

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

Meeting Date: **October 7, 2014** Consent Regular
 Ordinance Public Hearing

Department: **Department of Economic Sustainability**

I. EXECUTIVE BRIEF


Motion and Title: Staff recommends motion to adopt: a Resolution of the Board of County Commissioners of Palm Beach County, Florida authorizing the issuance of the Palm Beach County Revenue Refunding Bonds Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project), in the aggregate principal amount not exceeding \$19,500,000, for the purpose of making a loan of funds to Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower"), in order to **(A)** refinance the County's Senior Health and Housing Facilities Revenue Refunding Bond, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.), and **(B)** pay costs associated with the issuance of the Bonds; providing that such Revenue Bonds shall not constitute a debt, liability or obligation of Palm Beach County, Florida or the State of Florida or any political subdivision thereof, but shall be payable solely from the revenues herein provided; approving and authorizing the execution and delivery of a Loan and Trust Agreement with the Borrower, to provide security for such Bonds and for other matters therein provided; approving and authorizing the execution and delivery of a Tax Regulatory Agreement; approving and authorizing the execution and delivery of certain other documents required in connection with the foregoing; and providing certain other details in connection therewith.

Summary: On September 9, 2014, the Board of County Commissioners (BCC) conducted a Tax Equity & Fiscal Responsibility Act (TEFRA) Public Hearing concerning the issuance of up to \$19,500,000 in Revenue Refunding Bonds. The BCC also approved the Borrower's application for the issuance of the Bonds. The proceeds of the Bonds will be used by the Borrower to refinance the County's Senior Health and Housing Facilities Revenue Refunding Bond, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project), and pay the costs of issuance related to the Bonds. The 2002 Bonds were issued to refinance earlier bonds issued by the County, the proceeds of which were used to finance capital assets for the Borrower's facilities located at 311 South Flagler Drive, West Palm Beach, Florida. The Borrower has been providing senior and assisted living services for more than 50 years in Palm Beach County. The Bonds will be payable solely from revenues derived by the Borrower. **Neither the taxing power nor the faith and credit of the County, nor any County funds, shall be pledged to pay the principal, premium, if any, or interest on the Bond.** District 7 (PFK)

Background and Policy Issues: The Bonds are being purchased by Citizens Bank, National Association or one of its affiliated entities.

Attachments:
1. Resolution

Recommended By:  9-18-14
 Department Director **Date**

Approved By:  9/25/14
 Assistant County Administrator **Date**

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income					
In-Kind Match (County)					
NET FISCAL IMPACT	*				

# ADDITIONAL FTE POSITIONS (Cumulative)					
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Is Item Included In Current Budget? Yes _____ No _____

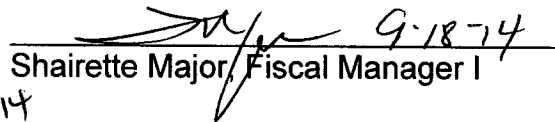
Budget Account No.:

Fund _____ Dept _____ Unit _____ Object _____ Program Code/Period _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

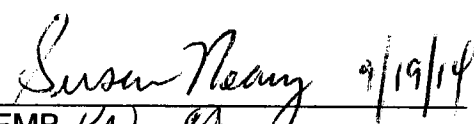
*No fiscal impact. All costs to be borne by Borrower.

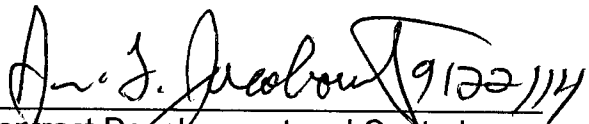
C. Departmental Fiscal Review:


 Shairette Major, Fiscal Manager I
 9/17/14

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:


 Susan Neary 9/19/14
 OFMB KD RA
 9/18 9/19


 Joe Jacobson 9/22/14
 Contract Development and Control
 P-22-16 B Wheeler

B. Legal Sufficiency:


 Paul F. Foy 9/23/14
 Senior Assistant County Attorney

C. Other Department Review:

 Department Director

RESOLUTION NO. R2014-_____

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF THE PALM BEACH COUNTY REVENUE REFUNDING BONDS, SERIES 2014 (LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC. PROJECT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT EXCEEDING \$19,500,000, FOR THE PURPOSE OF MAKING A LOAN OF FUNDS TO LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC. (THE "BORROWER"), IN ORDER TO (A) REFINANCE THE COUNTY'S SENIOR HEALTH AND HOUSING FACILITIES REVENUE REFUNDING BONDS, SERIES 2002 (LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC.), AND (B) PAY COSTS ASSOCIATED WITH THE ISSUANCE OF THE BONDS; PROVIDING THAT SUCH REVENUE BONDS SHALL NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF PALM BEACH COUNTY, FLORIDA OR THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES HEREIN PROVIDED; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND TRUST AGREEMENT WITH THE BORROWER, TO PROVIDE SECURITY FOR SUCH BONDS AND FOR OTHER MATTERS THEREIN PROVIDED; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX REGULATORY AGREEMENT; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; AND PROVIDING CERTAIN OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the Board of County Commissioners of Palm Beach County, Florida (the "Issuer") is authorized pursuant to the Florida Constitution, Chapter 125 and Chapter 159, Part II of the Florida Statutes, as amended, and other applicable provisions of law (collectively, the "Act") and by the Charter of the Issuer, to finance and refinance health care facilities and projects as contemplated in the Act and to fully perform the obligations of the Issuer in connection therewith in order to promote the economy of Palm Beach County, Florida and the State of Florida, increase and preserve opportunities for gainful employment and purchasing power, improve the prosperity and welfare of the State of Florida and its inhabitants and otherwise contribute to the prosperity, health and welfare of Palm Beach County, Florida and the State of Florida and the inhabitants thereof.

WHEREAS, Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower"), has requested that the Issuer issue, from time to time, in one or more series, taxable and/or tax exempt, adjustable mode revenue bonds under the Act, in an aggregate principal amount not to exceed \$19,500,000 (the "Bonds") and loan the proceeds of the Bonds to the Borrower (the "Loan"), to (A) refinance the County's Senior Health and Housing Facilities Revenue Refunding Bonds, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.) (the "Series 2002 Bonds"), which were issued to refinance earlier bonds issued by the County, the proceeds of which were used to finance capital assets for the Borrower's skilled nursing/assisted/independent living facilities located at 311 South Flagler Drive, West Palm Beach, Florida (collectively, the "Project"); and (B) pay costs associated with the issuance of the Bonds.

WHEREAS, proceeds of the Bonds also may be used to defray the costs of issuing the Bonds.

WHEREAS, the Project constitutes a "health care facility" and a "project" within the meaning and contemplation of the Act, is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of, Palm Beach County, Florida, shall provide or preserve gainful employment and shall serve the intended public purpose by advancing the economic prosperity and the general welfare of the State of Florida and its people and by improving living conditions within the State of Florida.

WHEREAS, the availability of financing by means of industrial development revenue bonds was and is an important inducement to the Borrower to proceed with the financing and refinancing of the Project.

WHEREAS, the Bonds shall not be deemed to constitute a debt, liability or obligation or a pledge of the faith and credit or taxing power of the Issuer or of the State of Florida or of any political subdivision thereof to pay the principal, premium, if any, or interest on the Bonds, but the Bonds shall be payable solely from the revenues and proceeds to be derived by the Issuer from certain of the payments received under the financing agreements entered into between the Issuer and the Borrower.

WHEREAS, the Board of County Commissioners of the Issuer conducted a public hearing on September 9, 2014, notice of which hearing, inviting comments and discussion concerning the issuance of the Bonds by the Issuer to refinance the Project, was published in *The Palm Beach Post*, a newspaper of general circulation in Palm Beach County, Florida, on August 26, 2014 (a copy of such notice is attached hereto as Exhibit A), for the purpose of providing the affected public with an opportunity to comment on the issuance of the Bonds, in accordance with the requirements of Section 147(f) of the Internal Revenue Code, as amended.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, AS FOLLOWS:

SECTION 1. For the purpose of refunding the Series 2002 Bonds used to refinance outstanding indebtedness that was used to pay the costs of the Project, subject and pursuant to the provisions hereof, the issuance of the Bonds under the authority of the Act, from time to time, in one or more series, taxable and/or tax-exempt, in the original aggregate principal amount not exceeding \$19,500,000, or in such lesser amount as hereinafter provided, is hereby authorized, such authorization to include the necessary authorization under Section 147(f) of the Internal Revenue Code of 1986, as amended. Such Bonds shall be designated "Palm Beach County Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc., Project)," (or such other designation as shall be acceptable to the Issuer) and subject to the award of the sale thereof as hereinafter provided, shall be issued and delivered to the order of Citizens Bank, National Association, or an affiliate thereof (the "Bank"). The award of the sale of the Bonds to the Bank in an aggregate principal amount which shall not exceed \$19,500,000, at a purchase price of not less than par (the "Purchase Price") and at a variable rate of interest to be determined in accordance with the terms of the herein after defined Agreement, and with a final maturity not later than thirty years from the date of issuance thereof (the "Final Maturity Date"), is hereby authorized, the approval of the principal amount and the initial rate of interest to be conclusively evidenced by the execution of an order to authenticate and deliver the Bonds to or upon the order of the Bank.

Subject to the limitations set forth in the first paragraph of this Section 1, the Bonds shall be dated such date or dates, shall bear interest at such rates, shall be payable or shall mature on such date or dates, shall be issued in such denominations, shall be subject to optional, extraordinary and mandatory redemption at such time or times, and upon such terms and conditions, shall be subject to optional and mandatory tender at such time or times and upon such terms and conditions, shall be payable at the place or places and in the manner, shall be executed, authenticated and delivered and shall otherwise be in such form and subject to such terms and conditions, all as provided in the Agreement (hereinafter defined).

The Bonds and the interest thereon shall not be deemed to constitute a general debt, liability or obligation of the Issuer or the State of Florida or any political subdivision thereof, including, without limitation, Palm Beach County, or a pledge of the faith and credit of the Issuer or the State of Florida or any political subdivision thereof, including, without limitation, Palm Beach County, but shall be payable solely from the revenues

provided therefor, and the Issuer is not obligated to pay the Bonds or the interest thereon except from the revenues and proceeds pledged therefor, and neither the faith and credit of the Issuer nor the faith and credit or taxing power of the State of Florida or any political subdivision thereof, including, without limitation, Palm Beach County, is pledged to the payment of the principal of or the interest on the Bonds.

SECTION 2. In order to secure the payment of the principal of and interest on the Bonds herein authorized, according to their tenor, purport and effect, and in order to secure the performance and observance of all of the covenants, agreements and conditions in said Bonds, the execution and delivery of a Loan and Trust Agreement, a proposed form of which is attached hereto as Exhibit B (the "Agreement"), to be entered into by and among the Issuer, the Bank and the Borrower is hereby authorized. The form of the Agreement is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in the form of the Agreement by the Mayor or her agents or assignees. The execution by the Mayor and the Clerk of the Agreement, in a manner consistent with the provisions of this Resolution, shall be conclusive evidence of approval of the final terms, provisions, form, content and substance of the Agreement, which shall thereupon become binding upon the Issuer.

SECTION 3. The execution and delivery of a Tax Regulatory Agreement, a proposed form of which is attached hereto as Exhibit C (the "Tax Agreement" and together with the Agreement, the "Bond Documents") is hereby authorized, and the assignment of certain rights of the Issuer under the Agreement by the Issuer to the Trustee is hereby authorized. The form of the Agreement is hereby approved, subject to such changes, insertions and omissions and such filling of blanks therein as may be approved and made in the form of the Agreement by the Mayor or her agents or assignees and by the Borrower. The execution by the Mayor and the Clerk of the Agreement, in a manner consistent with the provisions of this Resolution, shall be conclusive evidence of approval of the final terms, provisions, form, content and substance of the Agreement, which shall thereupon become binding upon the Issuer.

SECTION 4. Such other documents as the Issuer deems necessary or desirable to accomplish the purposes of this Resolution are hereby authorized in such form, and containing such provisions, as the Mayor or her agents or assignees shall approve. The execution by the Mayor and the Clerk of the Issuer of the Bonds and such other documents shall be conclusive evidence of approval of the final terms, provisions, form, content and

substance of the Bonds and all such other documents executed and delivered in connection therewith, which shall thereupon become binding upon the Issuer.

SECTION 5. The Issuer and the officers, employees and agents of the Issuer acting on behalf of the Issuer are hereby authorized and empowered to execute such documents, instruments and contracts, whether or not expressly contemplated hereby, and to do all acts and things required by the provisions of this Resolution and by the provisions of the Bonds and the Bond Documents authorized herein, as may be necessary for the full, punctual and complete performance of all the terms, covenants, provisions and agreements herein and therein contained, or as otherwise may be necessary or desirable to effectuate the purpose and intent of this Resolution, or as may be requested by the Bank or the Borrower. The Mayor and the Clerk are hereby designated as the primary officers of the Issuer charged with the responsibility of issuing the Bonds, and the Mayor is hereby authorized to delegate to any other person any of the duties or authorizations of the Mayor or the Clerk hereunder.

SECTION 6. The Issuer hereby finds, determines and declares as follows:

- A.** The Issuer is not obligated to pay the Bonds except from the proceeds derived from the repayment of the Loan by the Borrower or from the other security pledged therefor, and neither the faith and credit nor the taxing power of the Issuer or the State of Florida or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds.
- B.** The Issuer and the Borrower will, concurrently with the issuance of the Bonds, execute the documentation required for the financing and refinancing of the Project as contemplated hereby.
- C.** A negotiated sale of the Bonds is required and necessary and is in the best interest of the Issuer for the following reasons: the Bonds will be special and limited obligations of the Issuer payable out of moneys derived by the Issuer from the Borrower's operation of the Project or as otherwise provided herein; the cost of issuance of the Bonds, which must be borne directly or indirectly by the Borrower, would most likely be greater if the Bonds were sold at public sale by competitive bid than if the Bonds are sold at negotiated sale, and there is no basis, considering prevailing market conditions, for any expectation that the terms and conditions of a sale of the Bonds at public sale by competitive bid would be any more favorable than at

negotiated sale; because prevailing market conditions are uncertain, it is desirable to sell the Bonds at a predetermined price; and industrial development revenue bonds having the characteristics of the Bonds are typically sold at negotiated sale under prevailing market conditions.

- D. The purposes of the Act will be more effectively served by awarding, or causing to be awarded, contracts for the financing and refinancing the Project upon a negotiated basis rather than by awarding, or causing to be awarded, such contracts based on competitive bids.
- E. The Bank, as initial purchaser of the Bonds, shall provide the Issuer with a disclosure statement in a form and containing the information required by Section 218.385(6), Florida Statutes, prior to its purchase of the Bonds. Disclosure containing such statutorily required information shall be acceptable to the Issuer, and the Issuer does not require any further disclosure from the Bank.

SECTION 7. The term "Mayor" as used herein refers to the Mayor or the Vice Mayor of the Board of County Commissioners of the Issuer unless specifically indicated otherwise. Throughout this Resolution when reference is made to the "Mayor," the Mayor or the Vice Mayor of the Issuer may act independently and interchangeably in performing the duties and functions resolved herein. The term "Clerk" as used herein refers to the Clerk & Comptroller or any Deputy Clerk of the Issuer unless specifically indicated otherwise. Throughout this Resolution when reference is made to the "Clerk" the Clerk & Comptroller or any Deputy Clerk of the Issuer may act independently and interchangeably in performing the duties and functions resolved herein.

SECTION 8. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution, and this Resolution shall be construed and enforced as if such illegal or invalid provision had not been contained herein. This Resolution is adopted, the Agreement shall be executed and the Bonds shall be issued, with the intent that the laws of the State of Florida shall govern their construction, except as shall otherwise be expressly provided by the terms thereof.

SECTION 9. All resolutions or parts thereof in conflict herewith are hereby repealed.

SECTION 10. This Resolution shall become effective immediately upon its passage and adoption.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and being put to a vote, the vote was as follows:

Commissioner Priscilla A. Taylor, Mayor	- _____
Commissioner Paulette Burdick, Vice Mayor	- _____
Commissioner Hal R. Valeche	- _____
Commissioner Shelley Vana	- _____
Commissioner Steven L. Abrams	- _____
Commissioner Mary Lou Berger	- _____
Commissioner Jess R. Santamaria	- _____

The Mayor thereupon declared the Resolution duly passed and adopted this _____ day of _____, 20__.

**PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONERS**

**APPROVED AS TO FORM AND
LEGAL SUFFICIENCY**

**ATTEST: SHARON R. BOCK
CLERK & COMPTROLLER**

By: _____
Paul F. King,
Senior Assistant County Attorney

By: _____
Deputy Clerk

EXHIBIT A

NOTICE OF PUBLIC HEARING

THE PALM BEACH POST

Published Daily and Sunday
West Palm Beach

Palm Beach County

STATE OF FLORIDA
COUNTY OF PALM BEACH

PROOF OF PUBLICATION

BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY,
FLORIDA
NOTICE OF PUBLIC HEARING

The Board of County Commissioners (the "Commission") of Palm Beach County, Florida (the "County") will hold a public hearing on Tuesday, September 9, 2014 at 9:30 A.M., or as soon thereafter as practicable, at 301 N. Olive Ave., West Palm Beach, Florida, 33401 on the proposed issuance by the County of its industrial revenue bonds (the "Bonds") in a principal amount not to exceed \$19,500,000 in one or more series of bonds. The proceeds of the Bonds will be loaned by the County to Lourdes-Noreen McKee Residence for Geriatric Care, Inc. (the "Borrower"). The Borrower will use the proceeds of the Bonds, together with other available funds of the Borrower to (A) refund the County's Senior Health and Housing Facilities Revenue Refunding Bonds, Series 2002 (Lourdes-Noreen McKee Residence for Geriatric Care, Inc.) (the "Refunded Bonds"); and (B) pay costs associated with the issuance of the Bonds. The proceeds of the Refunded Bonds were used to refund the County's Industrial Development Bonds, Series 1995 (Lourdes-Noreen McKee Residence for Geriatric Care, Inc. Project), the proceeds of which were used to provide funds to the Borrower to acquire, construct and equip a nursing home/assisted/independent living facility (the "Project") owned and operated by the Borrower and located at 311 South Flagler Drive, West Palm Beach, Florida.

The aforementioned meeting shall be a public meeting and all persons who may be interested will be given an opportunity to be heard concerning the same. Written comments may also be submitted prior to the hearing to the County Administrator, 11th Floor, 301 North Olive Avenue, West Palm Beach, Florida 33401 prior to the hearing. Written comments should be received by the County on or before 5:00 p.m. September 8, 2014.

ALL PERSONS FOR OR AGAINST SAID APPROVAL CAN BE HEARD AT SAID TIME AND PLACE. IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE COMMISSION WITH RESPECT TO SUCH HEARING OR MEETING (S) HE WILL NEED TO ENSURE THAT A VERBATIM RECORD OF SUCH HEARING OR MEETING IS MADE WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS BASED.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate in this proceeding should contact the County no later than seven (7) days prior to the proceeding at the address given in this notice or by telephone at (561) 233-3619.
PUB: The Palm Beach Post
8-26/ 2014 #290695

Before the undersigned authority personally appeared
ROSEMARY HINDMARCH, who on oath says that she's a Legal
Advertising Clerk of The Palm Beach Post, a daily and
Sunday newspaper, published at West Palm Beach
in Palm Beach County, Florida; that the attached copy of
advertising for a **LEGAL ADVERTISING NOTICE**
was published in said newspaper in the issues of
8/26/14 Affiant further says that
the said The Post is a newspaper published at West Palm
Beach, in said Palm Beach County, Florida, and that the
said newspaper has heretofore been continuously
published in said Palm Beach County, Florida,
daily and Sunday and has been entered as second
class mail matter at the post office in West Palm Beach,
in said Palm Beach County, Florida, for a period of one
year next preceding the first publication of the
attached copy of advertisement; and affiant further
says that she/he has neither paid nor promised any
person, firm or corporation any discount rebate,
commission or refund for the purpose of securing
this advertisement for publication in the said newspaper.
Also published in Martin and St. Lucie Counties.

Signed Rosemary Hindmarch

Sworn or affirmed to, and subscribed before me, this

5th day of SEPTEMBER 2014

In Testimony Whereof, I have hereunto set my hand and

affixed my official seal, the day and year aforesaid.

[Signature]



KAREN M. MCCLINTON
NY COMMISSIONER EE 893566
EXPIRES: November 15, 2016
Bonded thru Budget History Services

Order No.	290695
Ad Cost	\$323.36
Paid	\$323.36
Balance	
Due	\$0.00

EXHIBIT B

LOAN AND TRUST AGREEMENT

among

PALM BEACH COUNTY, FLORIDA

and

LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC.

and

CITIZENS BANK, NATIONAL ASSOCIATION, as Bondowner

Dated as of [], 2014

And Providing for the Issue of:

\$19,500,000

Palm Beach County

Revenue Refunding Bonds, Series 2014

(Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

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ARTICLE I.

INTRODUCTION AND DEFINITIONS

Section 1.01. Description of the Agreement and the Parties. This Loan and Trust Agreement (this "Agreement") is entered into as of [], 2014 by PALM BEACH COUNTY, FLORIDA (with its successors, the "Issuer") a political subdivision of the State of Florida (the "State") pursuant to Chapters 125 and 159, Part II of the Florida Statutes, as amended (the "Act"), LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC. (with its successors, the "Borrower") and CITIZENS BANK, NATIONAL ASSOCIATION, as Bondowner (with its successors, the "Bondowner").

This Agreement provides for the following transactions:

- (a) the Issuer's issuance of the Bonds;
- (b) the Issuer's loan of the proceeds of the Bonds to the Borrower to refund the Prior Bonds, the proceeds of which were used for the financing of the Project (as hereinafter defined);
- (c) the Borrower's repayment of the loan of Bond proceeds from the Issuer through payment to the Bondowner or Trustee, as applicable, of all amounts necessary to pay the Bonds issued by the Issuer; and
- (d) the Issuer's assignment to the Bondowner (while Bonds are in the Bank Purchase Mode, as defined herein) or the Trustee in trust for the benefit and security of the Bondowners (while Bonds are in the Weekly Mode or Fixed Rate Mode, as such terms are defined herein) and the Bank, if any, of certain of the Issuer's rights with respect to the loan to the Borrower hereunder, including repayment of the loan to be received from the Borrower.

In consideration of the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt of which is hereby acknowledged, the Issuer, the Borrower and the Bondowner (while Bonds are in the Bank Purchase Mode, as defined herein) or the Trustee (while Bonds are in the Weekly Mode or the Fixed Rate Mode, as such terms are defined herein) agree as set forth herein for their own benefit and for the benefit of the Bondowners and the Bank, if applicable, provided that any financial obligation of the Issuer hereunder shall not be a general obligation of the Issuer nor a debt or pledge of the faith and credit of the State, but shall be payable solely from the revenues and funds pledged under this Agreement, all as further provided herein.

Section 1.02. Definitions. In addition to terms defined elsewhere herein, the following terms have the following meanings in this Agreement, unless the context otherwise requires:

"Act" has the meaning set forth in Section 1.01.

"Act of Bankruptcy of the Bank" means the Bank shall become insolvent or fail to pay its debts generally as such debts become due or shall admit in writing its inability to pay any of its indebtedness or shall consent to or petition for or apply to any authority for the appointment of a receiver, liquidator, trustee or similar official for itself or for all or any substantial part of its properties or assets or any such trustee, receiver, liquidator or similar official is otherwise

appointed or insolvency, reorganization, arrangement or liquidation proceedings (or similar proceedings) shall be instituted by or against the Bank.

“Adjusted LIBOR Rate” means, relative to each LIBOR Interest Period, a rate per annum determined by dividing (x) 30-Day LIBOR for such LIBOR Interest Period by (y) a percentage equal to one hundred percent (100%) minus the LIBOR Reserve Percentage. The Adjusted LIBOR Rate will be deemed to change on each date when there is a change in the LIBOR Reserve Percentage.

“Authorized Officer” means, in the case of the Issuer, the County Administrator, Mayor, or Clerk of the Issuer, and when used with reference to an act or document of the Issuer also means any other person authorized to perform the act or execute the document.

“Bank” means, initially, Citizens Bank, National Association, as the initial Bondowner in the Bank Purchase Mode, and if the Bonds are converted to another Mode, any issuer of a Credit Facility.

“Bank Purchase Mode” means a Rate Period with respect to the Bonds in which they bear interest at the Bank Purchase Rate, commencing on the date they are purchased by the Bank and ending on a date when all the Bonds are prepaid, subject to mandatory tender for purchase in connection with conversion to a new Mode or tendered for purchase by the Bondowner as provided in the form of Bank Purchase Bond in Section 3.01(a)(i) of this Agreement.

“Bank Purchase Rate” means a rate of interest equal to 72% of the sum of (i) the Adjusted LIBOR Rate for such LIBOR Interest Period, plus (ii) 1.50%, subject to adjustment as provided herein and in the form of Bank Purchase Bond in Section 3.01(a)(i) of this Agreement.

“Bank Rate” means, on any date, the per annum rate of interest on such date applicable to the Borrower’s reimbursement obligations for drawings under the Credit Facility, as described in the Reimbursement Agreement. In no event shall the Bank Rate exceed the highest interest rate permitted by law. Payment of interest to the Bank under the Reimbursement Agreement on any amounts payable thereunder in respect of drawings under the Credit Facility applied to the purchase of Pledged Bonds shall satisfy the Borrower’s obligation to pay interest on such Pledged Bonds.

“Bond Counsel” means Ice Miller LLP or other nationally recognized bond counsel selected by the Borrower and reasonably satisfactory to the Trustee.

“Bond Fund” means the fund established pursuant to Section 3.04.

“Bondowners,” “owners,” “registered owners” or words of similar import means the registered owners of the Bonds from time to time as shown in the books kept by the Bondowner or Trustee, as applicable, as bond registrar and transfer agent, except that wherever appropriate the term “owners” shall mean the owners of the Bonds for federal income tax purposes; initially the Bondowner shall be the Bank.

“Bonds” means the \$19,500,000 Palm Beach County Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project), or replacement therefor.

“Borrower Bond” means any Bond registered to the Borrower pursuant to Subsection 3.12(a).

“Borrower Representative” means, initially, the President/Chief Executive Officer of The Carmelite System, Inc. and any other person or persons at the time designated to act on behalf of the Borrower in a written certificate (or any alternate or alternates at the time so designated) furnished to the Bondowner or the Trustee, as applicable, containing the specimen signature of such person or persons, and signed on behalf of the Borrower by its Secretary or by the President/Chief Executive Officer of The Carmelite System, Inc.

“Business Day” means (a) a day (i) that is not a Saturday or Sunday or legal holiday, (ii) that is a day on which banks are not required or authorized to close in New York, New York, (iii) that is a day on which banking institutions in all of the cities in which the principal corporate trust offices of the Trustee and, if applicable, principal offices of the Remarketing Agent and the Bank (and, in the case of the Bank, the office of the Bank specified in the Credit Facility for draws thereunder) are located are not required or authorized to remain closed and (iv) that is a day on which the New York Stock Exchange is not closed; provided that (b)(i) when such term is used to describe a day on which a payment, prepayment or repayment is to be made in respect of any Bonds in the Bank Purchase Mode, such term means any day which is (y) neither a Saturday nor a Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in New York City, and (z) a London Banking Day, and (ii) when such term is used to describe a day on which an interest rate determination is to be made in respect of any Bonds in the Bank Purchase Mode, such term means any day which is a London Banking Day.

“Conversion Date” means the date on which a new Mode becomes effective with respect to the Bonds.

“Covenants Agreement” means the Continuing Covenants Agreement dated as of _____, 2014 among the Members of the Obligated Group and the Bank, as initial Bondowner in the Bank Purchase Mode.

“Credit Facility” means a direct-pay letter of credit, insurance policy, surety bond, line of credit or other instrument then in effect that secures or guarantees the payment of principal of and interest on the Bonds, if any.

“Credit Facility Fund” means the fund established pursuant to Subsection 3.08(c)(iii).

“Default” has the meaning given such term in Section 5.01.

“Default Rate” means a rate per annum which at all times shall be equal to the sum of (i) four (4%) percent per annum plus (ii) the per annum rate otherwise payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law).

“Delivery Date” means, with respect to a Bond tendered for purchase, the Purchase Date or any subsequent Business Day on which such Bond is delivered to the Trustee as provided in the form of Weekly Bond in Section 3.01(a)(ii).

“Determination of Taxability” has the meaning given such term in Section 3.01(f)(i)(A).

“Dodd-Frank Act” means the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, as amended, and all regulations, rules, guidelines or directives promulgated thereunder.

“Effective Date” means, with respect to a Bond in the Weekly Mode or Bank Purchase Mode, the date on which a new Rate Period for that Bond takes effect. The Effective Date shall be each Thursday in the Weekly Mode.

“Eligible Funds” means (i) amounts drawn on any Credit Facility; (ii) amounts paid to the Trustee pursuant to this Agreement that have been held by it for a period of at least one year during which no Event of Bankruptcy has occurred and that have been commingled only with other Eligible Funds; (iii) amounts that if applied to the payment of the Bonds would not, in the opinion of nationally recognized counsel experienced in bankruptcy matters selected by the Borrower and satisfactory to the Trustee, be subject to avoidance as a preference under the United States Bankruptcy Code upon an Event of Bankruptcy; (iv) proceeds of obligations issued to refund all or a portion of any Outstanding Bonds; and (v) income derived from investment of the foregoing. The Trustee shall maintain records of Eligible Funds held by it.

“Event of Bankruptcy” means the filing of a petition in bankruptcy or the commencement of a proceeding under the United States Bankruptcy Code or any other applicable law concerning insolvency, reorganization or bankruptcy by or against the Borrower, any affiliates thereof, any guarantor of the Bonds (other than the Bank) or the Issuer, as debtor.

“Event of Default” has the meaning given such term in Section 5.01.

“First Optional Redemption Date” means the tenth anniversary of the Fixed Rate Conversion Date.

“Fixed Rate” means a rate or rates of interest on the Bonds that is fixed for the remaining term of the Bonds.

“Fixed Rate Conversion Date” means the date upon which the Fixed Rate first becomes effective for the Bonds.

“Fixed Rate Mode” refers to the Bonds after conversion to the Fixed Rate.

“Government Obligations” means obligations issued by, or the full and timely payment of which are guaranteed by, the United States.

“Hedging Contracts” means interest rate swap agreements, interest rate cap agreements and interest rate collar agreements, or any other agreements or arrangements entered into

between the Borrower and the Bank and designed to protect the Borrower against fluctuations in interest rates or currency exchange rates.

“Hedging Obligations” means, with respect to the Borrower, all liabilities of the Borrower to the Bank under Hedging Contracts.

“IRC” means the Internal Revenue Code of 1986, as it may be amended from time to time.

“Interest Accrual Period” means, while the Bonds are in the Weekly Mode, a calendar month, or a longer or shorter period (i) from the date of conversion of the Bonds to such Mode or (ii) to the maturity date of the Bonds, a mandatory tender date, the Conversion Date or the redemption date.

“Interest Index” means that indication of the lowest interest rate appropriate for bonds similar to the Bonds being priced in terms of security, creditworthiness, term and tender privilege that will permit the Bonds to be sold at a purchase price equal (excluding accrued interest) to their principal amount determined first by interviewing three investors of portfolios holding significant numbers of such bonds (but who are not Bondowners) and second, if that is not practicable, by referring to the best available database or publication of national recognition containing a recent calculation of such an interest rate for comparable securities.

“Interest Payment Date” means each date on which interest shall be payable on the Bonds according to their terms so long as any of the Bonds shall be Outstanding. While the Bonds bear interest in the Weekly Mode, the Interest Payment Date shall be the first Business Day of each calendar month; while the Bonds bear interest in the Bank Purchase Mode, the Interest Payment Date shall be the last day of each LIBOR Interest Period; and from and after the Fixed Rate Conversion Date, the Interest Payment Date shall be the first day of **[May and November]** of each year, commencing with a **[May 1 or November 1]** specified by the Borrower in writing, which is at least two but less than ten months after the Fixed Rate Conversion Date; except that for Pledged Bonds the Interest Payment Date shall be the first Business Day of each month. As to any Bond in any Mode, the Interest Payment Date shall also be the maturity date, mandatory tender date or redemption date thereof.

