide this notice regarding the extension of certain deadlines set forth in that certain Forbearance Agreement between the Bond Trustee and the Company dated January 13, 2023 (the “Forbearance Agreement”). Reference is made to the above-referenced Bonds issued pursuant to that certain Indenture of Trust dated as of January 1, 2020 (the “Bond Indenture”) by and between Tarrant County Cultural Education Facilities Finance Corporation (the “Issuer”) and the Bond Trustee. The Issuer issued the Bonds pursuant to the Bond Indenture as a refinancing and exchange of certain bond indebtedness previously incurred by the Company to finance the facility. The proceeds of the Bonds were lent to the Company pursuant to that certain Loan Agreement between the Issuer and the Company dated as of January 1, 2020 (the “Loan Agreement”), and the rights of the Issuer under the Loan Agreement were assigned to the Bond Trustee pursuant to the Bond Indenture as security for the Bonds. The Bonds are evidenced and secured by a note (the “Series 2020 Note”) issued by the Company under that certain Amended and Restated Master Trust Indenture, Deed of Trust and Security Agreement, dated as of January 1, 2020 (as further amended, restated, supplemented or otherwise modified from time to time thereafter, the “Master Indenture,” and together with the Bond Indenture, the Loan Agreement, the Series 2020 Notes and other agreements the Company entered into with respect to the Series 2020 Bonds, the “Transaction Documents”) between the Company, as initial obligated group member, and the BOKF, N.A., as successor trustee (the “Master Trustee” and, together with the Bond Trustee, the “Trustee”). Capitalized terms used in this Notice but not otherwise defined in this Notice shall have the meanings given to them in the Master Indenture.

¹ A registered trademark of The American Bankers Association. CUSIP data is provided by CUSIP Global Services (“CGS”) managed on behalf of the American Bankers Association by S&P Capital IQ. Neither the Trustee nor the Company is responsible for the selection or use of CUSIP numbers; they are included solely for the convenience of the Bondholders.

ENTRY INTO FORBEARANCE AGREEMENT

As you have previously been informed, the Company failed to meet the required Historical *Pro Forma* Debt Service Coverage Ratio pursuant to Section 4.11 of the Master Indenture and failed to comply with certain cash-management obligations pursuant to Sections 3.05 and 4.24(c) of the Master Indenture (such failure, the “Cash Management Default”). Further, as you have previously been informed other Events of Default have occurred and are continuing under the Master Indenture and the Bond Indenture. Among others, such Events of Default include: failure to make payment of the interest on the Bonds; failure to deposit Gross Revenues to the Revenue Fund upon and during the continuance of an Event of Default; and certain failures to abide by certain reporting obligations.

On January 19, 2023, The Company gave notice that it intends to pursue a sale of the Company or its assets (a “Strategic Transaction”) and that, to facilitate that process, the Company and the Trustee entered into the Forbearance Agreement on January 13, 2023. Pursuant to the Forbearance Agreement, the Trustee, acting at the direction of certain beneficial holders or investment managers or advisors for such beneficial holders (collectively the “Supporting Holders”), agreed to forbear subject to the Company meeting a series of sale Milestones (as defined in the Forbearance Agreement).

Pursuant to the Forbearance Agreement, the Company retained Houlihan Lokey to market the Company and its assets in pursuit of a Strategic Transaction. The Forbearance Agreement provided that the Forbearance Period will continue until the earlier of: (a) June 2, 2023; or (b) the date on which any Termination Event (as defined in the Forbearance Agreement) shall have occurred (the “Forbearance Period”). As of June 2, 2023, the sale and marketing process remains underway, and the Company continues to pursue a Strategic Transaction.

In order to provide more time for the Company to complete the Strategic Transaction process, on June 2, 2023, the Company and the Trustee, at the direction of the Supporting Holders, entered into that certain First Amendment to Forbearance Agreement (the “Forbearance Amendment”). Pursuant to the Forbearance Amendment:

- Certain of the sale Milestones have been extended or abated; and
- The Forbearance Period will continue until the earlier of: (a) July 21, 2023; or (b) the date on which any Termination Event shall have occurred.

All other material terms of the Forbearance Agreement remain substantially unchanged. During the Forbearance Period interest on the bonds shall continue to accrue as provided under the Transaction Documents, however, the Company shall not be required to make any payments of principal or interest to the Trustee during the Forbearance Period. Additional information regarding the Forbearance Agreement is available upon request of the Bond Trustee.

TRUSTEE COUNSEL

The Trustee has retained the law firm Paul, Weiss, Rifkind, Wharton & Garrison LLP (“Paul Weiss”), and specifically Brian S. Hermann, Ken Ziman, and Sean A. Mitchell to represent the Trustee in connection with matters associated with the Bonds. Mr. Hermann’s telephone number and email address are (212) 373-3545 and bhermann@paulweiss.com, Mr. Ziman’s telephone number and email address are (212) 373-3733 and kziman@paulweiss.com, and Mr. Mitchell’s telephone number and email address are (212) 373-3356 and smitchell@paulweiss.com.

COMPANY COUNSEL

The Company has retained the law firm Polsinelli PC, and specifically David Gordon, to represent the Company in connection with matters associated with the Bonds. Mr. Gordon's telephone number and email address are (404) 253-6005 and dgordon@polsinelli.com.

Note:

This notice is not made in connection with a purchase or sale of the Bonds and accordingly is not intended to contain all information material to a decision to purchase or sell the Bonds. This notice does not constitute or imply any representation that no other information exists that may have a bearing on the financial condition of the Company, the security for the Bonds or an investor's decision to buy, sell or hold the Bonds.

**Tarrant County Senior Living Center, Inc. d/b/a
The Stayton at Museum Way**

BOKF, N.A.,
as Bond Trustee and Master Trustee

Dated: June 14, 2023