

RESOLUTION NO. 2017-292

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, APPROVING THE ISSUANCE OF NOT EXCEEDING \$47,500,000 AGGREGATE PRINCIPAL AMOUNT RETIREMENT FACILITY REVENUE BONDS (WESTMINSTER ST. AUGUSTINE PROJECT), SERIES 2017A AND TAXABLE RETIREMENT FACILITY REVENUE BONDS (WESTMINSTER ST. AUGUSTINE PROJECT), SERIES 2017B, BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY TO FINANCE AND REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A CONTINUING CARE RETIREMENT COMMUNITY KNOWN AS GLENMOOR LOCATED WITHIN ST. JOHNS COUNTY; APPROVING SUCH ISSUANCE OF REVENUE BONDS PURSUANT TO CHAPTERS 125 AND 159, FLORIDA STATUTES, AS AMENDED, AND SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the St. Johns County Industrial Development Authority (hereafter, the "Authority") is a public body corporate and politic duly created and existing as a local governmental body and is authorized and empowered by Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act"), to make and execute financing agreements, contracts, deeds and other instruments necessary or convenient for the purpose of facilitating the financing and refinancing of the acquisition, construction and equipping of projects as defined in the Act, including machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Authority may be able to promote health care and economic growth in St. Johns County (the "County") and the State of Florida, increase opportunities for gainful employment and otherwise contribute to the welfare of the State of Florida and its inhabitants, and to finance and refinance the cost of such projects by the issuance of revenue bonds; and

WHEREAS, on August 14, 2017, the Authority adopted its resolution (the "Authority Resolution") authorizing (subject to subsequent approval by the County) the issuance of not exceeding \$47,500,000 aggregate principal amount Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017A and Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B (collectively, the "Bonds") the proceeds of the sale of which will be loaned to Westminster Pines, Inc., a Florida not-for-profit corporation described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") for the purpose of financing and refinancing the costs of acquiring, constructing, improving and equipping a continuing care retirement community known as Glenmoor and to be known as Westminster St. Augustine located within St. Johns County, Florida (the "Project"); and

WHEREAS, Section 147(f) of the Code requires public approval of certain private activity bonds by an applicable elected representative or governmental unit following a public hearing, and the Board of County Commissioners of the County (the "Board") constitutes an applicable elected representative or governmental unit; and

WHEREAS, pursuant to Section 147(f) of the Code a public hearing was scheduled before the Authority for August 14, 2017, and notice of such hearing was given in the form and in the manner required by the Code; and

WHEREAS, the Authority did on August 14, 2017 hold the public hearing and provided at such hearing reasonable opportunity for all interested individuals to express their views, both orally and in writing, on the issuance of the Bonds and the location and nature of the Project; and

WHEREAS, no views were expressed by anyone attending such hearing; and

WHEREAS, the Board desires to express its approval of the issuance of the Bonds as required by Section 147(f) of the Code and Sections 125.01(1)(z) and 159.47(1)(i), Florida Statutes; NOW THEREFORE,

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA:

SECTION 1. NO INDEBTEDNESS OF COUNTY. The Bonds and the interest thereon shall not constitute an indebtedness or pledge of the general credit or taxing power of the County, the Authority, the State of Florida or any political subdivision or agency thereof but shall be payable solely from the revenues pledged therefor pursuant to certain financing agreements entered into by and among the Authority, the Obligated Group, a corporate trustee or other parties prior to or contemporaneously with the issuance of the Bonds.

SECTION 2. BONDS APPROVED. The Board hereby approves, within the meaning of Section 147(f) of the Code and Sections 125.01(1)(z) and 159.47(1)(i), Florida Statutes, the issuance by the Authority of not exceeding \$47,500,000 aggregate principal amount Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017A and Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B to finance and refinance the Project.

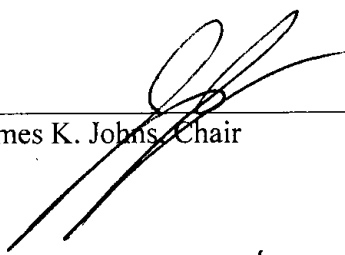
SECTION 3. NO ENDORSEMENT BY COUNTY. The approval given herein shall not be construed as (i) an endorsement of the creditworthiness of Westminster Pines, Inc., or the financial viability of the Project, (ii) a recommendation to any prospective purchaser to purchase the Bonds or (iii) an evaluation of the likelihood of the repayment of the debt service on the Bonds; and the Board shall not be construed by reason of adoption of this Resolution to make any such endorsement, finding or recommendation or to have waived any right of the County or the Authority or to be estopped from asserting any rights or responsibilities the County or the Authority may have in such regard. Further, the approval by the Board of the issuance of the Bonds by the Authority shall not be construed to obligate the County or the Authority to incur any liability, pecuniary or otherwise, in connection with either the issuance of the Bonds or the financing or refinancing of the Project, and the Authority shall so provide in the financing documents setting forth the details of the Bonds.

SECTION 4. **REPEALING CLAUSE.** All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 5. **EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED: This 5th day of September, 2017.

**BOARD OF COUNTY COMMISSIONERS OF
ST. JOHNS COUNTY, FLORIDA**

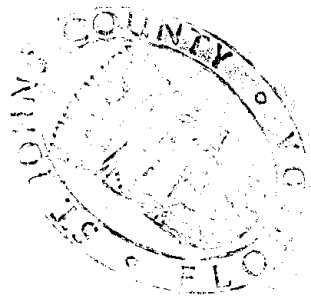
By: 
James K. Johns, Chair

(OFFICIAL SEAL)

Attest: Hunter S. Conrad, Clerk of Court

By: 
Deputy Clerk

RENDITION DATE 9/7/17



Resolution No. 2017-04

A RESOLUTION OF THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$47,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF RETIREMENT FACILITY REVENUE BONDS (WESTMINSTER ST. AUGUSTINE PROJECT), SERIES 2017 IN TWO SERIES TO FINANCE AND REFINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, IMPROVING AND EQUIPPING A CONTINUING CARE RETIREMENT COMMUNITY LOCATED WITHIN ST. JOHNS COUNTY; MAKING FINDINGS OF FACT; PROVIDING FOR THE LOAN OF THE PROCEEDS FROM THE SALE OF SUCH BONDS TO WESTMINSTER PINES, INC. TO FINANCE AND REFINANCE SUCH COSTS; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; APPROVING THE EXECUTION AND DELIVERY OF A BOND INDENTURE AND A LOAN AGREEMENT FOR SUCH BONDS; AUTHORIZING A NEGOTIATED SALE AND AWARD OF THE SALE OF THE BONDS WITHIN CERTAIN PARAMETERS; AUTHORIZING THE EXECUTION AND/OR DELIVERY OF A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS WITH RESPECT TO THE BONDS; TAKING CERTAIN OTHER ACTIONS WITH RESPECT TO THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, as follows:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This resolution, hereinafter called this "instrument," is adopted pursuant to the provisions of Chapter 159, Parts II and III, Florida Statutes, as amended and other applicable provisions of law (collectively, the "Act").

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this instrument shall have the meanings specified in the Bond Trust Indenture (the "Bond Indenture"), by and between the St. Johns County Industrial Development Authority (the "Issuer") and U.S. Bank National Association, as trustee thereunder (the "Bond Trustee"), and the Loan Agreement (the "Loan Agreement"), by and between the Issuer and Westminster Pines, Inc. d/b/a Westminster St. Augustine, a Florida not for profit corporation (the "Obligor") described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), attached hereto as Exhibits "A" and "B," respectively.

SECTION 3. FINDINGS. It is hereby found, ascertained, determined and, declared as follows:

A. The Issuer is authorized by the Act to make and execute any financing agreements, contracts, deeds and other instruments necessary and convenient for the purpose of facilitating the financing and refinancing of the acquisition, construction and equipping of projects as defined in the Act, including machinery, equipment, land, rights in land and other appurtenances and facilities related thereto, to the end that the Issuer will be able to promote the economic growth of the State of Florida, increase opportunities for gainful employment, promote the advancement of healthcare and the economic development of the State of Florida, and otherwise contribute to the general welfare of the State of Florida and its inhabitants, and to finance, refinance and reimburse the cost of such projects by the issuance of revenue bonds.

B. The Obligor by its application to the Issuer has requested the Issuer to issue its Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017 in one or more series (collectively, the "Bonds") in the aggregate principal amount of not exceeding \$47,500,000 for the purpose of (i) refinancing a loan made by Presbyterian Retirement Communities, Inc. to the Obligor to finance in part the acquisition by the Obligor of the continuing care retirement community presently known as Glenmoor ("Glenmoor") and to be known as Westminster St. Augustine for financing the purchase price of Glenmoor from Life Care St. Johns, Inc.; (ii) constructing and equipping the following capital improvements for the approximate amounts indicated: additional independent living units \$3 million, main kitchen renovation \$750,000, laundry/maintenance building \$400,000, portable building with exercise equipment \$125,000, 14 passenger buses \$114,000, garden apartment reroofing \$180,000, replace villa gutters and downspouts \$186,900, new 600 kilowatt emergency generator to support community center building \$238,000, two new fire alarm control panels \$75,000, golf cart designated charging station \$15,000, two health center and two garden apartment elevator modernizations \$360,000, domestic water piping relining in the health center and community center buildings \$300,000, upgrading or adding to the health center emergency generator plant to provide emergency power backup \$810,000, upgrade fire sprinkler piping \$100,000, generator transfer switch \$62,000, change out fire sprinkler heads throughout the community \$95,000, renovations to various units \$750,000, plus additional capital improvements at the Community; (iii) fund a debt service reserve fund and other necessary reserves; and (iv) pay costs of issuance of the Bonds. The foregoing is referred to as the "Project."

C. The Project is appropriate to the needs and circumstances of, and shall make a significant contribution to the economic growth of, St. Johns County, Florida and shall provide or preserve gainful employment or shall serve a public purpose by advancing the economic prosperity, the public health or the general welfare of the State of Florida and its people as stated in Section 159.26, Florida Statutes.

D. The financing plan presented by the Obligor involves the issuance of obligations under a master trust indenture between the Obligor and U.S. Bank National Association, as master trustee which will serve as security for the Bonds which will be issued pursuant to a trust indenture between the Issuer and a bond trustee. The obligations of the Obligor will be further evidenced pursuant to the terms of a loan agreement between the Issuer and the Obligor.

E. The Issuer is authorized and empowered by the Act to enter into transactions such as that contemplated by the Obligor's financing plan and to fully performed its obligations thereunder in order to provide healthcare facilities as defined in the Act.

F. The Issuer is a "local agency" within the meaning of Section 159.27(4), Florida Statutes.

G. The Obligor is financially responsible and fully capable and willing to fulfill its obligations under the financing documents, including the obligation to make payments in the amounts and at the times required; to operate, repair and maintain at its own expense the Project and to serve the purposes of the Act and such other responsibilities as may be imposed under the financing documents. In determining the financial responsibilities of the Obligor, due consideration has been given to the Obligor's ratio of current assets to current liabilities, net worth, earnings trends, coverage of all fixed charges, the nature of the industry or activity involved, its inherent stability and other factors determinative of the capability of the Obligor, financially or otherwise, to fulfill its obligation consistent with the purposes of the Act.

H. St. Johns County will be able to cope satisfactorily with the impact of the Project and will be able to provide or cause to be provided when needed, the public facilities, including utilities services, that will be necessary for the construction, operation, repair and maintenance of the Project and on account of any increases of population or other circumstances resulting therefrom. Notwithstanding the foregoing, the Issuer shall not be responsible to the Obligor for any deficiencies in the foregoing.

I. Adequate provision will be made in the financing documents for the operation, repair and maintenance of the Project at the expense of the Obligor and for payment of the principal of and interest on the Bonds.

J. The cost to be paid from the proceeds of the Bonds shall be costs of a project within the meaning of the Act.

K. Sections 159.46, 159.47(1)(i) and 159.53, Florida Statutes, encourage and authorize the Issuer to issue the Bonds and to expend the proceeds thereof.