“LIBOR Interest Period” means, during each Rate Period when a Bank Purchase Mode is in effect **[Should a “stub period” be used so that payments fall on the 1st of the month?]**:

(i) initially, the period beginning on (and including) the date on which such Rate Period commences and ending on (but excluding) the day which numerically corresponds to such date one month thereafter (or, if such month has no numerically corresponding day, on the last Business Day of such month);

(ii) thereafter, each period commencing at the end of the next preceding LIBOR Interest Period and ending on (but excluding) the day which numerically corresponds to such date one month thereafter (or, if such month has no numerically corresponding date, on the last Business Day of the month);

provided, however, that

(a) if the Borrower has any Hedging Obligations based on LIBOR with the Bank in connection with the Bonds, the LIBOR Interest Period shall be of the same duration as the relevant LIBOR period set under the applicable Hedging Contract;

(b) if such LIBOR Interest Period would otherwise end on a day which is not a Business Day, such LIBOR Interest Period shall end on the next following Business Day unless such day falls in the next calendar month, in which case such LIBOR Interest Period shall end on the first preceding Business Day; and

(c) no LIBOR Interest Period may end later than the next scheduled Purchase Date.

“LIBOR Reserve Percentage” means, relative to any day of any LIBOR Interest Period, the maximum aggregate (without duplication) of the rates (expressed as a decimal fraction) of reserve requirements (including all basic, emergency, supplemental, marginal and other reserves and taking into account any transitional adjustments or other scheduled changes in reserve requirements) under any regulations of the Board of Governors of the Federal Reserve System (the “Board”) or other governmental authority having jurisdiction with respect thereto as issued from time to time and then applicable to assets or liabilities consisting of “Eurocurrency Liabilities,” as currently defined in Regulation D of the Board, having a term approximately equal or comparable to such LIBOR Interest Period.

“London Banking Day” means a day on which dealings in U.S. dollar deposits are transacted in the London interbank market.

“Master Indenture” means the Master Trust Indenture dated as of [], 2014 among the Members of the Obligated Group and [], as master trustee.

“Master Note” means the Master Note Obligation, [Series].

“Maximum Interest Rate” means (i) the maximum interest rate on Bonds in the Weekly Mode, which rate is initially 12% per annum and (ii) the highest rate permitted by law for Bonds in the Bank Purchase Mode and the Fixed Rate Mode. The Maximum Interest Rate may be increased at any time by the Borrower by filing with the Issuer and the Trustee a certificate stating the new Maximum Interest Rate. In no event shall an increase in the Maximum Interest Rate be permitted to cause the amount entitled to be drawn under a Credit Facility to be less than the minimum required amount specified in Section 3.16(b)(ii).

“Members of the Obligated Group” means the affiliates of The Carmelite System, Inc., who are parties to the Master Indenture.

“Mode” means the period for and the manner in which the interest rates on the Bonds are set and includes the Weekly Mode, the Bank Purchase Mode and the Fixed Rate Mode.

“Moody’s” means Moody’s Investors Service or any of its successors or assigns.

“Outstanding,” when used to modify Bonds, refers to Bonds issued, authenticated and delivered under this Agreement, excluding: (i) Bonds that have been exchanged or replaced; (ii) Bonds that have been paid; (iii) except with respect to Bonds in a Bank Purchase

Mode, Bonds that have become due and for the payment of which moneys have been duly provided; (iv) except with respect to Bonds in a Bank Purchase Mode, Bonds deemed tendered for purchase and not delivered to the Trustee on the Purchase Date, provided sufficient funds for payment of the Purchase Price are on deposit with the Trustee; (v) Borrower Bonds; and (vi) except with respect to Bonds in a Bank Purchase Mode, Bonds with respect to which this Agreement has been defeased pursuant to Section 2.04.

“Permitted Investments” has the meaning given such term in Section 3.15.

“Pledged Bond” means any Bond purchased with proceeds provided by the Credit Facility.

“Prime Rate” shall mean a rate per annum equal to the rate of interest announced by Bank from time to time as its “Prime Rate.” Any change in the Prime Rate shall be effective immediately from and after such change in the Prime Rate. Interest accruing by reference to the Prime Rate shall be calculated on the basis of actual days elapsed and a 360-day year. The Borrower acknowledges that the Bank may make loans to its customers above, at or below the Prime Rate.

“Prior Bonds” means the Issuer’s Senior Health and Housing Facilities Revenue Refunding Bonds, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.).

“Project” means the acquisition, construction, equipping and installation of a skilled nursing and assisted and independent living facility operated by the Borrower in West Palm Beach, Florida.

“Project Fund” means the fund established pursuant to Section 4.01.

“Purchase Date” means, while the Bonds are in a Bank Purchase Mode or a Weekly Mode, the date on which Bonds shall be required to be purchased pursuant to a mandatory or optional tender in accordance with the provisions in the form of Bank Purchase Bond in Section 3.01(a)(i) or the form of Weekly Bond in Section 3.01(a)(ii).

“Purchase Price” shall have the meaning set forth in the forms of Bond in the Bank Purchase and Weekly Modes.

“Qualified GIC” means an investment contract providing for the investment of funds held by the Trustee and insuring a minimum or fixed rate of return on investments of such funds, which contract shall:

- (i) be an obligation issued or guaranteed by an insurance company or bank or holding company thereof whose senior long-term debt obligations are rated in one of the top three highest rating categories by S&P (hereinafter defined);
- (ii) provide that the Trustee may exercise all of the rights under such contract without the necessity of the taking of action by any other person;

(iii) provide that if at any time, the then current credit standing of the obligor under such guaranteed investment contract has been lowered or withdrawn by S&P, the Trustee may terminate such contract without penalty and be entitled to the return of all funds previously invested thereunder, together with accrued interest thereon at the interest rate provided under such contract through the date of delivery of such funds to the Trustee;

(iv) provide that interest shall be payable not less than annually;

(v) provide that the Trustee may withdraw funds invested without penalty at any time and from time to time to be applied for the purposes described herein;

(vi) be accompanied by an enforceability opinion from counsel to the obligor under such guaranteed investment contract in form and substance satisfactory to the Trustee;

(vii) provide that the Trustee's interest thereunder shall be transferable to any successor Trustee hereunder; and

(viii) while the Bonds are in the Bank Purchase Mode or the Weekly Mode, be approved in writing by the Bank.

“Rate Period” or “Period” means, when used with respect to any particular rate of interest for a Bond in the Bank Purchase Mode or the Weekly Mode, the period during which such rate of interest determined for such Bond will remain in effect as described herein.

“Reimbursement Agreement” means any letter of credit agreement or reimbursement agreement by and between the Borrower and any Bank, and any amendments and supplements thereto.

“Remarketing Agent” means any remarketing agent appointed pursuant to Section 3.14 hereof, in its capacity as remarketing agent under the Remarketing Agreement, and its successors and assigns.

“Remarketing Agreement” means any remarketing agreement between the Borrower and the Remarketing Agent, as amended or supplemented, relating to the Bonds.

“Reserved Rights” shall have the meaning set forth in Section 2.02 hereof.

“Revenues” means all rates, payments, fees, charges, and other income and receipts, including proceeds of insurance, eminent domain and sale, payable to the Issuer or the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or the Fixed Rate Mode) under this Agreement, excluding administrative fees of the Issuer, fees of the Bondowner or the Trustee, as applicable, reimbursements to the Issuer or the Bondowner or the Trustee, as applicable, for expenses incurred by the Issuer or the Bondowner or the Trustee, as applicable, and indemnification of the Issuer and the Bondowner or the Trustee, as applicable.

“S&P” means Standard & Poor’s Rating Services or any of its successors or assigns or, if S&P is no longer rating the Bonds, any other nationally recognized securities rating agency designated by the Borrower and reasonably acceptable to the Trustee.

“State” means the State of Florida.

“Tax Certificate” means the Tax Regulatory Agreement pertaining to the Bonds executed by the Borrower and the Issuer in connection with the original issuance of the Bonds.

“Taxable Rate” means, with respect to Bonds in the Bank Purchase Mode, a per annum rate of interest equal to the sum of (i) 1.50% plus (ii) the Adjusted LIBOR Rate, as determined for each LIBOR Period.

“Tendered Bond” means any Bond tendered or deemed tendered for purchase pursuant to Sections 3.01(d)(iii) or (iv).

“30-Day LIBOR” means, relative to any LIBOR Interest Period, the offered rate for deposits of U.S. Dollars for a term coextensive with the designated LIBOR Interest Period which the ICE Benchmark Administration (or any successor administrator of LIBOR rates) fixes as its 30-Day LIBOR as of 11:00 a.m. London time on the day that is two London Banking Days prior to the beginning of such LIBOR Interest Period, rounded up to the nearest one-eighth ($1/8^{\text{th}}$) of one percent. If such day is not a London Banking Day, the LIBOR Rate shall be determined on the next preceding day which is a London Banking Day. If for any reason the Bank cannot determine such offered rate fixed by the then current administrator of LIBOR rates, the Bank may, in its sole but reasonable discretion, use an alternative method to select a rate calculated by the Bank to reflect its cost of funds.

“Trustee” means a trust company or bank chartered or incorporated in the United States and having the powers of a trust company or bank and otherwise meeting the requirements set forth in Article VI, which shall be appointed to act as trustee under this Agreement and shall become a party to this Agreement while Bonds are in the Weekly Mode or Fixed Rate Mode, and its successors in such capacity.

“UCC” means the Florida Uniform Commercial Code.

“Weekly Mode” means a Rate Period with respect to the Bonds, which is a one week (or slightly shorter for the initial Rate Period or in the case of redemption, mandatory tender or maturity) period that commences on Thursday (or next succeeding Business Day if such Thursday is not a Business Day) of one calendar week and ends on the following Wednesday (or next succeeding Business Day if such Wednesday is not a Business Day), unless the day following is not a Business Day, in which case the Weekly Mode shall end on the day preceding the next Business Day.

“Weekly Rate” means the rate of interest determined by the Remarketing Agent for each Rate Period to be the lowest rate that in its judgment, on the basis of prevailing financial market conditions, would permit the sale of the Bonds in the Weekly Mode at par on and as of the Effective Date on which such Weekly Rate is determined and announced, but not in excess of the Maximum Interest Rate.

Words importing persons include firms, associations and corporations, and the singular and plural forms of words shall be deemed interchangeable whenever appropriate.

ARTICLE II.

LOAN OF BOND PROCEEDS; THE ASSIGNMENT AND PLEDGE

Section 2.01. Loan of Bond Proceeds. The Issuer shall issue the Bonds pursuant to the Act in the amount, in the form and with the terms provided herein, and shall loan to the Borrower such amount to refund the Prior Bonds and pay costs of issuing the Bonds as hereinafter provided. The Borrower agrees to repay the loan of the aggregate principal amount of the Bonds in the amounts and at the times necessary to pay principal of, premium, if any, and interest on the Bonds by making the payments required under Section 3.08.

Section 2.02. Assignment and Pledge of Revenues; Funds. The Issuer assigns and pledges to the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly or Fixed Rate Mode) in trust upon the terms hereof (a) all Revenues to be received from the Borrower or derived from any security provided hereunder, (b) all rights to receive such Revenues and the proceeds of such rights, (c) all funds and investments held from time to time in the funds established under this Agreement and (d) all of its right, title and interest in this Agreement, including enforcement rights and remedies but excluding the Reserved Rights. This assignment and pledge does not include: (i) the rights of the Issuer pursuant to provisions for consent, concurrence, approval or other action by the Issuer, notice to the Issuer or the filing of reports, certificates or other documents with the Issuer; (ii) the right of the Issuer or other indemnified party to any payment, reimbursement or indemnification pursuant to Subsection 3.08(b), Section 7.02, Section 9.04 and Subsection 7.03(c); or (iii) the powers of the Issuer as stated herein to enforce the rights set forth in subclauses (i) and (ii) of this sentence (collectively, the "Reserved Rights"). While Bonds are in the Weekly Mode or Fixed Rate Mode, as additional security for its obligations to make payments to the Bond Fund, and for its other payment obligations under this Agreement, the Borrower grants to the Trustee for the benefit of the Bondowners and the Bank, if any, a security interest in its interest in the moneys and other investments held from time to time in the funds established under this Agreement.

Section 2.03. Further Assurances. The Issuer shall from time to time execute and the Borrower and the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly or Fixed Rate Mode), as applicable, shall from time to time execute, deliver and record and file such instruments as the Bondowner or the Trustee, as applicable, may reasonably require to confirm, perfect or maintain the security created hereby and the assignment and pledge of rights hereunder.

Section 2.04. Defeasance. When (a) in the case of Bonds in the Bank Purchase Mode, the Bonds have been paid or prepaid under Section 3.01(f) in full, or (b) in the case of Bonds in the Weekly or Fixed Rate Mode, there are in the Bond Fund sufficient funds, or non-callable and non-prepayable Government Obligations in such principal amounts, bearing interest at such rates and with such maturities (including, with respect to any Bonds in the Weekly Mode, maturities no greater than the lesser of seven (7) days or the next Effective Date, respectively, to fund the payment of the Purchase Price) as will provide, without reinvestment, sufficient funds to pay the

Purchase Price or principal of, premium, if any, and interest on the Bonds in full as and when such amounts become due, and when all the rights hereunder of the Issuer (including the right to receive payments under Sections 3.08(b)(i) and (ii)), the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly or Fixed Rate Mode), as applicable, have been provided for, (1) the Bondowners will cease to be entitled to any right, benefit or security under this Agreement except the right to receive payment of the funds deposited and held for payment and other rights set forth below or which rights by their nature cannot be satisfied prior to or simultaneously with termination of the lien hereof, (2) the security interests created by this Agreement (except in such funds and investments) shall terminate, and (3) the Issuer and the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or the Fixed Rate Mode), as applicable, shall execute and deliver such instruments as may be necessary to discharge the lien and security interests created hereunder (other than those provisions which by their terms survive any termination hereof); provided, however, that (a) with respect to any Bonds that are supported by a Credit Facility, all such funds and obligations in the Bond Fund shall be Eligible Funds, (b) if any such Bonds are to be redeemed prior to the maturity thereof, such Bonds shall have been duly called for redemption or irrevocable instructions for such a call shall have been given to the Trustee, and (c) if the Bonds are in the Weekly Mode and are not to be redeemed or paid on the date of such deposit, the Trustee shall have received written confirmation from S&P, if the Bonds are then rated by S&P, that the defeasance will not result in the withdrawal or reduction of its rating on the Bonds. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full shall be irrevocably set aside for that purpose and the Credit Facility shall be returned to the Bank. While Bonds are in the Weekly Mode or the Fixed Rate Mode, the Trustee shall cause to be mailed to all Bondowners in the manner herein specified for redemption of Bonds within fifteen (15) days of the conditions of this section being met a notice stating that such conditions have been met and that the lien of this Agreement has been discharged, and, if the Bonds are to be redeemed prior to maturity, specifying the date of redemption and the redemption price. Any funds or property held by the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or the Fixed Rate Mode), as applicable, for payment of the Bonds under this section and not required for such payment shall (unless there is an Event of Default hereunder, in which case they shall be applied as provided in Section 5.04), after satisfaction of all the rights of the Issuer, the Trustee and the Bondowner (as certified in writing by the Issuer, the Trustee and the Bondowner, respectively), and payment of the rebate, if any, due to the United States under IRC §148(f), and upon such indemnification, if any, as the Issuer, the Bondowner or the Trustee may reasonably require, be distributed to the Borrower. While Bonds are in the Weekly Mode or the Fixed Rate Mode, if Bonds are not presented for final payment when due and moneys are available in the hands of the Trustee therefor, the Trustee shall, without liability for interest thereon, continue to hold the moneys held for that purpose subject to Subsection 3.04(c), and interest shall cease to accrue on the principal amount represented thereby.

With respect to Bonds in the Weekly Mode or the Fixed Rate Mode, when there are in the Bond Fund funds or securities as described in the preceding paragraph as are sufficient to pay the Purchase Price, principal of, premium, if any, and interest on, some but not all of the Bonds in full as and when such amounts become due and the other conditions in the preceding paragraph have been met with respect to such Bonds, the particular Bonds (or portions thereof) for which such provision for payment shall have been considered made shall be selected by lot by the

Trustee (or, if the Bonds are in the Book-Entry only system, in such manner as DTC shall determine), and thereupon the Trustee and the Issuer shall take similar action to release the security interests created by this Agreement in respect of such Bonds (except in such funds or securities and investments thereof), subject, however, to compliance with the applicable conditions set forth in the provisions above.

Notwithstanding the foregoing, those provisions relating to the maturity of Bonds, interest payments and dates thereof, the tender of Bonds for purchase and the Bondowner's or the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement and cancellation of Bonds, the holding of moneys in trust and the duties of the Bondowner or the Trustee, as applicable, in connection with all of the foregoing, the rights, protections and immunities in favor of the Trustee under Article VI, the Borrower's obligations under Section 6.03 with respect to the fees, expenses and indemnities of the Bondowner, the Trustee, and the Issuer and the Borrower's obligation under Section 3.05, shall remain in full force and effect and shall be binding upon the Trustee, the Issuer, the Borrower and the Bondowner notwithstanding the release and discharge of this Agreement until the Bonds have been actually paid in full.

ARTICLE III.

THE BORROWING

Section 3.01. The Bonds.

(a) Forms of Bonds. The Bonds shall be issued in substantially the following forms for the Bank Purchase, Weekly and Fixed Rate Modes:

(i) Form of Bank Purchase Bond. The Bonds may be issued in the Bank Purchase Mode in substantially the form prescribed below.

No. R-

[\$XXX]

UNITED STATES OF AMERICA

THE STATE OF FLORIDA

PALM BEACH COUNTY, FLORIDA

Revenue Refunding Bonds

Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

INTEREST RATE:

Bank Purchase Rate, subject to adjustment as provided herein and in the Agreement

MATURITY DATE:

_____, 20__

DATE OF THIS BOND: _____, 2014
(Date as of which Bonds of this series were initially issued.)

REGISTRATION DATE:

INTEREST PAYMENT DATES: The last day of each LIBOR Interest Period
(commencing _____, 2014)

REGISTERED OWNER: Citizens Bank, National Association

PRINCIPAL AMOUNT: _____ DOLLARS

This Bond is issued by Palm Beach County, Florida (the "Issuer") pursuant to Chapters 125 and 159, Part II, of the Florida Statutes, as amended (the "Act"), and pursuant to a resolution adopted by the Issuer.

This Bond constitutes a special, limited obligation of the Issuer, payable solely from proceeds of the Bond and revenues and other amounts derived under the Agreement. The Bond, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Issuer does not pledge its faith or credit nor the faith or credit of the State of Florida nor any political subdivision of the State of Florida to the payment of the principal of, the interest on or any other payments or costs incident to the Bond. The issuance of the Bond and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Florida or any political subdivision of the State of Florida to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bond or any other payments or costs incident thereto. The Issuer has no taxing power.

The Issuer, for value received promises to pay to the REGISTERED OWNER of this bond, or registered assigns, but solely from the moneys to be provided under the Agreement mentioned below, upon presentation and surrender hereof, in lawful money of the United States of America, the PRINCIPAL AMOUNT on the MATURITY DATE, unless paid earlier as provided below, with interest (computed on the basis of a 360-day year for the actual number of days elapsed) at the Bank Purchase Rate (as defined in the Agreement referred to below) from the most recent INTEREST PAYMENT DATE to which interest has been paid or duly provided for or, if no interest has been paid, from the DATE OF THIS BOND, at the INTEREST RATE per annum, payable monthly on the INTEREST PAYMENT DATES, until the date on which this bond becomes due, whether at maturity or by acceleration or prepayment. From and after that date, any unpaid principal will bear interest at the Default Rate (as defined below) until paid or duly provided for. Except as otherwise provided below, the principal and premium, if any, of this bond is payable at the office of _____, as Trustee (with its successors the "Trustee"). Interest is payable by check or draft mailed by the Trustee to the REGISTERED OWNER of this bond (or of one or more predecessor or successor Bonds (as defined below)), at its address shown on the registration books maintained by the Trustee. Notwithstanding the foregoing, while this bond is in the Bank Purchase Mode, payments of principal and interest on

this bond shall be made for the account of the Issuer by Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower") to the REGISTERED OWNER in immediately available funds at its address as appearing in the registration book kept by the Bondowner or in such other manner as the Bondowner and the registered owner hereof may determine from time to time, provided that the Borrower and the Bondowner provide written notice of such arrangement to the Trustee at least three (3) Business Days in advance of the commencement of such arrangement.

This bond is one of a series of \$ Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project) (the "Bonds") in the original aggregate principal amount of \$19,500,000 issued by the Issuer under the Act. The proceeds of this bond are being loaned to the Borrower pursuant to a Loan and Trust Agreement dated as of [], 2014 (the "Agreement"), among the Borrower, the Issuer and the Trustee. Pursuant to the Agreement, the Borrower has unconditionally agreed to repay such loan in the amounts and at the times necessary to pay the principal of, premium, if any, and interest on the Bonds when due. Reference is hereby made to the Agreement for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Issuer, the Trustee, and the Bondowners, including the order of payments in the event of insufficient funds, the disposition of unclaimed moneys held by the Trustee and restrictions on the rights of owners of the Bonds to bring suit. The Agreement may be amended to the extent and in the manner provided therein.

As additional security for and a source of payment of its obligations in respect of the Bonds, the Borrower has issued its Master Note Obligation, [Series] (the "Promissory Note") pursuant to a [Supplemental Master Indenture dated as of __, 2014] (the "Supplemental Master Indenture"), among the Members of the Obligated Group (as defined in the hereinafter defined Master Indenture) and [] (the "Master Trustee"), supplementing the Master Trust Indenture dated as of [], 2014 (as supplemented and amended, collectively, the "Master Indenture") among the Members of the Obligated Group and the Master Trustee.

The principal due on the Promissory Note will be an amount of money which is not less than the amount of principal to become due on the Bonds, whether by maturity or mandatory redemption, payable as provided in the Promissory Note.

Unless otherwise defined herein, capitalized terms used in this bond shall have the meaning given them in the Agreement.

Notwithstanding anything to the contrary provided herein, following a Determination of Taxability (as defined in the Agreement), the interest rate in effect on this bond shall be the Taxable Rate, computed on the basis of a 360-day year for the actual number of days elapsed. Upon a Determination of Taxability, the Borrower also shall pay, on behalf of the Issuer, any additional payment that may be required in accordance with the provisions of the Agreement.

In case any Event of Default (as defined in the Agreement) occurs and is continuing, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Agreement. After the occurrence and during the continuance of any such Event of Default, this bond will, at the option of the Bank, bear interest at a rate per annum (the "Default Rate") which at all times shall be equal to the sum of (i) four

(4%) percent per annum plus (ii) the per annum rate otherwise payable with respect thereto (but in no event in excess of the maximum rate from time to time permitted by then applicable law). In addition, if the entire amount of any required principal and/or interest payment is not paid within fifteen (15) day after the same is due, the Borrower shall pay to the Bank a late fee equal to five percent (5%) of the required payment.

While in the Bank Purchase Mode, this bond is prepayable at the election of the Borrower, at par at any time, in whole or in part, in amounts of \$5,000 or integral multiples thereof. The Borrower shall notify the Trustee and the Bondowner of the date and amount of any prepayment in writing at least 30 days in advance thereof. Upon any prepayment of all or any portion of the principal of this bond (including, for the purposes of this paragraph, any purchase of this bond from the Bank) on any day that is not the last day of the relevant LIBOR Interest Period (regardless of the source of such prepayment and whether voluntary, by acceleration or otherwise), the Borrower shall pay an amount (a "LIBOR Breakage Fee"), as calculated by the Bank, equal to the amount of any losses, expenses and liabilities (including, without limitation, any loss of margin and anticipated profits) that the Bank may sustain as a result of such prepayment. The Borrower understands, agrees and acknowledges that: (i) the Bank does not have any obligation to purchase, sell and/or match funds in connection with the use of the Adjusted LIBOR Rate as a basis for calculating the rate of interest on this bond, (ii) the Adjusted LIBOR Rate may be used merely as a reference in determining such rate, and (iii) the Borrower has accepted the Adjusted LIBOR Rate as a reasonable and fair basis for calculating the LIBOR Breakage Fee and other funding losses incurred by the Bank. The Borrower further agrees to pay the LIBOR Breakage Fee and other funding losses, if any, whether or not the Bank elects to purchase, sell and/or match funds.

This bond is subject to tender for mandatory purchase on _____, and _____ (each a "Purchase Date") unless such tender is waived by the Bondowner not less than 180 days prior to the Purchase Date. The purchase price shall be 100% of the outstanding principal amount hereof plus accrued interest to the Purchase Date, plus any applicable LIBOR Breakage Fee (collectively, the "Purchase Price"). If the Bondowner waives purchase of this Bond, it will continue to bear interest at the then-current Bank Purchase Rate until the new Purchase Date, and such change shall not constitute a new Mode. In lieu of mandatory purchase, the Borrower and the Bondowner may agree on a new Bank Purchase Rate, subject to receipt of an opinion of Bond Counsel to the effect that the adoption of the new rate will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

This bond is also subject to tender for mandatory purchase at the Purchase Price, in connection with conversion of the Bonds to bear interest in another Mode or in a new Bank Purchase Mode (i) on any Purchase Date upon 30 days' written notice from the Borrower to the Trustee and the Bondowner and (ii) on any monthly Interest Payment Date during the Bank Purchase Mode upon 90 days' written notice of such conversion from the Borrower to the Trustee and the Bondowner.

While the Bonds bear interest in the Bank Purchase Mode, the Issuer hereby appoints the Bondowner as the registrar with respect to the Bonds. This bond may be transferred in the bond register kept by the Bondowner only upon presentation hereof with a written instrument of transfer in form satisfactory to the Bondowner and duly executed by the registered owner or its

authorized representative, and no transfer hereof shall be effective as to the Issuer or the Borrower unless shown in such register and noted hereon with a record of payments of principal. The Issuer, the Trustee and the Borrower may treat the person in whose name this bond is registered as the absolute owner hereof for all purposes and shall not be affected by any notice to the contrary.

The Bondowner shall not be required to make an exchange or transfer of this bond during the period of ten (10) Business Days preceding any payment date.

No director, officer, employee or agent of the Issuer nor any person executing this bond shall be personally liable, either jointly or severally, hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This bond shall not be valid until the certificate of authentication hereon shall have been signed by the Bondowner.

IN WITNESS WHEREOF, Palm Beach County, Florida has caused this bond to be duly executed by the facsimile signature of the Mayor and attested by the manual signature of its Clerk and a facsimile of its seal has been imprinted thereon.

PALM BEACH COUNTY, FLORIDA

By: _____
Priscilla A. Taylor
Mayor

[SEAL]

ATTEST:

By: _____
Sharon R. Bock
Clerk & Comptroller

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

County Attorney

Certificate of Authentication

This bond is one of the Bonds described in the Agreement.

**CITIZENS BANK, NATIONAL
ASSOCIATION, as Bondowner**

By: _____
Authorized Signature

Assignment

For value received the undersigned sells, assigns and transfers this bond to

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

and irrevocably appoints _____ attorney-in-fact to transfer it on
the books kept for registration of the bond, with full power of substitution.

NOTE: The signature to this assignment must correspond
with the name as written on the face of the bond without
alteration or enlargement or other change and must be
guaranteed by a Participant in a Recognized Signature
Guaranty Medallion Program.

Dated:

Signature Guaranteed:

Participant in a Recognized
Signature Guaranty Medallion Program

By: _____
Authorized Signature

(ii) Form of Weekly Bond. The Bonds may be issued in the Weekly Mode in substantially the form prescribed below.

\$ _____

No. R-1

ANY BONDOWNER WHO FAILS TO DELIVER A BOND FOR PURCHASE AT THE TIMES AND AT THE PLACE REQUIRED HEREIN SHALL HAVE NO FURTHER RIGHTS HEREUNDER EXCEPT THE RIGHT TO RECEIVE THE PURCHASE PRICE HEREOF UPON PRESENTATION AND SURRENDER OF THIS BOND TO THE TRUSTEE AS DESCRIBED HEREIN, AND SHALL HOLD THIS BOND AS AGENT FOR THE TRUSTEE.

UNITED STATES OF AMERICA

THE STATE OF FLORIDA

PALM BEACH COUNTY, FLORIDA

Revenue Refunding Bonds,

Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

INTEREST PAYMENT DATES: (i) the first Business Day of each calendar month, and (ii) the Maturity Date, mandatory tender date or redemption date.

MATURITY DATE:

DATE OF THIS BOND: _____, 2014
(Date as of which Bonds of this series were initially issued.)

DATE OF REGISTRATION:

MODE: Weekly

CUSIP: [_____]

This Bond is issued by Palm Beach County, Florida (the "Issuer") pursuant to Chapters 125 and 159, Part II of the Florida Statutes, as amended (the "Act"), and pursuant to a resolution adopted by the Issuer.

This Bond constitutes a special, limited obligation of the Issuer, payable solely from proceeds of the Bonds and revenues and other amounts derived under the Agreement. The

Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Issuer does not pledge its faith or credit nor the faith or credit of the State of Florida nor any political subdivision of the State of Florida to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Florida or any political subdivision of the State of Florida to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Issuer has no taxing power.

The Issuer, for value received, promises to pay to the REGISTERED OWNER of this bond, or registered assigns, but solely from the moneys to be provided under the Agreement mentioned below, upon presentation and surrender hereof, in lawful money of the United States of America, the PRINCIPAL AMOUNT on the MATURITY DATE, unless paid earlier as provided below, with interest from the end of the most recently completed Interest Accrual Period, as defined below, for which interest has been paid or duly provided for or, if no interest has been paid, from the DATE OF THIS BOND set forth above, until paid in full, at the rates set forth below, payable on each INTEREST PAYMENT DATE until the date on which this bond becomes due, whether at maturity or by acceleration or redemption. From and after that date, any unpaid principal will bear interest at the rate last established for this bond before principal became overdue until paid or duly provided for. Until conversion to another Mode as provided below, this bond shall bear interest at the Weekly Rate. The Weekly Rate for this bond shall be the rate of interest determined by the Remarketing Agent designated as provided in the Agreement (herein, with its successors, the "Remarketing Agent"), for each Rate Period, as defined below, to be the lowest rate that in its judgment, on the basis of prevailing financial market conditions, would permit the sale of the Bonds (as defined below) in the Weekly Mode at par on and as of the Effective Date, as defined below, but not in excess of the Maximum Interest Rate. If this bond is converted to another Mode it shall bear interest as defined in the Agreement. The Remarketing Agent shall determine the initial Weekly Rate on or before the date of issue of the Bonds, which rate shall remain in effect as provided in the Agreement. Thereafter, the Remarketing Agent shall redetermine the Weekly Rate for each Rate Period as provided below. The amount of interest due on any INTEREST PAYMENT DATE shall be the amount of unpaid interest accrued on this bond to the end of the most recently completed Interest Accrual Period.

This bond is one of a series of Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project) (the "Bonds") in the aggregate principal amount of \$19,500,000 issued under the Act. The proceeds of the Bonds are being loaned to Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower"), pursuant to a Loan and Trust Agreement (the "Agreement") dated as of [], 2014 among the Borrower, the Issuer and _____, as Trustee (the "Trustee"). Pursuant to the Agreement, the Borrower has unconditionally agreed to repay such loan in the amounts and at the times necessary to pay the principal of, premium, if any, and interest on the Bonds when due. Reference is hereby made to the Agreement for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Issuer, the Trustee

and the Bondowners, including the order of payments in the event of insufficient funds, the disposition of unclaimed moneys held by the Trustee and restrictions on the rights of owners of the Bonds to bring suit. The Agreement may be amended to the extent and in the manner provided therein. Copies of the Agreement are available for inspection at the corporate trust office of the Trustee.

The Purchase Price (as defined below) and principal of and interest on this bond while it is in the Weekly Mode are also payable from moneys drawn by the Trustee on an irrevocable letter of credit for the Bonds (together with any extensions, amendments and renewals thereof, the "Letter of Credit") issued by _____ (together with any other issuer of a Credit Facility, the "Bank") pursuant to the terms of a Reimbursement Agreement dated as of _____, 20__ (the "Reimbursement Agreement") between the Borrower and the Bank. The Trustee may draw on the Letter of Credit presently in place for the payment of up to _____ () days' interest for Bonds in the Weekly Mode. The Letter of Credit initially expires on _____, 20__ but may be terminated earlier upon the occurrence of certain events set forth in the Agreement and the Reimbursement Agreement or extended as provided in the Reimbursement Agreement. Unless the Letter of Credit is extended or renewed or a substitute letter of credit (collectively with the Letter of Credit, a "Credit Facility") is provided in accordance with the Agreement, the Bonds will become subject to mandatory purchase as described below. The Borrower may substitute a new Credit Facility as provided in the Agreement.

In case any Event of Default occurs and is continuing, the principal amount of this bond together with accrued interest may become or be declared immediately due and payable in the manner and with the effect provided in the Agreement.