L. The principal of and redemption premium, if any, and interest on the Bonds and all payments of the Issuer required under the financing documents shall be payable by the Issuer solely from the proceeds derived by the Issuer under the financing documents, and the Issuer shall never be required to: (i) levy ad valorem taxes on any property within its territorial limits to pay the principal of and redemption premium, if any, and interest on the Bonds or to make any other payments provided for under the financing documents; (ii) pay the same from any funds of the Issuer other than those derived by the Issuer under the financing documents; or (iii) require or enforce any payment or performance by the Obligor as provided in the financing documents unless the Issuer's expenses in respect thereof shall be paid from moneys derived under the financing documents or shall be advanced to the Issuer for such purpose, and the Issuer shall receive indemnity to its satisfaction. The Bonds shall not constitute a lien upon any property owned by the Issuer. Neither the faith and credit of the Issuer or of St. Johns County nor the taxing power of St. Johns County or of the State of Florida or any political subdivision thereof shall be pledged to the payment of the Bonds.

M. The Issuer has received the opinion of Rogers Towers, P.A., Bond Counsel dated August 1, 2017 to the effect that the Project constitutes a healthcare facility as defined in Act.

N. On August 14, 2017 the Issuer conducted a public hearing with respect to the issuance of the Bonds, in accordance with the requirements of Section 147(f) of the Code, as amended, and as no comments were expressed at such hearing, the Issuer desires to approve and authorize the financing.

O. The Board of County Commissioners of St. Johns County is hereby requested to authorize issuance of the Bonds by the Issuer, and the Bonds shall not be issued without such authorization.

P. The Issuer hereby finds that in order to assure the most favorable terms in the bond market, the size and complexity of the financing and the volatility of the market dictates that flexibility in timing of the sale is desirable and requires that its terms be negotiated at private sale rather than offered by competitive bid at public sale and, therefore, has determined to sell the Bonds at private, negotiated sale.

SECTION 4. FINANCING OF THE PROJECT AUTHORIZED. The financing and refinancing of the cost of the Project in the manner provided in the Loan Agreement, the Bond Indenture and the Master Indenture including the funding of amounts necessary to refinance the note to be given by the Obligor to Presbyterian Retirement Communities, Inc. to finance the acquisition of Glenmoor and fund additional capital improvements at the Community, the funding of necessary reserves and payment of costs associated with the issuance of the Bonds is hereby authorized.

SECTION 5. AUTHORIZATION OF BONDS. Obligations of the Issuer to be known as "Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017A" and "Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B" in the aggregate principal amount of not exceeding \$47,500,000, in the form and manner described in the Bond Indenture are hereby authorized to be issued. The Bonds will be dated such date and mature in such years and amounts, will contain such redemption provisions, will bear interest at such rates (not exceeding the maximum interest rate permitted by the Act or by other applicable provision of law), and will be payable on such dates, as provided in the Bond Indenture. For the reasons stated in Section 3 hereof, the Issuer hereby declares its intent to issue and sell the Bonds all at one time by a private, negotiated sale as authorized in Section 8 below. Notwithstanding the foregoing, the Bonds shall not be sold or issued until the Chairman or Vice Chairman of the Issuer shall hereafter approve the final terms of the sale of the Bonds by executing the purchase contract relating thereto as provided in this instrument. To the extent the Bonds are issued on the closing date in an aggregate principal amount less than \$47,500,000, upon such issuance of the Bonds, the authority to issue any balance of the Bonds authorized but not issued on such date shall be deemed cancelled.

SECTION 6. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE BOND INDENTURE. As security for the payment of the principal of and premium, if any, and interest on the Bonds, pro rata and without preference, except as provided in the Bond Indenture, of any one of the Bonds over any other thereof, the Bond Indenture, in substantially the form attached hereto as Exhibit "A," with such changes, alterations and corrections as may be approved by the Chairman or Vice Chairman of the Issuer, such approval to be presumed and evidenced by his execution thereof, is hereby approved by the Issuer; and the Issuer hereby authorizes and directs said Chairman or Vice Chairman to execute and any other member of the Issuer to attest under seal

of the Issuer and to deliver to the Bond Trustee the Bond Indenture, all of the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Bond Trustee duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. The Issuer does hereby provide in the Bond Indenture the terms, conditions, covenants, rights, obligations, duties and agreements to and for the benefit of the holders of the Bonds, the Issuer, the Obligor and the Bond Trustee. The Bond Trustee is hereby appointed bond trustee under the Bond Indenture.

SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE LOAN AGREEMENT. The Loan Agreement, in substantially the form attached hereto as Exhibit "B," with such changes, alterations and corrections as may be approved by the Chairman or Vice Chairman of the Issuer, such approval to be presumed and evidenced by his execution thereof, are hereby approved by the Issuer; and the Issuer hereby authorizes and directs said Chairman or Vice Chairman to execute and any other member of the Issuer to attest under the seal of the Issuer and to deliver to the Obligor the Loan Agreement, the provisions of which, when executed and delivered by the Issuer as authorized herein and by the Obligor duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein.

SECTION 8. AUTHORIZATION OF EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT. The Bond Purchase Agreement, in substantially the form attached hereto as Exhibit "C," with such changes, alterations and corrections as may be approved by the Chairman or the Vice Chairman of the Issuer, such approval to be presumed and evidenced by his execution thereof, are hereby approved by the Issuer; and the Issuer hereby authorizes and directs said Chairman or Vice Chairman to execute and to deliver to the Obligor and Herbert J. Sims & Co., Inc. (or any other underwriter designated in writing by the Obligor), as underwriter for the Bonds, the Bond Purchase Agreement, the provisions of which, when executed and delivered by the Issuer as authorized herein and by the other parties thereto, each duly authorized, shall be deemed to be a part of this instrument as fully and to the same extent as if incorporated verbatim herein. The Chairman or Vice Chairman of the Issuer is expressly authorized to award the sale of the Bonds in an aggregate principal amount not to exceed \$47,500,000.

SECTION 9. OFFICIAL STATEMENT. The distribution of the Preliminary Official Statement relating to the Bonds in substantially the form attached hereto as Exhibit "D," with such changes as shall be approved by the Obligor is hereby authorized. The Chairman or Vice Chairman of the Issuer is hereby authorized to deem such Preliminary Official Statement as "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, as amended, except for certain permitted omissions as provided for in such rule. The final Official Statement relating to the Bonds in such form and substance as shall be approved by the Obligor is hereby approved, and distribution is hereby authorized.

SECTION 10. CONTINUING DISCLOSURE. The Issuer hereby approves the Continuing Disclosure Certificate to be executed on behalf of the Obligor in substantially the form attached hereto as Exhibit "E," with such changes as shall be approved by the Obligor.

SECTION 11. TAX CERTIFICATE. The Chairman or Vice Chairman of the Issuer is hereby authorized and directed to execute any appropriate tax regulatory agreement or tax certificate ("Tax Certificate") necessary to properly document the tax-exempt nature of the Bonds

bearing series designation 2017A and to comply with the Issuer's Post-Issuance Compliance Policy and Procedures, if any.

SECTION 12. NO PERSONAL LIABILITY. No covenant, stipulation, obligation or agreement herein contained or contained in the Loan Agreement, the Bond Indenture, the Interlocal Agreement or the other documents that are executed by the Issuer in connection with the issuance of the Bonds shall be deemed to be a covenant, stipulation, obligation or agreement of any member, agent or employee of the Issuer or its governing body in his or her individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 13. NO THIRD PARTY BENEFICIARIES. Except as herein or in the Loan Agreement or the Bond Indenture otherwise expressly provided, nothing in this instrument or in the Loan Agreement or the Bond Indenture, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation other than the Issuer, the Obligor, the holders of the Bonds and the Bond Trustee any right, remedy or claim, legal or equitable, under and by reason of this instrument or any provision thereof or of the Loan Agreement or the Bond Indenture, this instrument, the Loan Agreement and the Bond Indenture intended to be and being for the sole and exclusive benefit of the Issuer, the Obligor, the holders from time to time of the Bonds and the Bond Trustees.

SECTION 14. CHAIRMAN'S DESIGNATION OF SIGNATORY. The Chairman of the Issuer is hereby authorized to designate by written certificate one or more authorized signatories to execute any and all instruments, documents and certificates in his place. Such signature shall have the effect of the Chairman's signature as authorized in this instrument.

SECTION 15. GENERAL AUTHORITY. The members of the Issuer and officers, attorneys, accountants, engineers or other agents or employees of the Issuer are hereby authorized to (a) do all acts and things required of them by this instrument, the Loan Agreement, the Bond Indenture, the Tax Certificate and the Bond Purchase Agreement (collectively, the "Bond Documents") or desirable or consistent with the requirements hereof or such Bond Documents, for the full punctual and complete performance of all the terms, covenants and agreements contained in the Bonds, the Bond Documents, and this instrument; and (b) carry out, give effect and consummate the transaction contemplated by the Bond Documents and this instrument.

SECTION 16. THIS INSTRUMENT CONSTITUTES A CONTRACT. The Issuer covenants and agrees that this instrument shall constitute a contract between the Issuer and the holders from time to time of any of the Bonds then outstanding and that all covenants and agreements set forth herein and in the Loan Agreement and the Bond Indenture to be performed by the Issuer shall be for the equal and ratable benefit and security of all holders of the Bonds without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds, except as provided in the Bond Indenture.

SECTION 17. EXECUTION OF BONDS AND AUTHORIZATION OF ALL OTHER NECESSARY ACTION. The Chairman or Vice Chairman of the Issuer, with attestation by the Secretary or any member of the Issuer's governing body, are hereby authorized and directed to execute the Bonds when prepared, by manual or facsimile signature, and to deliver the same to the Bond Trustee for authentication and delivery to the purchasers upon payment of the purchase price

subject to the conditions stated in the Bond Purchase Agreement, the Bond Indenture and this instrument. Such officers, counsel to the Issuer, and Rogers Towers, P.A., bond counsel, are designated agents of the Issuer in connection with the issuance and delivery of the Bonds, and are authorized and empowered, collectively or individually, to take all action and steps to execute and deliver any and all instruments, documents or contracts on behalf of the Issuer which are necessary or desirable in connection with the execution and delivery of the Bonds and which are not inconsistent with the terms and provisions of this instrument.

SECTION 18. REPEALING CLAUSE. All resolutions or parts thereof of the Issuer in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 19. COMPLIANCE WITH CHAPTER 218, PART III, FLORIDA STATUTES. The Issuer hereby approves and authorizes the completion, execution and filing with the Division of Bond Finance, Department of General Services of the State of Florida, at the expense of the Obligor, of advance notice of the impending sale of the Bonds, of Bond Information Form BF 2003 and of a copy of Internal Revenue Service Form 8038, and any other acts as may be necessary to comply with Chapter 218, Part III, Florida Statutes, as amended.

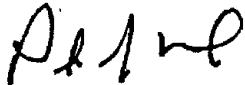
SECTION 20. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued hereunder.

SECTION 21. EFFECTIVE DATE. This instrument shall take effect immediately upon its adoption.

ADOPTED: This 14th day of August, 2017.