Unless otherwise defined herein, capitalized terms used in this bond shall have the meaning given them in the Agreement. The following terms are defined as follows:

"Business Day" means a day (i) that is not a Saturday or Sunday or legal holiday, (ii) that is a day on which banks are not required or authorized to close in New York, New York, (iii) that is a day on which banking institutions in all of the cities in which the principal corporate trust offices of the Trustee and, if applicable, principal offices of the Remarketing Agent and the Bank (and, in the case of the Bank, the office of the Bank specified in the Letter of Credit for draws thereunder) are located are not required or authorized to remain closed and (iv) that is a day on which the New York Stock Exchange is not closed.

"Effective Date" means, with respect to a Bond in the Weekly Mode, the date on which a new Rate Period for that Bond takes effect. The Effective Date shall be each Thursday in the Weekly Mode.

"Interest Accrual Period" means a calendar month, or a longer or shorter period (i) from the date of conversion of the Bonds to the Weekly Mode or (ii) to the MATURITY DATE, a mandatory tender date, the Fixed Rate Conversion Date or the redemption date.

"Interest Payment Date" means each date on which interest shall be payable on the Bonds according to their terms so long as any of the Bonds shall be Outstanding. While the Bonds bear

interest in the Weekly Mode, the Interest Payment Date shall be the first Business Day of each calendar month, and as to any Bond, the maturity date, mandatory tender date or redemption date thereof.

“Mode” means the period for and the manner in which the interest rates on the Bonds are set and includes the Bank Purchase Mode, the Weekly Mode and the Fixed Rate Mode.

“Purchase Date” means, while this bond is in the Weekly Mode, the date on which this bond shall be required to be purchased pursuant to a mandatory or optional tender in accordance with the provisions hereof.

“Rate Period” or “Period” means, when used with respect to any particular rate of interest for a Bond in the Weekly Mode, the period during which such rate of interest determined for such Bond will remain in effect as described herein. While this bond is in the Weekly Mode, a new interest rate shall take effect on the date such Mode takes effect and thereafter on each Effective Date.

“S&P” means Standard & Poor’s Rating Services or any of its successors or assigns or, if S&P is no longer rating the Bonds, any other nationally recognized securities rating agency designated by the Borrower and reasonably acceptable to the Trustee.

“Weekly Mode” means a Rate Period with respect to the Bonds, which is a one week (or slightly shorter for the initial Rate Period, if applicable, or in the case of redemption, mandatory tender or maturity) period that commences on Thursday (or next succeeding Business Day if such Thursday is not a Business Day) of one calendar week and ends on the following Wednesday (or next succeeding Business Day if such Wednesday is not a Business Day), unless the day following is not a Business Day, in which case the Weekly Mode shall end on the day preceding the next Business Day.

At the option of the Borrower and upon certain conditions provided for in the Agreement described below, the Bonds may be converted to the Bank Purchase Mode or the Fixed Rate Mode.

While this bond is in the Weekly Mode, conversion to another Mode may take place only on an INTEREST PAYMENT DATE upon written notice from the Trustee to the REGISTERED OWNER of this bond mailed at least fifteen (15) days prior to the conversion. Conversion of this bond shall be subject to the conditions set forth in the Agreement. In the event that the conditions for a proposed conversion are not met (i) such conversion shall not take effect on the proposed conversion date, notwithstanding any prior notice to the Bondowners of such conversion and (ii) this bond shall remain in the Weekly Mode. In no event shall the failure of this bond to be converted be deemed to be a Default or an Event of Default under the Agreement.

When this bond is in the Weekly Mode, the Weekly Rate in effect for each Rate Period (the “Effective Rate” for such Period) shall be determined by the Remarketing Agent not later than the Effective Date. If for any reason the interest rate on the Bonds for the applicable Rate Period cannot be established as described in the preceding sentence, or if for any reason such manner of determination shall be determined to be invalid or unenforceable, the interest rate on the Bonds for such Rate Period will equal the Interest Index as determined by the Remarketing

Agent. In no event shall the Weekly Rate exceed the Maximum Interest Rate. The Remarketing Agent shall announce the Effective Rate by telephone to the Trustee and the Borrower on the date of determination thereof, and shall promptly confirm such determination in writing. If for any reason the Remarketing Agent fails to announce the Effective Rate as provided herein for any Rate Period, the Effective Rate for that Rate Period shall be the same as the Effective Rate for the prior Rate Period. While this bond is in the Weekly Mode, any Bondowner may ascertain the Effective Rate at any time by contacting the Remarketing Agent.

Each determination of the Weekly Rate shall be conclusive and binding on the Issuer, the Trustee, the Bank, the Borrower and the Bondowners.

While this bond is in the Weekly Mode, interest shall be computed on the basis of a 365- or 366-day year, as appropriate, and actual days elapsed. From and after the date on which this bond becomes due, any unpaid principal will bear interest at the then effective interest rate until paid or duly provided for, but unpaid interest shall not bear interest.

While this bond is in the Weekly Mode the principal of this bond is payable when due by wire or bank transfer of immediately available funds within the continental United States to the REGISTERED OWNER hereof but only upon presentation and surrender of this bond at the corporate trust office of the Trustee or its agent. Interest on this bond while in the Weekly Mode is payable in immediately available funds by wire or bank transfer within the continental United States from the Trustee to the REGISTERED OWNER, determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Trustee. The Purchase Price (as defined below) of Bonds tendered for purchase shall be paid as provided below.

The record date for payment of interest while this bond is in the Weekly Mode is the Business Day preceding the date on which interest is to be paid. With respect to overdue interest or interest payable on redemption of this bond other than on an INTEREST PAYMENT DATE or interest on any overdue amount, the Trustee may establish a special record date. The special record date may be not more than thirty (30) days before the date set for payment. The Trustee will mail notice of a special record date to the Bondowners at least ten (10) days before the special record date. The Trustee will promptly certify to the Issuer and the Remarketing Agent that it has mailed such notice to all Bondowners, and such certificate will be conclusive evidence that notice was given in the manner required hereby.

While this bond is in the Weekly Mode (unless this Bond is a Borrower Bond or a Pledged Bond), the REGISTERED OWNER shall have the right to tender this bond or a portion thereof for purchase on the Purchase Date in the principal amount of \$100,000 (or in its entirety only if this bond has previously been reduced below \$100,000 by partial redemption) and integral multiples of \$5,000 in excess thereof (provided however that the remaining principal amount of any Bond partially tendered shall not be less than \$100,000) at a price (the "Purchase Price") equal to 100% of the principal amount thereof, plus accrued interest, if any, to the Purchase Date, upon compliance with the conditions described below, provided that if the Purchase Date is an INTEREST PAYMENT DATE, accrued interest for the preceding Interest Accrual Period shall be paid separately, and not as part of the Purchase Price on such date. In order to exercise the right to tender, the REGISTERED OWNER must deliver to the Trustee and

the Remarketing Agent a written irrevocable notice of tender substantially in the form of the Bondowner's Election Notice set forth herein or in such other form as is satisfactory to the Trustee and the Remarketing Agent. While this bond is in the Weekly Mode, it will be purchased on the Business Day specified in such Bondowner's Election Notice, provided such date is at least seven calendar days after receipt by the Trustee of such notice. If the REGISTERED OWNER of this bond has elected to require purchase as provided above, the REGISTERED OWNER shall be deemed, by such election, to have agreed irrevocably to sell this bond to any purchaser determined in accordance with the provisions of the Agreement on the date fixed for purchase at the Purchase Price.

Tender of this bond will not be effective and this bond will not be purchased if at the time fixed for purchase an acceleration of the maturity of the Bonds shall have occurred and not have been annulled in accordance with the Agreement. Notice of tender of this bond is irrevocable. All notices of tender of Bonds shall be made (i) to the Trustee and (ii) so long as the Bonds are held by DTC under the Book-Entry Only System (as such terms are defined in the Agreement), to the Remarketing Agent. All deliveries of tendered Bonds, including deliveries of Bonds subject to mandatory tender, shall be made to the Trustee.

Unless this bond is a Borrower Bond or a Pledged Bond, this bond is subject to mandatory tender for purchase at the Purchase Price (i) on the date of conversion or proposed conversion to another Mode, (ii) on the last INTEREST PAYMENT DATE preceding the termination or expiration of the Credit Facility by at least five Business Days, unless the Trustee receives notice of an extension of the existing Credit Facility or a substitute Credit Facility at least forty-five (45) days prior to such INTEREST PAYMENT DATE, and (iii) upon the substitution of a Credit Facility. The extension of a Credit Facility shall not constitute a substitute Credit Facility. Notice of mandatory tender shall be given or caused to be given by the Trustee in writing to the REGISTERED OWNER not less than fifteen (15) days prior to the mandatory Purchase Date. THE OWNER OF THIS BOND, BY ACCEPTANCE HEREOF, AGREES TO SELL AND SURRENDER THIS BOND AT SUCH PRICE TO ANY PURCHASER DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF THE AGREEMENT IN THE EVENT OF SUCH MANDATORY TENDER AND, ON SUCH PURCHASE DATE, TO SURRENDER THIS BOND TO THE TRUSTEE FOR PAYMENT OF THE PURCHASE PRICE. From and after the Purchase Date, no further interest on this bond shall be payable to the REGISTERED OWNER, provided that there are sufficient funds available on the Purchase Date to pay the Purchase Price.

The Purchase Price of this bond shall be paid to the REGISTERED OWNER by the Trustee on the Delivery Date, which shall be the Purchase Date or any subsequent Business Day on which this bond is delivered to the Trustee. The Purchase Price of this bond shall be paid only upon surrender of this bond to the Trustee as provided herein provided that for so long as this bond is in the Book-Entry Only System (as defined in the Agreement) physical delivery of this bond to the Trustee shall not be required and this bond shall be tendered in accordance with the procedures described in Section 3.01 of the Agreement. From and after the Purchase Date, no further interest on this bond shall be payable to the REGISTERED OWNER who gave notice of tender for purchase, provided that there are sufficient funds available on the Purchase Date to pay the Purchase Price. The Purchase Price of Bonds tendered for purchase is payable for Bonds in the Weekly Mode by wire or bank transfer within the continental United States in immediately

available funds from the Trustee to the REGISTERED OWNER at its address shown on the registration books maintained by the Trustee. If on any date this bond is subject to mandatory tender for purchase or is required to be purchased at the election of the REGISTERED OWNER, payment of the Purchase Price of this bond to such owner shall be made on the Purchase Date if presentation and surrender of this bond is made prior to 10:00 A.M., New York, New York time, on the Purchase Date or on such later Business Day upon which presentation and surrender of this bond is made prior to 10:00 A.M. New York, New York time, except as otherwise provided for Bonds in a Book-Entry Only System, as described in the agreement.

Bonds that are Pledged Bonds (as defined in the Agreement) shall bear interest at the applicable Bank Rate (as defined in the Agreement) until such Bonds are no longer Pledged Bonds. Interest at the Bank Rate shall be calculated and shall be payable as provided in the Reimbursement Agreement. Pledged Bonds or Borrower Bonds (as defined in the Agreement) shall not be subject to mandatory or optional tender for purchase.

Bonds in the Weekly Mode (other than Borrower Bonds or Pledged Bonds) are subject to optional redemption in whole or in part at the direction of the Borrower only from Eligible Funds in the denomination of \$5,000 or any multiple thereof, at any time at a redemption price of par plus accrued interest.

Bonds that are Pledged Bonds are subject to redemption at the option of the Borrower in whole or in part at any time in a minimum amount of \$5,000 and multiples thereof at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

Bonds in the Weekly Mode are subject to mandatory redemption in whole or in part on any INTEREST PAYMENT DATE at a redemption price of par plus accrued interest:

(1) To the extent excess moneys in the Project Fund are transferred to the Bond Fund established under the Agreement, pursuant to the extraordinary redemption provisions set forth in the Agreement; or

(2) If, within thirty (30) days of the occurrence of an Act of Bankruptcy of the Bank, a substitute Credit Facility has not been issued to the Trustee in accordance with the Agreement. In such event, the Bonds shall be subject to redemption as a whole within one hundred thirty (130) days after the occurrence of the Act of Bankruptcy of the Bank.

If less than all of the Outstanding Bonds are to be called for redemption, the Bonds (or portions thereof) to be redeemed shall be selected as provided in the Agreement with Bonds in the Weekly Mode being redeemed in integral multiples of \$5,000 (provided that the remaining principal amount of any Bond partially redeemed shall not be less than \$100,000). Mandatory or optional redemption other than sinking fund redemption shall reduce the mandatory sinking fund redemption obligation in such order of maturity as the Borrower shall direct. Pledged Bonds shall be redeemed before any other Bonds.

In the event this bond is selected for redemption, notice will be mailed no more than thirty (30) nor less than fifteen (15) days prior to the redemption date to the REGISTERED OWNER at its address shown on the registration books maintained by the Trustee. Failure to

mail notice to the owner of any other Bond or any defect in the notice to such an owner shall not affect the redemption of this bond. Any notice of redemption may be conditioned upon the availability of sufficient funds on the date of redemption.

If this bond is of a denomination in excess of one hundred thousand dollars (\$100,000), portions of the principal amount in the amount of any integral multiple of \$5,000 may be redeemed (provided that the remaining principal amount of any Bond partially redeemed shall not be less than \$100,000). If less than all of the principal amount is to be redeemed unless this bond is in the Book-Entry Only System, upon surrender of this bond to the Trustee, there will be issued to the REGISTERED OWNER, without charge, a new Bond or Bonds, at the option of the REGISTERED OWNER, for the unredeemed principal amount.

Notice of redemption having been duly mailed, subject to the conditionality of such notice, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption, interest on this bond (or such portion) will no longer accrue.

IN CERTAIN CIRCUMSTANCES SET OUT HEREIN, THIS BOND (OR PORTION HEREOF) IS SUBJECT TO PURCHASE OR REDEMPTION, IN EACH CASE UPON NOTICE TO OR FROM THE OWNER HEREOF AS OF A DATE PRIOR TO SUCH PURCHASE OR REDEMPTION. IN EACH SUCH EVENT AND UPON DEPOSIT OF THE PURCHASE OR REDEMPTION PRICE WITH THE TRUSTEE ON THE PURCHASE OR REDEMPTION DATE, AS THE CASE MAY BE, THIS BOND (OR PORTION HEREOF) SHALL BE DEEMED TO HAVE BEEN TENDERED FOR PURCHASE OR REDEMPTION AND SHALL CEASE TO BE OUTSTANDING UNDER THE AGREEMENT, INTEREST HEREON SHALL CEASE TO ACCRUE AS OF THE PURCHASE OR REDEMPTION DATE, AND THE REGISTERED OWNER HEREOF SHALL BE ENTITLED ONLY TO RECEIVE THE PURCHASE OR REDEMPTION PRICE SO DEPOSITED WITH THE TRUSTEE UPON SURRENDER OF THIS CERTIFICATE TO THE TRUSTEE.

This bond is transferable by the REGISTERED OWNER, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee, upon surrender of this bond to the Trustee for cancellation. Upon the transfer, a new Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. Bonds in the Weekly Mode may be transferred by a person other than the Remarketing Agent only pursuant to a tender as described herein. No transfer will be effective unless represented by such surrender and reissue. This bond may also be exchanged at such corporate trust office of the Trustee, or such other address specified in writing by the Trustee to the Bondowners, for a new Bond or Bonds in authorized denominations of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the owner except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this bond (except in connection with any optional or mandatory tender of this bond) (i) if this bond (or any portion hereof) has been selected for redemption or (ii) during the fifteen (15) days preceding any date fixed for selection for redemption if this bond (or any portion hereof) is eligible to be selected for redemption.

The Bonds are issuable only in fully registered form and while in the Weekly Mode shall be in original minimum denominations of \$100,000 and any multiple of \$5,000 in excess thereof.

The Issuer, the Trustee and the Borrower may treat the REGISTERED OWNER as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

Neither the members of the Issuer nor any person executing this bond are liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

This bond will not be valid until the Certificate of Authentication has been signed by the Trustee.

IN WITNESS WHEREOF, Palm Beach County, Florida has caused this bond to be duly executed by the facsimile signature of the Mayor and attested by the facsimile signature of its Clerk and a facsimile of its seal has been imprinted thereon.

PALM BEACH COUNTY, FLORIDA

By: _____
Priscilla A. Taylor
Mayor

[SEAL]

ATTEST:

By: _____
Sharon R. Bock
Clerk & Comptroller

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

County Attorney

Certificate of Authentication

This bond is one of the Bonds described in the Loan and Trust Agreement.

_____,
as Trustee

By: _____
Authorized Signature

Assignment

For value received the undersigned sells, assigns and transfers this bond to

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

and irrevocably appoints _____ attorney-in-fact to transfer it on
the books kept for registration of the bond, with full power of substitution.

NOTE: The signature to this assignment must correspond
with the name as written on the face of the bond without
alteration or enlargement or other change and must be
guaranteed by a Participant in a Recognized Signature
Guaranty Medallion Program.

Dated:

Signature Guaranteed:

Participant in a Recognized
Signature Guaranty Medallion Program

By: _____
Authorized Signature

The following is the Bondowner's Election Notice described herein:

BONDOWNER'S ELECTION NOTICE

Board of County Commissioners of Palm Beach County, Florida
Revenue Refunding Bonds,
Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

<u>Principal Amount</u>	<u>CUSIP</u>	<u>Principal Amount *</u> <u>Tendered for Purchase</u>	<u>Bond Numbers</u>	<u>Purchase Date</u>
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The undersigned hereby certifies that it is the registered owner of the Bonds described above (the "Tendered Bonds"), which are in the Weekly Mode, and hereby agrees that the delivery of this instrument of transfer to the Trustee constitutes an irrevocable offer to sell the Tendered Bonds to the Borrower or its designee on the Purchase Date, which shall be a Business Day at least seven (7) calendar days following delivery of this instrument, at a purchase price equal to the unpaid principal balance thereof plus accrued and unpaid interest thereon to the Purchase Date (the "Purchase Price"); provided, however, that if the Purchase Date is an Interest Payment Date, accrued interest for the preceding interest Accrual Period shall be paid separately and not as part of the Purchase Price on said date. The undersigned acknowledges and agrees that this election notice is irrevocable and that the undersigned will have no further rights with respect to the Tendered Bonds except payment, upon presentation and surrender of the Tendered Bonds, of the Purchase Price by wire or bank transfer within the continental United States from the Trustee to the undersigned at its address as shown on the registration books of the Trustee (i) on the Purchase Date if the Tendered Bonds shall have been surrendered to the Trustee prior to 10:00 A.M., New York, New York time, on the Purchase Date or (ii) on any Delivery Date subsequent to the Purchase Date on which Tendered Bonds are delivered to the Trustee by 10:00 A.M., New York, New York time together with an appropriate endorsement for transfer or accompanied by a bond power endorsed in blank, provided that for so long as the Bonds are in the Book-Entry Only System, physical surrender of the Bonds to the Trustee shall not be required and the Bonds shall be tendered pursuant to the procedures described in Section 3.01(c)(vii) of the Loan and Trust Agreement referred to below.

* Must be in a minimum amount of \$100,000 and multiples of \$5,000 in excess thereof and must not result in any portion of the Bond not tendered being below the minimum of \$100,000.

Except as otherwise indicated herein and unless the context otherwise requires, the terms used herein shall have the meanings set forth in the Loan and Trust Agreement dated as of [], 2014 relating to the Bonds.

Date: _____

Signature(s)

Street City State Zip

IMPORTANT: The above signature(s) must correspond with the name(s) as set forth on the face of the Tendered Bond(s) with respect to which this Bondowner's Election Notice is being delivered without any change whatsoever. If this notice is signed by a person other than the registered owner of any Tendered Bond(s), the Tendered Bond(s) must be either endorsed on the Assignment appearing on each Bond or accompanied by appropriate bond powers, in each case signed exactly as the name or names of the registered owner or owners appear on the bond register. The method of presenting this notice to the Trustee is the choice of the person making such presentation. If it is made by mail, it should be by registered mail with return receipt requested.

* * *

(Remainder of page left blank intentionally)

(iii) Form of Fixed Rate Bond. The Bonds may be issued in the Fixed Rate Mode in substantially the form prescribed below.

\$ _____

No. R-

UNITED STATES OF AMERICA
THE STATE OF FLORIDA
PALM BEACH COUNTY, FLORIDA
Revenue Refunding Bonds,

Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

INTEREST RATE:

CUSIP:

MATURITY DATE:

DATE OF THIS BOND:

(Date as of which Bonds of this series were initially issued.)

REGISTRATION DATE:

INTEREST PAYMENT DATES: [May 1 and November 1]
(but not before
_____, ____)

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

DOLLARS

This Bond is issued by Palm Beach County, Florida (the "Issuer") pursuant to Chapters 125 and 159, Part II of the Florida Statutes, as amended (the "Act"), and pursuant to a resolution adopted by the Issuer.

This Bond constitutes a special, limited obligation of the Issuer, payable solely from proceeds of the Bond and revenues and other amounts derived under the Agreement. The Bond, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Issuer does not pledge its faith or credit nor the faith or credit of the State of Florida nor any political subdivision of the State of Florida to the payment of the principal of, the interest on or any other payments or costs incident to the Bond. The issuance of the Bond and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Florida or any political subdivision of the

State of Florida to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bond or any other payments or costs incident thereto. The Issuer has no taxing power.

The Issuer, for value received promises to pay to the REGISTERED OWNER of this bond, or registered assigns, but solely from the moneys to be provided under the Agreement mentioned below, upon presentation and surrender hereof, in lawful money of the United States of America, the PRINCIPAL AMOUNT on the MATURITY DATE, unless paid earlier as provided below, with interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from the most recent INTEREST PAYMENT DATE to which interest has been paid or duly provided for or, if no interest has been paid, from the DATE OF THIS BOND, at the INTEREST RATE per annum, payable semiannually on the INTEREST PAYMENT DATES, until the date on which this bond becomes due, whether at maturity or by acceleration or redemption. From and after that date, any unpaid principal will bear interest at the same rate until paid or duly provided for. The principal and premium, if any, of this bond is payable at the office of _____, as Trustee (with its successors, the "Trustee"). Interest is payable by check or draft mailed by the Trustee to the REGISTERED OWNER of this bond (or of one or more predecessor or successor Bonds (as defined below), determined as of the close of business on the applicable record date, at its address as shown on the registration books maintained by the Trustee unless this bond is in the Book-Entry Only System (as defined in the Agreement) in which case payment shall be by wire or bank transfer of immediately available funds within the continental United States. If any payment, redemption or maturity date for principal, premium or interest shall be (i) a day on which banks are required or authorized to be closed in New York, New York, or Orlando, Florida, or (ii) a day on which banks in all of the cities in which the principal offices of the Trustee are required or authorized to remain closed or (iii) a day on which the New York Stock Exchange is closed, then the payment thereof may be made on the next succeeding day not a day specified in (i), (ii) or (iii) with the same force and effect as if made on the specified payment date and no interest shall accrue for the period after the specified payment date.

The record date for payment of interest is the fifteenth day of the month preceding the date on which the interest is to be paid, provided that, with respect to overdue interest or interest payable on redemption of this bond other than on an INTEREST PAYMENT DATE or interest on any overdue amount, the Trustee (as defined below) may establish a special record date. The special record date may be not more than thirty (30) days before the date set for payment. The Trustee will mail notice of a special record date to the registered owners of the Bonds (the "Bondowners") at least ten (10) days before the special record date. The Trustee will promptly certify to the Issuer and the Borrower that it has mailed such notice to all Bondowners, and such certificate will be conclusive evidence that such notice was given in the manner required hereby.

This bond is one of a series of Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project) (the "Bonds") in the aggregate principal amount of \$19,500,000 issued by the Issuer under the Act. The proceeds of the Bonds are being loaned to Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower"), pursuant to a Loan and Trust Agreement (the "Agreement") dated as of [], 2014 among the Borrower, the Issuer and the Trustee. Pursuant to the Agreement, the Borrower has unconditionally agreed to repay such loan in the amounts and at the times necessary to pay the principal of, premium, if

any, and interest on the Bonds when due. Reference is hereby made to the Agreement for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Borrower, the Issuer, the Trustee, and the Bondowners, including the order of payments in the event of insufficient funds, the disposition of unclaimed moneys held by the Trustee and restrictions on the rights of owners of the Bonds to bring suit. The Agreement may be amended to the extent and in the manner provided therein. Copies of the Agreement are available for inspection at the corporate trust office of the Trustee. Unless otherwise defined herein, capitalized terms shall have the meanings given them in the Agreement.

In order to provide additional security for the Bonds, [INSERT DESCRIPTION OF LETTER OF CREDIT OR SUBSTITUTE CREDIT FACILITY].

In case any Event of Default (as defined in the Agreement) occurs and is continuing, the principal amount of this bond together with accrued interest may be declared due and payable in the manner and with the effect provided in the Agreement.

[If applicable: The Bonds are redeemable pursuant to the Agreement prior to maturity beginning on ____, at the option of the Borrower, as a whole or in part at any time, at the following prices expressed in percentages of their principal amount, plus accrued interest to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
	%

[This table shall be completed based on redemption schedule established for the Bonds pursuant to the Agreement.]

The Bonds of this series maturing on _____ are also subject to redemption from sinking fund installments at their principal amounts, without premium, plus accrued interest to the redemption date on November 1 of each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
	\$		\$

* Final Maturity

The Bonds are subject to redemption prior to maturity in whole or in part at any time at a redemption price of par plus accrued interest:

(1) From excess moneys allocable to the Bonds in the Project Fund established under the Agreement, pursuant to the extraordinary redemption provisions set forth in the Agreement.

(2) If the Bonds are secured by a Credit Facility and if within thirty (30) days of the occurrence of an Act of Bankruptcy of the Bank, a substitute Credit Facility has not been issued to the Trustee in accordance with the Agreement. In such event, the Bonds shall be subject to redemption as a whole within one hundred thirty (130) days after the occurrence of the Act of Bankruptcy of the Bank.

[(3) In the event of the expiration of the Credit Facility and failure by the Borrower to provide for delivery to the Trustee of a substitute Credit Facility at least forty-five (45) days prior to the expiration date of the Credit Facility then in effect.]

If less than all of the outstanding Bonds are to be called for redemption, the Bonds (or portions thereof) to be redeemed shall be selected as provided in the Agreement. Mandatory or optional redemption other than sinking fund redemption shall reduce the mandatory sinking fund redemption obligation in inverse order of maturity.

In the event this bond is selected for redemption, notice will be mailed no more than sixty (60) nor less than thirty (30) days prior to the redemption date to the REGISTERED OWNER at its address shown on the registration books maintained by the Trustee. Failure to mail notice to the owner of any other Bond or any defect in the notice to such an owner shall not affect the redemption of this bond. Any notice of redemption may be conditioned upon the availability of sufficient funds on the date of redemption.

If this bond is of a denomination in excess of five thousand dollars (\$5,000), portions of the principal amount in the amount of five thousand dollars (\$5,000) or any multiple thereof may be redeemed. If less than all of the principal amount is to be redeemed, upon surrender of this bond to the Trustee, there will be issued to the REGISTERED OWNER, without charge, a new Bond or Bonds, at the option of the REGISTERED OWNER, for the unredeemed principal amount.

Notice of redemption having been duly mailed, this bond, or the portion called for redemption, will become due and payable on the redemption date at the applicable redemption price and, moneys for the redemption having been deposited with the Trustee, from and after the date fixed for redemption, interest on this bond (or such portion) will no longer accrue.

This bond is transferable by the REGISTERED OWNER, in person or by its attorney duly authorized in writing, at the corporate trust office of the Trustee or its agent, upon surrender of this Bond to the Trustee for cancellation. Upon the transfer, a new Bond or Bonds in authorized denominations of the same aggregate principal amount will be issued to the transferee at the same office. No transfer will be effective unless represented by such surrender and reissue. This bond may also be exchanged at the corporate trust office of the Trustee for a new Bond or Bonds of the same aggregate principal amount without transfer to a new registered owner. Exchanges and transfers will be without expense to the holder except for applicable taxes or other governmental charges, if any. The Trustee will not be required to make an exchange or transfer of this bond during the fifteen (15) days preceding any date fixed for selection for redemption if this bond (or any part thereof) is eligible to be selected or has been selected for the redemption.

This bond is issuable only in fully registered form in the denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

The Issuer, the Trustee, and the Borrower may treat the REGISTERED OWNER as the absolute owner of this bond for all purposes, notwithstanding any notice to the contrary.

Neither the members of the Issuer nor any person executing this bond are liable personally hereon or subject to any personal liability or accountability by reason of the issuance hereof.

This bond will not be valid until the Certificate of Authentication has been signed by the Trustee.

IN WITNESS WHEREOF, Palm Beach County, Florida has caused this bond to be duly executed by the facsimile signature of the Mayor and attested by the facsimile signature of its Clerk and a facsimile of its seal has been imprinted thereon.

PALM BEACH COUNTY, FLORIDA

By: _____
Priscilla A. Taylor
Mayor

[SEAL]

ATTEST:

By: _____
Sharon R. Bock
Clerk & Comptroller

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

County Attorney

Certificate of Authentication

This bond is one of the Bonds described in the Loan and Trust Agreement.

_____,
as Trustee

By: _____
Authorized Signature

Assignment

For value received the undersigned sells, assigns and transfers this bond to

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

and irrevocably appoints _____ attorney-in-fact to transfer it on the books kept for registration of the bond, with full power of substitution.

NOTE: The signature to this assignment must correspond with the name as written on the face of the bond without alteration or enlargement or other change and must be guaranteed by a Participant in a Recognized Signature Guaranty Medallion Program.

Dated:

Signature Guaranteed:

Participant in a Recognized
Signature Guaranty Medallion Program

By: _____
Authorized Signature

(Remainder of page left blank intentionally)

(b) Details of the Bonds.

The Bonds shall be signed on behalf of the Issuer by the manual or facsimile signature of an Authorized Officer of the Issuer or a facsimile thereof shall be engraved or otherwise reproduced thereon. The Certificate of Authentication shall be manually signed by the Bondowner (with respect to Bonds in the Bank Purchase Mode) or the Trustee (with respect to Bonds in the Weekly or Fixed Rate Mode). No bonds shall be issued under this Agreement other than the Bonds.

In case any officer whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

The Bonds shall be issued in fully registered form and shall be numbered from 1 upwards in their order of issuance, or in any other manner deemed appropriate by the Trustee. The Bonds shall be dated the date of original delivery thereof. The Bonds shall mature thirty years from the date of issuance thereof. The interest on Bonds until they come due shall be payable on the Interest Payment Dates applicable to the Mode the Bonds are in from time to time. Interest on overdue principal of any Bond shall bear interest at the rate last established for that Bond before the principal became overdue until duly paid or provided for. The Bonds shall be initially issued in the Bank Purchase Mode.

The Bonds shall be in the denomination of \$100,000 or any multiple of \$5,000 [**should a smaller denomination be used?**] in excess thereof in the Bank Purchase Mode or the Weekly Mode. On or after the Fixed Rate Conversion Date the Bonds may be issued in denominations of five thousand dollars (\$5,000) or any integral multiple thereof.

Notwithstanding anything herein to the contrary, while in the Weekly Mode, the Bonds may be transferred by a person (other than the Remarketing Agent) only pursuant to a tender as described herein, except that Pledged Bonds may be transferred to the provider of a substitute Credit Facility pursuant to Section 3.16(a).

The Bonds are subject to redemption as described in Section 3.10 and in the forms of Bonds.

(c) Registration of Bonds in the Book-Entry Only System. (i) Notwithstanding any provision herein to the contrary, the provisions of this Subsection 3.01(c) and the Representation Letter (as defined below) shall apply with respect to any Bond registered to [CEDE & CO.] or any other nominee of The Depository Trust Company ("DTC") while the Book-Entry Only System (meaning the system of registration described in paragraph (ii) of this Subsection 3.01(c)) is in effect. The Book-Entry Only System shall be in effect for any Mode if so specified by the Borrower prior to conversion to that Mode, subject to the provisions below concerning termination of the Book-Entry Only System. Until it revokes such specification in its discretion, the Borrower hereby specifies that the Book-Entry Only System shall be in effect while the Bonds are in Weekly and Fixed Rate Modes. The Book-Entry Only System shall not apply to Bonds in the Bank Purchase Mode.