ST. JOHNS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

(SEAL)

By: 
Chairman

Attest:

By: 

Exhibit A

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,

as Bond Trustee

BOND TRUST INDENTURE

Dated as of _____ 1, 2017

\$ __,000,000

St. Johns County Industrial Development Authority
Retirement Facility Revenue Bonds
(Westminster St. Augustine Project),
Series 2017A

and

\$ __,000,000

Taxable Retirement Facility Revenue Bonds
(Westminster St. Augustine Project),
Series 2017B

This instrument prepared by:
Rogers Towers, P.A.
1301 Riverplace Boulevard
Suite 1500
Jacksonville, Florida 32207

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Bond Trust Indenture and is only for convenience of reference)

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BOND TRUST INDENTURE

THIS BOND TRUST INDENTURE dated as of _____ 1, 2017 (this "Bond Indenture"), between **ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY** (together with any successor to its rights, duties and obligations hereunder, the "Issuer"), a public body corporate and politic of the State of Florida created and existing under the constitution and laws of the State of Florida with the powers, among others, set forth in Parts II and III of Chapter 159, Florida Statutes, as amended (the "Act") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association with trust powers having an office in Jacksonville, Florida, as trustee, being authorized to accept and execute trusts of the character herein set out (the "Bond Trustee"),

WITNESSETH:

WHEREAS, pursuant to the Act the Issuer is authorized to make loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of projects, including health care facilities (within the meaning of the Act), to carry out any of its purposes and to issue its bonds for the purpose of carrying out any of its powers; and

WHEREAS, Westminster Pines d/b/a Westminster St. Augustine, a Florida not for profit corporation (the "Obligor"), is involved in the business of continuing care retirement communities and intends to obtain financing and refinancing with respect thereto through the issuance by the Issuer of the Bonds referred to herein and the loan by the Issuer of the proceeds thereof to the Obligated Group (as defined herein); and

WHEREAS, the Issuer deems it desirable and in keeping with its purposes under the act to issue its bonds and to loan the proceeds thereof to the Obligor for the purpose of financing and refinancing the cost of the acquisition, construction, equipping by the Obligor of the continuing care retirement community now known as Westminster St. Augustine (the "Community") through the issuance of its revenue bonds; and

WHEREAS, the Issuer is authorized by law and deems necessary, in accordance with its powers described above, and has duly authorized and directed that its revenue bonds, to be known as "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A" (the "Series A Bonds") and "St. Johns County Industrial Development Authority Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B" (the "Series B Bonds," together with the Series A Bonds," the "Bonds") in the aggregate principal amount for both series of \$_____,000,000 to (i) refinance a loan made by Presbyterian Retirement Communities, Inc. ("PRC") to the Obligor; (ii) finance certain capital improvements at its Community; (iii) fund the Debt Service Reserve Fund created under this Bond Indenture and fund other funds required, and (iv) pay the costs of issuance of the Bonds; and

WHEREAS, the proceeds of the Bonds shall be lent to the Obligor pursuant to a Loan Agreement dated as of _____ 1, 2017 (the "Agreement") between the Issuer and the Obligor; and

WHEREAS, to secure the payment of the principal of the Bonds, premium, if any, and interest thereon and the performance and observance of the covenants and conditions herein contained the Issuer has authorized the execution and delivery of this Bond Indenture; and

WHEREAS, the Bonds, the Bond Trustee's Authentication Certificate and the Assignment are to be substantially in the following forms, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this Bond Indenture:

(FORM OF BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC") to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hercof, Cede & Co., has an interest herein.

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
[TAXABLE] RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017A[B]

No. R-_____ \$_____

Interest Rate	Initial Reset Date	Maturity Date	Dated	CUSIP No.
_____%	_____, 20__	August 1, 20__	_____, 2017	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

The ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY, a public body corporate and politic of the State of Florida created and existing under the constitution and laws of the State of Florida (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on February 1 and August 1 of each year, commencing February 1, 2018, at the interest rate specified above to but not including the Initial Reset Date specified above, until payment of the principal hereof has been made or provided for. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of this Bond.

This Bond is a special obligation of the Issuer payable solely from and secured by a pledge of the Trust Estate and funds provided therefor under the Bond Indenture. This Bond and the interest hereon shall not be deemed to constitute a debt, liability or obligation of the State of Florida or any political subdivision thereof. Neither the State of Florida nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Bond, other than from the Trust Estate, and neither the faith and credit nor the taxing power of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond.

If this Bond is no longer in book-entry form, the principal of and premium, if any, on this Bond are payable upon the presentation and surrender hercof at the designated corporate trust office of U.S. Bank National Association, as trustee, or at the designated corporate trust office of its successor in trust

(the "Bond Trustee") under an Bond Trust Indenture dated as of _____ 1, 2017 (the "Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Bond will be paid on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), by check or draft mailed to the Person in whose name this Bond is registered (the "registered owner") in the registration records of the Issuer maintained by the Bond Trustee at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date") or by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, redemption premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner hereof at the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner hereof at the close of business on a Special Record Date (as defined in the hereinafter defined Agreement), for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of such Bonds not less than 10 days prior to such Special Record Date. Alternative means of payment of interest may be used if mutually agreed upon between the owner of this Bond and the Bond Trustee, as provided in the Bond Indenture. All such payments shall be made in lawful money of the United States of America.

This Bond shall be issued pursuant to a book entry system administered by The Depository Trust Company (together with any successor thereto, "Securities Depository"). The book entry system will evidence beneficial ownership of the Bonds with transfers of ownership effected on the register held by the Securities Depository pursuant to rules and procedures established by the Securities Depository. So long as the book entry system is in effect, transfer of principal, interest and premium payments, and provisions of notices or other communications, to beneficial owners of the Bonds will be the responsibility of the Securities Depository as set forth in the Bond Indenture.

This Bond is one of a duly authorized series of bonds of the Issuer dated the date shown above, known as "St. Johns County Industrial Development Authority [Taxable] Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A[B] (the "Series 2017A[B] Bonds") and issued in an aggregate principal amount of \$_____,000,000 for the purpose of providing funds to be lent to Westminster Pines, d/b/a Westminster St. Augustine, a Florida not for profit corporation (the "Obligor"), to be used to (i) refinance a loan made to the Obligor by Presbyterian Retirement Communities, Inc., (ii) finance certain capital improvements at its continuing care retirement community, (iii) fund a debt service reserve fund for the Series 2017A[B] Bonds and other required reserves, and (iv) pay the costs of issuance of the Series 2017 Bonds. There are also outstanding with the Series 2017A[B] Bonds \$_____ original principal amount of St. Johns County Industrial Development Authority [Taxable] Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B[A] that are entitled to a parity lien on the Trust Estate with this Bond.

To evidence its loan repayment obligations under the Series 2017A Bonds and the Series 2017B Bonds, the Obligor has issued its Series 2017 Note (the "Series 2017 Note") under a Master Trust Indenture, dated as of _____ 1, 2017, as supplemented (the "Master Trust Indenture"), between the Obligor and U.S. Bank National Association, as master trustee (the "Master Trustee"). Pursuant to the Master Trust Indenture, the Obligated Group has pledged and granted a security interest in the Gross Revenues (as defined in the Master Trust Indenture) and certain personal property to the Master Trustee to secure the Series 2017 Note. Additional obligations on a parity with the Series 2017 Note may be issued pursuant to the Master Trust Indenture subject to the conditions and terms contained therein, and the

payments on such additional obligations will also be secured by a pledge of the Gross Revenues and certain real and personal property.

To secure its obligations under the Master Indenture and the Series 2017 Note, the Obligor has executed and delivered a Mortgage, Security Agreement and Fixture Filing, dated as of ____ 1, 2017, from the Obligor in favor of the Master Trustee under which the Obligor grants a lien on the property described therein.

This Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the Agreement pledged under the Bond Indenture. The Series 2017A[B] Bonds are issued under and are equally and ratably secured with the Series 2017B[A] Bonds and are entitled to the protection given by the Bond Indenture.

No recourse under or upon any obligation, covenant, or agreement contained in the Bond Indenture, or in any Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Bond Indenture, shall be had against any director, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, members, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Bond or the Bond Indenture, shall be personally liable hereon or thereon or be subject to any personal liability by reason of the issuance hereof and thereof, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the execution of the Bond Indenture and the issuance of this Bond.

Reference is hereby made to the Bond Indenture and the Master Trust Indenture for a description of the revenues pledged, the nature and extent of the security, the rights, duties, and obligations of the Issuer, the Bond Trustee and the owners of the Bonds, and the terms and conditions upon which the Bonds are, and are to be, secured.

The Series 2017A[B] Bonds maturing on and after August 1, 20__ are subject to optional redemption prior to maturity by the Issuer at the written direction of the Obligor in whole or in part on ____ 1, 20__ or on any date thereafter at the redemption prices set forth in the table below, together with accrued and unpaid interest to the redemption date.

Redemption Dates

Redemption Prices

%

The Series 2017A[B] Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the applicable Principal Subaccount of the Bond Fund a sum which is sufficient to redeem on _____ 1 of each of the following years (after credit as provided below) the following

principal amounts of such Series 2017A[B] Bonds, plus accrued and unpaid interest to the redemption date:

Year	Amount	Year	Amount
	\$		\$

*maturity

The Series 2017A[B] Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the applicable Principal Subaccount of the Bond Fund a sum which is sufficient to redeem on _____ 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017A[B] Bonds, plus accrued and unpaid interest to the redemption date:

Year	Amount	Year	Amount
	\$		\$

*maturity

At the option of the Obligor to be exercised by delivery of a written certificate to the Bond Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Series 2017A[B] Bonds or portions thereof of the same maturity and interest rate, in an aggregate principal amount desired by the Obligor or (ii) specify a principal amount of Series 2017A[B] Bonds or portions thereof of the same maturity and interest rate, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Bond Trustee at the request of the Obligor and not theretofore applied as a credit against any sinking fund redemption obligation.

The Series 2017A[B] Bonds shall also be subject to optional redemption by the Issuer at the direction of the Obligor prior to their scheduled maturities, in whole or in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest from the most recent interest payment date to the redemption date on any date following the occurrence of any of the following events:

(a) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount (as defined in the Master Trust Indenture), and the Obligor has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or

(b) as a result of any changes in the Constitution or laws of the State of Florida or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body

(whether state or federal), the obligations of the Obligor under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

[The Series 2017A Bonds are subject to mandatory redemption in whole on any Business Day within 60 days after the occurrence of a Determination of Taxability (as defined in the Agreement) at a redemption price equal to (i) ___% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was the result of any action or inaction on the part of the Obligor, or (ii) 100% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was not the result of any action or inaction on the part of the Obligor, plus in either case accrued interest thereon to, but not including, the redemption date; *provided, however*, if, in the opinion of Bond Counsel, a mandatory redemption on account of a Determination of Taxability of less than all of the Series 2017A Bonds would result in the interest on the Series 2017A Bonds Outstanding following such mandatory redemption not being includable in the gross income of the owners of such Outstanding Series 2017 Bonds, then the Series 2017 Bonds are subject to mandatory redemption upon the occurrence of a Determination of Taxability in the amount specified in such opinion; *provided*, that such redemption must be in an authorized denomination.]

If less than all Series 2017A[B] Bonds are to be optionally redeemed, the Obligor shall select the maturities eligible for redemption which are to be redeemed. If less than all Series 2017A[B] Bonds of a single maturity are to be redeemed, the selection shall be made by the Securities Depository or by lot by the Bond Trustee. Notice of the call for any redemption shall be given by the Bond Trustee by sending a copy of the redemption notice by mail not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Bond to be redeemed as shown on the registration records kept by the Bond Trustee, as provided in the Bond Indenture. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date; *provided*, funds for their payment are on deposit at the place of payment at that time. Optional redemption of Series 2017A[B] Bonds may be conditioned upon the deposit of moneys with the Bond Trustee in an amount sufficient to pay the redemption price of such Series 2017A[B] Bonds.

In lieu of redeeming the Series 2017A[B] Bonds, the Bond Trustee shall, at the direction of the Obligor, use such funds otherwise available under the Bond Indenture for redemption of Series 2017A[B] Bonds to purchase Series 2017A[B] Bonds as described in the Bond Indenture.

The Series 2017A[B] Bonds shall initially bear interest at the rate shown above to but not including the Initial Reset Date. On and after the Initial Reset Date, the Series 2017A[B] Bonds shall bear interest at the Reset Rate as described in the Bond Indenture during the applicable Reset Period. The interest rate applicable to the Series 2017A[B] Bonds on and after the Initial Reset Date shall be determined as provided in the Bond Indenture.

On any Reset Date on or after _____ 1, 20__, the Registered Owner of the Series 2017A[B] Bonds may, at its option, tender in whole or in part any of its Series 2017A[B] Bonds for purchase by the Bond Trustee on behalf of the Obligor at a purchase price equal to the principal amount thereof plus accrued interest to the Tender Date, all as provided in the Bond Indenture.

The Series 2017A[B] Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof and are exchangeable for an equal aggregate principal amount of fully registered Series 2017A[B] Bonds of the same maturity and interest rate of other authorized denominations at the aforesaid office of the Bond Trustee but only in the manner and subject to the limitations and on payment of the charges provided in the Bond Indenture.

This Bond is fully transferable by the registered owner hereof in person or by his or her duly authorized attorney on the registration books kept at the designated corporate trust office of the Bond Trustee upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee, subject to applicable requirements of the Securities Depository. Upon such transfer a new fully registered Series 2017A[B] Bond of authorized denomination or denominations for the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange herefor, all upon payment of the charges and subject to the terms and conditions set forth in the Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Series 2017A[B] Bond after the mailing of notice calling such Series 2017A[B] Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the Person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee shall be affected by any notice to the contrary. The principal of, premium, if any, and interest on this Bond shall be paid free from and without regard to any equities between the Obligor and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Bond Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Bond Indenture. In case an event of default under the Bond Indenture shall occur, the principal of all of the Bonds at any such time Outstanding under the Bond Indenture may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Bond Indenture. The Bond Indenture provides that such declaration may in certain events be waived by the Bond Trustee or the owners of a requisite principal amount of the Bonds Outstanding under the Bond Indenture.