(i) The Bonds in or to be in the Book-Entry Only System shall be issued in the form of a separate single authenticated fully registered Bond for each stated maturity in substantially the forms provided for in Subsection 3.01(a). Any legend required to be on the Bonds by DTC (or any successor depository) may be added by the Trustee. On the date of original delivery thereof, the Bonds shall be registered in the registry books of the Trustee in the name of CEDE & CO., as nominee of The Depository Trust Company as agent for the Issuer in maintaining the Book-Entry Only System. With respect to Bonds registered in the registry books kept by the Trustee in the name of CEDE & CO., as nominee of DTC, the Issuer, the Borrower, the Remarketing Agent and the Trustee shall treat and deem DTC as the registered owner of each Bond for all purposes hereunder and shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations and various other entities, some of whom or their representatives own DTC) or to any Beneficial Owner (which means, when used with reference to the Book-Entry Only System, the person who is considered the beneficial owner of the Bonds pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (A) the accuracy of the records of DTC, CEDE & CO. or any Participant with respect to any ownership interest in the Bonds, (B) the delivery to or from any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption or tender (whether mandatory or optional), or (C) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal or premium, if any, or interest on the Bonds. The Trustee shall pay the Purchase Price of and all principal of and premium, if any, and interest on the Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's or Borrower's obligations with respect to the principal of, Purchase Price, and premium, if any, and interest on Bonds to the extent of the sum or sums so paid. No person other than DTC shall be entitled to receive an authenticated Bond evidencing the obligation of the Issuer to make payments of principal and premium, if any, and interest pursuant to this Agreement. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of CEDE & CO., the words "CEDE & CO." in this Agreement shall refer to such new nominee of DTC.

(ii) Upon receipt by the Trustee of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities, the Issuer shall issue and the Trustee shall transfer and exchange Bonds as requested by DTC in appropriate amounts and in authorized denominations, and whenever DTC requests the Issuer and the Trustee to do so, the Trustee and the Issuer will, at the reasonable expense of the Borrower, cooperate with DTC in taking appropriate action after reasonable notice (A) to arrange for a substitute bond depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or (B) to make available for transfer and exchange Bonds registered in whatever name or names and in whatever authorized denominations as DTC shall designate.

(iii) In the event the Borrower determines that the Beneficial Owners should be able to obtain Bond certificates, the Borrower may so notify DTC and the Trustee, whereupon DTC will notify the Participants of the availability through DTC of Bond

certificates. In such event, the Issuer shall issue and the Trustee shall transfer and exchange Bond certificates as requested by DTC in appropriate amounts and in authorized denominations, all at the expense of the Borrower. Whenever DTC requests the Trustee to do so, the Trustee will cooperate with DTC in taking appropriate action after reasonable notice to make available for transfer and exchange Bonds registered in whatever name or names and in whatever authorized denominations as DTC shall designate.

(iv) Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of CEDE & CO., as nominee of DTC, all payments with respect to the principal of, Purchase Price, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided in the Letter of Representation (the "Representation Letter") from the Issuer to DTC as in effect from time to time.

(v) Notwithstanding any provision in Section 3.10 to the contrary, so long as the Bonds outstanding are held in the Book-Entry Only System, if less than all of such Bonds are to be redeemed upon any redemption of Bonds hereunder, the particular Bonds or portions of Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine.

(vi) So long as the Book-Entry Only System is in effect, a Beneficial Owner who elects to have its Bonds purchased or tendered pursuant to the Agreement shall effect delivery by causing a Participant to transfer the Beneficial Owner's interest in the Bonds pursuant to the Book-Entry Only System. The requirement for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred in accordance with the Book-Entry Only System.

(vii) So long as the Book-Entry Only System is in effect, the Remarketing Agent shall communicate to DTC information concerning the purchasers of Tendered Bonds as may be necessary or appropriate, and, notwithstanding any provision in the Representation Letter to the contrary, the Remarketing Agent shall continue to remit to the Trustee interest rate determination information pursuant to the terms of this Agreement.

(d) Weekly Mode.

(i) Determination of Weekly Rate. The Remarketing Agent shall determine the Weekly Rate as provided in the form of Weekly Bond and shall notify the Trustee and the Borrower thereof on each Effective Date, promptly thereafter confirmed in writing of each change in the Weekly Rate. Each determination and redetermination of the Weekly Rate shall be conclusive and binding on the Issuer, the Trustee, the Bank, the Borrower and the Bondowners.

If for any reason the interest rate on the Bonds for the applicable Rate Period cannot be established as described in the preceding paragraph, the interest rate on the Bonds for such Rate

Period will equal the Interest Index as determined by the Remarketing Agent. In no event shall the Weekly Rate exceed the Maximum Interest Rate. If for any reason the Remarketing Agent fails to determine the Effective Rate as provided herein for any Rate Period, the Effective Rate for that Rate Period shall be the same as the Effective Rate for the prior period.

(ii) Conversions from Weekly Mode. The Bonds in the Weekly Mode may be converted in whole on any Interest Payment Date applicable to the Weekly Mode, at the election of the Borrower, to the Bank Purchase Mode or the Fixed Rate Mode, as provided in the form of Weekly Bond, so long as no Default hereunder exists as certified to the Trustee by a Borrower Representative. Bonds to be converted to the Fixed Rate Mode may be supported by a Credit Facility. If Bonds are to be converted to the Fixed Rate Mode with a Credit Facility, no such conversion shall be effective unless the Borrower shall have delivered to the Trustee by 10:00 A.M., Orlando, Florida time on the Conversion Date a Credit Facility in the minimum required face amount for the Fixed Rate Mode as provided in Section 3.16 and with an expiration date not earlier than one year from the Conversion Date. Written notice of a conversion of Bonds from the Weekly Mode and of the identity of the issuer of the new Credit Facility, if any, shall be given by the Borrower to the Issuer, the Trustee, the Bank, the Remarketing Agent, and S&P if the Bonds are then rated by S&P, not fewer than thirty (30) nor more than sixty (60) days prior to the proposed Fixed Rate Conversion Date, which date shall be specified by the Borrower in such notice. Notice of a conversion of Bonds from the Weekly Mode and the mandatory tender of Bonds for purchase on such Fixed Rate Conversion Date shall be given to the owners of such Bonds as provided in Subsection 3.01(d)(iv)(B) and the form of Weekly Bond. Conversions to the Fixed Rate Mode shall also be governed by Subsection 3.01(g). No conversion shall be effective unless an opinion of Bond Counsel has been delivered to the Borrower, the Trustee, if applicable, and the Issuer to the effect that such conversion will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Notwithstanding the foregoing, if the preconditions to conversion to another Mode established by the preceding paragraph, including those in Subsection 3.01(g), if applicable, are not met by 10:00 A.M., Orlando, Florida time on the Conversion Date, the Trustee shall deem the proposed conversion to have failed and shall immediately notify the Remarketing Agent. The Bonds shall nevertheless be subject to mandatory tender as provided in Subsection 3.01(d)(iv)(B). In such event the Trustee shall by 10:00 A.M. on the proposed Conversion Date draw on the Credit Facility an amount that is sufficient to pay the Purchase Price on such date on all Bonds that were to have been converted. In no event shall the failure of Bonds to be converted to another Mode for any reason be, in and of itself, deemed to be a Default or Event of Default under this Agreement, so long as the Purchase Price of all Bonds required to be purchased is made available as provided above.

(iii) Bondowners' Option to Tender Bonds in Weekly Mode. Bonds (other than Pledged Bonds and Borrower Bonds) in the Weekly Mode are subject to tender, at the election of the owner thereof, in the manner and subject to the limitations described in the form of Weekly Bond. The owners of Tendered Bonds shall receive on the Delivery Date 100% of the principal amount of the Tendered Bonds plus accrued interest to the Purchase Date, provided that if the Purchase Date is an Interest Payment Date, accrued

interest shall be paid separately, and not as part of the Purchase Price on such date. The purchase of Tendered Bonds shall not extinguish the debt represented by such Bonds that shall remain Outstanding and unpaid under this Agreement.

The Trustee shall accept all Tendered Bonds properly tendered to it for purchase as provided in the form of Weekly Bond and in this Section 3.01(d)(iii), or for so long as the Bonds are in the Book-Entry Only System, as provided in Section 3.01(c)(vi); provided, however, that the Trustee shall not accept any Tendered Bonds and the Purchase Price therefor shall not be paid if at the time of tender or on the Purchase Date the principal of the Bonds shall have been accelerated pursuant to Section 5.02 and such acceleration shall not have been annulled.

The Bondowner's Election Notice delivered to the Trustee as provided in the form of Weekly Bond prior to the Purchase Date of Tendered Bonds shall be in substantially the form provided in the form of Weekly Bond or such other form as the Trustee may accept.

As soon as practicable after receiving notice of a tender of Bonds under this section, the Trustee shall notify the Remarketing Agent, the Borrower and the Bank by telephone promptly confirmed in writing of the amount of Tendered Bonds and the specified Purchase Date.

(iv) Events Requiring Mandatory Tender of Weekly Bonds.

(A) Expiration of Credit Facility without Substitution or Replacement; Substitution of Credit Facility. The Bonds in the Weekly Mode are subject to mandatory tender for purchase as provided in the form of Weekly Bond (1) in connection with the expiration or termination of the Credit Facility and failure by the Borrower to provide for the delivery to the Trustee of notice of extension of the then existing Credit Facility from the provider thereof at least forty-five (45) days prior to the Interest Payment Date preceding by at least five (5) Business Days the expiration date of the Credit Facility then in effect or (2) in connection with the substitution of a Credit Facility. At least fifteen (15) days prior to the mandatory tender date, the Trustee shall give notice to the Bondowners of the mandatory tender of Bonds pursuant to this Section 3.01(d)(iv).

(B) Change in Mode. In the event that the Bonds in the Weekly Mode are converted to another Mode, the Bonds are subject to mandatory tender for purchase upon not less than fifteen (15) days' prior written notice from the Trustee to the Bondowners as provided in the form of Weekly Bond, which notice shall state that the Bonds are subject to mandatory tender for purchase on the Conversion Date.

(e) Reserved.

(f) Bank Purchase Mode. Details of the Bonds in the Bank Purchase Mode shall be as provided in the form of Bank Purchase Bond in Section 3.01(a)(i) and in this Section 3.01(f).

(i) Interest Rate Adjustments.

(A) Taxability of Interest.

1. Additional Interest. In the event that the interest on any principal amount of the Bonds is determined to be includable for any period for federal income tax

purposes in the gross income of the owner or any previous owner thereof or any participant therein (other than a period for which the collection of the applicable federal income tax is barred by a statute of limitations) (i) by the Bondowner upon receipt of a written opinion of nationally recognized Bond Counsel to the effect that the interest on the Bonds is so includable (or if such Bond Counsel is unable or unwilling to render its opinion, upon request by the Bondowner, that such interest is exempt from federal income taxation), (ii) by the Internal Revenue Service by issuance to the Bondowner of a 30-day letter or other written notice, or (iii) by reason of the issuance of any published or private ruling or a technical advice memorandum by the Internal Revenue Service (each, a "Determination of Taxability"), then such principal amount shall bear additional interest for such period and thereafter at a per annum rate equal to the difference, if any, between the interest stated on the Bonds and the Taxable Rate. If the interest on the Bonds is determined to be taxable, the Bondowner shall promptly give written notice of such determination and the date on which such taxability commenced (the "Taxability Date") to the Issuer and the Borrower, and shall make a notation of the taxability of interest on the Bonds. The Bonds shall bear interest at the Taxable Rate from and after the Taxability Date until the final payment of the Bonds, regardless of whether such payment occurs before or after a Determination of Taxability is made. The additional interest shall be payable on the same dates as the interest stated on the Bonds, except that additional interest for any period ending on or before the interest payment date next preceding the determination that additional interest is payable hereunder shall be payable within thirty (30) days after the Bondowner gives notice of a Determination of Taxability. Although a claim for additional interest on the Bonds that accrued during the period from the Taxability Date until the interest payment date immediately following the Determination of Taxability may be assigned with written notice to the Borrower, it shall not be transferable by a transfer of the Bonds, and such additional interest shall be payable to that person or those persons who were owners of the Bonds for the applicable periods, or their assigns.

2. Reimbursement. The Borrower will promptly reimburse each owner of a Bond subject to a Determination of Taxability an amount which (after deduction of all federal, state and local taxes required to be paid by such owner in respect of the receipt of such amount less any tax benefit resulting from the deductibility of such amount for purposes of such taxes) is equal to all interest and penalties, if any, paid to the United States as a consequence of the failure to include the interest on the Bond in the federal gross income of such owner prior to notice of the determination, provided that any amounts paid as reimbursement under this sentence shall be repaid by the owner to the extent of any recovery thereof from the United States.

3. No Damages. The payments provided for in this section are in lieu of any damages which might otherwise be payable to the Bondowner by reason of the taxability of interest on the Bonds, and the obligations of the Borrower under this section shall survive the defeasance of this Agreement and the termination of the lien hereof and the payment of the Bonds.

4. Determination of Taxability. The Bondowner shall not be required to appeal or resort to further administrative or judicial proceedings seeking to reverse any

governmental assertion or conclusion that interest is taxable, provided that if the Borrower provides indemnity satisfactory to the Bondowner for its costs and expenses, the Bondowner shall cooperate with the Borrower in any administrative or judicial proceeding the Borrower may initiate for the purpose of reversing any such assertion or conclusion; provided that (1) nothing contained herein will be deemed to require any Bondowner to disclose its tax returns or other confidential or proprietary information and (2) nothing contained herein will be deemed to prevent any Bondowner from closing any tax year with the Internal Revenue Service. A Determination of Taxability shall be conclusive as to the Borrower, the Issuer and any Bondowner for the purposes of this Agreement and the Bonds, but neither that determination nor this sentence shall be construed as an admission or waiver of any kind in any governmental proceeding relating to any federal tax liability of any person.

(ii) Payments of Debt Service by the Borrower in the Bank Purchase Mode. Notwithstanding anything in Section 3.08 to the contrary, while the Bonds are in the Bank Purchase Mode, the Borrower will pay to the Bondowner on or before each date on which any payment or prepayment of principal of, premium, if any, or interest on the Bond shall become due, whether at maturity, by acceleration or otherwise, an amount in funds available on the Bond payment date equal to the payment then coming due. The Borrower may make payments to the Bondowner earlier than required by this section, but such payments shall not affect the accrual of interest except to the extent the Bond is prepaid. The amount of interest due on the Bond shall be determined by the Bank and communicated to the Borrower by facsimile no later than 3:30 p.m. on the third Business Day prior to each interest payment date (such communication to set forth the amount of interest due at the then-applicable monthly interest rate). At any time when any principal of or interest on the Bond is overdue, the Borrower shall also have a continuing obligation to pay to the Bondowner an amount equal to interest (at the Default Rate) on the overdue principal and/or interest.

(iii) Prepayment of the Bonds in the Bank Purchase Mode.

(A) Reserved.

(B) Scheduled Payments. The Bonds are subject to scheduled payments by the Borrower of installments of principal, without premium, plus accrued interest to the payment date on [] of each of the years and in the principal amounts as set forth in Schedule I to the Covenants Agreement. Schedule I to the Covenants Agreement shall not be modified without receiving an opinion of Bond Counsel to the effect that such modification will not adversely impact the tax-exempt status of the Bonds.

(C) Optional Prepayment; Accrued Interest. The Bonds may be prepaid for the account of the Issuer at the option of the Borrower, in whole or in part, at the prepayment prices and in the manner as provided in the form of Bank Purchase Bond set forth in Section 3.01(a)(i) of this Agreement. Whenever principal is called for prepayment, the accrued interest on such principal shall become due on the prepayment date.

(D) Notice of Prepayment. Whenever the Bonds are to be prepaid, the Borrower shall give the Trustee and the Bondowner notice thereof at least thirty (30) days before the prepayment date specifying the date and amount of prepayment and the amount of accrued interest and premium, if any.

(iv) Conversion from the Bank Purchase Mode. The Borrower may convert, in whole and not in part, the Bonds in the Bank Purchase Mode to a new Mode in whole, effective on any Purchase Date as defined in the form of Bank Purchase Bond set forth in Section 3.01(a)(i) of this Agreement, upon 30 days' written notice to the Trustee and the Bondowner and compliance with the requirements of the Agreement for conversion to the new Mode. The Bonds shall be subject to mandatory tender for purchase in connection with any such conversion, and no such conversion shall be effective unless the Bondowner has received the purchase price provided for in the form of Bank Purchase Bond set forth in Section 3.01(a)(i) of this Agreement. Prior to the conversion of any Bonds to a new Mode, the Borrower shall appoint a Trustee meeting the requirements set forth in Article VII of this Agreement, which Trustee shall become a party to this Agreement. No conversion shall be effective unless an opinion of Bond Counsel has been delivered to the Borrower, the Trustee, if applicable, and the Issuer to the effect that such conversion will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. The Bondowner has not agreed to, and is under no obligation to purchase Bonds converted to any new Bank Purchase Mode or to any other Mode.

(v) No Trustee; Bondowner as Bond Registrar and Transfer Agent. Notwithstanding anything herein to the contrary, for so long as Bonds are in the Bank Purchase Mode, no Trustee need be appointed or in place. Rather, the Bondowner shall act as the Bond registrar and transfer agent, and shall otherwise assume the functions and responsibilities of the Trustee set forth herein, including without limitation the enforcement of remedies upon occurrence of an Event of Default, as applicable.

(g) Conversion to Fixed Rate Mode. The interest rate on the Bonds may be converted by the Borrower to the Fixed Rate as provided in Subsections 3.01(d), 3.01(f) and this Subsection 3.01(g). Upon receipt of the notice of conversion to the Fixed Rate Mode from the Borrower, the Remarketing Agent shall determine the Fixed Rate not later than 2:00 P.M. two (2) Business Days before the Fixed Rate Conversion Date. The Fixed Rate shall be the lowest rate that in the judgment of the Remarketing Agent, on the basis of prevailing financial market conditions, would permit the sale of the Bonds being so converted at par plus accrued interest as of the Effective Date on the basis of their terms as converted.

Upon conversion, the converted Bonds shall be subject to mandatory sinking fund redemption (or serial maturities as provided in the next sentence) beginning on the [] following the Fixed Rate Conversion Date so as to produce as nearly as practicable level annual debt service payments as determined by the Remarketing Agent based on prevailing financial market conditions and provided to the Borrower and the Trustee in a redemption schedule prior to the Fixed Rate Conversion Date. If requested by the Borrower at least seven Business Days prior to the Fixed Rate Conversion Date, the Remarketing Agent, if it determines in its sole discretion that serialization will achieve a lower net interest cost on the Bonds, shall determine

separate Fixed Rates to be assigned to Bonds to be redeemed from sinking fund installments in such amounts and in such years as the Remarketing Agent determines will achieve the lowest net interest cost on the Bonds; provided, however, that the principal amount of the Bonds to be so selected shall equal the mandatory sinking fund installments therefor established as provided above. Each Bond to be redeemed from sinking fund installments in the years to which a particular Fixed Rate is assigned shall be deemed to mature on the last date on which any Bond bearing interest at such Fixed Rate is to be redeemed from sinking fund installments. The Remarketing Agent shall determine a separate Fixed Rate for each such maturity of Bonds. On the date of determination thereof, the Remarketing Agent shall notify the Trustee by telephone confirmed in writing of the amounts and years assigned to the Bonds and the Fixed Rate. The Trustee shall promptly select, by random drawing, the particular Bonds or portions thereof to be assigned to the years and in the amounts as determined by the Remarketing Agent. The Trustee shall promptly notify the Borrower and the Issuer in writing of the assigned amounts and years and the Fixed Rate. The assignment of amounts and years and the determination of the Fixed Rate shall be conclusive and binding on the Issuer, the Trustee, the Borrower and the Bondowners.

On the date of determination thereof, the Remarketing Agent shall notify the Borrower and the Trustee by telephone confirmed in writing of the Fixed Rate. The Trustee shall promptly notify the Issuer in writing of the Fixed Rate. The determination of the Fixed Rate shall be conclusive and binding on the Issuer, the Trustee, the Borrower and the Bondowners. The first Interest Payment Date of Bonds converted to the Fixed Rate shall be a [__ or __] specified by the Borrower which is at least two (2) months but less than ten (10) months after the Fixed Rate Conversion Date. The Fixed Rate shall become effective on the Fixed Rate Conversion Date and shall remain in effect for the remaining term of the Bonds.

Notwithstanding the foregoing, if the preconditions to conversion to the Fixed Rate Mode established by this Subsection 3.01(g) and Subsections 3.01(d)(ii) and 3.01(f), as applicable, are not met by 10:00 A.M. Orlando, Florida time on the Fixed Rate Conversion Date, the Trustee shall deem the proposed conversion to have failed and shall proceed as such under Section 3.01(d)(ii). No conversion shall be effective unless an opinion of Bond Counsel has been delivered to the Borrower, the Trustee, if applicable, and the Issuer to the effect that such conversion will not affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(h) Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity, shall be delivered to the Trustee when such payment or redemption is made, and such Bonds, together with all Bonds purchased by the Borrower and delivered to the Trustee and all Bonds surrendered in any exchanges or transfers, shall thereupon be promptly canceled; provided, however that while the Bonds are in the Bank Purchase Mode, all Bonds surrendered in any exchanges or transfers, shall thereupon be promptly canceled by the Bank. All Bonds acquired and owned by the Borrower and delivered to the Trustee for cancellation shall be deemed paid and shall be promptly canceled. Bonds so canceled may at any time be cremated or otherwise destroyed by the Trustee. The Trustee, if any, shall provide written notice to S&P, if then rating the Bonds, of the final payment or redemption of any of the Bonds, either at or before maturity, upon cancellation of any such Bonds.

(i) Replacement of Bonds. Replacement Bonds shall be issued pursuant to applicable law as a result of the destruction, loss or mutilation of the Bonds. The costs of a replacement shall be paid or reimbursed by the applicant, who shall indemnify the Issuer, the Trustee, the Remarketing Agent and the Borrower against all liability and expense in connection therewith.

(j) Interest on Overdue Principal. Any overdue principal of any Bond shall bear interest after its maturity (by tender, redemption or otherwise) or acceleration at the last interest rate in effect on that Bond, except, as to Bonds in the Bank Purchase Mode, as otherwise provided in the form of Bank Purchase Mode Bond.

Section 3.02. Application of Bond Proceeds. From the proceeds of the sale of the Bonds, (a) \$ _____ shall be deposited to the Project Fund and shall be transferred to the trustee for the Prior Bonds for the purpose of refunding the Prior Bonds, and (b) \$ _____ shall be deposited in the Project Fund to pay the costs of issuing the Bonds.

Section 3.03. Reserved.

Section 3.04. Bond Fund.

(a) Establishment and Purpose. A Bond Fund is hereby established with the Trustee and moneys shall be deposited therein while Bonds are in the Weekly or Fixed Rate Mode as provided in this Agreement. The Borrower hereby grants to the Trustee for the benefit of the Bondowners and the Bank, as applicable, a security interest in all deposits in the Bond Fund. The Trustee acknowledges that it holds the Bond Fund as agent for the Bondowners and the Bank, as their interests may appear. The moneys in the Bond Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in this Agreement, shall be applied by the Trustee solely to pay principal and Purchase Price of, premium, if any, and interest on, the Bonds. The Trustee shall account separately for (A) Eligible Funds and (B) all other funds in the Bond Fund. Proceeds of drawings upon the Credit Facility shall not be deposited in the Bond Fund, but shall be held by the Trustee in trust pursuant to Section 3.08(c)(iii) and applied as provided in this Agreement.

(b) Excess in Bond Fund. If at any time the amount of Eligible Funds in the Bond Fund exceeds the amount necessary to pay the Purchase Price or the principal of, premium, if any, and interest on the Bonds in full and all amounts owing or to be owing under this Agreement to the Issuer and the Trustee, then the Trustee shall apply such excess first to the Bank, if applicable, in fulfillment of any obligations owed to it under the Reimbursement Agreement, as certified by the Bank, and second, if any balance remains, to the Borrower.

(c) Unclaimed Moneys. Except as may otherwise be required by applicable law, in case any moneys deposited with the Trustee for the payment of the Purchase Price or principal of, premium, if any, or interest on any Bond remain unclaimed for two years after such Purchase Price, principal, premium or interest has been paid or has become due and payable, the Trustee may, and upon receipt of a written request by a Borrower Representative shall, pay over to the Borrower the amount so deposited and thereupon the Trustee and the Issuer shall be released from any further liability with respect to the payment of such Purchase Price or principal,

premium or interest and the owner of such Bond shall be entitled (subject to any applicable statute of limitations) to look only to the Borrower as an unsecured creditor for the payment thereof.

Section 3.05. Rebate.

(a) Payment of Rebate to the United States. The Borrower shall be required to make rebated payments to the United States in accordance with the provisions of the Tax Certificate

(b) Interpretation of this Section. The purpose of this Section 3.05 is to satisfy the requirements of the Rebate Provision. Accordingly, this section shall be construed so as to meet such requirements. The Borrower covenants that all action taken under this section shall be taken in a manner that complies with the Rebate Provision and that it shall neither take any action nor omit to take any action that would cause the Bonds to be arbitrage bonds by reason of the failure to comply with the Rebate Provision. To the extent any payment of rebatable arbitrage or penalty in lieu of rebate is not timely made to the United States, the Borrower shall pay to the United States on behalf of the Issuer any interest, penalty, or other amount necessary to prevent any series of Bonds from becoming arbitrage bonds within the meaning of IRC Section 148. The Borrower covenants that to the extent necessary it shall obtain the advice and assistance of experts to aid it in complying with the Rebate Provision.

Section 3.06. Reserved.

Section 3.07. Application of Moneys.

(a) Weekly and Fixed Rate Modes. While Bonds are in the Weekly or Fixed Rate Mode, if, in addition to moneys drawn on the Credit Facility (if any), available moneys in the Bond Fund are not sufficient on any day to pay all principal, premium, if any and interest on the Outstanding Bonds then due or overdue, such moneys shall, after payment of all amounts owing to the Trustee and the Issuer under this Agreement, be applied first to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest that became due at the same time) and second to the payment of principal and premium, if any, without regard to the order in which the same became due in each case pro rata among Bondowners, provided, however, that amounts drawn on the Credit Facility (if any) and remarketing proceeds (if any) shall be applied exclusively to pay interest on and principal of Bonds in accordance with the Credit Facility. If the owners of any Bonds have received all payments of principal and interest that have become due and payable from a draw on the Credit Facility, the Bank shall be treated as the owner of such Bonds for purposes of applying this section. In the event there exist Pledged Bonds or Borrower Bonds on the date of any application of moneys under this section, moneys to be paid to the Borrower or to the Bank pursuant to this section shall be applied (subject to Section 3.08(c)(iii)) as follows: first, so long as all payments due on the Bonds supported by a Credit Facility have been made, pro rata to all Bondowners other than the Borrower (but including the Bank to the extent provided in the preceding sentence), but if all payments due on the Bonds supported by a Credit Facility have not been made, first, pro rata to all Bondowners other than the Bank and the Borrower; second (and irrespective of which of the two prior clauses first applies), if any balance remains, to the Bank in fulfillment of any obligations owed to it under the Reimbursement Agreement or any

Pledged Bonds (to the extent not satisfied pursuant to clause first); and third, if any further balance remains, to the Borrower in respect of any Borrower Bonds. Whenever moneys are to be applied pursuant to this section, such moneys shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such moneys becoming available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion it shall fix the date (which shall be the first day of a month unless the Trustee 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 date shall cease to accrue. Whenever overdue interest is to be paid on the Bonds, the Trustee may establish a special record date as provided in the forms of Bonds. The Trustee shall give such notice as provided in the applicable Form of the Bonds and as it may deem appropriate of the fixing of any such date and special record date. When interest or a portion of the principal is to be paid on an overdue Bond, the Trustee may require presentation of the Bond for endorsement of the payment. Prior to any payment to be made to the Bank pursuant to clause second of the sixth preceding sentence, the Trustee may require a certificate from the Bank as to amounts due under the Reimbursement Agreement, and the Trustee may rely conclusively thereon.

(b) Bank Purchase Mode. While Bonds are in the Bank Purchase Mode, if moneys received by the Bondowner are not sufficient on any day to pay all principal and interest on the Bonds then due or overdue, they shall, after payment of all other amounts owing to the Bondowner and the Issuer under this Agreement and the Covenants Agreement, be applied first to the payment of interest, including interest on overdue principal, in the order in which the same became due and second to the payment of principal without regard to the order in which the same became due.

Section 3.08. Payments by the Borrower.

(a) Payments of Debt Service by the Borrower.

(i) While the Bonds are in the Weekly Mode, the Borrower shall make payments in immediately available funds to the Trustee for deposit in the Bond Fund (A) no later than 11:00 A.M. Orlando, Florida time on the Business Day immediately preceding each Interest Payment Date in an amount equal to the interest payment then coming due on such Bonds and (B)(1) no later than 11:00 A.M. Orlando, Florida time on the Business Day immediately preceding each date on which principal shall be due on the Bonds (whether at maturity, upon redemption or otherwise) in an amount equal to the principal payment then coming due or (2) if required by the Reimbursement Agreement, not later than the last day of each month in an amount equal to one-twelfth (1/12) of the principal next coming due on the Bonds (whether at maturity, upon redemption or otherwise). While the Bonds are in the Fixed Rate Mode, the Borrower shall make payments not later than the last day of each month in an amount equal to the sum of one-sixth (1/6) of the interest next coming due on the Bonds plus one-twelfth (1/12) of the principal next coming due on the Bonds (including principal coming due by redemption pursuant to Subsection 3.10). The Borrower may make payments to the Bond Fund earlier than required by this section (including any payments to the Bond Fund that may be required by the Reimbursement Agreement), but such payments shall not affect the accrual of interest.

(ii) The payments to be made under the foregoing paragraph shall be appropriately adjusted to reflect the date of issue of the Bonds, the date of conversion of the Bonds to another Mode, accrued or capitalized interest deposited in the Bond Fund, if any, any earnings on deposit in the Bond Fund and any purchase or redemption of Bonds. The Borrower shall make payments to the Trustee for deposit in the Bond Fund so that there will be available in immediately available funds no later than 11:00 A.M. on each payment date the amount necessary to pay the interest, principal and premium, if any, due or coming due on the Bonds.

(iii) At any time when any principal of the Bonds is overdue, the Borrower shall also have a continuing obligation to pay to the Trustee for deposit in the Bond Fund an amount equal to interest on the overdue principal, but the installment payments required under this section shall not otherwise bear interest. Redemption premiums shall not bear interest.

(iv) In any event, the loan payments shall be sufficient to pay the total principal or Purchase Price of, premium, if any, and interest on the Bonds as and when due (whether at maturity, by redemption or acceleration, or otherwise) or to reimburse the Bank for drawings under the Credit Facility. If at any time when said payments are due the balance in the Bond Fund available for said purpose is insufficient to make such loan payments, the Borrower will forthwith pay to the Trustee (in immediately available funds) any such deficiency. The Borrower shall not be required to make any loan payment to the extent its obligation would result in an excess in the Bond Fund over the amounts necessary to meet its obligations then due and payable plus any additional amounts then required to be maintained in the Bond Fund.

(v) While Bonds are in the Bank Purchase Mode, payments of debt service by the Borrower shall be made as set forth in Section 3.01(f)(ii).

(b) Additional Payments.

(i) The Borrower shall pay the Issuer on demand its fees and for reimbursement of any and all costs, expenses and liabilities reasonably paid or incurred by the Issuer, including reasonable fees of counsel and disbursements thereof, in satisfaction of any obligations of the Borrower not performed by the Borrower as required hereunder or for administrative or other actions of the Issuer hereunder.

(ii) The Borrower shall pay the Issuer on demand for reimbursement or prepayment of any and all costs, expenses and liabilities paid or incurred or to be paid or incurred by the Issuer or any of its directors, officers, employees or agents, including reasonable fees of counsel and disbursements thereof, and requested by the Borrower or required by this Agreement or required by the Act with respect to the Bonds or the Project.

(iii) The Borrower shall pay to the Trustee upon demand the reasonable fees, expenses and indemnities of the Trustee as set forth in Section 6.03.

(c) Drawings on the Credit Facility.

(i) Debt Service. If a Credit Facility is available for the Bonds, the Trustee shall not later than 10:00 A.M. Orlando, Florida time, on the Business Day next

preceding any date on which payments of the principal of or interest on the Bonds are due, whether at maturity, on an Interest Payment Date, by acceleration, redemption, or otherwise, draw on the Credit Facility an amount sufficient to pay in full the principal and interest then coming due on the Bonds. The Trustee shall immediately notify the Borrower by telephone promptly confirmed in writing if it has not been paid by the Bank for such a draw on the Credit Facility by 2:00 P.M. Orlando, Florida time, on the date such payment on the Bonds is due. To the extent the Trustee has received notice of the bond rates from the Remarketing Agent, the Trustee undertakes to give the Borrower notice at least one Business Day in advance of the amount of any draw on the Credit Facility, but failure by the Trustee to give any notice under this paragraph shall not affect the obligation of the Borrower to make any payments required by this Agreement.