To the extent permitted by, and as provided in, the Bond Indenture, modifications or amendments of the Bond Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the owners of the Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority in aggregate principal amount of the Bonds then Outstanding; *provided, however*, that no such modification or amendment shall be made which will affect the terms of payment of the principal of, premium, if any, or interest on any of the Bonds, which are unconditional. Any such consent by the owner of this Bond shall be conclusive and binding upon such owner and upon all future owners of this Bond and of any Bond issued upon the transfer or exchange of this Bond whether or not notation of such consent is made upon this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS BOND shall not be entitled to any benefit under the Bond Indenture, or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Bond Trustee shall have manually signed the certificate of authentication hereon.

IN WITNESS WHEREOF, St. Johns Industrial Development Authority has caused this Bond to be executed with the manual or facsimile signatures of its Chair and Secretary, and a facsimile of its official seal to be hereto affixed or printed, all as of the date set forth above.

(SEAL)

**ST. JOHNS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

By: _____
Chair

Attest:

Secretary

(FORM OF BOND TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2017A[B] Bonds referred to in the within mentioned Bond Indenture.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION,
as Bond Trustee

By: _____
Authorized Signatory

(END OF FORM OF BOND TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond, and does hereby irrevocably constitute and appoint _____ attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Date: _____

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

Signature Guaranteed By:

Authorized Signatory

NOTE: The signature to this Assignment must be guaranteed by a financial institution that is a member of the Securities Transfer Agents Medallion Program ("STAMP"), the Stock Exchange Medallion Program ("SEMP") or the New York Stock Exchange, Inc. Medallion Signature Program ("MSP").

[FORM OF DTC FAST RIDER]

DTC FAST RIDER

Each Series 2017 Bond certificate shall remain in the Bond Trustee's custody subject to the provisions of the FAST Balance Certificate Agreement currently in effect between the Bond Trustee and DTC.

* * * [END OF SERIES 2017 BOND FORM] * * *

WHEREAS, all things necessary to make the Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding, and legal obligations of the Issuer and to constitute this Bond Indenture a valid, binding, and legal instrument for the security of the Bonds in accordance with its terms, have been done and performed

NOW, THEREFORE, THIS BOND TRUST INDENTURE WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof and of the sum of One Dollar to it duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this Bond Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Bond Indenture and has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, set over, and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, assign, pledge, set over, and confirm unto the Bond Trustee and to its successors and assigns forever, all and singular the following described property, franchises, and income:

(A) All of the Issuer's right, title and interest in and to the Series 2017 Note delivered by the Obligor to the Issuer pursuant to the Master Trust Indenture (as defined in the Agreement); and

(B) All of the Issuer's right, title and interest in and to the Agreement (except for the rights of the Issuer to receive payments, if any, under Sections 5.7, 7.4, 7.8, and 9.5 of the Agreement and related rights and remedies, and the rights of consent and immunities conferred on the Issuer by the Agreement), together with all powers, privileges, options and other benefits of the Issuer contained in the Agreement; *provided, however*, that nothing in this clause shall impair, diminish or otherwise affect the Issuer's obligations under the Agreement or, except as otherwise provided in this Bond Indenture, impose any such obligations on the Bond Trustee; and

(C) Amounts on deposit from time to time in the Bond Fund, the Construction Fund, the Debt Service Reserve Fund and the Costs of Issuance Fund, but excluding the Rebate Fund (all as defined in the Agreement), subject to the provisions of this Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

(D) Any and all property of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with the Bond Trustee as additional security by

the Issuer or anyone on its part or with its written consent, or which pursuant to any of the provisions hereof or of the Agreement or the Series 2017 Note may come into the possession of or control of the Bond Trustee or a receiver appointed pursuant to Article VIII hereof, as such additional security; and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms hereof.

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

IN TRUST, NEVERTHELESS, upon the terms herein set forth for the equal and proportionate benefit, security, and protection of all owners of the Bonds issued under and secured by this Bond Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any other of the Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Bond Trustee the entire amount due or to become due hereon, or certain securities as herein permitted and shall keep, perform, and observe all the covenants and conditions pursuant to the terms of this Bond Indenture to be kept, performed, and observed by it, and shall pay or cause to be paid to the Bond Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such final payments this Bond Indenture and the rights hereby granted shall cease, determine, and be void; otherwise this Bond Indenture to be and remain in full force and effect.

THIS BOND INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered and all said rights hereby pledged and assigned are to be dealt with and disposed of under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant, with the Bond Trustee and with the respective owners from time to time of the Bonds as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definitions. All defined words and phrases used in this Bond Indenture (but not otherwise defined herein) shall have the meaning given and ascribed to such words and phrases in Article I of the Agreement.

Section 1.02 Recital Incorporation. The recitals set forth in the beginning of this Indenture are hereby incorporated herein.

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01 Authorized Amount of Bonds. No Bonds may be issued under this Bond Indenture except in accordance with this Article II. The total principal amount of Series 2017A Bonds

that may be issued hereunder is hereby expressly limited to \$_____,000,000, except as provided in Section 2.06 hereof. The total principal amount of Series 2017B Bonds that may be issued hereunder is hereby expressly limited to \$_____,000,000, except as provided in Section 2.06 hereof.

Section 2.02 All Bonds Equally and Ratably Secured; Bonds Not an Obligation of Issuer.

All Bonds issued under this Bond Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority, or distinction on account of the date or dates or the actual time or times of the issuance or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien, and preference under and by virtue of this Bond Indenture, and shall all be equally and ratably secured hereby. The Bonds shall be payable solely out of the revenues and other security pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer.

Section 2.03 Authorization of Bonds. (a) There is hereby authorized to be issued hereunder and secured hereby two series of bonds designated as the "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017A and St. Johns County Industrial Development Authority Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B." The Bonds shall be numbered consecutively upward from AR-1 and BR-1, as applicable.

(b) The Series 2017A Bonds shall initially bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2017A Bonds. The Series 2017A Bonds shall mature on August 1 in the years and in the principal amounts set forth below and, initially, bear interest at the corresponding interest rate per annum, calculated on the basis of a 360-day year composed of 12 30-day months payable each February 1 and each August 1, commencing February 1, 2018, as follows:

<u>August 1 of the Year</u>	<u>Principal Amount</u>	<u>Initial Interest Rate</u>
2020	\$	%
2021		
2022		
2023		
2024		
2025		
2026		
2031		
2036		
2037		
2044		

(c) The Series 2017B Bonds shall initially bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2017B Bonds. The Series 2017B Bonds shall mature on August 1 in the years and in the principal amounts set forth below and, initially, bear interest at the corresponding interest rate per annum, calculated on the basis of a 360-day year composed of 12 30-day months payable each February 1 and each August 1, commencing February 1, 2018, as follows:

<u>August 1 of the Year</u>	<u>Principal Amount</u>	<u>Initial Interest Rate</u>
2020	\$	%
2021		
2022		
2023		
2024		
2025		
2026		
2031		
2036		
2037		
2044		

(d) The Bonds shall be issued in Authorized Denominations. The Bonds shall be dated the date of initial delivery of the Bonds to the purchasers thereof pursuant to the terms of this Bond Indenture. The Bonds are subject to prior redemption as herein set forth and shall be substantially in the form and tenor hereinabove recited with appropriate variations, omissions, and insertions as are permitted or required by this Bond Indenture.

(e) Payment of interest on any Bond shall be made to the Person who is the registered owner thereof at the close of business on the Regular Record Date for such Interest Payment Date by check mailed by the Bond Trustee on such Interest Payment Date to such registered owner at its, his or her address as it appears on the registration records kept by the Bond Trustee or by wire transfer of same day funds upon receipt by the Bond Trustee at least 10 days prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Bonds. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal, premium, if any, and interest on the Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable to the Person who is the registered owner of such Bond at the close of business on the Regular Record Date and shall be payable to the Person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Bond Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds not less than 10 days prior thereto by first class postage prepaid mail to each such registered owner as shown on the registration records, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. Alternative means of payment of interest may be used if mutually agreed upon between the owners of any Bonds and the Bond Trustee. All such payments shall be made in lawful money of the United States of America. If the Bonds are no longer in book-entry form, the principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, upon presentation and surrender of the Bonds.

Notwithstanding the foregoing, payments of the principal of and premium, if any, and interest on any Bonds that are subject to the book entry system as provided in this Article II shall be made in accordance with the rules, regulations and procedures established by the securities depository in connection with the book entry system.

Section 2.04 Execution of Bonds, Signatures. The Bonds shall be executed on behalf of the Issuer by its Chair or Vice Chair and its official seal shall be thereunto affixed and attested by the Secretary or Assistant Secretary. The signatures of such officers and the seal of the Issuer may be in facsimile. In case any officer who shall have signed any of the Bonds shall cease to hold such office and any of such Bonds shall have been authenticated by the Bond Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Bond Trustee, and delivered, and may be sold by the Issuer, as though the Person or Persons who signed such Bonds had remained in office.

Section 2.05 Registration and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Bond Indenture to be kept by the Bond Trustee which is hereby appointed the bond registrar and transfer agent of the Issuer for the Bonds. Upon surrender for transfer of any fully registered Bond at the Payment Office of the Bond Trustee, duly endorsed for transfer or accomplished by an assignment duly executed by the registered owner or his attorney duly authorized in writing, the Issuer shall execute and the Bond Trustee shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of a like aggregate principal amount, maturity and interest rate for a like principal amount and maturity.

The Issuer shall execute and the Bond Trustee shall authenticate and deliver Bonds which the Bondholder making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Issuer of any fully registered Bond of any denomination shall constitute full and due authorization of such denomination and the Bond Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Bond Trustee shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion thereof for redemption has been given as herein provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

As to any Bond, the Person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of or interest on any Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Bond Trustee shall require the payment by any Bondholder requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06 Lost, Stolen, Destroyed, and Mutilated Bonds. Upon receipt by the Bond Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction, or mutilation of any Bond and, in the case of a lost, stolen, or destroyed Bond, of indemnity satisfactory to it, and upon surrender and cancellation of the Bond if mutilated, (i) the Issuer shall execute, and the Bond Trustee shall authenticate and deliver, a new Bond of the same series, date, interest rate and maturity as the lost, stolen, destroyed or mutilated Bond in lieu of such lost, stolen, destroyed, or mutilated Bond or (ii) if such lost, stolen, destroyed, or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Issuer may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Bond Trustee in connection with the

issue of such new Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds, negotiable instruments, or other securities. If, after the delivery of such new Bond, a bona fide purchaser of the original Bond in lieu of which such duplicate Bond was issued presents for payment such original Bond, the Obligor or the Bond Trustee shall be entitled to recover upon such new Bond from the Person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Obligor or the Bond Trustee in connection therewith.

Section 2.07 Delivery of Bonds. Upon the execution and delivery of this Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Bonds and deliver them to the initial purchasers thereof as directed by the Issuer and as hereinafter in this Section provided.

Prior to the delivery by the Bond Trustee of any of the Bonds there shall be filed with and delivered to the Bond Trustee at least:

(a) Certified Resolutions of the Issuer authorizing the execution and delivery of the Agreement and this Bond Indenture and the issuance of the Bonds.

(b) Original executed counterparts of the Agreement, this Bond Indenture, the Supplemental Indenture and the Master Trust Indenture.

(c) The Series 2017 Note, duly executed and authenticated and duly assigned and payable to the Bond Trustee.

(d) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its Chair or Vice Chair to authenticate and deliver the Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer of a sum specified in such request and authorization plus accrued and unpaid interest thereon to the date of delivery, together with instructions as to the disposition of the proceeds of the Bonds.

(e) An Opinion of Bond Counsel to the effect that the Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, that the interest payable on the Series 2017A Bonds is excludable from gross income for federal income tax purposes and that each of the instruments to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and constitutes the valid and binding obligation of the Issuer, subject to customary qualifications on enforceability.

(f) Such other documents as may reasonably be requested by the Underwriter.

With respect to (f) above, the Bond Trustee shall have no duty or obligation to review the contents thereof and shall receive such items solely as a repository on behalf of Bondholders.

Section 2.08 Bond Trustee's Authentication Certificate. The Bond Trustee's authentication certificate upon the Bonds shall be substantially in the form and tenor hereinbefore provided. No Bond shall be secured hereby or entitled to the benefit hereof, or shall be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Bond Trustee; and such certificate of the Bond Trustee upon any Bond shall be conclusive evidence and the

only competent evidence that such Bond has been authenticated and delivered hereunder. The Bond Trustee's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized signatory of the Bond Trustee, but it shall not be necessary that the same Person sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.09 Cancellation and Destruction of Bonds By the Bond Trustee. Whenever any Outstanding Bonds shall be delivered to the Bond Trustee for the cancellation thereof pursuant to this Bond Indenture, upon payment of the principal amount or interest represented thereby or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and treated in accordance with the Bond Trustee's standard retention policies.

Section 2.10 Book Entry Only System. The Bonds shall be initially issued in the form of a single fully registered Bond of each series for each maturity and interest rate of the Bonds registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Bond Trustee shall have no responsibility or obligation to any participant in DTC (a "DTC Participant") or to any Person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Bond Indenture. Without limiting the immediately preceding sentence, the Issuer and the Bond Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other Person, other than a Bondholder, as shown on the registration books, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than a Bondholder as shown in the registration books, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this Bond Indenture to the contrary, the Issuer and the Bond Trustee shall be entitled to treat and consider the Person in whose name each Bond is registered in the registration books as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the registration books as provided in this Bond Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of, premium, if any, and interest on, the Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the registration books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest, pursuant to this Bond Indenture. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Indenture with respect to payment of interest to the Registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC.

Section 2.11 Successor Securities Depository; Transfers Outside Book Entry Only System. (a) In the event that the Obligor determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Issuer to DTC (the "DTC Letter") and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer, at the direction of the Obligor, shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as

amended, notify DTC and DTC Participants, identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds of each series to such successor securities depository or (ii) notify DTC and DTC Participants, identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants, identified by DTC, having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the registration books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Bond Indenture.

(b) The written consent of 100 percent of the beneficial owners of the Bonds, the Bond Trustee, in accordance with the DTC Letter, shall withdraw the Bonds from DTC, and authenticate and deliver Bonds fully registered to the assignees of DTC or its nominee. If the request for such withdrawal is not the result of any Issuer action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing, preparing and delivering such Bonds) of the Persons requesting such withdrawal, authentication and delivery.

Section 2.12 Payments to Cede & Co. Notwithstanding any other provision of this Bond Indenture 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 principal of, premium, if any, and interest on, such Bond and all notices, transfers and deliveries with respect to such Bond shall be made and given, respectively, in the manner provided in the DTC Letter and the regulations and procedures of DTC.

Section 2.13 Remarketing of Tendered Bonds.

The Bonds will initially bear interest at the interest rates shown in Section 2.03 hereof to but not including the Initial Reset Date. On and after the Initial Reset Date, the Bonds shall bear interest at the Reset Rate from and after the Initial Reset Date, or from any succeeding Reset Date, during the applicable Reset Period.

(a) No less than 60 days prior to the end of each Reset Period, the Obligor shall deliver to the Bond Trustee and the Remarketing Agent written notice of the Obligor's determination of the next succeeding Reset Period, which Reset Period shall end on a February 1 or August 1, but not later than the maturity date of the Bonds; *provided, however*, that if the Obligor fails to specify the next succeeding Reset Period, such Reset Period shall be the same length as the preceding Reset Period, or until the final maturity date of the Bonds, whichever is shorter.

(b) The interest rate applicable to the Bonds on and after the Initial Reset Date shall be the Reset Rate which shall be initially determined by the Remarketing Agent on a date not less than 45 days prior to the Initial Reset Date and thereafter on a date not less than 45 days prior to each succeeding Reset Date. The Reset Rate applicable to the Bonds shall be the lowest rate which, in the reasonable judgment of the Remarketing Agent (having due regard to the prevailing market conditions), would be necessary to enable the Bonds to be sold on the Reset Date; *provided*, that the Reset Rate shall not exceed the Maximum Rate. On the date of such determination of the Reset Rate, the Remarketing Agent shall notify the Bond Trustee and the Obligor of the Reset Rate. No less than 40 days prior to the Reset Date, the Bond Trustee shall promptly notify each Holder of Bonds of the Reset Rate which will be applicable to such Bonds during the next Reset Period and the length of the next Reset Period. If Bonds are tendered for purchase by the Holders and the Remarketing Agent is unable to remarket all of such tendered bonds at the Reset Rate determined as described above, the Remarketing Agent may increase the Reset Rate for the Bonds to that rate of interest which is the lowest rate which, in the reasonable judgment of the

Remarketing Agent (having due regard to the prevailing market conditions), would be necessary to enable all of the Bonds to be sold on the Reset Date; *provided*, that such adjusted Reset Rate shall not exceed the Maximum Rate. The Remarketing Agent shall not increase the Reset Rate within 10 days of the Reset Date. The notice of such increased Reset Rate shall be given no less than 10 days preceding the Reset Date and shall be given by the Remarketing Agent concurrently to the Bond Trustee and the Obligor. No more than three Business Days after receiving written notice of an adjustment to the Reset Rate, the Bond Trustee shall notify by mail the Obligor and each Holder of Bonds of any such adjustment in the Reset Rate. If for any reason the Reset Rate for the Bonds is not or cannot be determined by the Remarketing Agent in the manner specified above, the Reset Rate will be the interest rate currently in effect on the Bonds; *provided* that such rate may not exceed the Maximum Rate.

(c) The Bonds may, at the option of the Holder, be tendered for purchase by the Bond Trustee on behalf of the Obligor on each Reset Date. If a Holder of Bonds exercises such option, the Bonds shall be purchased by the Bond Trustee on behalf of the Obligor. In order to exercise this option, the Holder shall deliver a tender notice to the Bond Trustee and the Remarketing Agent not later than 4:00 p.m., Eastern Time on a Business Day not less than 25 days prior to the end of a Reset Period (a "Reset Tender Notice"). The Reset Tender Notice must state (i) the principal amount of Bonds which are to be purchased (which amount shall be in Authorized Denominations) and the principal amount retained, if any (which amount shall be in Authorized Denominations). The delivery of the Reset Tender Notice by an owner of Bonds in connection with a Reset Date shall be irrevocable and binding on such Holder and cannot be withdrawn, unless the Reset Rate is increased as described above.

(d) The Bond Trustee shall give prompt notice to the Remarketing Agent and the Obligor of its receipt of any tender notice.

(e) The Registered Holder of any Bond who has delivered a Reset Tender Notice pursuant to subsection (c) above must present such Bonds to the Bond Trustee or while DTC is the sole registered Holder of the Bonds irrevocably authorize (pursuant to the Tender Notice described above) the Bond Trustee, directly or through its DTC Participant, to make appropriate entries on the books of DTC, any Direct Participant or any Indirect Participant; *provided, however*, the Bond Trustee shall have no obligation to make or accept such entries, if at the time that such entry is made, the Bond Trustee has not yet received funds necessary to honor such entry. At no time shall the Bond Trustee be required to advance its own funds as a result of a tender by a beneficial owner under the Bond Indenture, to receive payment of the Purchase Price on or after the Reset Date. Interest will cease to accrue on the Reset Date on Bonds designated to be purchased in the tender notice and which are purchased, or for which sufficient funds are set aside with the Bond Trustee on the Reset Date to pay the Purchase Price of such tendered Bonds, whether or not such Bonds have been presented for payment. All other Bonds shall bear interest from and after the Reset Date at the Reset Rate determined for the new Reset Period.

(f) The Remarketing Agent shall offer for sale and use its best efforts to remarket the tendered Bonds to third parties for purchase at their principal amount on each Reset Date. At or prior to 12:00 Noon, Eastern Time, on the fifth Business Day preceding each Reset Date, the Remarketing Agent will give notice in writing or by facsimile transmission to the Bond Trustee and the Obligor specifying the principal amount of Bonds, if any, which have been remarketed and the principal amount of Bonds which have not been remarketed. The Remarketing Agent shall deliver to the Bond Trustee for deposit in the Bond Fund, no later than 11:00 a.m., Eastern Time, on each such Reset Date, in immediately available funds, an amount equal to the principal amount of Bonds set forth in the Remarketing Agent's notice as having been remarketed. Such Bonds shall be purchased from (i) the proceeds of the remarketing of the Bonds held in the Bond Fund established pursuant to Section 3.02 hereof or (ii) moneys provided by the Obligor. In the event that there are not sufficient funds to purchase all tendered Bonds, such failure to

purchase tendered Bonds is an Event of Default. In such an event, ownership of all Bonds will be retained by the Holders thereof.

(g) Payment of the Purchase Price of any Bond tendered for purchase shall be made by check (or by wire transfer to a designated bank in the United States for the account of Registered Holders of \$1,000,000 or more in aggregate principal amount of Bonds, pursuant to instructions filed by such Holders with the Bond Trustee), to the person in whose name a Bond is registered on the registration books for the Bonds.

ARTICLE III REVENUES AND FUNDS

Section 3.01 Application of Proceeds of Bonds.

The Issuer will sell and cause to be delivered to the initial purchasers the Bonds and will deliver the proceeds thereof to the Bond Trustee for transfer or deposit as follows:

(a) Transfer to PRC the amount due under the PRC Note, as evidenced by a payoff letter from PRC [Transfer to Thames, Markey & Heekin, P.A., as Closing Agent under the Asset Purchase Agreement, dated as of June 14, 2017 between Life Care St. Johns, Inc. and the Obligor].

(b) Deposit into the Construction Fund the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(c) Deposit into the Debt Service Reserve Account of the Debt Service Reserve Fund the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(d) Deposit into the Cost of Issuance Fund the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

Section 3.02 Creation of the Bond Fund. There is hereby created by the Issuer and ordered established with the Bond Trustee a trust fund to be designated as the "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Bond Fund" (the "Bond Fund"). Within the Bond Fund are created two separate accounts, the "Series 2017A Account" and the "Series 2017B Account." There are hereby created by the Issuer and ordered established with the Bond Trustee two separate subaccounts within each of the Series 2017A Account and the Series 2017B Account to be designated as the "Principal Subaccount" and the "Interest Subaccount." Moneys on deposit in the Principal Subaccount shall be used to pay the principal of and premium, if any, on the applicable series of Bonds, when due and payable. Moneys on deposit in the Interest Subaccount shall be used to pay the interest on the Bonds of the applicable series of Bonds.

Section 3.03 Payments into the Bond Fund. There shall be deposited into the Interest Subaccounts all accrued and unpaid interest received from the sale of the Bonds of each of the two respective series to the initial purchasers thereof. In addition, there shall also be deposited into the Principal Subaccount or the Interest Subaccount, as applicable, as and when received, (i) all payments on the Series 2017 Note, (ii) all moneys transferred to the accounts in the Bond Fund from the respective accounts in the Debt Service Reserve Fund pursuant to Section 3.10 hereof, (iii) all other moneys required to be deposited therein pursuant to the Agreement, and (iv) all other moneys received by the Bond Trustee when accompanied by directions from the Issuer or the Obligor that such moneys are to be paid into the Principal Subaccount or the Interest Subaccount relating to respective series of Bonds. There also shall be

retained or deposited in the applicable Principal Subaccount or the applicable Interest Subaccount all interest and other income received on investments or moneys required to be transferred thereto, in accordance with Section 6.02 hereof. The Issuer hereby covenants and agrees that so long as any of the Bonds are Outstanding it will deposit, or cause to be deposited, into the applicable Principal Subaccount or the applicable Interest Subaccount for its account sufficient sums from revenues and receipts derived from the Agreement promptly to meet and pay the principal of, premium, if any, and interest on the Bonds of each of the two respective series as the same become due and payable.

Section 3.04 Use of Moneys in the Principal Subaccount and the Interest Subaccount.

Except as provided in Sections 3.15 and 8.05 hereof, moneys in the Principal Subaccount or the Interest Subaccount of the two respective series shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds of such series.