(ii) Tenders for Purchase. Except as provided in Section 3.08(c)(i), drawings on the Credit Facility for the purchase of Bonds tendered for mandatory purchase pursuant to Section 3.01(d)(iv) or for Bonds tendered for purchase at the Bondowner's election pursuant to Section 3.01(d)(iii) shall be made pursuant to Subsection 3.11(a).

(iii) Use of Credit Facility. In making draws under any Credit Facility, the Trustee shall do so in accordance with the terms and conditions of such Credit Facility. All amounts received by the Trustee under any Credit Facility shall be held in a fund (the "Credit Facility Fund") separate and apart from all other amounts held by the Trustee, shall remain uninvested and shall be used solely to pay the Purchase Price or principal of and interest on the Bonds for which the Credit Facility is available. Principal and Purchase Price of and interest on Borrower Bonds and Pledged Bonds shall not be paid from amounts drawn on a Credit Facility.

(d) Payment of Debt Service. The following provisions shall apply while the Bonds are in the Weekly Mode. The Trustee shall apply Eligible Funds, and to the extent necessary other funds, from the Bond Fund for the payment of principal, premium, if any, and interest payable on the Bonds (whether at maturity, upon redemption or acceleration, on an Interest Payment Date, or otherwise) as provided in Subsection 3.04(a) to the extent amounts drawn on the Credit Facility are insufficient to pay the same. The Trustee shall apply such funds to the payment of principal, premium if any, and interest on Bonds, in the following order, (i) moneys drawn on the Credit Facility (which shall not be applied to the payment of premiums), (ii) Eligible Funds on deposit in the Bond Fund other than moneys drawn on the Credit Facility, and (iii) any other moneys in the Bond Fund; provided, however, that except as specified in the next sentence, in no event shall the Trustee use any moneys other than Eligible Funds to pay principal of or interest on Bonds supported by a Credit Facility. If and to the extent that sufficient Eligible Funds, including moneys drawn on the Credit Facility pursuant to this section and Section 5.05, are not available to pay in full the principal of and interest on the Bonds supported by a Credit Facility, then other available moneys shall be so used. Immediately after any payment on the Bonds is made from funds drawn under the Credit Facility, the Trustee shall to the extent available pay to the Bank from amounts in the Bond Fund (whether or not such amounts are Eligible Funds) an amount equal to such payment on the Bonds from the drawing on the Credit Facility. Each payment to the Bank described in the immediately preceding sentence shall be made by the Trustee by wire transfer to the Bank (to such account as the Bank may from time to

time indicate) of the applicable amount immediately following, and on the same Business Day as, the Bank's initiation of payment of the corresponding drawing under the Credit Facility.

(e) Borrower's Purchase of Bonds. If the amount drawn on the Credit Facility and deposited with the Trustee, together with all other amounts (including remarketing proceeds) received by the Trustee for the purchase of Bonds supported by a Credit Facility and tendered pursuant to Section 3.01(d)(iii) or (iv) is not sufficient to pay the Purchase Price of such Bonds on the Purchase Date, the Trustee shall before 2:15 P.M. Orlando, Florida time on such Purchase Date, notify the Borrower and the Remarketing Agent of such deficiency by telephone promptly confirmed in writing. The Borrower shall pay to the Trustee in immediately available funds by 2:45 P.M. on the Purchase Date an amount equal to the Purchase Price of such Bonds less the amount, if any, available to pay the Purchase Price in accordance with Section 3.12 from the proceeds of the remarketing of such Bonds or from drawings on the Credit Facility, as reported by the Trustee. Bonds so purchased with moneys furnished by the Borrower shall be Borrower Bonds.

Section 3.09. Unconditional Obligation. The obligation of the Borrower to make payments under this Agreement shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, shall not be subject to setoff, recoupment or counterclaim, and shall be a general obligation of the Borrower to which the full faith and credit of the Borrower are pledged. The Borrower shall be obligated to make such payments whether or not the Project has ceased to exist or be functional to any extent from any cause whatsoever. The Borrower shall be obligated to make such payments regardless of whether it is in possession or entitled to be in possession of the Project.

Section 3.10. Redemption of the Bonds.

(a) Extraordinary Redemption Without Premium. While Bonds are in the Weekly Mode, if, within thirty (30) days of the occurrence of an Act of Bankruptcy of the Bank, a substitute Credit Facility has not been issued to the Trustee in accordance with this Agreement, the Bonds shall be subject to redemption as a whole within one hundred thirty (130) days after the occurrence of the Act of Bankruptcy of the Bank, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date, without premium.

(b) Reserved.

(c) Optional Redemption. (i) Bonds in the Weekly or Fixed Rate Mode are also subject to redemption prior to maturity, at the option of Borrower, as a whole or in part at any time, (A) (except for Borrower Bonds or Pledged Bonds) on or prior to the Fixed Rate Conversion Date, only from Eligible Funds, if any, in the denomination of \$5,000 or any multiple of thereof (provided that the remaining principal amount of any Bond partially redeemed shall not be less than \$100,000) at a redemption price equal to the principal amount to be redeemed, plus accrued interest to the redemption date, without premium, or (B) from and after the Fixed Rate Conversion Date, in the denomination of \$5,000 or any multiple thereof on and after the dates and at the prices (expressed as percentages of principal amount to be redeemed) set forth in the following table, plus accrued interest to the redemption date:

Redemption Date

Redemption Price

First Optional Redemption Date and thereafter

100%

provided, however, that if the number of years between the First Optional Redemption Date and the final maturity date of the Bonds is less than ten, the Bonds shall not be subject to optional redemption.

By giving written notice to the Trustee at the time the Borrower gives notice of conversion of the Bonds to the Fixed Rate, the Remarketing Agent may establish such revised optional redemption dates and premiums as the Remarketing Agent shall, having due regard for prevailing financial market conditions, deem appropriate. Notwithstanding anything to the contrary contained herein, no such notice shall be effective unless the Borrower shall have delivered to the Trustee and the Remarketing Agent at the time of delivery of such notice (1) an opinion of Bond Counsel to the effect that the establishment of such revised optional redemption dates and premiums is lawful under the Act and permitted by this Agreement and does not affect the exclusion of the interest on any Bonds from gross income for federal income tax purposes, and (2) a resolution of the Issuer approving such revised optional redemption dates and premiums. Upon the satisfaction of the conditions specified herein, the revised optional redemption dates and premiums shall be conclusive and binding upon the Issuer, the Trustee, the Borrower, the Bondowners and the Remarketing Agent.

(ii) At any time during which any Bonds are Pledged Bonds, the Bonds that are Pledged Bonds are subject to redemption at the option of the Borrower, in whole or in part, in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount thereof plus accrued interest, if any, to the redemption date, without premium.

(d) Mandatory Redemption Without Premium Upon Expiration of Credit Facility. The Bonds in the Fixed Rate Mode, if they are secured by a Credit Facility, are also subject to redemption prior to maturity from funds drawn on the expiring Credit Facility in the event of the expiration of the Credit Facility and failure by the Borrower to provide for delivery to the Trustee of a substitute Credit Facility (or notice of extension of the existing Credit Facility) in the event of the expiration of the Credit Facility at least forty-five (45) days prior to the interest payment date immediately preceding the expiration date of the Credit Facility then in effect. In any such event the Bonds shall be redeemed as a whole on such interest payment date at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date, without premium.

(e) Selection of Bonds to be Redeemed: (1) Subject to paragraph (2) below, in the event of any partial redemption of Bonds in the Weekly or Fixed Rate Mode, such Bonds shall be redeemed in such order of maturity as the Borrower shall direct or, in the case of a redemption of a maturity for which mandatory sinking fund installments have been established, such redemption shall reduce the mandatory sinking fund redemption obligation in such order of maturity as the Borrower shall direct, and within any maturity the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee by random drawing. The Trustee may provide for the selection for redemption of portions (equal to \$5,000 or any multiple of thereof) of Bonds of a denomination larger than \$100,000 or \$5,000, as applicable. In no event shall the

principal amount of any Bonds remaining Outstanding following any partial redemption be less than \$100,000 in the Weekly Mode and \$5,000 or any multiple thereof after the Fixed Rate Conversion Date. So long as CEDE & CO., as nominee of the Depository Trust Company ("DTC"), is the Bondowner, the particular Bonds or portions thereof to be redeemed within a maturity shall be selected by DTC, in such manner as DTC may determine.

(2) Notwithstanding the foregoing, Pledged Bonds shall be redeemed prior to the redemption of any other Bonds.

(f) Notice by the Borrower. The Borrower shall exercise its option to have Bonds redeemed under Subsection 3.10(c) by giving written notice to the Trustee, the Issuer and the Remarketing Agent at least forty-five (45) days before the redemption date.

(g) Payment of Redemption Price and Accrued Interest. Whenever Bonds are called for redemption, the accrued interest thereon shall become due on the redemption date. To the extent not otherwise provided, the Borrower shall deposit with the Trustee on or prior to the redemption date a sufficient sum in Eligible Funds on the redemption date to pay the redemption price of and accrued interest on the Bonds.

(h) Notice of Redemption. When Bonds are to be redeemed, the Trustee shall give notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the office of the Trustee or its agent at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under this Agreement except the right to receive payment of the redemption price. The Trustee shall mail the redemption notice the number of days prior to the date fixed for redemption provided in the forms of Bond for the Mode the Bonds are in, to the registered owners of any Bonds that are to be redeemed, at their addresses shown on the registration books maintained by the Trustee or its agent. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond. Any notice of optional redemption may state that the redemption is conditional and, if so, the notice shall state what the conditions are. If at the time of mailing a notice of redemption there shall not have been deposited with the Trustee moneys sufficient to redeem the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

(i) Redemption of Bonds in the Bank Purchase Mode. Notwithstanding anything in this Section 3.10 to the contrary, Bonds in the Bank Purchase Mode shall be subject to redemption as set forth in the prepayment provisions in Section 3.01(f)(iii).

Section 3.11. Purchase of Bonds Tendered.

(a) Procedure.

(i) Notice. The Trustee shall give immediate notice to the Remarketing Agent of the tender of any Bonds, the principal amount of Bonds tendered and the Purchase Date for the Tendered Bonds. The Remarketing Agent shall give notice to the Trustee electronically or by telephone, and if by telephone, promptly confirmed in writing, specifying the principal amount of Tendered Bonds as to which the Remarketing Agent has found purchasers, the amounts the Remarketing Agent has received for the purchase of Tendered Bonds, and any deficiency in amounts available to pay the Purchase Price of Tendered Bonds at or before (A) 2:30 P.M. New York, New York time one (1) Business Day before the Purchase Date for Tendered Bonds that are to be in the Bank Purchase or Weekly Mode immediately after the Purchase Date, or (B) 2:00 P.M. New York, New York time two (2) Business Days before the Purchase Date for Tendered Bonds that are to be in the Fixed Rate Mode immediately after the Purchase Date. The Remarketing Agent shall give written notice to the Trustee of the names, addresses and taxpayer identification numbers of the purchasers and the number and denominations of Bonds to be delivered to each purchaser, by 3:30 P.M. New York, New York time one (1) Business Day before the Purchase Date for Tendered Bonds to be in the Bank Purchase or Weekly Mode immediately after the Purchase Date.

(ii) Sources of Payments. The Remarketing Agent shall deliver to the Trustee all amounts received by the Remarketing Agent as proceeds of the remarketing of Bonds at or before 9:30 A.M. on the Purchase Date. If the Remarketing Agent does not deliver to the Trustee proceeds of remarketing sufficient to pay in full the Purchase Price of all Bonds due on the Purchase Date, the Trustee shall request a draw on the Credit Facility prior to 10:00 A.M. on the Purchase Date in an amount sufficient to make up the deficiency. All proceeds of remarketing delivered to the Trustee shall be held uninvested or, at the written direction of the Borrower, invested solely in Government Obligations maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed by the Trustee.

(b) Payments by the Trustee. At or before the close of business on the Delivery Date and upon receipt by the Trustee of the Purchase Price of the Tendered Bonds that are delivered to it, the Trustee shall pay the Purchase Price of the Bonds to the registered owners thereof as provided in the applicable form of Bonds. The Trustee shall apply in order, first, moneys paid to it by the Remarketing Agent or by new purchasers of the Bonds tendered as proceeds of the remarketing of such Bonds by the Remarketing Agent, second, moneys drawn on the Credit Facility for the purpose of purchasing Tendered Bonds (including amounts drawn on the Credit Facility to pay accrued interest on the Tendered Bonds), and third, moneys paid to it by the Borrower. If sufficient funds are not available for the purchase of all Bonds tendered or deemed tendered on any Purchase Date, no purchase shall be consummated.

Section 3.12. Remarketing of Bonds Tendered. (a) General. While the Bonds are in the Weekly Mode, the Remarketing Agent shall solicit offers to purchase and use its best efforts to find a purchaser for Tendered Bonds, Pledged Bonds and Borrower Bonds, provided that Bonds shall not be remarketed to the Issuer, the Borrower, any guarantor of the Bonds or "insiders" of any of them as that term is defined in the United States Bankruptcy Code. The Remarketing Agent's obligation to remarket the Bonds shall be subject to any limitations thereon contained in the Remarketing Agreement. Any such purchase shall be made by payment of the Purchase

Price in immediately available funds to the Trustee at or before the time specified in Section 3.11(a)(ii). The Purchase Price shall be equal to the principal amount to be purchased together with the interest accrued on such principal amount to the Purchase Date. By 2:00 P.M. on the Purchase Date, Bonds remarketed under this section shall be made available by the Trustee to the purchasers thereof and shall be registered in the manner directed by the recipient thereof, provided that such Bonds shall not be delivered unless and until the Trustee has received the Purchase Price therefor. Bonds not remarketed shall be held by the Trustee. Bonds previously purchased with moneys drawn under the Credit Facility shall not be released by the Trustee upon remarketing unless the Trustee has received written evidence from the Bank that the Credit Facility has been reinstated as provided in the following paragraph.

Bonds the Purchase Price of which is paid for with funds drawn on the Credit Facility pursuant to Section 3.11(a)(ii) shall be deemed to be owned by the Borrower but shall, within three (3) Business Days of purchase, be registered to the Bank, or its designee, as pledgee (provided that if the Bonds are then in book-entry form, the interest of the Bank shall be recorded through the depository and no physical delivery of Bonds to the Bank shall be required), by the Trustee (whether or not such Bonds are delivered by the tendering Bondowner) as security for the reimbursement of the Bank by the Borrower for moneys drawn under the Credit Facility. Such Bonds shall be denoted "Pledged Bonds." Bonds the Purchase Price of which is paid for with funds provided by the Borrower pursuant to Subsection 3.08(e) or Subsection 3.11(a) shall be registered in the name of the Borrower by the Trustee and shall be "Borrower Bonds." Borrower Bonds shall be held by the Trustee for the account of the Borrower until transferred pursuant to this Section 3.12 or canceled pursuant to instructions of the Borrower. Pledged Bonds and Borrower Bonds shall be registered as such on the books and records maintained by the Trustee or its agent for registration of Bonds, but the Trustee shall not be required to authenticate or deliver Pledged Bonds or Borrower Bonds, except that it shall authenticate and deliver Pledged Bonds pursuant to written instructions received from the Bank. Any Borrower Bonds that remain unsold for a period of ninety (90) days (or such longer period as may be approved (under Florida and federal law) in an opinion of Bond Counsel reasonably acceptable to the Trustee) shall be automatically deemed canceled. Upon receipt by the Trustee of notice from the Remarketing Agent that a purchaser has been found for Pledged Bonds or Borrower Bonds held by the Trustee, the Trustee shall register and deliver such Bonds to such purchaser (at which time such Bonds shall cease to be Pledged Bonds or Borrower Bonds) upon receipt by the Trustee of the Purchase Price of such Bonds, provided, however, that no Pledged Bond or Borrower Bond shall be so registered and delivered unless the Trustee has received from the Bank a written notice of the reinstatement of the principal and interest component of the Credit Facility (unless the Credit Facility provides for automatic reinstatement upon remarketing). The Trustee shall immediately notify (subsequently confirmed in writing) the Remarketing Agent whenever (i) it is prohibited from registering and delivering Bonds pursuant to this Agreement because of a failure of the Bank to reinstate the principal and interest component of the Credit Facility as described in the preceding sentence and (ii) if the Trustee has been so prohibited, upon the restoration of its power hereunder to register and deliver Bonds. Bonds purchased with moneys drawn under the Credit Facility and registered to the Bank or its designee shall be delivered (i) to the Bank or (ii) to the provider of a substitute Credit Facility who is required to purchase Pledged Bonds pursuant to Section 3.16(a) and shall not be subsequently transferred or assigned by the Bank (including the provider of a substitute Credit Facility) except as provided in this Section 3.12 or Section 3.16(a).

(b) Remarketing of Bonds in the Weekly Mode Between Notice and Redemption or Conversion Date. No Bonds in the Weekly Mode scheduled to be redeemed or converted to the another Mode may be remarketed under Subsection 3.12(a) after receipt by the Remarketing Agent of notice of redemption of such Bonds or conversion of such Bonds to another Mode from the Borrower unless the Remarketing Agent, on or before the redemption date or Purchase Date, gives notice to the purchaser that the Bonds will be redeemed or converted, and such purchaser will be required to surrender its Bonds for payment on the applicable redemption date or to tender its Bonds for mandatory purchase on the Conversion Date, as the case may be.

Section 3.13. Reserved.

Section 3.14. Remarketing Agent.

(a) Qualifications and Responsibilities. The Borrower shall appoint, with the consent of the Bank, which consent shall not be unreasonably withheld, a Remarketing Agent when the Bonds are in the Weekly Mode. The Remarketing Agent shall be authorized by law to perform all of the duties imposed upon it by this Agreement. In addition, the Remarketing Agent shall be a member of the National Association of Securities Dealers, Inc. or a banking corporation, acceptable to the Borrower and the Bank. The Remarketing Agent, which may act by means of agents, shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written agreement with the Borrower under which the Remarketing Agent will agree, among other things, to:

(i) determine the Weekly or Fixed Rate pursuant to and in accordance with Subsections 3.01(d)(i) or 3.01(g) and the forms of Weekly and Fixed Rate Bonds;

(ii) give all notices to the Trustee regarding the determination of interest rates on the Bonds and regarding Tendered Bonds as are required of the Remarketing Agent in this Agreement;

(iii) hold all moneys received hereunder from the remarketing of Tendered Bonds for the benefit of the person or entity that shall have delivered such moneys until the Remarketing Agent shall have transferred such moneys to the Trustee as provided in this Agreement;

(iv) keep such books and records with respect to its duties as Remarketing Agent as shall be consistent with prudent industry practice and make such books and records available for inspection by the parties hereto at all reasonable times; and

(v) use its best efforts to remarket Bonds in accordance with this Agreement and any remarketing agreement entered into by the Remarketing Agent and the Borrower, provided that the Remarketing Agent shall not be required to remarket Bonds in a Weekly Mode unless such Bonds are secured by a Credit Facility.

The Remarketing Agent may enter into custodial agreements with one or more banking or similar institutions for the deposit and holding of the Bonds in order to facilitate the tendering and remarketing of Bonds as provided in this Agreement, provided, however, that in no event shall the Issuer or the Trustee be responsible or held liable for any action taken or not taken under any such custodial agreement and in no way shall any such custodial agreement relieve or

otherwise alter the obligations and responsibilities of the Remarketing Agent set forth in this Agreement.

(b) Removal or Resignation of Remarketing Agent. The Borrower may remove the Remarketing Agent at any time by at least 30 days' written notice to the Remarketing Agent, the Bank and the parties hereto and appoint a successor in accordance with the provisions of Subsection 3.14(a) and which is reputable and experienced in the remarketing of obligations similar to the Bonds. The Borrower shall appoint a successor with similar qualifications with the consent of the Bank if the Remarketing Agent resigns or becomes ineligible. The Borrower shall give the Issuer, the Bank and the Trustee at least fifteen (15) days' notice prior to the appointment of a successor Remarketing Agent. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Agreement by giving at least thirty (30) days' written notice to the parties hereto and the Bank. The Trustee shall give written notice to the Bondowners of any removal or appointment of the Remarketing Agent.

(c) Successors. Any corporation, association, partnership or firm which succeeds to the business of the Remarketing Agent as a whole or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall thereby become vested with all the property, rights and powers of the Remarketing Agent under this Agreement and shall be subject to all the duties and obligations of the Remarketing Agent under this Agreement. In the event that the Remarketing Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Borrower shall not have appointed its successor within thirty (30) days, the Trustee shall apply to a court of competent jurisdiction for such appointment.

Section 3.15. Investments.

(a) Pending their use under this Agreement, moneys in the Funds established pursuant to this Agreement may be invested by the Bondowner or the Trustee, as the case may be, in Permitted Investments (as defined below) maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Borrower if no Default known to the Bondowner or the Trustee, as appropriate, then exists under this Agreement, provided that the Borrower shall not request, authorize or permit any investment that would cause any Bonds to be classified as "arbitrage bonds" as defined in IRC §148. Any investments pursuant to this subsection shall be held by the Bondowner or the Trustee, as applicable, as a part of the applicable Fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Funds. The Trustee, its affiliates or subsidiaries may act as obligor, depository institution, broker or agent with respect to any Permitted Investments.

(b) Any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to such Fund and any loss shall be charged thereto.

(c) (i) The term "Permitted Investments" means:

(A) Government Obligations;

(B) Direct obligations and fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States; consolidated debt obligations and letter of credit-backed issues of the Federal Home Loan Banks; participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation ("FHLMCs"); debentures of the Federal Housing Administration; mortgage-backed securities (except stripped mortgage securities which are valued greater than par on the portion of unpaid principal) and senior debt obligations of the Federal National Mortgage Association ("FNMA") or the Government National Mortgage Association ("GNMA"); participation certificates of the General Services Administration; guaranteed participation certificates and guaranteed pool certificates of the Small Business Administration; debt obligations and letter of credit-backed issues of the Student Loan Marketing Association; local authority bonds of the U.S. Department of Housing and Urban Development; guaranteed Title XI financings of the U.S. Maritime Administration; guaranteed transit bonds of the Washington Metropolitan Area Transit Authority; Resolution Funding Corporation Securities;

(C) Direct obligations of any state of the United States of America or any subdivision or agency thereof whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, at least as high as the rating then in effect on the Bonds by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured, uninsured and unguaranteed general obligation debt is rated, at the time of purchase, at least as high as the rating then in effect on the Bonds by S&P or shares of an investment company or trust registered under 15 U.S.C. § 80(a)-1 *et. seq.* whose portfolio is limited to the foregoing;

(D) Commercial paper (having original maturities of not more than 270 days) rated, at the time of purchase, in one of the top two highest rating categories by S&P;

(E) Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that full and timely payment of such deposit or similar obligation is enforceable against the principal office or any branch of such bank, which, at the time of purchase, has a "Short-Term CD" rating in one of the top two highest rating categories by S&P;

(F) Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than \$50,000,000, provided such deposits are continuously and fully insured by the Federal Deposit Insurance Corporation;

(G) Investments in money-market funds rated in the highest rating category by S&P, which funds may include those for which the Trustee or an affiliate of the Trustee provides services for a fee, whether as investment advisor, custodian, transfer agent, sponsor, distributor or otherwise;

(H) A Qualified GIC;

(I) Repurchase agreements with banks, savings and loan associations, trust companies or financial institutions organized under the laws of the United States or any state of the

United States (including the Trustee); provided, however, that any such bank, savings and loan association, trust company or financial institution shall have a combined capital and surplus at least equal to \$200,000,000 and, at the time of issuance of any such repurchase agreement, shall have a rating assigned to its long-term, unsecured and unenhanced obligations which is at least "A1" (or equivalent) by Moody's and "A+" (or equivalent) by S&P; and provided further, however, that (i) such agreements are fully secured by obligations of the type set forth in paragraphs (A), (B) or (C) above, (ii) such collateral is not subject to liens or claims of third parties, (iii) such collateral has a market value at least equal to one hundred and two percent (102%) of the amount invested and is held by the Trustee or its agent or, in the case of collateral in the form of uncertificated securities, is registered in the name of the Trustee as pledgee, (iv) the Trustee has a valid security interest in such collateral, and (v) such agreement shall provide that the failure to maintain such collateral at the level required by clause (iii) above for a period of ten (10) days will require the Trustee or its agents to liquidate the underlying investments;

(J) "Tax exempt bonds" as defined in IRC §150(a)(6), other than "specified private activity bonds" as defined in IRC §57(a)(5)(C), rated at least AA or Aa by S&P and Moody's, respectively, or the equivalent by any other nationally recognized rating agency, at the time of acquisition thereof or shares of a so-called money market or mutual fund that do not constitute "investment property" within the meaning of IRC §148(b)(2), provided either that the fund has all of its assets invested in tax exempt bonds of such rating quality or, if such tax exempt bonds are not so rated, that the fund has comparable creditworthiness through insurance or otherwise and which fund is rated AAm or AAm-G if rated by S&P; and

(K) Any other investment which the Bank may from time to time approve in writing as a Permitted Investment, which approval shall not be unreasonably withheld.

(ii) Notwithstanding the immediately preceding paragraph Permitted Investments shall not include the following:

(A) Government Obligations, certificates of deposit and bankers' acceptances, in each case with yields lower than the yield available on comparable obligations of the United States Treasury; or

(B) any demand deposit or similar account with a bank, trust company or broker, unless the account is used for holding funds for a short period of time until such funds are reinvested or spent.

Any of the requirements of this paragraph (ii) shall not apply to moneys as to which the Bondowner or the Trustee, as applicable, and the Issuer shall have received an opinion of nationally recognized Bond Counsel to the effect that such requirements are not necessary to preserve the exclusion of interest on the Bonds from the gross income of the owner thereof for federal income tax purposes.

Section 3.16. Credit Facilities.

(a) Substitution or Replacement. Upon satisfaction of the requirements set forth in this Section 3.16 and subject to the last sentence of Subsection 3.16(b), the Borrower may (except during the period between the giving of notice of mandatory tender for purchase on

account of the expiration of the Credit Facility and the Purchase Date) replace a Credit Facility then in effect with a substitute Credit Facility; provided, however, that (i) the Credit Facility being replaced shall in no event be terminated or released until the Borrower has given not less than twenty (20) days' written notice to the Trustee and the Remarketing Agent, and the Trustee has received the proceeds of all outstanding drawings on the Credit Facility being replaced; (ii) the Trustee has given not less than fifteen (15) days' written notice of the termination or release of the Credit Facility to owners of the Bonds and the identity of the provider of the substitute Credit Facility to owners of such Bonds; and (iii) the provider of the substitute Credit Facility purchases all Outstanding Pledged Bonds, at par plus accrued interest at the Bank Rate, on the effective date of the substitute Credit Facility. The extension of an existing Credit Facility shall not constitute a substitute Credit Facility.

Prior to the replacement of any Credit Facility the Borrower shall have delivered to the Trustee and the Issuer: (i) an opinion of counsel for the issuer of the substitute Credit Facility to the effect that it constitutes a legal, valid and binding obligation of the issuer enforceable in accordance with its terms (subject to customary exceptions); (ii) an opinion of Bond Counsel to the effect that the issuance of a substitute Credit Facility will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes; (iii) a certificate of the Bank that all amounts due under the Reimbursement Agreement have been paid; and (iv) evidence of the rating of the Bonds with the substitute Credit Facility by S&P. Prior notice of the substitution, replacement, termination or extension of a Credit Facility shall be sent by the Trustee to S&P, if S&P is then rating the Bonds.

(b) Requirements. Each Credit Facility must:

(i) be an irrevocable, unconditional obligation of a financial institution;

(ii) be on terms no less favorable to the Trustee than the Credit Facility being replaced and entitle the Trustee to draw upon or demand payment and receive in immediately available funds an amount equal to the sum of the principal amount of the Bonds supported by the Credit Facility and not less than forty-six (46) days' accrued interest at the Maximum Interest Rate on the principal amount of Bonds then Outstanding in the Weekly Mode or two hundred ten (210) days' accrued interest (or such lesser or greater number of days as may be required by any rating agency rating the Bonds in the Fixed Rate Mode) at the actual Fixed Rate on the principal amount of Bonds then Outstanding in the Fixed Rate Mode, as the case may be; and

(iii) provide for a term that may not expire or be terminated prior to the fifth Business Day after the mandatory tender for purchase as provided in Section 3.01(d)(iv). The Borrower shall not enter into any Reimbursement Agreement or agree to any amendment of a Reimbursement Agreement that in any way limits the obligation of the Bank to provide funds under the Credit Facility without the prior written consent of 100% of the principal amount of the Bonds Outstanding and entitled to the benefit thereof.

Section 3.17. Securities Laws. In any "Offering" of the Bonds by a "Participating Underwriter" as those terms are defined in the Rule referred to below, including any remarketing of Bonds under this Agreement, the Borrower shall at all times comply with, and shall cooperate

with the Remarketing Agent to the extent reasonably necessary to permit the Remarketing Agent to comply with, applicable federal and state securities laws, including without limitation Rule 240.15c2-12 promulgated by the United States Securities and Exchange Commission.

ARTICLE IV.

THE PROJECT

Section 4.01. Project Fund. A Project Fund is hereby established to be held by the Bondowner. Moneys in the Project Fund shall be transferred by the Bondowner to the trustee for the Prior Bonds to refund the Prior Bonds and to the people or entities set forth on Exhibit B attached hereto to pay costs associated with the issuance of the Bonds. Any costs of issuing the Bonds to be paid after the date of issuance of the Bond shall be requested pursuant to a written requisition substantially in the form attached hereto as Exhibit A.

Section 4.02. Reserved.

Section 4.03. Reserved.

Section 4.04. Use of Project.

(a) Compliance with the Law. In the maintenance and operation of the Project, the Borrower covenants that it has complied and will comply in all material respects with all applicable building, zoning, land use, environmental protection, historical preservation, sanitary, safety and educational laws, rules and regulations, and all applicable grant, reimbursement and insurance requirements, the failure to comply with which could have a material adverse effect upon the Borrower's ability to comply with its obligations under this Agreement; but it shall not be a breach of this subsection if the Borrower fails to comply with such laws, rules, regulations and requirements during any period in which the Borrower is diligently and in good faith contesting the validity thereof, provided that the security created or intended to be created hereby is not, in the reasonable opinion of the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or Fixed Rate Mode), unreasonably jeopardized thereby.

(b) Payment of Lawful Charges. The Borrower shall make timely payment of all taxes and assessments and other municipal or governmental charges and all claims and demands for work, labor, services, materials or other objects which, if unpaid, might by law become a lien on the Project or any part thereof; but it shall not be a breach of this subsection if the Borrower fails to pay any such item during any period in which the Borrower is diligently and in good faith contesting the validity thereof, provided that the laws applicable to contesting its validity do not require payment thereof and proceedings for a refund and that the security created or intended to be created hereby is not, in the reasonable opinion of the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode, Monthly Mode, Multiannual Mode or Fixed Rate Mode), unreasonably jeopardized thereby.

(c) Permitted Purposes. The Borrower agrees that the Project shall be used only for the purposes described in the Act.

(d) Borrower Not to Impair Tax Status. Notwithstanding any provision herein to the contrary, the Borrower will not use any of the proceeds of the Bonds (or the income earned through the investment thereof, if any) or operate the Project in any manner, and will not take or omit any action or permit any action to be taken or omitted with the result that interest on the Bonds is included in the gross income of the owners thereof for federal income tax purposes.

(e) Disposition and Use of Project. The Borrower shall not sell, lease, transfer or otherwise dispose of the Project unless at the time of any such sale, lease, transfer or disposition, the Borrower shall deliver to the Issuer and the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or Fixed Rate Mode), as applicable, an opinion of Bond Counsel addressed to and reasonably satisfactory to the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee (while Bonds are in the Weekly Mode or Fixed Rate Mode), as applicable, and the Issuer that such sale, lease, transfer or other disposition will not affect the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes. No sale, lease, transfer or other disposition of the Project shall relieve the Borrower of any of its obligations under this Agreement. Subject to the provisions of the Master Indenture, the Borrower may, from time to time, remove, sell or otherwise dispose of property that has become inadequate, unnecessary, obsolete or worn out or that has been replaced in the ordinary course of its business or that is expected to become so within 24 months.

ARTICLE V.

DEFAULT AND REMEDIES

Section 5.01. Default by the Borrower.

(a) Events of Default; Default. “Event of Default” in this Agreement means any one of the events set forth below and “Default” means any Event of Default without regard to any lapse of time or notice.