Section 3.05 Custody of the Bond Fund. The Bond Fund shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs the Bond Trustee to withdraw sufficient funds from the Principal Subaccount or the Interest Subaccount of the respective accounts in the Bond Fund to pay the principal of, premium, if any, and interest on the respective series of Bonds as the same come due and payable, which authorization and direction the Bond Trustee hereby accepts.

Section 3.06 Creation of the Construction Fund.

There's hereby created by the Issuer an order to establish with the Bond Trustee a trust fund to be designated as the "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Construction Fund" (the "Construction Fund"). There shall be deposited in the Construction Fund the amount required in Section 3.01. The money in the Construction Fund shall be applied to the payment of capital expenditures at the Community generally of the type as described in the Agreement. After all capital projects that may be funded out of the Construction Fund are completed, the Obligor shall certify to the Bond Trustee that the Project is complete and any surplus money in the Construction Fund shall be applied to the Interest Subaccount or the Principal Subaccount for either series of Bonds, as directed by the Obligor.

Section 3.07 Requisition from the Construction Fund.

Payments from the Construction Fund shall be made in accordance with the provisions of this Section. Before any such payment shall be made, the Obligor shall file with the Bond Trustee a requisition in the form of Exhibit 3.07 signed by an Authorized Representative of the Obligor stating:

- (i) the name of the Person to whom each such payment is due,
- (ii) the respective amounts to be paid,
- (iii) the purpose by general classification for which each obligation to be paid was incurred,
- (iv) that obligations in the stated amounts have been incurred by the Obligor and are presently due and payable, or are properly reimbursable to the Obligor, and that each item thereof is a necessary cost of the capital improvement and is a proper charge against the Construction Fund and has not been paid.

Upon receipt of each requisition the Bond Trustee shall pay the obligation set forth in such requisition out of money in the Construction Fund. In making such payments the Bond Trustee may conclusively rely upon such requisitions and the representations contained therein. The Bond Trustee shall not be bound to make any investigation into the facts or matters stated in any requisition and shall not be responsible for determining whether the funds on hand in the Construction Fund are sufficient to complete the capital projects to be funded out of the Construction Fund.

Section 3.08 Creation of the Debt Service Reserve Fund.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Debt Service Reserve Fund" (the "Debt Service Reserve Fund"). Within the Debt Service Reserve Fund there is hereby created and established the "Series 2017A Debt Service Reserve Account" and the "Series 2017B Debt Service Reserve Account."

(b) Moneys on deposit in the Debt Service Reserve Fund shall be used to provide a reserve for the payment of the principal of and interest on the Bonds. Moneys on deposit in the Series 2017A Debt Service Reserve Account shall be used solely to provide a reserve for the payment of the principal of and interest on the Series 2017A Bonds. Moneys on deposit in the Series 2017B Debt Service Reserve Account shall be used solely to provide a reserve for the payment of the principal of and interest on the Series 2017B Bonds.

Section 3.09 Payments Into the Debt Service Reserve Fund. In addition, there shall be deposited into the appropriate account of the Debt Service Reserve Fund all moneys required to be transferred thereto pursuant to Section 6.02 hereof, and all other moneys received by the Bond Trustee when accompanied by written direction from the Obligor that such moneys are to be paid into such Account of the Debt Service Reserve Fund. There shall also be retained in each Account of the Debt Service Reserve Fund all interest and other income received on investments of Debt Service Reserve Fund moneys in such Account to the extent provided in Section 6.02 hereof.

Section 3.10 Use of Moneys in the Debt Service Reserve Fund.

(a) Except as provided herein and in Section 3.15 hereof, moneys in each Account in the Debt Service Reserve Fund shall be used solely for the payment of the principal of and interest on the related series of Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise but not including a Reset Date.

(b) (i) Upon the occurrence of an Event of Default of which the Bond Trustee is deemed to have notice hereunder and the election by the Bond Trustee of the remedy specified in Section 8.02(a) hereof, any Debt Service Reserve Fund Obligations in the Debt Service Reserve Fund shall, subject to the provisions of Section 3.16 hereof and subsection (e) below, be transferred by the Bond Trustee to the applicable Principal Subaccount and applied in accordance with Section 8.05 hereof.

(ii) In the event of the redemption of a portion of any series of Bonds, any Debt Service Reserve Fund Obligations on deposit in the applicable Account of the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement on the Bonds of such series to be Outstanding immediately after such redemption may, upon the direction of the Obligor and subject to the provisions of Section 3.16 hereof, be transferred to the Principal Subaccount of such series and applied to the payment of the principal of the series of Bonds to be redeemed.

(iii) On February 1 and August 1 in each year, any earnings on the Debt Service Reserve Fund Obligations on deposit in an Account of the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Fund Requirement for such Debt Service Reserve Account shall be transferred into the applicable Interest Subaccount of the Bond Fund.

(c) On the final maturity date of any series of Bonds, any Debt Service Reserve Fund Obligations in the applicable Account of the Debt Service Reserve Fund after giving effect to such maturity may, upon the direction of the Obligor, be used to pay the principal of and interest on such series of Bonds on such final maturity date.

(d) If at any time moneys in an Account in the Debt Service Reserve Fund are sufficient to pay the principal or redemption price of all Bonds of the related series, the Bond Trustee may, upon the direction of the Obligor, use the moneys on deposit in the Debt Service Reserve Fund to pay such principal or redemption price of such related series of Bonds.

(e) Not less than 10 days prior to any withdrawal of moneys from the Debt Service Reserve Fund which would cause the total amount therein to be less than the principal and interest portions of the debt service reserve component of the minimum liquid reserve required by Section 651.035, Florida Statutes, as amended, notice of the withdrawal from the Debt Service Reserve Fund shall be given by the Bond Trustee or the Authorized Representative by telephone 850.413.3140 (promptly confirmed in writing) to the Florida Department of Financial Services, Office of Insurance Regulation, Life and Health Financial Oversight (the "Department of Financial Services"), CCRC Section, Larson Building, 200 East Gaines Street, Tallahassee, Florida, 32399-0327; *provided*, that such notice by telephone, by facsimile or in writing may be given to the Department of Financial Services at other telephone numbers or other addresses if directed by the Department of Financial Services. In connection with any such proposed withdrawal from the Debt Service Reserve Fund, the Bond Trustee shall notify the Obligor and the Obligor shall deliver an Officer's Certificate as to the principal and interest components of the Statutory Debt Service Reserve Requirement sufficient to make the determination required by this paragraph.

Section 3.11 Custody of the Debt Service Reserve Fund. The Debt Service Reserve Fund and the Accounts therein shall be in the custody of the Bond Trustee but in the name of the Issuer, and the Issuer hereby authorizes and directs (subject to Section 3.10(e) hereof) the Bond Trustee to transfer sufficient moneys from the applicable Account of the Debt Service Reserve Fund to the Bond Trustee for deposit to the Bond Fund to pay the principal of and interest on the Bonds of the related series for the purposes herein described, which authorization and direction the Bond Trustee hereby accepts. In the event there shall be a deficiency in the Principal Subaccount or the Interest Subaccount on any payment date for any series of Bonds, the Bond Trustee shall promptly make up such deficiency from the applicable Account of the Debt Service Reserve Fund.

Section 3.12 Nonpresentment of Bonds. In the event that any Bonds shall not be presented for payment when the principal thereof or interest thereon becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof shall have been deposited into the Bond Fund or otherwise made available to the Bond Trustee for deposit therein as provided in Section 3.03 hereof, all liability of the Issuer to the Owner or Owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on its or their part under this Bond Indenture or on, or with respect to, said Bond, and all such funds shall remain uninvested. If any Bond shall not be presented for payment within the period of two years following the date of final maturity of such Bond, the Bond Trustee shall return

such funds to the Obligor free of any trust or lien and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Obligor. In such event, the Bond Trustee shall have no further responsibility with respect to such moneys or payment of such Bonds. Thereafter, the Bondholders shall be entitled to look only to the Obligor for payment, and then only to the extent of the amount so repaid by the Bond Trustee. The Obligor shall not be liable for any interest on any sums paid to it.

Section 3.13 Bond Trustee's and Paying Agents' Fees, Charges, and Expenses. Pursuant to the provisions of the Agreement, the Obligor has agreed to pay to the Bond Trustee and to each Paying Agent, commencing with the effective date of the Agreement and continuing until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of this Bond Indenture, the reasonable and necessary fees and expenses (including reasonable attorney fees) of the Bond Trustee and each Paying Agent, as and when the same become due, upon the submission by the Bond Trustee and each Paying Agent of a statement therefor.

Section 3.14 Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee under any provision of this Bond Indenture (except moneys in the Rebate Fund) shall be held by the Bond Trustee in trust for the purposes specified in this Bond Indenture, and except for moneys deposited with or paid to the Bond Trustee for the redemption of Bonds for which the notice of redemption has been duly given, shall, while held by the Bond Trustee, constitute part of the Trust Estate and be subject to the lien hereof.

Section 3.15 Repayment to the Obligor from the Funds. Subject to Section 3.16(g) below, after payment in full (or after making provision for such payment) of (i) the Bonds, (ii) the fees and expenses of the Bond Trustee and the Paying Agents (including attorney fees, if any), (iii) the Administration Expenses, and (iv) all other amounts required to be paid hereunder and under the Agreement, any amounts remaining in the Bond Fund or Debt Service Reserve Fund shall be paid to the Obligor upon the termination of the Agreement.

Section 3.16 Rebate Fund.

(a) A Rebate Fund is hereby established by the Issuer. The Rebate Fund shall be for the sole benefit of the United States of America and shall not be subject to the claim of any other Person, including without limitation the Bondholders. The Rebate Fund is established for the purpose of complying with Section 148 of the Code and the Treasury Regulations promulgated pursuant thereto. The money deposited in the Rebate Fund, shall be held in trust uninvested and applied solely as provided in this Section. The Rebate Fund is not a portion of the Trust Estate and is not subject to the lien of this Bond Indenture. Notwithstanding the foregoing, the Bond Trustee with respect to the Rebate Fund is afforded all the rights, protections and immunities otherwise accorded to it hereunder.

(b) Within 55 days after the close of each fifth "Bond Year," the Obligor shall deliver to the Bond Trustee a computation in the form of a certificate of an officer of the Obligor of the amount of "Excess Earnings," if any, for the period beginning on the date of delivery of the Series 2017A Bonds and ending at the close of such "Bond Year" and the Obligor shall pay to the Bond Trustee for deposit into the Rebate Fund an amount equal to the difference, if any, between the amount then in the Rebate Fund and the Excess Earnings so computed. The term "Bond Year" means with respect to the Series 2017A Bonds each one-year period ending on the anniversary of the date of delivery of the Series 2017A Bonds or such other period as may be elected by the Issuer in accordance with the Regulations and notice of which election has been given to the Bond Trustee. If, at the close of any Bond Year, the amount in the Rebate

Fund exceeds the amount that would be required to be paid to the United States of America under paragraph (d) below if the Series 2017A Bonds had been paid in full, such excess may, at the request of the Obligor, be transferred from the Rebate Fund and paid to the Obligor.

(c) In general, "Excess Earnings" for any period of time means the sum of:

(i) the excess of --

(A) the aggregate amount earned during such period of time on all "Nonpurpose Investments" (including gains on the disposition of such Obligations) in which "Gross Proceeds" of the issue are invested (other than amounts attributable to an excess described in this subparagraph (c)(i)), over

(B) the amount that would have been earned during such period of time if the "Yield" on such Nonpurpose Investments (other than amounts attributable to an excess described in this subparagraph (c)(i)) had been equal to the yield on the issue, plus

(ii) any income during such period of time attributable to the excess described in subparagraph (c)(i) above.

The term Nonpurpose Investments, Gross Proceeds, Issue Date and Yield shall have the meanings given to such terms in section 148 of the Code and the Regulations promulgated pursuant to such section.

(d) The Bond Trustee shall, as directed in writing by the Obligor, pay to the United States of America at least once every five years, to the extent that funds are available in the Rebate Fund or otherwise provided by the Obligor, an amount that ensures that at least 90 percent of the Excess Earnings from the date of delivery of the Series 2017A Bonds to the close of the period for which the payment is being made will have been paid. The Bond Trustee shall pay to the United States of America not later than 60 days after the Series 2017A Bonds have been paid in full as directed by the Obligor in writing, to the extent that funds are available in the Rebate Fund or otherwise provided by the Obligor, 100 percent of the amount then required to be paid under Section 148(f) of the Code as a result of Excess Earnings.

(e) The amounts to be computed, paid, deposited or disbursed under this section shall be determined by the Obligor acting on behalf of the Issuer within 55 days after each Bond Year after the date of issuance of such Series 2017A Bonds. By such date, the Obligor shall also notify, in writing, the Bond Trustee and the Issuer of the determinations the Obligor has made and the payment to be made pursuant to the provisions of this section. The Bond Trustee may conclusively rely upon the determinations provided by the Obligor, and the Bond Trustee shall not be liable or responsible therefor. Upon written request of any Registered Owner of the Series 2017A Bonds, the Obligor shall furnish to such Registered Owner of the Series 2017A Bonds a certificate (supported by reasonable documentation, which may include calculation by Bond Counsel or by some other service organization) showing compliance with this section and other applicable provisions of section 148 of the Code.

(f) The Obligor shall maintain a record of the periodic determinations by the Obligor of the Excess Earnings for a period beginning on the first anniversary date of the issuance of the Series 2017A Bonds and ending on the date six years after the final retirement of the Series 2017A Bonds. Such records shall state each such anniversary date and summarize the manner in which the Excess Earnings, if any, was determined.

(g) If the Bond Trustee shall declare the principal of the Series 2017A Bonds and the unpaid interest accrued thereon immediately due and payable as the result of an Event of Default specified in this Bond Indenture, or if the Series 2017A Bonds are optionally or mandatorily prepaid or redeemed prior to maturity as a whole in accordance with their terms, any amount remaining in any of the Funds shall be transferred to the Rebate Fund to the extent that the amount therein is less than the Excess Earnings computed by the Obligor as of the date of such acceleration or redemption, and the balance of such amount remaining in any of the Funds shall be used by the Bond Trustee for the purpose of paying principal of, premium, if any, and interest on the Series 2017A Bonds when due. In furtherance of such intention, the Issuer hereby authorizes and directs its Chair or Vice Chair to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2017A Bonds.

(h) The requirements contained in this Section relating to the computation and payment of Excess Earnings shall not be applicable if all Gross Proceeds of the Series 2017A Bonds are expended in compliance with Treasury Regulations Section 1.148-7.

(i) Notwithstanding any of the provisions of this Section, the Bond Trustee shall have no duty or responsibility with respect to the Rebate Fund except to follow the specific written instructions of the Obligor. The Issuer has delegated to the Obligor responsibility for the Rebate Fund and the payment of excess earnings and the Issuer assumes no responsibility with respect to the same.

Section 3.17 Intentionally Omitted.

Section 3.18 Cost of Issuance Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Cost of Issuance Fund" (the "Cost of Issuance Fund"). The Bond Trustee shall disburse moneys in the Cost of Issuance Fund as provided in Section 4.2 of the Agreement. Moneys in the Cost of Issuance Fund may be used only for payment of the Cost of Issuance. On the earlier of (a) the day the Bond Trustee receives a certificate of the Obligor to the effect that all Cost of Issuance relating to the Bonds has been paid and (b) _____ 1, 2018 [180 days], any moneys remaining in the Cost of Issuance Fund shall be transferred to the Interest Subaccount of the Bond Fund, and thereafter no such moneys shall be used to pay Cost of Issuance. The Cost of Issuance Fund shall then be closed.

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01 Performance of Covenants: Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Bond Indenture, in any and every Bond and in all proceedings of the Issuer pertaining hereto; *provided, however,* that except for the covenant of the Issuer set forth in Section 4.02 hereof relating to payment of the Bonds, the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Obligor or by the Bond Trustee, or shall have received the instrument to be executed and at the option of the Issuer shall have received from the party requesting such execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument. The Issuer represents that it is duly authorized under the laws of the State of Florida, including particularly and without limitation the Act, to issue the Bonds and to execute this Bond Indenture, and to pledge the revenues and receipts hereby pledged, and to assign its rights under and pursuant to the Agreement and the Series 2017 Note in the manner and to the extent herein set forth, that

all action on its part and to the extent herein set forth, that all action on its part for the issuance of the Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken and will be duly taken as provided herein, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable limited obligations of the Issuer according to the import hereof, except as enforcement thereof and hereof may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting the rights of creditors and by the application of general principles of equity, if such remedies are pursued.

Section 4.02 Payments of Principal, Premium, if any, and Interest. The Issuer will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from revenues and other amounts derived from the Series 2017 Note, and from the other security pledged hereby, which revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Bond Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 4.03 Supplemental Indentures; Filing of Documents. The Issuer will execute and deliver all indentures supplemental hereto, and will cause this Bond Indenture, the Agreement, and all supplements hereto and thereto, as well as all security instruments and financing statements relating thereto, to be filed in each office required by law in order to publish notice of the liens created by this Bond Indenture and the Agreement. The Obligor, at the Obligor's expense, will cause all continuation statements and all supplements to any financing statement or continuation statement and other instruments as may be required, at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and all rights of the Bond Trustee hereunder.

The Bond Trustee shall not be responsible for and makes no representation as to existence, genuineness, value or protection of any collateral, for the legality, effectiveness or sufficiency of any security document, or for the creation, perfection, priority, sufficiency or protection of any liens securing the Bonds.

Section 4.04 Lien of Bond Indenture. The Issuer hereby agrees not to create any lien having priority or preference over the lien of this Bond Indenture upon the Trust Estate or any part thereof, other than the security interest granted by it to the Bond Trustee, except as otherwise specifically provided in Article VII hereof. The Issuer agrees that no obligations the payment of which is secured by payments or other moneys or amounts derived from the Agreement and the other sources provided herein will be issued by it.

Section 4.05 Rights Under the Agreement. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Agreement. The Issuer agrees that wherever in the Agreement it is stated that the Issuer will notify the Bond Trustee, give the Bond Trustee some right or privilege, or in any way attempts to confer upon the Bond Trustee the ability for the Bond Trustee to protect the security for payment of the Bonds, that such part of the Agreement shall be as though it were set out in this Bond Indenture in full.

The Issuer agrees that the Bond Trustee as assignee of the Agreement may enforce, in its name or in the name of the Issuer, all rights of the Issuer (except those rights to indemnification and payment under Sections 5.7, 7.4, 7.8, and 9.5 thereof and related rights and remedies, and the rights of consent and immunities conferred on the Issuer by the Agreement) and all obligations of the

Obligor under and pursuant to the Agreement for and on behalf of the Bondholders, whether or not the Issuer is in default hereunder.

Section 4.06 Tax Covenants.

(a) The Issuer covenants and agrees that until the final maturity of the Series 2017A Bonds of any issue, based upon the Obligor's covenants in Section 4.3 of the Agreement, it will not knowingly take any action, use any money on deposit in any Fund or Account maintained in connection with the Series 2017A Bonds of such issue, whether or not such money was derived from the proceeds of the sale of the Series 2017A Bonds of such issue or from any other source, in a manner that would cause the Series 2017A Bonds of any issue to be arbitrage bonds, within the meaning of Section 148 of the Code. In the event the Obligor notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Bond Trustee pursuant to this Bond Indenture, or to use such moneys in any certain manner to avoid the Series 2017A Bonds being considered arbitrage bonds, the Issuer at the written direction and expense of the Obligor shall deliver to the Bond Trustee appropriate written instructions of the Issuer, in which event the Bond Trustee shall take such action as instructed to restrict or limit the yield on such investment or to use such moneys in accordance with such instructions.

(b) The Issuer shall not knowingly use any proceeds of Series 2017A Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not take any other action or actions, that would result in any of the Series 2017A Bonds being treated other than as an obligation described in Section 103(a) of the Code.

(c) The Issuer will not knowingly use any portion of the proceeds of the Series 2017A Bonds, including any investment income earned on such proceeds, directly or indirectly, to make or finance loans to Persons who are not Exempt Persons. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the Code for use with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a loan to a Person who is not an Exempt Person.

(d) The Issuer will not knowingly take any action that would result in all or any portion of the Series 2017A Bonds being treated as federally guaranteed within the meaning of Section 149(b)(2) of the Code.

(e) For purposes of this Section, the Issuer's compliance shall be based solely on acts or omissions by the Issuer, and no acts, omissions or directions of the Obligor, the Bond Trustee or any other Persons shall be attributable to the Issuer. The Issuer shall not be responsible for supervision of the Obligor's use of proceeds of the Bonds.

(f) The Issuer hereby represents and covenants as follows:

(i) the Issuer will, at the direction and expense of the Obligor, comply with, and make all filings required by, all effective rules, rulings or Regulations promulgated by the Department of the Treasury or the Internal Revenue Service with respect to the obligations such as the Series 2017A Bonds, if any;

(ii) the Issuer will not knowingly take any action related to the Series 2016 Project, the Series 2017A Bonds or the proceeds of the Series 2017A Bonds that is not provided for in the Agreement or this Bond Indenture without the written consent of the Obligor and an Opinion of Bond Counsel.

Section 4.07 Change in Law. To the extent that published rulings of the Internal Revenue Service, or amendments to the Code or the Regulations modify the covenants of the Issuer that are set forth in this Bond Indenture or that are necessary for interest on the Series 2017A Bonds to be excludable from gross income for federal income tax purposes, the Issuer, upon receiving the written Opinion of Bond Counsel to such effect, will comply, at the expense of the Obligor, with such modifications and direct the Bond Trustee to take such action as may be required to comply with such modifications.

ARTICLE V REDEMPTION OF BONDS

Section 5.01 Optional Redemption of Bonds. The Bonds maturing on and after August 1, 20__ are subject to optional redemption prior to maturity by the Issuer at the written direction of the Obligor in whole or in part on August 1, 20__ or on any date thereafter at the redemption prices set forth in the table below, together with accrued and unpaid interest to the redemption date.

<u>Redemption Dates</u>	<u>Redemption Prices</u>
August 1, 2024 through to July 31, 2025	103%
August 1, 2025 through to July 31, 2026	102
August 1, 2026 through to July 31, 2027	101
August 1, 2027 and thereafter	100

Section 5.02 Sinking Fund Redemption.

(a) The Series 2017A Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the Principal Subaccount of the Bond Fund a sum which is sufficient to redeem on August 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017A Bonds, plus accrued and unpaid interest to the redemption date:

Year	Amount	Year	Amount
20__	\$	20__	\$
20__		*20__	
20__			

*maturity

(b) The Series 2017A Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the Principal Subaccount of the Bond Fund a sum which is sufficient to redeem on August 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017A Bonds, plus accrued and unpaid interest to the redemption date:

Year	Amount	Year	Amount
20__	\$	20__	\$
20__		*20__	

20__

*maturity

(c) The Series 2017B Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the Principal Subaccount of the Bond Fund a sum which is sufficient to redeem on August 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017B Bonds, plus accrued and unpaid interest to the redemption date:

Year	Amount	Year	Amount
20__	\$	20__	\$
20__		20__	
20__		*20__	

*maturity

(e) On or before the 30th day prior to each sinking fund payment date, the Bond Trustee shall proceed to select for redemption (by lot in such manner as the Bond Trustee may determine) from all Bonds of the applicable series Outstanding subject to such redemption, a principal amount of such Bonds equal to the aggregate principal amount and interest rate of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next August 1, and give notice of such call. At the option of the Obligor to be exercised by delivery of a written certificate to the Bond Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Bonds or portions thereof of the same series, maturity and interest rate, in an aggregate principal amount desired by the Obligor or (ii) specify a principal amount of Bonds or portions thereof of the same series, maturity and interest rate, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Bond Trustee at the request of the Obligor and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at 100 percent of the principal amount thereof against the obligation of the Issuer to redeem Bonds on such sinking fund redemption date. Any excess shall be credited against the next sinking fund redemption obligation to redeem Bonds of such series. In the event that the Obligor shall avail itself of the provisions of clause (i) of the second sentence of this paragraph, the certificate required by the second sentence of this paragraph shall be accompanied by the Bonds or portions thereof to be canceled. Notwithstanding the foregoing, while the Bonds are in book-entry form, the Securities Depository for Book Entry Bonds shall select the Bonds for redemption within particular maturities according to its stated procedures.

Section 5.03 Method of Selection of Bonds in Case of Partial Redemption; Redemption Priority.