(i) Debt Service on Bonds; Required Purchase. Any principal of, premium, if any, or interest on any Bond shall not be paid when due, whether at maturity, by acceleration, upon redemption or otherwise or any Purchase Price for Bonds shall not be paid as provided in Sections 3.01, 3.08, 3.11 or 3.12.

(ii) Other Obligations. The Borrower shall fail to observe or perform any of its other covenants or agreements contained herein and such failure shall continue for a period of thirty (30) days after written notice given to the Borrower by the Bondowner (while Bonds are in the Bank Purchase Mode) or the Trustee or the Bondowners (while Bonds are in the Weekly Mode or Fixed Rate Mode), as applicable, of at least 25% in principal amount of the Bonds Outstanding; provided, however that with respect to the failure to perform covenants which are not reasonable susceptible to cure within 30 days, if the Borrower undertakes corrective action within 30 days and diligently pursues such cure to completion, the grace period in this clause shall be extended to [90] days.

(iii) Bankruptcy. (A) A trustee, receiver, custodian or similar official or agent shall be appointed for the Borrower or for any substantial part of its property and such trustee or receiver shall not be discharged within ninety (90) days, (B) the Borrower shall commence a voluntary case under the federal bankruptcy laws, or shall make an assignment for the benefit of creditors, or shall apply for, consent to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property, or (C) the Borrower shall have an order or decree for relief in an involuntary case under the federal bankruptcy laws entered against it, or a petition seeking reorganization, readjustment, arrangement, composition, or other similar relief as to it under the federal bankruptcy laws or any similar law for the relief of debtors shall be brought against it and shall be consented to by it or shall remain undismissed for ninety (90) days.

(iv) Other Agreements. While Bonds are in the Bank Purchase Mode, an Event of Default under the Covenants Agreement shall exist, or, while the Bonds are supported by a Credit Facility, the Trustee shall have received written notice from the Bank of the occurrence of an Event of Default, as such term is defined under the Reimbursement Agreement.

(v) Non-Reinstatement under the Credit Facility. The Trustee shall receive written notice from the Bank within ten (10) days after a drawing under the Credit Facility to pay interest on the Bonds that the Bank has not reinstated the amount so drawn, and such non-reinstatement causes the total amount of the obligation of the Bank under the Credit Facility to be less than the principal amount of the Outstanding Bonds (other than Pledged Bonds or Borrower Bonds), plus applicable redemption premium, if any, and accrued interest for a period of 45 days (or such lesser or greater number of days as may be required by any rating agency then rating the Bonds in the current Mode) at the Maximum Interest Rate with respect to the principal amount of such Bonds then Outstanding in the current Mode.

(vi) Default under Master Indenture. There shall have been a declaration under the Master Indenture that the principal of the Master Note is immediately due and payable.

(b) Waiver. At any time before an acceleration pursuant to Section 5.02(a), the Trustee may waive a Default under Section 5.01(a)(ii) and annul its consequences by written notice to the Borrower, and in the absence of inconsistent instructions from Bondowners pursuant to Sections 5.06 or 8.01 shall do so upon written instruction of the Bank or the owners of at least twenty-five percent (25%) in principal amount of such Bonds Outstanding with the written consent of the Bank. No waiver under this section shall affect the right of the Trustee or the Issuer to enforce the payment of any amounts owing to it. Subject to Subsection 5.02(a) and Section 5.10, the Trustee shall not waive any Event of Default under Sections 5.01(a)(i), 5.01(a)(iii), 5.01(a)(iv) or 5.01(a)(v). While the Bonds bear interest in a Bank Purchase Mode, the Bondowner may waive a Default under Section 5.01(a)(ii) and annul its consequences by written notice to the Borrower.

Section 5.02. Remedies for Events of Default. If an Event of Default occurs and is continuing:

(a) Acceleration. (i) Bonds Supported by a Credit Facility. If the Event of Default is one described in Section 5.01(a)(iv) or (v), the principal of the Bonds that are supported by the Credit Facility and Pledged Bonds and accrued interest thereon shall automatically become immediately due and payable without any further notice or action. So long as a Credit Facility is in effect and the Bank has not failed to honor a properly presented and conforming drawing thereunder, no acceleration shall be declared by reason of an Event of Default described in Section 5.01(a)(i), (ii) or (iii) without the prior written consent of the Bank.

(ii) Bonds Not Supported by a Credit Facility. If the Event of Default is one described in Section 5.01(a)(i), (ii) or (iii), the Trustee may, and upon the written request of the Bondowners of at least 25% in principal amount of the Bonds Outstanding (other than Pledged Bonds) that are not supported by a Credit Facility shall, by written notice to the Borrower, the Issuer and the Remarketing Agent declare immediately due and payable the principal of such Outstanding Bonds (other than Pledged Bonds, but including Borrower Bonds) and the accrued interest thereon, whereupon the same shall become immediately due and payable without any further action or notice. Subject to Section 5.10, if at any time after such acceleration and before any judgment or decree for the payment of moneys with respect thereto has been entered all amounts payable to the Issuer and the Trustee hereunder and on Bonds subject to acceleration under this Section 5.02(a)(ii) (except principal of and interest on the Bonds which are due solely by reason of such acceleration) shall have been paid or provided for by deposit with the Trustee and all existing Defaults shall have been cured or waived, then the Bondowners representing a majority in principal amount of the Bonds subject to acceleration under this Section 5.02(a)(ii) may annul such acceleration and its consequences by written notice to the Issuer, the Trustee and the Borrower. Such annulment shall be binding upon the Issuer, the Trustee and all of the Bondowners, but no such annulment shall extend to or affect any subsequent Default or impair any right or remedy consequent thereto. While the Bonds bear interest in the Bank Purchase Mode, any actions of the Trustee authorized in this clause (ii) may be exercised by the Bondowner.

(b) Rights as a Secured Party. Subject to Section 5.10, the Trustee, or the Bondowner with respect to Bonds bearing interest in the Bank Purchase Mode, may exercise all of the rights and remedies of a secured party under the UCC. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Borrower at least ten (10) days before an event under UCC Section 9-612 or any successor provision of law shall constitute reasonable notification of such event.

Section 5.03. Court Proceedings. Subject to Section 5.10, the Trustee, or the Bondowner with respect to Bonds bearing interest in the Bank Purchase Mode, may enforce the provisions of this Agreement by appropriate legal proceedings for the specific performance of any covenant, obligation or agreement contained herein whether or not a Default or an Event of Default exists, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Borrower of the provisions of this Agreement, including (to the extent this Agreement may lawfully provide) court costs, reasonable attorney's fees and

other costs and expenses incurred in enforcing the obligations of the Borrower hereunder. The Issuer may likewise enforce obligations owed to it hereunder that it has not assigned to the Trustee or the Bondowner. All rights under this Agreement and the Bonds may be enforced by the Trustee, or the Bondowner with respect to Bonds bearing interest in the Bank Purchase Mode, without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the Bondowners.

Section 5.04. Revenues after Default. After the occurrence of an Event of Default, any funds pledged as security hereunder and any other moneys received by the Trustee, or the Bondowner with respect to Bonds bearing interest in the Bank Purchase Mode, (other than amounts irrevocably set aside to pay particular Bonds) shall be applied to amounts due under Section 3.08 (without regard to any grace periods), which amounts shall be applied in the order specified in Section 3.07.

Section 5.05. The Credit Facility; Acceleration. Upon declaration of acceleration of the Bonds prior to expiration of the Credit Facility, the Trustee shall draw immediately on the Credit Facility in an amount equal to the aggregate unpaid principal of and interest on the Bonds supported by the Credit Facility to the date of declaration of acceleration for Bonds on which date interest shall cease to accrue. Upon receipt of payment of such a draw, the Trustee shall immediately pay therefrom to the owners of the Bonds (other than Pledged Bonds and Borrower Bonds) the principal and accrued interest due. The Trustee shall not require indemnification for any draw required by this Section 5.05 except and unless such instruction is prohibited by or violates applicable law or any outstanding or pending court or governmental order or decree.

Section 5.06. Rights of Bondowners. Notwithstanding the provisions of this Section 5.06, while the Bonds bear interest in the Bank Purchase Mode, the Bondowner shall be permitted to exercise one or more of the rights and remedies provided hereunder. Subject to Section 5.10, if an Event of Default occurs and is continuing, and if the Bondowners representing not less than 25% in principal amount of the Bonds Outstanding shall have requested the Trustee in writing to exercise one or more of the rights and remedies provided hereunder and offered indemnity reasonably acceptable to the Trustee as provided in Subsection 6.02(e), the Trustee shall be required to exercise such one or more of the rights and remedies hereunder as the Trustee shall determine to be in the best interest of the Bondowners and not inconsistent with any directions given in accordance with Section 8.01. No Bondowner shall have any right to institute an action in law or equity or to pursue any other remedy hereunder with respect to any Bond unless (i) an Event of Default of which the Trustee has been notified has occurred and Bondowners representing not less than 25% in principal amount of the Bonds Outstanding shall have requested the Trustee in writing to exercise its rights and remedies with respect thereto and shall have offered the Trustee reasonable opportunity to do so and indemnity as provided in Subsection 6.02(e), and (ii) the Trustee shall within a reasonable time thereafter fail to exercise any of such rights or remedies. No Bondowner (except as described in the first sentence of this Section) shall have any right to institute any action or pursue any other remedy if and to the extent that the surrender, impairment, waiver, or loss of the lien of this Agreement would, under applicable law, result. Notwithstanding the foregoing, each Bondowner shall have a right of action to enforce payment of the Bonds at and after the due dates thereof at the place, from the sources and in the manner expressed in the Bonds. For purposes of this Section 5.06, so long as

the Bank has not failed to honor a properly presented and conforming draw under the Credit Facility, the Bank issuing such Credit Facility shall be treated as owner of such Bonds.

Section 5.07. Performance of Borrower's Obligations. If the Borrower shall fail to observe or perform any of its agreements or obligations hereunder, the Issuer, the Bondowner (while the Bonds bear interest in the Bank Purchase Mode) or the Trustee may (but shall not be obligated to) perform the same in its own name or in the Borrower's name and each is hereby irrevocably appointed the Borrower's attorney-in-fact for such purpose. Unless an Event of Default exists, the Trustee shall give at least five (5) days' written notice to the Borrower before taking action under this section, except that in case of emergency as reasonably determined by the acting party, it may act on lesser notice or give the notice promptly after rather than before taking the action. The reasonable cost of any such action performed by the Trustee, the Bondowner (while the Bonds bear interest in the Bank Purchase Mode) or the Issuer shall be paid or reimbursed by the Borrower within thirty (30) days after the Trustee, the Bondowner (while the Bonds bear interest in the Bank Purchase Mode) or the Issuer notifies the Borrower of such cost.

Section 5.08. Remedies Cumulative; No Waiver. The rights and remedies under this Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. Neither the failure to insist upon a strict performance of any of the obligations of the Borrower nor the failure to exercise any remedy for any violation thereof, shall be taken as a waiver for the future of the right to insist upon strict performance of the obligation or of the right to exercise any remedy for the violation.

Section 5.09. Subrogation Rights of Bank. So long as no Act of Bankruptcy of the Bank exists, in the event that (i) an Event of Default shall occur and be continuing under this Agreement while the Bonds are in the Weekly Mode, or (ii) the Trustee shall draw under the Credit Facility in connection with the payment of principal or Purchase Price of, premium, if any, or interest on the Bonds (other than Borrower Bonds or Pledged Bonds), and in either such case the Bank shall have provided the Trustee with funds pursuant to the Credit Facility for the payment of the principal or Purchase Price of, premium, if any, or interest on the Bonds (other than Borrower Bonds or Pledged Bonds), then, in any such event, the Bank shall be subrogated to all rights theretofore possessed under this Agreement by the Trustee and the Bondowners in respect of which such principal or Purchase Price of, premium, if any, and interest shall have been paid with funds provided by the Bank (to the extent such funds provided by the Bank pursuant to the Credit Facility shall not have been reimbursed to the Bank). After the payment of any such Outstanding Bonds owned by the Bondowners other than the Bank, any reference herein to the holders of such Bonds or such Bondowners shall mean the Bank to the extent of its subrogation rights resulting from the payments made pursuant to the Credit Facility. Notwithstanding any provision contained herein to the contrary, under no circumstances shall the Issuer's rights or the Trustee's rights relating to the Trustee as opposed to rights for the benefit of Bondowners reserved in this Agreement, including without limitation the right of indemnification or the Issuer's right or the Trustee's right to enforce the same, be subrogated to the Bank.

Section 5.10. Rights of the Bank. While a Credit Facility is in effect, all consents, approvals and requests required of the Bank shall be deemed not required if the Bank has failed

to fulfill its obligations to make payments under the Credit Facility in accordance with the terms thereof or an Act of Bankruptcy of the Bank has occurred and is continuing. Subject to the immediately preceding sentence, but notwithstanding any other provision of this Article V, in the event that all Outstanding Bonds (other than Borrower Bonds and Pledged Bonds) are secured by the Bank pursuant to the Credit Facility, the exercise of direction of all remedies granted under this Article V (other than acceleration of the Bonds upon the occurrence of an Event of Default described in Section 5.01(a)(iv) or (v)) and the granting of any waivers pursuant to Subsection 5.01(b) shall be subject solely to the direction and prior written consent of the Bank. Further, the Trustee, in its exercise of its rights for the benefit of Bondowners under Article V and the rights of the Issuer assigned under this Agreement (but not including the rights of the Trustee or the Issuer's Reserved Rights), in the event that all Outstanding Bonds are Pledged Bonds, shall be subject to the direction of the Bank. In the event that less than all Outstanding Bonds are secured by the Bank pursuant to the Credit Facility, the Bank shall be treated as the owner of all Pledged Bonds for purposes of giving directions, consents, waivers or other actions. In no event shall the Bonds be accelerated without the prior written consent of the Bank so long as the Credit Facility is in full force and effect and the Bank has neither defaulted thereunder by failing to honor a draft submitted under the Credit Facility in strict conformity therewith nor given the notice of non-reinstatement described in Section 5.01(a)(v). While Bonds are in the Bank Purchase Mode, the Bank, as Bondowner, may exercise all of the rights and remedies given to the Trustee in this Article VI.

ARTICLE VI.

THE TRUSTEE

Section 6.01. Corporate Organization, Authorization and Capacity. The Borrower shall appoint a Trustee when the Bonds are in the Weekly or Fixed Rate Mode. The Trustee shall represent and warrant (a) it is (i) a national banking association duly organized and validly existing under the laws of the United States of America, having the powers of a trust company within the State of Florida, including the capacity to exercise the powers and duties of the Trustee hereunder, or (ii) a trust company duly organized and validly existing under the laws of the State, with the capacity to exercise the powers and duties of the Trustee hereunder, and (b) that by proper corporate action it has duly authorized the performance of all of the duties imposed upon it by this Agreement. The Trustee, which may act by means of agents, shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written agreement with the Borrower and the Issuer entered into upon conversion of the Bonds to the Weekly or Fixed Rate Mode.

Section 6.02. Rights and Duties of the Trustee.

(a) Moneys to be Held in Trust. All moneys deposited with the Trustee under this Agreement (other than amounts received for its own use) shall be held by the Trustee in trust and applied subject to the provisions of this Agreement, but need not be segregated from other funds except as required herein or by law.

(b) Accounts. The Trustee shall keep proper accounts of its transactions hereunder (separate from its other accounts), which shall be open to inspection at reasonable times upon

reasonable prior written notice by the Issuer, the Borrower and the Bondowners and their representatives duly authorized in writing.

(c) Performance of the Issuer's Obligations. If the Issuer shall fail to observe or perform any agreement or obligation contained in this Agreement, the Trustee may take whatever legal proceedings may be required to compel full performance by the Issuer of its obligations, and in addition, the Trustee may, to whatever extent it deems appropriate for the protection of the Bondowners, itself or the Borrower, perform any such obligation in the name of the Issuer and on its behalf.

(d) Responsibility. The Trustee shall be entitled to the advice of counsel (who may be the Trustee's counsel, counsel for the Issuer, the Borrower or any Bondowner) and shall be wholly protected as to any action taken or omitted to be taken in good faith in reliance on such advice. The Trustee may rely conclusively on any notice, certificate or other document furnished to it hereunder and reasonably believed by it to be genuine. The Trustee shall not be liable for any action taken by it in good faith and reasonably believed by it to be within the discretion or powers conferred upon it, in good faith omitted to be taken by it and reasonably believed to be beyond the discretion or powers conferred upon it, taken by it pursuant to any direction or instruction by which it is governed hereunder, or omitted to be taken by it by reason of the lack of direction or instruction required hereby for such action; nor shall it be responsible for the consequences of any error of judgment reasonably made by it. The duties of the Trustee are those expressly set forth in this Agreement, and no additional duties shall be implied. The Trustee may act through agents with respect to any of its duties or responsibilities hereunder. When any payment, consent or other action by it is called for hereby, it may defer such action pending receipt of such evidence, if any, as it may require in support thereof. The Trustee shall in no event be liable for the application or misapplication of funds, or for other acts or defaults by any person, firm, or corporation, except its own directors, officers, employees and agents. No recourse shall be had by the Borrower, the Issuer or any Bondowner for any claim based on this Agreement or any Bond against any director, officer, employee, or individual agent of the Trustee alleging personal liability on the part of such person, unless such claim is based upon the fraud or deceit of such person. The Trustee has no responsibility for the validity or sufficiency of this Agreement or the Bonds or any security therefor.

(e) Limitations on Actions. The Trustee shall not be required to monitor the financial condition of the Borrower or the physical condition of the Project and, unless otherwise expressly provided, shall not have any responsibility with respect to notices, certificates or other documents filed with it hereunder, except to make them available for inspection by the Bondowners. The Trustee shall not be deemed to have knowledge of and shall not be required to take notice of any default under the Reimbursement Agreement, the Remarketing Agreement or any Default or Event of Default hereunder, except for a Default or Event of Default described in Subsection 5.01(a)(i) hereof relating to the payment of principal of, premium, if any, and interest on the Bonds, unless the Trustee shall be specifically notified in writing by the Borrower, the Issuer, the Remarketing Agent, the Bank or Bondowners representing not less than 25% in principal amount of the Bonds Outstanding, or in the case of a Default or Event of Default described in Subsection 5.01(a)(iv) or (v), the Trustee shall be notified in writing by the Bank. It shall not be required to take any remedial action (other than the giving of notice, a drawing under the Credit Facility or acceleration of the Bonds pursuant to Section 5.02 upon written request of

the Bondholders of the requisite percentage specified in Section 5.02(a)(ii)) unless indemnity reasonably satisfactory to it in its sole discretion (the unsecured agreement of indemnity from the Bank being deemed to be reasonably satisfactory for this purpose) is furnished for any expense or liability to be incurred therein, other than liability for failure to meet the standards set forth in this section. The Trustee shall be entitled to reimbursement from the Borrower for its expenses, including the fees and expenses of its attorneys, reasonably incurred or advances reasonably made, which reimbursement shall be due and payable immediately after notifying the Borrower of such expenses or advances (and, if not paid when due, shall bear interest at the "base rate" of the Trustee or, if none, the nearest equivalent), in the exercise of its rights or the performance of its obligations hereunder, whether or not it acts without previously obtaining indemnity.

A permissive right or power to act shall not be construed as a requirement to act. Upon receipt of written notice, direction, instruction, and indemnity as provided above and, after making such investigation, if any, as it deems appropriate to verify the occurrence of any Default of which it is notified by the Bondowners or the Bank, the Trustee shall (subject to Section 5.10) pursue such remedies hereunder (not contrary to such direction) as it deems appropriate for the protection of the Bondowners (including the Bank as provided in Section 8.01); and in its actions under this provision, the Trustee shall be required to act for the protection of the Bondowners with the same prudence as would be expected of a prudent person in the conduct of such person's affairs.

(f) Financial Obligations. Nothing contained in this Agreement shall in any way obligate the Trustee to pay any debt or meet any financial obligations to any person in relation to the Project except from moneys received under the provisions of this Agreement (including from the exercise of its rights and remedies hereunder) other than moneys received for its own purposes.

(g) Ownership of Bonds. The Trustee or any affiliate of the Trustee may be or become the owner of Bonds with the same rights as if it were not Trustee.

(h) No Surety Bond. The Trustee shall not be required to furnish any bond or surety.

Section 6.03. Fees and Expenses of the Trustee. The Borrower shall pay to the Trustee reasonable compensation for its services and prepay or reimburse the Trustee for its reasonable expenses and disbursements, including attorney's fees, hereunder. The Borrower shall indemnify and save the Trustee harmless against any and all expenses and liabilities that it may incur in the administration of the trusts hereunder and the exercise of its duties hereunder and that are not due to the bad faith, negligence, fraud or deceit of any director, officer, employee or agent of the Trustee. Any fees, expenses, reimbursements, or other charges that the Trustee may be entitled to receive from the Borrower hereunder shall be due and payable immediately after a request for payment has been made by the Trustee, if not paid when due, shall bear interest at the "prime rate" of the Trustee (or, if none, the nearest equivalent), and if not otherwise paid, shall be a first lien upon any funds or other property then or thereafter held hereunder by the Trustee; provided, however, that the lien of the Trustee shall be subordinate to the lien for the benefit of the Bondowners upon the moneys drawn under the Credit Facility, the proceeds of any remarketing of the Bonds and other Eligible Funds, if any, which are the basis of the determination made by the Trustee of the amount to be drawn under the Credit Facility,

including, without limitation, such funds held by the Trustee under Section 2.04 and Subsection 3.04(c). If any such moneys are so applied, the Borrower shall be immediately obligated to restore the moneys so applied. The Trustee shall not require indemnification for any payment when due of principal, premium or interest on any Bond to be made by the Trustee to any Bondowner, prior to the time such payment is made by the Trustee, except and unless such payment is prohibited by or violates applicable law or any outstanding or pending court or governmental order or decree. The obligation of the Borrower to indemnify and hold harmless the Trustee set forth in this Section 6.03 and Section 9.04 shall survive the termination of this Agreement and any resignation or removal of the Trustee.

Section 6.04. Resignation or Removal of Trustee. The Trustee may resign on not less than thirty (30) days' notice given in writing to the Issuer, the Bondowners, the Bank and the Borrower, but such resignation shall not take effect until a successor has been appointed and has assumed the duties hereunder. The Trustee will promptly certify to the other parties that it has mailed such notice to all Bondowners and such certificate shall be conclusive evidence that such notice was given in the manner required hereby. The Trustee may be removed (i) by written notice from the owners of the majority in principal amount of the Bonds Outstanding to the Trustee, the Issuer and the Borrower or (ii) by written notice from the Borrower to the Trustee if the Borrower is not in default. Notice of the resignation or removal of the Trustee shall also be sent to S&P if the Bonds are then rated by S&P. A petition in a court of competent jurisdiction for removal of the Trustee and the appointment of a successor may be filed by the Bondowners representing not less than 25% in principal amount of the Bonds Outstanding.

Section 6.05. Successor Trustee. Any corporation or association that succeeds to the corporate trust business of the Trustee as a whole, or substantially as a whole, whether by sale, merger, consolidation or otherwise, shall become vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance.

In case the Trustee resigns or is removed or becomes incapable of acting, or becomes bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if a public officer takes charge or control of the Trustee, or of its property or affairs, a successor shall be appointed (but only with the consent of the Bank, if any Bonds shall then be entitled to the benefits of a Credit Facility or any obligations are owed to the Bank under the Reimbursement Agreement, which consent shall not be unreasonably withheld or unduly delayed) by written notice from the Borrower to the Issuer. The Trustee shall notify the Borrower, the Bondowners and S&P of the appointment in writing within twenty (20) days after the appointment. The outgoing Trustee shall provide the Borrower with its records of Bondowners' addresses. The Trustee will promptly certify to the successor Trustee that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. If no appointment of a successor is made within twenty (20) days after the giving of written notice in accordance with Section 6.04 or after the occurrence of any other event requiring or authorizing such appointment, the outgoing Trustee or any Bondowner may apply to any court of competent jurisdiction for the appointment of such a successor, and such court may thereupon, after such notice, if any, as such court may deem proper, appoint such successor. Any successor Trustee appointed under this section shall be a trust company or a bank having the powers of a trust company that meets the requirements of the Act and shall have a capital and surplus of not less than \$50,000,000. Any such successor

Trustee shall notify the Issuer and the Borrower of its acceptance of the appointment and, upon giving such notice, shall become Trustee, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Such successor Trustee shall execute, deliver, record and file such instruments as are required to confirm or perfect its succession hereunder and any predecessor Trustee shall from time to time execute, deliver, record and file such instruments as the incumbent Trustee may reasonably provide to it and require to confirm or perfect any succession hereunder, including transfer of any Credit Facility then in effect to the successor Trustee.

ARTICLE VII.

THE ISSUER

Section 7.01. Corporate Organization, Authorization and Power. The Issuer represents and warrants as follows:

It is a duly organized and validly existing political subdivision and agency validly created under the laws of the State pursuant to the Act.

(b) The Issuer has full legal right, power and authority pursuant to the Act and the resolution authorizing the issuance of the Bonds to refinance the Project through the issuance of the Bonds.

(c) The Issuer has duly authorized (i) the execution, delivery and performance of the Bonds and this Agreement, and (ii) the taking of any and all such actions as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

(d) This Agreement has been duly authorized and executed by the Issuer and the Bonds have been duly authorized, executed, issued and delivered.

(e) There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board or body, pending or, to the best of the knowledge of the Issuer, threatened against the Issuer, which in any manner questions the validity of the Act, the powers of the Issuer referred to in paragraph (b) above or the validity of any proceedings taken by the Issuer in connection with the issuance of the Bonds or wherein any unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Bonds, or this Agreement (or of any other instrument required or contemplated for use in consummating the transactions contemplated thereby and hereby).

(f) The execution and delivery by the Issuer of the Bonds and this Agreement in compliance with the provisions of each of such instruments will not conflict with or constitute a breach of, or default under, any material commitment, agreement or other instrument to which the Issuer is a party or by which it is bound, or under any provision of the Act, the Constitution of the State or any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer is subject, provided that no representation is made with respect to compliance with any federal or state securities laws.

(g) The Issuer will do all things necessary, so far as lawful and within its control, to preserve and keep in full force and effect its existence or to assure the assumption of its obligations under this Agreement and the Bonds by any successor public body.

(h) Neither the execution and delivery of any Issuer Document, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of any Issuer Document conflicts with or results in a breach of the terms, conditions or provisions of any material restriction, agreement or instrument to which the Issuer is a party, or by which it or any of its property is bound, or constitutes a default under any of the foregoing.

Section 7.02. Covenant as to Payment; Faith and Credit of State Not Pledged. The Issuer covenants that it will promptly pay or cause to be paid, solely from the Revenues with no obligation to seek collection thereof, the principal of, interest, premium, if any, and other charges, if any, on the Bonds at the place, on the dates and in the manner provided herein and in the Bonds.

It is understood and agreed by the Borrower, the Trustee (if applicable) and the Bank that no covenant, provisions or agreement of the Issuer herein or in the Bonds or in any other document executed by the Issuer in connection with the issuance, sale and delivery of the Bonds, or any obligation herein or therein imposed upon the Issuer or breach thereof, shall give rise to a pecuniary liability of the Issuer, its directors, officers, employees or agents or a charge against the Issuer's general credit or general fund or shall obligate the Issuer, its directors, officers, employees or agents financially in any way except with respect to this Agreement, and from the proceeds of the Bonds. No failure of the Issuer to comply with any term, condition, covenant or agreement herein or in the Bonds shall subject the Issuer, its directors, officers, employees or agents to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Agreement and from the proceeds of the Bonds. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit or general fund of the Issuer. In making the agreements, provisions and covenants set forth herein, the Issuer has not obligated itself except with respect to this Agreement, and from the proceeds of the Bonds, as hereinabove provided.

The Bonds constitute special, limited obligations of the Issuer, payable solely from proceeds of the Bonds and the revenues pledged to the payment thereof pursuant to this Agreement. The Bonds, the interest thereon and any other payments or costs incident thereto do not constitute an indebtedness or a loan of the credit of the Issuer, the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provisions. The Issuer does not pledge its faith or credit nor the faith or credit of the State of Florida nor any political subdivision of the State of Florida to the payment of the principal of, the interest on or any other payments or costs incident to the Bonds. The issuance of the Bonds and the execution of any documents in relation thereto do not directly, indirectly or contingently obligate the State of Florida or any political subdivision of the State of Florida to apply money from or levy or pledge any form of taxation whatever to the payment of the principal of or interest on the Bonds or any other payments or costs incident thereto. The Issuer has no taxing power.

It is further understood and agreed by the Borrower, the Trustee (if applicable) and the Bank that the Issuer, its directors, officers, employees or agents shall incur no pecuniary liability

hereunder and shall not be liable for any expenses related hereto, all of which the Borrower agrees to pay. If, notwithstanding the provisions of this Section, the Issuer, its directors, officers, employees or agents incur any expense, or suffer any losses, claims or damages or incurs any liabilities relating to this Agreement, the Bonds or any transactions relating thereto, the Borrower will indemnify and hold harmless the Issuer, its directors, officers, employees or agents from the same and will reimburse the Issuer, its directors, officers, employees or agents in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Issuer, its directors, officers, employees or agents shall survive payment and discharge of the Bonds.

Section 7.03. Rights and Duties of the Issuer.

(a) Remedies of the Issuer. Notwithstanding any contrary provision in this Agreement, the Issuer shall have the right to take any action not prohibited by law or make any decision not prohibited by law with respect to proceedings for indemnity against the liability of the Issuer and its officers, directors, employees and agents and for collection or reimbursement of moneys due to it under this Agreement for its own account. The Issuer may enforce its rights under this Agreement that have not been assigned to the Trustee by legal proceedings for the specific performance of any obligation contained herein or for the enforcement of any other legal or equitable remedy, and may recover damages caused by any breach by the Borrower of its obligations to the Issuer under this Agreement, including any amounts required to be paid by the Borrower pursuant to Subsection 3.08(b), court costs, reasonable attorney's fees and other costs and expenses incurred in enforcing such obligations.

(b) Limitations on Actions. Without limiting the generality of Subsection 7.03(c), the Issuer shall not be required to monitor the financial condition of the Borrower and shall not have any responsibility or other obligation with respect to reports, notices, certificates or other documents filed with it hereunder.

(c) Reserved.

(d) Financial Obligations. Nothing contained in this Agreement is intended to impose any pecuniary liability on the Issuer nor shall it in any way obligate the Issuer to pay any debt or meet any financial obligations to any person at any time in relation to the Project except from moneys received under the provisions of this Agreement or from the exercise of the Issuer's rights hereunder other than moneys received for its own purposes.

ARTICLE VIII.

THE BONDOWNERS

Section 8.01. Action by Bondowners. Subject to Section 5.10 and subject to Subsections 5.01(a) and (b), Section 5.02 and Section 9.01 (as to the waivers and consents granted thereby), while Bonds are in the Weekly or Fixed Rate Mode, Bondowners representing a majority in principal amount of the Bonds Outstanding shall have the right at any time, by written notice to the Trustee and upon offering it indemnity as provided in Subsection 6.02(e), to direct the Trustee (i) in the granting of any consents, waivers or similar actions pertaining to the Bonds, (ii) in the time, method and place of conducting all proceedings, (iii) in the exercise of any rights or

remedies available to the Trustee hereunder, or (iv) in the exercise of any other right or power conferred upon the Trustee for the protection of the Bondowners, provided that such direction shall be in accordance with the provisions of law and this Agreement, and the Trustee may take any other action determined proper by the Trustee that is not inconsistent with such direction.

Any request, authorization, direction, notice, consent, waiver or other action provided by this Agreement to be given or taken by Bondowners may be contained in and evidenced by one or more writings of substantially the same tenor signed by the Bondowners of the requisite percentage of principal amount of Bonds Outstanding or their attorneys duly appointed in writing. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, shall be sufficient for any purpose of this Agreement (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

The fact and date of the execution by any Bondowner or its attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgements of the deeds to be recorded in the state in which he purports to act, that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Bondowner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its clerk or secretary or an assistant clerk or assistant secretary.

The ownership of Bonds and the amount, numbers and other identification, and date of holding the same shall be proved by the registry books for the Bonds maintained by the Trustee or its agent.

Any request, consent or vote of the owner of any Bond shall bind all future owners of such Bond. Bonds owned or held by or for the account of the Issuer, the Borrower, or any related person to the Borrower within the meaning of Section 147(a) of the IRC shall not be deemed Outstanding Bonds for the purpose of any consent, direction or other action by Bondowners, except that for such purposes Pledged Bonds shall be treated as Outstanding and shall be deemed to be owned by the Bank. So long as the Bonds are supported by a Credit Facility or any obligations to the Bank under the Reimbursement Agreement remain unpaid and the Bank has not failed to honor a properly presented and conforming draw under the Credit Facility, the Bank and not the Bondowners shall be treated as the owner of all Bonds entitled to the benefits of such Credit Facility for the purpose of any consent, direction or other action by Bondowners.

ARTICLE IX.

THE BORROWER

Section 9.01. Existence and Good Standing; Merger; Consolidation. The Borrower will maintain its legal existence and good standing under the laws of the State.

Section 9.02. Tax Matters. (a) The Borrower shall not take or omit to take any action if such action or omission (i) would cause the Bonds to be "arbitrage bonds" under Section 148 of the IRC, (ii) would cause the Bonds to not meet any of the requirements of Section 149 of the IRC, or (iii) would cause the Bonds to cease to be "qualified 501(c)(3) bonds" under Section 145 of the IRC. To the extent consistent with its status as a nonprofit cultural and educational institution, the Borrower agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of such federal income tax status of the Borrower.

(a) Partly in furtherance of the foregoing, the Issuer and the Borrower are entering into the Tax Certificate with respect to matters of federal tax law pertaining to the Bonds. Such Tax Certificate will be treated as incorporated by reference herein and the Borrower shall comply with the covenants therein.

Section 9.03. Other Covenants. The Borrower covenants to use its best efforts to maintain in force all licenses, accreditations and other governmental, regulatory and industry approvals in effect as of the date of issuance of the Bonds. Further, the Borrower agrees that it will annually on or before August 15 of each year furnish the Issuer with a statement of the principal amount of the Bonds outstanding as of the immediately preceding June 30. In addition, the Borrower shall provide the Issuer with any other information which may from time to time be requested concerning the Bonds according to the rules and interpretations of the Governmental Accounting Standards Board required to be disclosed concerning conduit debt obligations.

Section 9.04. Indemnification by the Borrower. The Borrower will, to the fullest extent permitted by law, protect, indemnify and save the Issuer and the State of Florida and their officers, agents, and employees and any person who controls the Issuer within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses of the Issuer), taxes, causes of action, suits, claims, demands and judgments in connection with the transaction contemplated by this Agreement or arising from or related to the issuance or sale of the Bonds (except to the extent caused by Issuer's gross negligence, willful misconduct, knowing violation of the law, or breach of this Agreement), including but not limited to:

1. any injury to or death of any person or damage to property in or upon the Project or growing out of or connected with the use, non-use, condition or occupancy of the Project or any part thereof, including any and all acts or operations relating to the acquisition or installation of property or improvements. The foregoing indemnification obligations shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Borrower, customers, suppliers or affiliated organizations under any Workers' Compensation Acts, Disability Benefit Acts or other employee benefit acts;

2. violation of any agreement, provision or condition of this Agreement or the Bonds, except a violation by the party seeking indemnification;
3. violation by the Borrower of any contract, agreement or restriction which shall have existed at the commencement of the term of this Agreement or shall have been approved by the Borrower;
4. violation by the Borrower of any law, ordinance, court order or regulation affecting the Project or a part thereof or the ownership, occupancy or use thereof;
5. any statement or information relating to the expenditure of the proceeds of the Bonds contained in the Borrower's closing certificate or similar document furnished by the Borrower to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect; and
6. any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale of the Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Bonds could be sold.

Promptly after receipt by the Issuer or any such other indemnified person, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the Borrower under this Section, such person will notify the Borrower in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Borrower shall assume the defense of such action (including the employment of counsel, who shall be counsel subject to the approval of the Issuer, which approval shall not be unreasonably withheld, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the Borrower, the Issuer or any such other indemnified person shall have the right to employ separate counsel of their own choice in any such action and to participate in the defense thereof, and the fees and expenses of such counsel shall be at the expense of the Borrower. The Borrower shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The provisions of this Section shall survive payment and discharge of the Bonds.

ARTICLE X.

MISCELLANEOUS

Section 10.01. Amendments.

- (a) Bonds in the Bank Purchase Mode. No amendment of this Agreement may be made while the Bonds are in the Bank Purchase Mode without the consent of the Bondowners.
- (b) Bonds in the Weekly or Fixed Rate Mode.

(i) Without Bondowners' Consent. While Bonds are in the Weekly or Fixed Rate Mode, the parties may from time to time, without the consent of any Bondowner, amend this Agreement in order to (i) cure any ambiguity, defect or omission in the Agreement that does not materially adversely affect the interests of the Bondowners, (ii) grant additional rights or security to the Trustee for the benefit of the Bondowners, (iii) add additional Events of Default as shall not be inconsistent with the provisions of this Agreement and that shall not, in the opinion of the Trustee, materially adversely affect the interests of the Bondowners, (iv) qualify this Agreement under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, (v) effective upon a Conversion Date, make any amendment affecting the Bonds being converted, (vi) make such other provisions in regard to matters or questions arising under this Agreement as shall not materially adversely affect the interests of the Bondowners, or (vii) effect the delivery of a substitute Credit Facility.

(ii) With Bondowners' Consent. Except as set forth in Subsection 10.01(a), while Bonds are in the Weekly or Fixed Rate Mode, the parties may from time to time amend this Agreement with the consent of the owners of more than 50% in aggregate principal amount of the Bonds Outstanding; provided, that no amendment shall be made that adversely affects the rights of some but less than all the Bonds Outstanding without the consent of the owners of more than 50% in aggregate principal amount of the Bonds so affected; and provided further, that no amendment of this Agreement shall be effective to (i) change the principal of, premium, if any, or interest on any Bonds, (ii) change the interest payment dates, maturity dates or purchase or redemption provisions of any Bonds, (iii) reduce the percentage of Bondowners whose consent is required for the amendment of this Agreement or (iv) modify the lien upon or pledge of the payments and other revenues assigned and pledged hereunder (including any Credit Facility), without the consent, in each case, of the owner of each Bond that would be affected by the action proposed to be taken.

When the Trustee determines that the requisite number of consents have been obtained for an amendment that requires Bondowner consents, it shall, within ninety (90) days, file a certificate to that effect in its records and mail notice to the Bondowners. No action or proceeding to invalidate the amendment shall be instituted or maintained unless it is commenced within sixty (60) days after such mailing. The Trustee will promptly certify to the Issuer that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. A consent to an amendment may be revoked by a notice given by the Bondowner and received by the Trustee prior to the Trustee's certification that the requisite consents have been obtained.

(iii) General. While Bonds are in the Weekly or Fixed Rate Mode, any amendment of this Agreement shall be accompanied by an opinion of Bond Counsel reasonably satisfactory to the Trustee to the effect that the amendment is permitted by this Agreement and that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds. So long as a Credit Facility supports the Bonds or any obligations remain owing to the Bank under the Reimbursement Agreement, no amendment to this Agreement shall be made without the prior written consent of the Bank. So long as no Default described in Section 5.01(a)(i)

exists with respect to any Bonds supported by a Credit Facility, the Bank and not the Bondowners shall be deemed to be the owner of all Bonds entitled to the benefits of such Credit Facility for the purpose of consenting to any amendment, by Bondowners except amendments referred to in clauses (i) through (iii) of the first paragraph of Subsection 10.01(b).

If the Bonds are rated by S&P, written notice of any amendment of this Agreement or the Credit Facility, any expiration, termination, extension or substitution of the Credit Facility, or any material change to the Reimbursement Agreement or any remarketing agreement entered into by the Remarketing Agent and the Borrower, and of conversion to the Fixed Rate shall be sent by the Borrower to S&P in advance of such events. The Trustee shall notify S&P of any acceleration, redemption (other than scheduled redemptions) or defeasance of the Bonds.

Section 10.02. Notices. Unless otherwise expressly provided, all notices to the Issuer, the Trustee, the Remarketing Agent, the Bank and the Borrower shall be in writing and shall be deemed sufficiently given if sent by registered or certified mail, postage prepaid, or delivered during a Business Day or sent by facsimile during a Business Day as follows: (a) to the Issuer at 301 N. Olive Ave, West Palm Beach, FL 33401, attention of [County Administrator], (b) to the Bank at [], attention of [], (c) to the Borrower at 311 South Flagler Dr, West Palm Beach, FL 33401, with a copy to The Carmelite System, Inc., 646 Woods Road, Germantown, NY 12526, Attention: President/Chief Executive Officer, (d) to S&P at Standard & Poor's Ratings Services, Municipal Structured Group, 55 Water Street, 38th Floor, New York, NY 10041, fax: (212) 438-2157 and at pubfin_structured@standardandpoors.com, and (e) to Moody's at 99 Church Street, New York, NY 10007, attention of Public Finance Group/Fully Supported Team, or, as to all of the foregoing, to such other address as the addressee shall have indicated by prior written notice to the one giving notice. All notices to a Bondowner shall be in writing and shall be deemed sufficiently given if sent by first class mail, postage prepaid, to the Bondowner at the address shown on the registration books for the Bonds maintained by the Trustee. A Bondowner may direct the Trustee to change its address as shown on the registration books by written notice to the Trustee. All notices to Bondowners shall identify the Bonds by name, CUSIP number, date of original issuance, maturity date, and such other descriptive information as may be needed to identify accurately the Bonds.

All notices sent to Bondowners by the Borrower or the Trustee shall simultaneously be sent by registered or certified mail, postage prepaid, to all registered securities depositories that are registered owners of the Bonds, provided that the failure to give such notice shall not affect the validity of any notice given to the Bondowners.

Notice hereunder may be waived prospectively or retrospectively by the person entitled to the notice, but no waiver shall affect any notice requirement as to other persons.

Section 10.03. Time. Except as otherwise provided herein, all references to times of day in this Agreement are references to Orlando, Florida time.

Section 10.04. Agreement Not for the Benefit of Other Parties. This Agreement is not intended for the benefit of and shall not be construed to create rights in parties other than the Borrower, the Issuer, the Remarketing Agent, the Trustee, the Bank, if any, and the Bondowners.

Section 10.05. Severability. In the event that any provision of this Agreement shall be held to be invalid in any circumstance, such invalidity shall not affect any other provisions or circumstances.

Section 10.06. Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which shall be deemed to be an original, but such counterparts together shall constitute one and the same instrument.

Section 10.07. Captions. The captions and table of contents of this Agreement are for convenience only and shall not affect the construction hereof.

Section 10.08. Governing Law. This Agreement is governed by the laws of the State, without regard to the choice of law rules of the State. Venue for any action under this Agreement to which the Issuer is a party shall lie within the district courts of the State, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 10.09. Concerning the Bank Documents. The provisions of this Agreement are not in derogation or limitation of any obligation or duties of the Borrower under the Covenants Agreement or any other agreement between the Borrower and the Bondowner. No inconsistency in default provisions between this Agreement and the Covenants Agreement or any other agreement between the Borrower and the Bondowner will be deemed to create an additional grace period or otherwise derogate from the express terms of each such default provision. No covenant, agreement or obligation of the Borrower contained herein, nor any right or remedy of the Bondowner or the Trustee contained herein shall, in any respect, be limited by inconsistent or additional provisions contained in the Covenants Agreement or any other agreement between the Borrower and the Bondowner. No covenant, agreement or obligation of the Borrower contained in the Covenants Agreement or any other agreement between the Borrower and the Bondowner, or any right or remedy of the Bondowner contained therein shall, in any respect, be limited by inconsistent or additional provisions contained herein.

(Signature page follows)

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed under seal all as of the date first above written.

PALM BEACH COUNTY, FLORIDA

By: _____
Priscilla A. Taylor
Mayor

[SEAL]

ATTEST:

By: _____
Sharon R. Bock
Clerk & Comptroller

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

County Attorney

**LOURDES-NOREEN MCKEEN RESIDENCE FOR
GERIATRIC CARE, INC.**

By: _____
Name: _____
Title: _____

**CITIZENS BANK, NATIONAL ASSOCIATION,
as Bondowner**

By: _____

Name: _____
Title: _____

EXHIBIT A
FORM OF REQUISITION

Requisition No.

Palm Beach County
Revenue Refunding Bonds, Series 2014
(Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

REQUISITION FOR PAYMENT FROM PROJECT FUND

1. The following sums are requisitioned for payment to other than the Borrower:

<u>Item No.</u>	<u>Amount</u>	<u>Payee's Invoice No.</u>	<u>Payee</u>	<u>Purpose</u>
-----------------	---------------	----------------------------	--------------	----------------

2. The following sums are requisitioned for reimbursement to the Borrower:

<u>Item No.</u>	<u>Amount</u>	<u>Original Payee's Invoice No.</u>	<u>Original Payee</u>	<u>Purpose</u>
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3. Capitalized terms used but not defined herein have the meanings set forth in the Loan and Trust Agreement (the "Agreement") dated as of [], 2014 among the Board of County Commissioners of Palm Beach County, Florida (the "Issuer"), Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "Borrower") and Citizens Bank, National Association, as Bondowner (the "Bondowner"). This requisition is for cost of issuance that has not been the basis of a prior or contemporaneous requisition or of a prior payment of an external loan or of a prior reimbursement of internal advances.

4. This requisition complies with the terms and conditions of the Covenants Agreement.

LOURDES-NOREEN MCKEEN RESIDENCE
FOR GERIATRIC CARE, INC.

Dated: _____

By: _____
Borrower Representative

Approved for payment:

CITIZENS BANK, NATIONAL ASSOCIATION

By: _____

Name: _____

Title: _____

EXHIBIT C

TAX REGULATORY AGREEMENT

BETWEEN

PALM BEACH COUNTY, FLORIDA

AND

LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC.

[XXX]

Revenue Refunding Bonds, Series 2014
(Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

Dated as of October 1, 2014

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TAX REGULATORY AGREEMENT

The undersigned are, respectively, the duly qualified Mayor of PALM BEACH COUNTY, FLORIDA (the "Issuer") and the President of LOURDES-NOREEN MCKEEN RESIDENCE FOR GERIATRIC CARE, INC., a Florida nonprofit corporation (the "Borrower"). As an Authorized Representative of the Issuer, the undersigned is charged, with others, with the responsibility for executing and delivering the Loan and Trust Agreement, dated as of October 1, 2014 (the "Loan Agreement") among the Issuer, the Borrower and Citizens Bank National Association (the "Lender"). Pursuant to the Loan Agreement, the Issuer will issue its Revenue Refunding Bonds, Series 2014 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project) (the "Bonds") in the aggregate principal amount of \$[XXX].00 and will loan the proceeds thereof to the Borrower. The Bonds were authorized pursuant to the Issuer's resolution adopted October 7, 2014. Certain terms are defined in Article VII hereof. Terms used herein and not defined herein shall have the meanings given to them in the Loan Agreement.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the Issuer and the Borrower as to future events regarding the Bonds and the use of proceeds of the Bonds. To the extent such facts do not relate directly to the Issuer, the Issuer is relying upon the certifications of the Borrower which the Issuer believes are reasonable and prudent. The certifications and representations made herein and the expectations presented herein are intended, and may be relied upon, as a certification of an officer of the Issuer given in good faith as described in Section 1.148-2(b)(2) of the Regulations.

The Borrower covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any portion of the Bonds to be an arbitrage bond or a private activity bond (other than a qualified 501(c)(3) bond) within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Issuer covenants that it will not take any action that would cause any portion of the Bonds to be an arbitrage bond or a private activity bond (other than a qualified 501(c)(3) bond) within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The Issuer and Borrower acknowledge that, in the event of an examination by the Internal Revenue Service of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the Issuer is treated as the "taxpayer" in such examination and the Issuer agrees that it will respond at the Borrower's expense in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination.

The certifications, covenants and agreements contained herein are made on behalf of the Issuer and the Borrower for the benefit of the owners from time to time of the Bonds. Accordingly, we do hereby certify, covenant and agree on behalf of the Issuer and the Borrower, respectively, the following:

ARTICLE I

DESCRIPTION OF THE PURPOSE OF THE BONDS

Section 1.1. Purpose of the Bonds. Proceeds of the Bonds will be used to provide the funds to current refund the outstanding principal amount of the Prior Bonds, the proceeds of which were used to (i) refund Issuer's Senior Health and Housing Facilities Revenue Refunding Bonds, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.) (the "Prior Bonds"), the proceeds of which were used to refund the Issuer's _____, the proceeds of which were used to finance the costs of the acquisition, construction, equipping and installation of the acquisition, construction, equipping and installation of a skilled nursing and assisted and independent living facility operated by the Borrower in West Palm Beach, Florida described in more detail in the Project Certificate (the "*Project*"), (ii) fund a debt service reserve fund and (iii) pay costs associated with the issuance of the Prior Bonds, including the cost of credit enhancement. Attached hereto as *Exhibit A* is the schedule of sources and uses of funds with respect to the Bonds. The Carmelite System Inc. (the "System") is the sole corporate member of the Corporation

Simultaneously with the issuance of the Bonds, the County of Franklin, Ohio, acting by and through the Franklin County Hospital Commission will issue its revenue bonds (the "Ohio Bonds") and loan the proceeds thereof to Mother Angeline McCrory Manor ("McCrory Manor"), an Ohio non-profit corporation, sole corporate member of which is the System and the Iowa Finance Authority will issue its revenue bonds (the "Iowa Bonds" and together with the Ohio Bonds, the "Other Bonds") and loan the proceeds thereof to Kahl Home for the Aged and Infirm ("Kahl Home"), an Iowa non-profit corporation, the sole corporate member of which is the System. The proceeds of the Other Bonds will be used to current refund certain outstanding indebtedness of McCrory Manor and Kahl Home. The Bonds and the Other Bonds, collectively, shall be referred to herein as the "Combined Bonds."

Section 1.2. No Working Capital. All of the proceeds received from the sale of the Bonds (including investment earnings thereon) will be used, directly or indirectly, to current refund the Prior Bonds, except that such proceeds may also be used for the following:

- (i) payments for issuance costs and qualified administrative costs (as defined in Section 1.148-5(e) of the Regulations) of the Bonds;
- (ii) payments for reasonable charges for "qualified guarantees", if any, relating to the Bonds (as defined in the Regulations);
- (iii) payments of rebate or Yield Reduction Payments (as defined in Section 1.148-5(c) of the Regulations) made to the United States of America under the Regulations; and
- (iv) principal or interest on the Bonds paid from unexpected excess Sale Proceeds or investment earnings thereon of the Bonds.

Section 1.3. Consequences of Contrary Expenditure. The Issuer and the Borrower acknowledge that if the Gross Proceeds of the Bonds (including investment earnings thereon) are spent for purposes other than as permitted by Section 1.4, a like amount of then available funds of the Borrower will be treated as unspent Gross Proceeds of the Bonds which, among other things, may be subject to the yield restrictions described in Section 5.2 hereof and rebate described in Article III hereof.

Section 1.4. Investment of Bond Proceeds. No portion of the Bonds is being issued solely for the purpose of investing Sale Proceeds or investment earnings thereon at a yield higher than the yield on the Bonds.

Section 1.5. Hedges.

(a) Except as provided in (b) below, neither the Borrower, the Issuer nor any Related Person to either of them has entered into or expects to enter into any hedge (*e.g.*, interest rate swap, interest rate cap, futures contract, forward contract or option) with respect to the Bonds. The Issuer and the Borrower acknowledge that any such hedge could affect the calculation of the Yield on Bonds under the Regulations and that the Internal Revenue Service could recalculate the Yield on the Bonds if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

(b) [To come depending on swap situation]

Section 1.6. No Grants. None of the proceeds received from the sale of the Bonds or investment earnings thereon will be used to make grants to any person.

Section 1.7. Abusive Transactions. Neither the Issuer, the Borrower nor any member of the same Controlled Group of any of the foregoing has employed a device or entered into any arrangements or understandings in connection with the issuance of the Bonds or the refinancing of the Prior Bonds, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the refinancing of the Prior Bonds, to obtain a material financial advantage based on arbitrage. Neither the Issuer, the Borrower, nor any member of the same Controlled Group of any of the foregoing will realize any material financial advantage based on arbitrage in connection with the issuance of the Bonds or the refinancing of the Prior Bonds, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the refinancing of the Prior Bonds. In particular, none of the Issuer, the Borrower or any member of the same Controlled Group of any of the foregoing, has or will receive a reduction in any interest payments to be made on the Prior Bonds or receive a refund or rebate of any credit enhancement fee or premium as a result of issuing the Bonds.

Section 1.8. Application of Certain Gifts. The Borrower hereby recognizes that it may receive from time to time gifts, grants, donations, bequests or other charitable contributions, regardless of the form or the source thereof, the proceeds of which when received by the Borrower are or will be restricted by either the donor or the Borrower or are intended and segregated by the Borrower to be used for the payments of the costs of all or a portion of the Project (hereinafter referred to as "Restricted Gifts"). The Borrower hereby covenants and

agrees that if and when the Borrower receives any Restricted Gifts, the Borrower will redeem the Bonds, as soon as practicable after such Excess becomes available to the Borrower for such purpose, in accordance with the Loan Agreement (the "Prepayment") on a date no later than the first date on which the Bonds may be prepaid at 100% of the principal amount thereof; and until applied to such Prepayment, such Excess (and any income thereon) shall be invested at the written direction of the Borrower, at a rate not in excess of the Yield on the Bonds. The amount of any Restricted Gifts to be so used for the Prepayment shall be equal to the excess, if any, of (a) the aggregate amount of Restricted Gifts received by the Borrower as of such date over (b) the aggregate amount of moneys which the Borrower has therefore applied, or intends to apply based on then current estimates, to the payment of costs of the Project from sources other than the proceeds of the Bonds (the "Excess"). The proceeds of any such Restricted Gifts need not be so applied until the aggregate amount thereof held by the Borrower at any time and not previously so applied is at least \$100,000.

The Borrower may apply the proceeds of Restricted Gifts in a manner that varies from the requirements set forth above under this Section 1.8 if the Borrower delivers to the Issuer an opinion of Bond Counsel to the effect that such application will not adversely affect the exemption of the interest on the Bonds from federal income taxation under the Code.

ARTICLE II

USE OF PROCEEDS; DESCRIPTION OF FUNDS

Section 2.1. Use of Proceeds; Funds Established. The Borrower and the Issuer agree as follows:

(a) The proceeds of the Bonds will be used in accordance with the Loan Agreement as follows:

<u>SALE PROCEEDS OF THE BONDS</u>	<u>APPLICATION</u>
<p>[\$XXX].00, which represents the aggregate principal amount of the Bonds.</p>	<p>[\$XXX].00 of Bond proceeds will be transferred to the Prior Trustee on the Closing Date to be applied to the payment of principal of and interest on the Prior Bonds on _____, 20__.</p>
<p>\$ _____, which represents amounts released from funds held under the trust indenture for the Prior Bonds.</p>	

(b) The only funds or account created under the Loan Agreement or hereunder germane to the Bonds are the Project Fund the Rebate Fund. Any amounts deposited in the Project Fund are expected to be expended at closing to pay costs of issuing the Bonds. No amounts, regardless of the source, shall be deposited in the Rebate Fund at Closing.

(c) The cost of current refunding the Prior Bonds on the Closing Date is \$ _____ (the "Redemption Price"), which consists of the outstanding principal amount on the Closing Date of \$ _____ and accrued interest of \$ _____.

Section 2.2. No Bond Fund. No bond fund has been established with respect to the Bonds while the Bonds bear interest at the Bank Purchase Rate (as defined in the Loan Agreement). Principal and interest on the Bonds shall be paid by the Borrower directly to the Lender.

Section 2.3. Borrower Obligation. No person or entity other than the Issuer or the Borrower will use any portion of the proceeds of the Bonds, and no person or entity other than the Issuer and the Borrower is obligated to provide for the payment of any portion of the principal and interest on the Bonds.

Section 2.4. No Replacement, Sinking or Pledged Funds.

(a) Except as otherwise provided in Sections 2.1 and 2.2 hereof, after the issuance of the Bonds, neither the Issuer, the Borrower nor any Related Person to any of them has on hand any property, including cash, securities or other investment-type property, that has a sufficiently direct nexus to the purposes financed with the Bonds to support the conclusion that such property would have been applied or used for such purposes if the Bonds had not been issued.

(b) Except as otherwise provided in Sections 2.1, 2.2 and 2.4(e) hereof, each of the Issuer and the Borrower represent that neither it nor any Related Person to any of them has established or expects to establish any fund or account (regardless of where held or the source thereof) that may result in the creation of any Replacement Proceeds.

(c) Except as otherwise provided in Sections 2.1, 2.2 and 2.4(e) hereof, no property has been or is expected to be pledged or otherwise restricted (no matter where held or the source thereof) to provide reasonable assurance, in the event the Issuer, the Borrower or any Related Person to any of them encounters financial difficulty, of its availability to be used, directly or indirectly, for the payment of amounts due or to become due on the Bonds, or any credit or liquidity arrangement relating to any of the foregoing. No compensating balance, liquidity account, negative pledge (any amount pledged to pay principal or interest on an issue or obligations of the Borrower under a credit enhancement device with respect to the Bonds to maintain the amount at a particular level for the direct or indirect benefit of the Lender or any guarantor of the Bonds) or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to any of the foregoing.

(d) The Borrower represents that the term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The Bonds are to be used to, among other things, current refund the Prior Bonds, and the weighted average maturity of the Bonds does not exceed 120 percent of the average reasonably expected remaining economic life of the Total Financed Property (as defined in the Project Certificate). The maturity and principal amortization schedule and other terms of the Bonds have been established to allow the Borrower to pay the required loan payments from expected suitable revenue sources. Those terms were not

set in a manner designed to allow the Borrower to accumulate amounts to be invested at a Yield in excess of the Yield on the Bonds.

Section 2.5. The Prior Bonds.

The Borrower represents that the Prior Bonds were issued, solely and exclusively, for (1) refunding the _____ Bonds, (2) funding a debt service reserve fund and (3) paying certain costs of issuance of the Prior Bonds.

The Borrower represents that, except for the amounts described in Section 2.1 hereof, no money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds, any of the obligations of the Borrower relating thereto or any obligation arising under any credit enhancement or liquidity device relating to the foregoing, or was legally required or otherwise restricted to pay the obligations of the Borrower under any of the foregoing. No moneys or properties were returned to the Borrower once deposited under the loan agreement or trust indenture relating to the Prior Bonds or pledged to secure or made available to pay debt service on the Prior Bonds, any of the obligations of the Borrower with respect to the Prior Bonds or the obligations of the Borrower under any credit enhancement or liquidity device relating to either of the foregoing.

Not more than 50 percent of the proceeds received from the Prior Bonds (including investment earnings thereon) were invested in investments having a yield that was substantially guaranteed for four years or more.

ARTICLE III

REBATE FUND; ARBITRAGE REBATE REQUIREMENTS

Section 3.1. Creation of Rebate Fund. The Borrower expects that all sale proceeds of the Bonds shall be spent on the Closing Date. In the event that any Replacement Proceeds are created with respect to the Bonds, the Borrower shall create and establish a special trust fund to be held by it to be known as the "Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Rebate Fund" (the "*Rebate Fund*"), which shall be continuously held, invested, expended and accounted for in accordance with this Tax Agreement; provided, however, that the Rebate Fund need not be maintained if the Issuer and the Borrower shall have received an opinion of Bond Counsel to the effect that failure to maintain the Rebate Fund shall not cause the Bonds to become arbitrage bonds within the meaning of Section 148 of the Code or otherwise result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled.

Section 3.2. Compliance with Section 148(f) of the Code. The Borrower covenants and agrees to retain a rebate analyst to make all calculations, and to make all transfers and payments that may be necessary to comply with the rebate requirements contained in Section 148(f) of the Code with respect to the Bonds. At the request of the Borrower, the Issuer may take whatever action is reasonably necessary in order to enable the Borrower to comply with the provisions of this Section 3.2. The Borrower agrees to pay or reimburse the Issuer for any reasonable fees or expenses, including attorney fees and expenses, incurred by the Issuer in connection with taking any such action. Bond Counsel has provided a letter attached hereto as *Exhibit B* concerning the principles set forth in the Code and certain Regulations regarding rebate, and the Borrower agrees to comply with the requirements set forth in *Exhibit B*, including but not limited to the requirement to make any payments of rebate as described in *Exhibit B* under the heading "Rebate Payments". The Borrower shall remit any payments of rebate to the United States Government. The Borrower also hereby agrees to provide to the Issuer a copy of the rebate calculations made by the rebate analyst promptly after such calculations are available. In addition, the Borrower hereby certifies and covenants that (i) no elections to pay the penalty in lieu of rebate under Section 148(f)(4)(C)(viii) of the Code were made with respect to the Prior Bonds and (ii) all rebate payments due and owing with respect to the Prior Bonds will be made in a timely manner in accordance with the Code and Regulations and acknowledges that a final payment with respect to the Prior Bonds may be due and owing no later than 60 days after the date the Prior Bonds are discharged. The Treasurer of the Borrower shall be responsible for maintaining compliance with the obligations described in this Article III.

Section 3.3. Records. The Borrower agrees to maintain, and, to the extent the Lender controls any proceeds of the Bonds, shall cause the Lender to maintain, all records relating to the Bonds and the use and expenditure of the proceeds of the Bonds, as more specifically set forth below.

(a) Types of Records Required to be Retained. The records that must be retained include, but are not limited to, the following:

(i) General. All legal and closing documents related to the Bonds including

indentures, trust agreements, resolutions, ordinances, public notices, tax certificates, opinions of counsel (issued at the time of closing or subsequently), amendments to the foregoing documents and any and all documents included in the transcript with respect to the Bonds.

(ii) Expenditure of Gross Proceeds.

(A) Expenditures. Documents evidencing the expenditure of proceeds from the Bonds and investment earnings thereon and the specific property financed with such proceeds, including any closing flow of funds memoranda;

(B) Funds and Accounts. Documents setting forth all funds and accounts relating to the Bonds, including debt service funds, reserve funds, sinking funds and pledged funds, and any agreements with respect thereto;

(C) Investment of Gross Proceeds – General. Documents pertaining to the investment of the Gross Proceeds of the Bonds, including the purchase and sale of securities, SLGS subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, projected investment income calculations expected to be received from the investment of proceeds, guaranteed investment contracts, rebate calculations, credit enhancement, swap transactions and verification reports.

(D) Nonpurpose Investments. With respect to all Nonpurpose Investments acquired in any fund or account in connection with the Bonds, the following information will be recorded and retained: (i) purchase date, (ii) purchase price, (iii) information establishing that the purchase price is the fair market value as of such date (e.g., the published quoted bid by a dealer in such an investment on the date of purchase), (iv) any accrued interest paid, (v) face amount, (vi) coupon rate, (vii) periodicity of interest payments, (viii) disposition price, (ix) any accrued interest received, and (x) disposition date;

(iii) Allocations. Documents evidencing any allocations with respect to the Gross Proceeds of the Bonds;

(iv) Use of Financed Assets; Private Security or Payment.

(A) Use. Documents evidencing the use and ownership of the property financed with proceeds of the Bonds, including contracts for the use of such property; and

(B) Payments or Security. Documents evidencing sources of payment or security for the Bonds, including liquidity covenants and negative covenants, and any agreements with respect thereto.

(v) Tax Returns and Related Information. IRS Form 8038, 8038-T and 8038-R, as applicable, and information relating to the pricing of the Bonds, yield calculations, weighted average maturity calculations, other information included in the 8038 statistics report, verification reports and arbitrage rebate reports; and

(vi) Disposition Proceeds. Documents, if any, evidencing the sale or other disposition of the financed property.

(b) Required Retention Periods. The Borrower covenants to retain the above described records until the date that is six years after the complete retirement of the Bonds.

(c) Form of Records. The Borrower covenants that all records will be kept in a manner that ensures complete access thereto for the applicable above described period either in hard copy or electronic format. If the records are kept in electronic format, compliance is necessary with the requirements of Revenue Procedure 97-22, 1997-1 C.B. 652, which provides guidance for maintaining books and records by using an electronic storage system that either images their hardcopy books and records or transfers their computerized books and records to an electronic storage media (e.g., an electronic data compression system).

(d) Failure to Retain Records. The Borrower acknowledges that a failure to maintain material records required to be retained by this Section may result in the loss of the exclusion of interest on the Bonds from gross income for federal tax purposes and could cause additional arbitrage rebate to be owed.

Section 3.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The Borrower will invest, or will direct the Lender to continuously invest, all amounts that constitute Gross Proceeds and all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Tax Agreement and the Loan Agreement. In making such investments, the Borrower shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence, due to the denomination, price or availability of investments, the Borrower may invest all such amounts in an interest bearing deposit of a bank with a yield not less than that paid to the general public or hold such moneys uninvested to the minimum extent necessary.

For purposes of determining the purchase price of investments (for either yield restriction or rebate purposes), Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or Guaranteed Investment Contracts (GICs) shall be invested in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a

GIC and qualifies under paragraph (b) below.

- (b) Investments in GICs shall be made only if
 - (i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);
 - (ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);
 - (iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;
 - (iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;
 - (v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (i.e., providers that have established industry reputations as competitive providers of the type of investments being purchased);
 - (vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;
 - (vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;
 - (viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Borrower or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the Borrower or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;
 - (ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;
 - (x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

- (xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC;
- (c) If a GIC is purchased, the Borrower will retain the following records with its documents relating to the Loan until six years after the Bonds is prepaid in its entirety;
 - (i) a copy of the GIC;
 - (ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (b)(xi) of this section;
 - (iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and
 - (iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested in investments maturing on or prior to the anticipated rebate date. All investments of Gross Proceeds and amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except as described in subsections (a), (b) and (c) above and except for United States Treasury Obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established securities market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or yield restriction requirements not been relevant to the Issuer and the Borrower. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this Section 3.4.

The foregoing provisions of this Section 3.4 satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions

of this Section 3.4 are contained herein for the protection of the Issuer and the Borrower, who have covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The Borrower will contact Bond Counsel if it does not wish to comply with the provisions of this Section 3.4 and forego the protection provided by the safe harbors provided herein.

ARTICLE IV

ADDITIONAL PAYMENTS

In addition to the amounts provided in this Tax Agreement, the Borrower hereby agrees to make payment to the United States of any amount which under Section 148(f) of the Code and/or under Section 1.148-5(c) of the Regulations must be paid to the United States with respect to the Bonds.

ARTICLE V

YIELD AND YIELD LIMITATIONS

Section 5.1. Issue Price. The Lender is purchasing the Bonds at an aggregate purchase price of \$[XXX].00, which is the par amount of the Bonds. The total purchase price of \$[XXX].00 is referred to herein as the "Issue Price". The Lender has stated in its Investor Letter, dated the date hereof, given separately and made a part of the transcript for the Loan, that it has no present intention of reselling the Bonds. Cain Brothers & Company, LLC, as financial advisor to the Borrower, has stated in its certificate, dated the date hereof, given separately and made a part of the transcript for the Loan, that the Issue Price of the Bonds is not less than the fair market value of the Bonds as of the Closing Date.

Section 5.2. Yield Limits.

(a) All Gross Proceeds of the Bonds and all amounts in the Rebate Fund, to the extent not exempted in (b) below, shall be invested at market prices and at a yield (after taking into account any Yield Reduction Payments to the extent permitted by and made pursuant to Section 1.148-5(c) of the Regulations) not in excess of the Combined Yield.

(b) The following may be invested without yield restriction:

(i) amounts invested in Tax Exempt Obligations (to the extent permitted by the Loan Agreement);

(ii) amounts in the Rebate Fund;

(iii) all amounts for the first 30 days after they become Gross Proceeds;

(iv) all amounts derived from the investment of sale proceeds of the Bonds and investment earnings thereon for a period of one year from the date received; and

(v) an amount not to exceed, in the aggregate, \$100,000 for Gross Proceeds of the Combined Bonds (the "*Minor Portion*").

Section 5.3. Continuing Nature of Yield Limits. Subject to Section 8.6, once moneys are subject to the yield limits of Section 5.2 hereof, they remain yield restricted until they cease to be Gross Proceeds.

Section 5.4. Loan Payments. Loan payments by the Borrower under the Loan Agreement exactly equal debt service payments on the Bonds. The earnings and profits of any temporary investment of amounts held under the Loan Agreement will accrue to the Borrower and not to the Issuer. It is not expected that the Borrower will make any deposits sooner than necessary under the Loan Agreement; provided that the Borrower may optionally redeem Bonds as permitted by the Loan Agreement.

Section 5.5. Federal Guarantees. Except for investments meeting the requirements of Sections 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury, obligations guaranteed by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association, any guarantee by the Bonneville Power Authority pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984, or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (e.g., Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). No portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof). No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

Section 5.6. Other Payments Relating to the Bonds. The Issuer imposes a fee of \$_____ (\$_____ Issuer fee and \$_____ Issuer's counsel fee) for its issuance of the Bonds. Except for (a) the receipt of loan payments under the Loan Agreement and as described above, (b) the payment of costs of issuance relating to the Bonds and (c) the payment of fees of the Issuer as described above, no consideration, in cash or in kind, is being or will be paid by any person to any person in connection with or relating to issuing, carrying or prepaying the Bonds or amounts owing under any credit enhancement or liquidity arrangement relating to the Bonds.

ARTICLE VI

PROGRAM COVENANTS

The Bonds are being issued by the Issuer as part of its program to finance health care facilities under the Act (the "*Program*"). In carrying out its Program, the Issuer acquires obligations of nonprofit corporations and governmental units ("*Acquired Program Obligations*") that are organizations described in Section 501(c)(3) of the Code and are exempt from federal income taxation under Section 501(a) of the Code, which are engaged in trades or businesses that are related to their exempt purposes ("*501(c)(3) Organizations*"). At least 95 percent of all Acquired Program Obligations acquired under the Program, by amount of cost outstanding, are evidences of loans to state or local government entities or 501 (c)(3) Organizations. At least 95 percent of all amounts received by the Issuer with respect to Acquired Program Obligations will be used for one or more of the following purposes: to pay principal, interest or redemption premium on obligations issued by the Issuer in pursuance of the Program; to pay, or reimburse the Issuer for payment of, administrative costs or fees of issuing its obligations; to pay, or reimburse the Issuer for payment of, administrative and other costs and anticipated future losses directly related to the Program; to make additional loans for the general purposes of the Program; or to redeem and retire Issuer obligations at the next earliest possible date of redemption. Neither the Borrower nor any member of the same Controlled Group as the Borrower shall purchase the Issuer's obligations in any amount related to the amount of obligations acquired by the Issuer under the Loan Agreement and there is no arrangement, formal or informal, to the contrary.

ARTICLE VII

DEFINITIONS

"*Bond Counsel*" means Ice Miller LLP, or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"*Bond Year*" means each successive one-year period ending on the anniversary of the Closing Date and the short last bond year ending on the final maturity date.

"*Closing or Closing Date*" means October __, 2014, which is the first date on which the Issuer is receiving the purchase price for the Bonds.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Combined Bonds*" means collectively, the Bonds and the Other Bonds.

"*Combined Yield*" means the Yield on the Combined Bonds.

"*Commingled Fund*" means any fund or account containing both Gross Proceeds and amounts in excess of \$25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

"*Controlled Group*" means a group of entities directly or indirectly controlled by the same entity or group of entities. An entity or group of entities (the "*controlling entity*") directly controls another entity (the "*controlled entity*"), in general, if it possesses either of the following rights or powers and the rights or powers are discretionary and non-ministerial:

- (i) The right or power both to approve and to remove without cause a controlling portion of the governing body of the controlled entity; or
- (ii) The right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity.

A controlling entity indirectly controls all entities controlled, directly or indirectly, by an entity controlled by such controlling entity.

"*Costs of Issuance*" means the costs of issuing the Bonds, including underwriters' discount and legal fees.

"*External Commingled Fund*" means a Commingled Fund in which the Borrower and all members of the same Controlled Group as the Borrower own, in the aggregate, not more than ten percent of the beneficial interests.

"GIC or *Guaranteed Investment Contract*" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (e.g., a forward supply contract).

"*Gross Proceeds*" means the amounts contained in the funds listed in *Appendix A* to *Exhibit B* hereto and further means, with respect to the Bonds or the Combined Bonds (a) amounts actually or constructively received from the sale of the Bonds or the Combined Bonds, including amounts used to pay underwriter's discount or compensation and accrued interest other than accrued interest for a period not greater than one year before Closing and paid within one year after the Closing, including amounts derived from the sale of any right that is part of the terms of the Bonds or the Combined Bonds or is otherwise associated with the Bonds or the Combined Bonds (e.g., a prepayment right), (b) all amounts in the funds and accounts created with respect to the Bonds or the Combined Bonds (other than the Rebate Fund), (c) any other Replacement Proceeds, and (d) amounts actually or constructively received from the investment and reinvestment of amounts described in (a) and (b) above.

"*Issuer*" is defined in the preamble to this Tax Agreement.

"*Nonpurpose Investment*" means any Investment Property that is not a Purpose Investment.

"*Prior Bonds*" means Palm Beach County, Florida Senior Health and Housing Facilities Revenue Refunding Bonds, Series 2002 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.) of which \$_____ remains outstanding on the date hereof.

"*Prior Trustee*" means U.S. Bank National Association.

"*Project Certificate*" means the Borrower's Certificate Regarding the Total Financed Property and the Expenditure of Funds, dated the date hereof and executed in connection with the issuance of the Loan.

"*Purpose Investment*" has the meaning given such term in Regulations Section 1.148-1(b).

"*Qualified Administrative Costs of Investments*" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions (other than a broker's commission paid on behalf of either the Issuer or the provider of a GIC or investments in a yield restricted defeasance escrow to the extent the aggregate broker's commission or similar fees paid with respect to all such investments relating to any issue of bonds exceeds \$108,000 and with respect to a particular investment or escrow, such commission or similar fee exceeds the lesser of \$38,000 and 0.2% of the computational base, or if more, \$4,000. (For this purpose, computational base shall mean in the case of GIC, the amount of gross proceeds the issuer reasonably expects as of the date the GIC is acquired to be deposited in the GIC over its term and in the case of a yield restricted defeasance escrow, the

amount of gross proceeds initially invested in such investments.)), but not legal and accounting fees, record keeping, custody and similar costs; (b) all administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund; or (c) in the case of purpose investments, costs or expenses paid directly to purchase, carry, sell or retire the investment and costs of issuing, carrying, or repaying the Bonds, and any placement agent fee or underwriter's fee or discount.

"Rebate Fund" means the Rebate Fund created hereby, which is not pledged to the payment of the Bonds.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Related Person" means any member of the same Controlled Group as the Issuer or the Borrower.

"Replacement Proceeds" means, (i) with respect to the Bonds, (a) amounts in debt service funds, redemption funds, reserve funds, replacement funds or any similar funds, to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or the obligations under any credit enhancement or liquidity device with respect to the Bonds, (b) any amounts for which there is provided, directly or indirectly, a reasonable assurance, in substance, that the amounts will be available to pay principal of or interest on the Bonds or the obligations under any credit enhancement or liquidity device with respect to the Bonds or the Loan Agreement, even if the Issuer or the Borrower encounters financial difficulties, including any liquidity device or negative pledge to the extent described in Section 1.148-1(c)(3)(ii) of the Regulations and (c) any other amounts treated as replacement proceeds under Section 1.148-1(c) of the Regulations and (ii) with respect to the Combined Bonds, means (a) amounts in debt service funds, redemption funds, reserve funds, replacement funds or any similar funds, to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Combined Bonds or the obligations under any credit enhancement or liquidity device with respect to the Combined Bonds, (b) any amounts for which there is provided, directly or indirectly, a reasonable assurance, in substance, that the amounts will be available to pay principal of or interest on the Combined Bonds or the obligations under any credit enhancement or liquidity device with respect to the Combined Bonds or the Loan Agreement, even if the Issuer or the Borrower encounters financial difficulties, including any liquidity device or negative pledge to the extent described in Section 1.148-1(c)(3)(ii) of the Regulations and (c) any other amounts treated as replacement proceeds under Section 1.148-1(c) of the Regulations

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriter's discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of the Bonds or is otherwise associated with the Bonds (e.g., a prepayment right).

"Tax Agreement" means this Tax Regulatory Agreement.

"Tax-Exempt Obligations" means (a) obligations described in Section 103(a) of the Code, the interest on which is excludable from the gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code, (b) interests in regulated investment companies to the extent that at least 95 percent of the income to the holder of the interest is interest that is excludable from the gross income of any owner thereof under Section 103 of the Code for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344.

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Combined Bonds, the issue price as established in Section 5.1), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

ARTICLE VIII

PROJECT CERTIFICATE; MISCELLANEOUS

Section 8.1. Project Certificate. The Borrower covenants that it will take all actions that may be necessary to cause all representations and covenants in the Project Certificate with respect to future events to be true.

Section 8.2. Termination; Interest of Borrower and Issuer in Rebate Fund. This Tax Agreement shall terminate if (a) the Purchaser shall have filed with the Borrower a written a certification that the Bonds have been fully paid and retired at least 75 days prior to the effective date of termination of this Tax Agreement, and (b) all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States. Notwithstanding the foregoing, the provisions of Section 3.3 hereof shall not terminate until the sixth anniversary of the date the Bonds or the Other Bonds (whichever occurs later) are fully paid and retired.

The parties hereto recognize that amounts, if any, on deposit in the Rebate Fund are held for payment to the United States Treasury. The foregoing notwithstanding, the Borrower and the Issuer shall be deemed to have an interest in such amounts to the extent such amounts represent amounts available to satisfy the obligation of the Issuer and the Borrower to rebate certain amounts to the United States Treasury with respect to the Bonds.

Section 8.3. No Common Plan of Financing. Except for the Other Bonds, since _____, 2014, none of the Issuer, the Borrower nor any Related Person to any of them has sold or delivered (nor will any such entity sell or deliver within 15 days of the date hereof) any other obligations that are reasonably expected to be paid out of substantially the same source of funds as the Combined Bonds or will be paid directly or indirectly from the proceeds of the Combined Bonds.

The Borrower acknowledges that the Bonds and the Other Bonds are treated as one issue for purposes of Section 148 of the Code relating to arbitrage (including arbitrage rebate). Accordingly, the Borrower hereby covenants to comply with Section 148 of the Code with respect to the Bonds and the Other Bonds by treating the Bonds and the Other Bonds as one issue. Further, the Borrower hereby covenants not to take any action, or permit any Related person to take any action, that would cause the Combined Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations.

Section 8.4. No Investment-Type Property and Reasonable Expectations. No portion of the Total Financed Property (as defined in the Project Certificate) is expected to be held principally as a passive vehicle for the production of income. In addition, no proceeds of the Bonds (including investment earnings thereon) will be used to make, directly or indirectly, a prepayment for property and services for the principal purpose of receiving an investment return from the time the prepayment is made until the time payment otherwise would be made. The Borrower reasonably expects, for the entire term of the Bonds, (i) that the Bonds will not meet the "private business tests" or the "private loan financing test" (all within the meaning of Section

1.141-1 and 2 of the Regulations) and (ii) that the Bonds will satisfy the ownership test of Section 145(a)(1) of the Code, all as modified or referenced in Section 1.145-2(b) of the Regulations.

Section 8.5. Future Events. The Issuer and the Borrower acknowledge that any changes in facts or expectations from those set forth herein may result in different yield restrictions or rebate requirements from those set forth herein and in the Letter of Bond Counsel attached hereto as *Exhibit B* and agree that Bond Counsel will be contacted if such changes do occur.

Section 8.6. Permitted Changes; Opinion of Bond Counsel. The yield restrictions contained in Section 5.2 or any other restriction or covenant contained herein need not be observed or may be changed if the Issuer and the Borrower receive an opinion of Bond Counsel to the effect that such noncompliance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled.

Section 8.7. IRS Form 8038. The Borrower hereby certifies under penalty of perjury that the information contained in the IRS Form 8038 and attached hereto as *Exhibit C* is true and correct. The Issuer hereby authorizes the Borrower to file the signed IRS Form 8038, and the Borrower agrees to file that form with the IRS within the time prescribed by the IRS and to provide the Issuer with a copy of the form as filed and filing of correspondence with the IRS.

Section 8.8. Severability. If any clause, provision or section of this Tax Agreement is ruled invalid by any court of competent jurisdiction, the invalidity of such clause, provision or section shall not affect any of the remaining clauses, sections or provisions hereof.

Section 8.9. Counterparts. This Tax Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 8.10. Notices. All notices, demands, communications and requests which may or are required to be given hereunder or by any party hereto shall be deemed given on the date on which the same shall have been mailed by registered or certified mail, postage prepaid, addressed as follows:

If to the Issuer:
Palm Beach County, Florida

Attention: _____

If to the Borrower:

Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.

Attention: _____

The Issuer and the Borrower may, by notice given to the others, designate any different addresses to which subsequent notices, demands, requests or communications shall be sent.

Section 8.11. Successors and Assigns. The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Issuer and the Borrower.

Section 8.12. Headings. The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

Section 8.13. Governing Law. This Tax Agreement is governed by the laws of the State of Florida, without regard to the choice of law rules of the State of Florida. Venue for any action under this Tax Agreement to which the Issuer is a party shall lie within the district courts of the State of Florida, and the parties hereto consent to the jurisdiction and venue of any such court and hereby waive any argument that venue in such forums is not convenient.

Section 8.14. Expectations. In this Tax Agreement, the Borrower has presented certain facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the Borrower as to future events, are set forth in summary form in this Tax Agreement. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein and in the Project Certificate the Borrower has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that the proceeds from the sale of the Bonds or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

Section 8.15. Post-Issuance Compliance Procedures. The Borrower hereby adopts the Tax Compliance Procedures attached hereto as *Exhibit D*. Such written procedures shall constitute the written procedures of the Issuer for purposes of IRS Form 8038.

Section 8.16. Reliance on Other Parties. The expectations of the Borrower concerning certain uses of the proceeds of the Bonds and the use and operation of the facilities composing the Project and other matters are based in whole or in part upon representations and certifications of other parties set forth in this Tax Agreement. The Borrower is not aware of any facts or circumstances that would cause the Borrower to question the accuracy or reasonableness of any representation or certification made in this Tax Agreement.

This Tax Agreement is being executed by the Issuer to establish the expectations of the Issuer regarding the expenditure of the proceeds of the Bonds, pursuant to Section 148 of the Code and Section 1.148-2(b) of the Regulations. The Issuer and its signator have made no independent investigation of the matters stated herein. The expectations of the Issuer described herein are based upon the provisions of the Loan Agreement and upon the representations of the

Borrower as to the matters contained in this Tax Agreement and in its certificate given with respect to the issuance of the Bonds. Nothing has come to the attention of the Issuer which would lead it to believe that any of the expectations described in this Tax Agreement, and any of the expectations of the Borrower described in its certificate and its endorsement to this Tax Agreement, are not reasonable or correct. No facts, estimates, conditions or circumstances that would materially alter the expectations described in this Tax Agreement are known to the Issuer.

Although this Tax Agreement is dated as of October 1, 2014, all representations and certifications contained herein are given as of October __, 2014.

IN WITNESS WHEREOF, the parties hereto have each caused this Tax Regulatory Agreement to be executed in its own name and on its own behalf by its duly authorized officer(s), all as of the date first written above.

PALM BEACH COUNTY, FLORIDA

By: _____
Priscilla A. Taylor
Mayor

[SEAL]

ATTEST:

By: _____
Sharon R. Bock
Clerk & Comptroller

**APPROVED AS TO FORM
AND LEGAL SUFFICIENCY**

County Attorney

[Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. -
Issuer Signature Page to Tax Regulatory Agreement]

LOURDES-NOREEN MCKEEN RESIDENCE
FOR GERIATRIC CARE, INC.

By: _____

[Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. –
Borrower Signature Page to Tax Regulatory Agreement]

EXHIBIT A

SOURCES AND USES OF BONDS

SOURCES:

Bonds	\$[XXX].00
Released Funds	

TOTAL	\$[XXX].00
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Uses:

Refunding of Prior Bonds	\$[XXX].00
Cost of Issuance	

TOTAL	\$[XXX].00
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EXHIBIT B

_____, 2014

Palm Beach County, Florida

Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.

Re: \$[XXX] Palm Beach County, Florida Revenue Refunding Bonds, Series 2014
 (Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. Project)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on this date of the above-referenced bonds (the "*Bonds*") by Palm Beach County, Florida (the "*Issuer*") which Bonds will be purchased by Citizens Bank, National Association (the "*Lender*"), and the proceeds of which will be loaned by the Issuer to Lourdes-Noreen McKeen Residence for Geriatric Care, Inc. (the "*Borrower*"), all pursuant to the Loan and Trust Agreement, dated as of October 1, 2014 among the Issuer, the Borrower and the Lender (the "*Loan Agreement*"). The Issuer and the Borrower have agreed to comply with the arbitrage rebate requirements and yield restriction requirements of Section 148 of the Internal Revenue Code of 1986. The purpose of this letter is to set out generally the rules that you must follow to comply with the Tax Agreement. This letter does not describe how to actually compute the amount to be rebated to the United States, and due to the complexity involved, the computation will, in all likelihood, require consultation with an expert. It should be noted that for purposes of Section 148 of the Code which includes arbitrage rebate, the Combined Bonds (as defined in the Tax Agreement) are treated as one issue. Thus, this letter discusses the arbitrage rebate requirements with respect to the Combined Bonds.

The Internal Revenue Service has issued final and temporary regulations relating to arbitrage and rebate matters. This letter is based upon these regulations, which are subject to change in the future. Such changes may require future recalculation of rebate amounts. For these reasons, it is very important for you and your tax advisors to keep abreast of developments in this area.

The following advice is based on factual information contained in the Tax Agreement. If the facts or expectations stated therein change, please call us to determine whether this results in a change in the following rules. Please note that the rules governing permissible yield on investments set forth in the Tax Agreement are in addition to the rebate rules and although you might be allowed to earn a yield in excess of Combined Bond Yield under the yield restrictions rules, such excess may still be required to be rebated. In some cases, the payment of rebate may assist in compliance with the yield restriction requirements. Thus, rebate compliance and yield restriction may operate together rather than independently. In any case, rebate compliance is essential to the maintenance of the tax exemption of interest on the Combined Bonds even if no

amounts are subject to yield restriction. Terms not defined herein shall have the meanings set forth in the Tax Agreement. Yield is defined in Article VII of the Tax Agreement.

General Rule. Except in the case of certain exceptions as summarized below, every five years and at the final retirement of all of the Combined Bonds you must compute and pay (as described below) to the United States the difference (the “Excess Earnings”) between the amount earned on all investments and reinvestments of “Gross Proceeds” (as defined in the Tax Agreement) of the Combined Bonds (“Actual Earnings”) and the amount that would have been earned if Gross Proceeds had been invested at Combined Bond Yield (the “Allowable Earnings”). Earnings to be taken into account are not determined under normal tax accounting principles. In addition to taking into account earnings received (either actually or constructively), receipts with respect to investments that have not been liquidated are computed by assuming that such investments are, in essence, converted to cash as of each computation date (as such dates are described below). The “cash value” of investments determined in this manner is subject to many special rules. Under many circumstances, the “market value” of an investment may be used. The application of these rules is complex and requires a comprehensive understanding of the rebate regulations.

To properly plan for the eventual payment of rebate to the United States, we suggest that you make annual calculations estimating rebate liability. The Tax Agreement establishes a “rebate fund” into which you may also wish to deposit annual estimates of rebate liability so that the payment to the United States may be made from amounts set aside. Federal tax law does not however, require such set asides. In any event, we strongly encourage you to make an annual estimate of the rebate liability. The calculations can be lengthy and often produce surprising results. Experience in operating our rebate calculation service indicates that the calculation is far more difficult as the period of time for which the calculation is being performed increases.

Phantom Income. With certain exceptions, amounts paid for administrative costs are not treated as increasing earnings for purposes of rebate calculations. Administrative costs that do not increase earnings are reasonable, direct administrative costs, other than carrying costs, and generally include brokerage commissions or similar fees for the purchase of investment agreements (but only to the extent that the commission does not exceed the amounts listed under the definition of Qualified Administrative Costs of Investment in the Tax Agreement) and separately stated brokerage or selling commissions but not legal and accounting fees, record keeping, custody and similar costs and expenses.

Computation Dates. Each calculation of Excess Earnings should be made as of a “Computation Date.” The Computation Date should be the same date in each calendar year (except that the final Computation Date should be the date on which all of the Combined Bonds are actually retired). As indicated above, a Computation Date is required at least every five years. The Final Computation Date must be on or before the fifth anniversary of the issuance of the Combined Bonds. Each Computation Date, other than the Final Computation Date, is the end of a bond year. A bond year ends on any date you choose within one year of the issuance of the Combined Bonds. If you do not choose an ending date for a bond year, it will be the date immediately prior to the anniversary date of the issuance of the Combined Bonds.

On a variable yield issue such as the Combined Bonds, Excess Earnings are computed for the period of time between Computation Dates (or from the date of issue of the Combined Bonds in the case of the first Computation Date) by calculating Allowable Earnings based on Yield for the period of time and comparing it with Actual Earnings for the same period. Once calculated for each such period, rebate for that period cannot change- *i.e.*, a snapshot for that period is taken and it never changes. Prior to the first date on which a rebate payment is required, you may choose to treat the end of any bond year as a Computation Date for purposes of the snapshot approach. After such date, you must consistently treat either the end of each bond year or the end of each fifth bond year as Computation Dates, and you may not change these Computation Dates after the first required rebate payment date.

Yield. For fixed rate issues, generally, the Yield is calculated based upon expected payments of principal of and interest on the Combined Bonds (including amounts treated as interest). Yield on a fixed rate issue is generally not required to be recalculated after the date of issuance except under certain limited circumstances. Generally, recomputation is required upon changes in hedging transactions (e.g., purchase or termination of a swap) or the transfer of rights associated with the Combined Bonds (e.g., sale of call option). The actual rules for computing Yield are quite complex, and if Yield must be calculated or recalculated, an expert should be consulted.

For variable Yield issues such as the Combined Bonds, as discussed above, Combined Yield is computed as of each Computation Date for the period from the prior Computation Date (or from the date of issue of the Combined Bonds in the case of the first Computation Date) to the current Computation Date, and it is based upon (i) the actual payments of principal and interest on the Combined Bonds (including amounts treated as interest) and (ii) the assumed receipt on such date of an amount equal to the value of the outstanding Combined Bonds. You may select the Computation Dates, using all information available, so as to minimize rebate liability. Such selection may be made at any time up to the first required payment date (generally 5 years after the date of issue). Periods as short as one year or as long as five years may be selected. Following the selection, all subsequent periods must be one year or five year periods. The choice of Computation Dates may affect the time when rebate computations and payments must be made. As with the calculation of yield on a fixed rate issue, the actual rules for computing Yield are quite complex and an expert should be consulted. If you, at any time, enter into any "qualified hedges," as defined by the Regulations (which include, for example, certain types of interest rate swaps or interest rate caps), with respect to the Combined Bonds, payments made or received under the qualified hedge must be taken into account in calculating Yield. **[See Section 3.5 of the Tax Agreement relating to the yield calculation in the event the Hedge is terminated during the term of the Bonds.]**

Generally, upon conversion of a variable yield issue such as the Combined Bonds to a fixed yield issue, the Yield on the issue after the conversion date will be calculated under the fixed Yield rules discussed above. Certain special rules and elections apply upon such a conversion and an expert should be consulted.

Gross Proceeds. Gross Proceeds for the Combined Bonds is defined in Article VII of the Tax Agreement. Based upon the facts and expectations presented in the Tax Agreement, the Gross Proceeds for the Combined Bonds are all moneys and investments in the funds and

accounts (regardless of where held) listed on *Appendix A*. If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal of or interest on the Combined Bonds, such amounts may also constitute Gross Proceeds. Please call us if this occurs.

Universal Cap. Gross Proceeds will cease to be allocated to the Combined Bonds (and will therefore be treated as if spent) if the amount of Gross Proceeds exceeds the outstanding amount of the Bonds (the "Universal Cap"). Although special rules are applicable in the case of discount bonds, the outstanding amount of bonds is roughly equal to the outstanding principal amount. Generally, but not always, the market value of investments is used to test the amount of Gross Proceeds. The Universal Cap may cause allocations on the second anniversary of the issue date and as of the first day of each bond year thereafter.

Commingled Funds. Funds allocated to two or more issues, or containing amounts that are not Gross Proceeds of the Combined Bonds and amounts that are Gross Proceeds of the Combined Bonds (including, for example, parity reserve funds) in which amounts are invested collectively without regard to source of funds must be treated as commingled funds. Investment earnings on commingled funds must be allocated to the Gross Proceeds of the Combined Bonds according to a consistently applied reasonable ratable allocation method. Such method, for example, may be based on average daily balances. Investments in commingled funds must generally be valued annually to properly allocate unrealized gain or loss to the Gross Proceeds of the Combined Bonds. This marked to market requirement does not apply to commingled debt service and debt service reserve funds and will generally not apply if the weighted average maturity of all investments held in the commingled fund during a particular fiscal year does not exceed eighteen months.

Six-Month Exception to the General Rule. If all Gross Proceeds (including earnings thereon) of the Combined Bonds are spent within six months of the date the Combined Bonds are issued, other than amounts deposited in a reasonably required reserve fund or a bona fide debt service fund, no rebate is required, except as described below in the case of an issue secured by a reasonably required reserve fund. If all Gross Proceeds of the Combined Bonds (including earnings thereon) required to be spent are so spent within this six-month period, except for an amount not to exceed 5 percent of Combined Bonds proceeds, and you spend such amount (plus earnings thereon) within one year from the Closing, no rebate is required, except as described below in the case of any issue secured by a reasonably required reserve fund. If the issue is secured by a reasonably required reserve fund, rebate is required on the reserve fund from the date the Combined Bonds are issued, but not on the other funds. To qualify for the six-month exception, there must not be collateral having a yield (as contrasted with a mortgage of real property) pledged to, or otherwise available for, the payment of the Combined Bonds, other than a reasonably required reserve or replacement fund or a bona fide debt service fund. Even if you qualify for this exception, you may have to rebate with respect to any amounts that arise or are pledged to the payment of the Combined Bonds at a later date. If this occurs, please call us for advice.

Tax Exempt Obligation Exception to the General Rule. To the extent that any gross proceeds are invested in Tax Exempt Obligations (as defined in Article VII of the Tax Agreement), the earnings thereon would not be considered when calculating Excess Earnings. To

the extent that 100 percent of gross proceeds are continually invested in Tax Exempt Obligations, there would be no rebate requirement. Please call us for advice if you plan to use this exception.

Investment of Rebate Fund and Other Funds. Investments of moneys in the Rebate Fund and any other fund must be made in arm's length transactions in a manner that does not reduce the amount to be rebated to the United States. Investment decisions (other than the decision to invest in Tax Exempt Obligations to avoid rebate) must be made on the basis of normal investment criteria of safety, yield and when the money will be needed. All interest rates and yields must be market rates and yields. Money must not be allowed to remain uninvested except for small amounts or for short periods of time, as provided in Section 3.4 of the Tax Agreement. Specific rules exist for certificates of deposit and investment agreements (including repurchase agreements) as set forth in Section 3.4 of the Tax Agreement.

Rebate Payments. Within 60 days after the Computation Date that is the end of the fifth bond year and every fifth bond year thereafter, at least 90 percent of the Excess Earnings and all earnings on the Excess Earnings (net of an appropriate credit, which depends on whether unexpended Gross Proceeds continue to exist) must be paid to the United States. Within 60 days of final payment of principal and interest on the Combined Bonds to the Lender, all Excess Earnings and all earnings on the Excess Earnings (net of the credit), must be paid to the United States. Mailing instructions are contained in *Appendix B*.

APPENDIX A

GROSS PROCEEDS*

- 1) Project Fund.

* If, contrary to the expectations described in the Tax Agreement, moneys or investments are pledged or otherwise set aside for payment of principal or of interest on the Combined Bonds, any amounts are derived from the sale of any right that is part of the terms of the Combined Bonds or is otherwise associated with the Combined Bonds (*e.g.*, a prepayment right) or the Borrower or Related Person enters into any agreement to maintain certain levels of types of assets for the benefit of a holder of the Combined Bonds or any credit enhancement with respect to the Combined Bonds, such amounts may also constitute Gross Proceeds of the Combined Bonds. Further, if any portion of the Total Financed Property (as defined in the Project Certificate) is sold or otherwise disposed of, contrary to the expectations described in the Tax Agreement, any amounts received from such sale or other disposition may also constitute Gross Proceeds of the Combined Bonds. Please call us if any of these events occur.

APPENDIX B

MAILING INSTRUCTIONS

All payments to the United States will be by check made payable to the United States Treasury and mailed to:

Internal Revenue Service Center
Ogden, Utah 84201

or to such other address as may be provided by the Internal Revenue Service of the United States for such payments. Payment shall be accompanied by a Form 8038-T. Form 8038-T must be signed by the issuer of the obligations with respect to which rebate is being paid.

EXHIBIT C

IRS FORM 8038

EXHIBIT D
POST-ISSUANCE COMPLIANCE PROCEDURES

EXHIBIT E

CERTIFICATE OF SWAP COUNTERPARTY

EXHIBIT F

SWAP IDENTIFICATION MEMORANDUM