(a) In the event that less than all of the Outstanding Bonds or portions thereof of a particular series are to be redeemed as provided in Sections 5.01 or 5.08 hereof, the Obligor shall select the particular maturities and interest rates of such series to be redeemed. If less than all of the Outstanding Bonds or portions thereof of a single series, maturity and interest rate are to be redeemed, they shall be selected by the Securities Depository or by lot in such manner as the Bond Trustee may determine.

(b) If a Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Section 5.04 Notice of Redemption. Bonds shall be called for redemption by the Bond Trustee as herein provided upon receipt by the Bond Trustee at least 45 days prior to the redemption date of a certificate of the Obligor (unless a shorter notice shall be satisfactory to the Bond Trustee) specifying the principal amount of Bonds (including the particular series, maturities and interest rate) to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Bond Indenture pursuant to which such Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the redemption of Bonds pursuant to the sinking fund provided in Section 5.02 hereof, and such Bonds shall be called for redemption by the Bond Trustee without the necessity of any action by the Obligor or the Issuer. In case of every redemption, the Bond Trustee shall cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration books, in each case not more than 60 nor less than 30 days prior to the redemption date. In addition, if the Bonds are not in full book entry with DTC, notice of redemption shall be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any Owner of \$1,000,000 or more in principal amount of Bonds and (B) to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an Owner of Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption shall be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any Owner of Bonds selected for redemption that has not surrendered the Bonds called for redemption, at the address as the same shall last appear upon the registration books.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) the identification, including complete designation (including series) and issue date of the Bonds and the CUSIP number (and in the case of partial redemption, certificate number and the respective series, principal amounts, interest rates and maturity dates) of the Bonds to be redeemed,
- (4) that on the redemption date (subject to the occurrence of any condition set forth in the notice) the redemption price will become due and payable upon each such Bonds, and that interest thereon shall cease to accrue from and after said date,
- (5) the name and address of the Bond Trustee and any Paying Agent for such Bonds, including the place where such Bonds are to be surrendered for payment of the redemption price and the name and phone number of a contact person at such address, and
- (6) any condition to the redemption, including the condition of receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Bonds to be redeemed, and that if such amounts have not have been so received, the notice

and the provisions of Section 5.05 will be of no force and effect and the Issuer will not be required to redeem such Bonds and such Bonds will not become due and payable.

Provided, however, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds.

Section 5.05 Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the business day prior to the redemption date specified in the notice of redemption, an amount of money sufficient to redeem all Bonds called for redemption at the appropriate redemption price, including accrued and unpaid interest to the date fixed for redemption, shall be deposited with the Bond Trustee. If at the time of mailing of notice of any optional redemption the Obligor shall not have deposited with the Bond Trustee moneys sufficient to redeem all of the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. On the redemption date the principal amount of each Series 2017 Bond to be redeemed, together with the accrued and unpaid interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article V, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof.

Section 5.06 Cancellation. All Bonds which have been redeemed shall be cancelled by the Bond Trustee and treated as provided in Section 2.09 hereof.

Section 5.07 Partial Redemption of Fully Registered Bonds. Upon surrender of any fully registered Bond not in book-entry form for redemption in part only, the Issuer shall execute and the Bond Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Obligor, a new Bond or Bonds of the same maturity and interest rate of Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered.

Section 5.08 Extraordinary Optional Redemption. The Bonds shall be subject to optional redemption by the Issuer at the direction of the Obligor prior to their scheduled maturities, in whole or in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest from the most recent Interest Payment Date on which the interest has been paid to the redemption date on any date following the occurrence of any of the following events:

(1) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, to the extent that the net proceeds of insurance or condemnation award exceed the Threshold Amount, and the Obligor has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or

(2) as a result of any changes in the Constitution or laws of the State of Florida or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Obligor under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

Section 5.09 Purchase in Lieu of Redemption.

(a) If any Bond is called for optional redemption in whole or in part, the Obligor may elect to have such Bond purchased in lieu of redemption.

(b) Purchase in lieu of redemption shall be available with respect to all Bonds called for optional redemption or for such lesser portion of such Bonds as constitute Authorized Denominations. The Obligor may direct the Bond Trustee to purchase all or such lesser portion of the Bonds so called for optional redemption with funds provided by the Obligor. Any such direction to the Bond Trustee must be in writing, state either that all the Bonds called for redemption are to be purchased or, if less than all of the Bonds called for redemption are to be purchased, identify those Bonds to be purchased by maturity date and outstanding principal amount in Authorized Denominations, and be received by the Bond Trustee no later than 12:00 noon at least five Business Days (as defined in the Master Trust Indenture) prior to the scheduled redemption date thereof.

(c) Subject in all cases to operational or other restrictions or requirements of the Securities Depository, if so directed, the Bond Trustee shall purchase (solely with funds available or provided as described in (e) below) such Bonds on the date which otherwise would be the redemption date of such Bonds. Such purchase shall be made for the account of the Obligor or its designee. Any of the Bonds called for optional redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by this Bond Indenture on such redemption date.

(d) Subject in all cases to any operational or other restrictions or requirements of the Securities Depository, on or prior to the scheduled redemption date, any direction given to the Bond Trustee may be withdrawn by the Obligor by written notice to the Bond Trustee. Subject generally to this Bond Indenture, should a direction to purchase be withdrawn, the scheduled optional redemption of such Bonds shall occur.

(e) To pay the purchase price of such Bonds, the Bond Trustee shall use (A) funds deposited by the Obligor with the Bond Trustee for such purpose and (B) funds, if any, held under this Bond Indenture that the Bond Trustee would have used to pay the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, that would have been payable on the optional redemption of such Bonds on the scheduled redemption date. The Bond Trustee shall not purchase the Bonds pursuant to the above provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Bond Trustee, or such moneys are deposited but are not available for such purpose.

(f) No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required for such Bond).

Section 5.10 Mandatory Redemption upon Determination of Taxability. The Series 2017A Bonds are subject to mandatory redemption in whole on any Business Day within 60 days after the occurrence of a Determination of Taxability at a redemption price equal to (i) 105% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was the result of any action or inaction on the part of the Obligor, or (ii) 100% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was not the result of any action or inaction on the part of the Obligor, plus in either case accrued interest thereon to, but not including, the redemption date; *provided, however*, if, in the opinion of Bond Counsel, a mandatory redemption on account of a Determination of Taxability of less than all of the Series 2017A Bonds would result in the interest on the Series 2017A Bonds Outstanding following such mandatory redemption not being includable in the gross income of the owners of such Outstanding Series 2017A Bonds, then the Series 2017A Bonds are subject

to mandatory redemption upon the occurrence of a Determination of Taxability in the amount specified in such opinion; *provided*, that such redemption must be in an Authorized Denomination.

ARTICLE VI REDEMPTION AND OPTIONAL TENDER OF BONDS

Section 6.01 Investment of Bond Fund and Debt Service Reserve Fund Moneys. Any moneys held as part of the Bond Fund, the Construction Fund or the Debt Service Reserve Fund shall be invested or reinvested by the Bond Trustee at the written request and direction of the Obligor (upon which the Bond Trustee is entitled to rely) in Permitted Investments. All Permitted Investments shall be either subject to redemption at any time at a fixed value at the option of the owner thereof or shall mature or be marketable not later than the business day prior to the date on which the proceeds are expected to be expended. For the purpose of any investment or replacement under this Section, the Permitted Investments shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. The Bond Trustee is hereby authorized, in making or disposing of any investment permitted by this Section, to deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Bond Trustee or for any third person or dealing as principal for its own account. In order to comply with the directions of the Obligor, the Bond Trustee may sell or present for redemption, or may otherwise cause liquidation prior to their maturities, any of the obligations in which funds have been invested, and the Bond Trustee shall not be liable for any loss or penalty of any nature resulting therefrom and shall not be required to determine the legality or suitability of any investments. In order to avoid loss in the event of any need for funds, the Obligor may instruct the Bond Trustee, in lieu of a liquidation or redemption of investments in the Fund or Account needing funds, to exchange such investment for investments in another Fund or Account that may be liquidated at no, or at reduced, loss. The Bond Trustee shall be under no liability for interest on any moneys received hereunder unless specifically agreed to in writing.

Section 6.02 Allocation and Transfers of Investment Income. Any investments in any Fund or Account shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the Fund or Account from which the investment was made. Any loss resulting from such investments shall be charged to such Fund or Account. The Bond Trustee shall not be liable for any loss or penalty resulting from any such investment made in accordance with any permitted direction by the Obligor or for the Series 2017A Bonds becoming "arbitrage bonds" by reason of any such investment. Any interest or other gain from any Fund or Account from any investment or reinvestment pursuant to Section 6.01 hereof shall be allocated and transferred as follows:

(a) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the respective Principal Subaccounts or the respective Interest Subaccounts of the Bond Fund shall be credited to the respective Interest Subaccount on each January 1 and July 1 unless a deficiency exists in the respective account of the Debt Service Reserve Fund, in which case such interest or other gain shall be paid into the Debt Service Reserve Fund forthwith to the extent of the deficiency.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Debt Service Reserve Fund shall be credited to the applicable account of Debt Service Reserve Fund if a deficiency exists therein at that time. If a deficiency does not exist in the Debt Service Reserve Fund at that time, such interest or other gain on other amounts paid into the Debt Service Reserve Fund shall be deposited into the applicable Interest Subaccount of the Bond Fund, in each case on each January 1 and July 1.

The Bond Trustee shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in any Fund is insufficient for the purposes of such Fund.

Section 6.03 Valuation of Permitted Investments. Accounting and valuation of Permitted Investments in any Fund or Account will be performed as follows:

(a) On a monthly basis the Bond Trustee shall furnish to the Obligor a full and complete statement of all receipts and disbursements of Permitted Investments in any Fund and Account covering such period.

(b) The Bond Trustee shall also furnish on or promptly after January 1 and July 1 of each year a statement of the assets contained in each Fund and Account. Assets will be valued at market value as of the preceding December 31 and June 30, respectively, by the Bond Trustee in such statement in accordance with the normal valuation procedures of the Bond Trustee. The Bond Trustee is not required to provide brokerage confirmations to the Issuer or the Obligor so long as the statement of assets set forth above is provided by the Bond Trustee.

The Issuer (and the Obligor by its execution of the Agreement) acknowledge that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer or the Obligor the right to receive brokerage confirmations of securities transactions as they occur, the Issuer and the Obligor specifically waive receipt of such confirmations to the extent permitted by law and so long as the Bond Trustee furnishes the periodic statements described above.

ARTICLE VII DISCHARGE OF BOND INDENTURE

Section 7.01 Discharge of this Bond Indenture. If, when the Bonds secured hereby shall become due and payable in accordance with their terms or otherwise as provided in this Bond Indenture and the whole amount of the principal of, premium, if any, and interest due and payable upon all of the Bonds shall be paid, or provision shall have been made for the payment of the same, together with all other sums payable hereunder (including but not limited to the fees and expenses of the Bond Trustee and any Paying Agent, in accordance with Section 3.13 hereof), then the right, title and interest of the Bond Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Issuer to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the written request of the Issuer or of the Obligor, and upon receipt of an Opinion of Counsel to the effect that all conditions precedent herein provided relating to the satisfaction and discharge of this Bond Indenture have been complied with, the Bond Trustee shall execute such documents as may be reasonably required by the Issuer and shall turn over to the Obligor any surplus in the Bond Fund and the Debt Service Reserve Fund.

All Outstanding Bonds of any one or more series shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Section if (i) in case said Bonds are to be redeemed on any date prior to their maturity, the Obligor shall have given to the Bond Trustee in form satisfactory to it irrevocable written instructions to give on a date in accordance with the provisions of Section 5.04 hereof notice of redemption of such Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.04 hereof, (ii) there shall have been deposited with the Bond Trustee (or another Paying Agent) either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, or any other Person other than the holder thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will

provide moneys which, together with the moneys, if any, deposited with or held by the Bond Trustee or any Paying Agent at the same time (including the Bond Fund and the Debt Service Reserve Fund), shall be sufficient, in the opinion of an independent certified public accountant, to pay when due the principal of, premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event that said Bonds are not by their terms subject to redemption within the next 45 days, the Obligor shall have given the Bond Trustee in form satisfactory to it irrevocable written instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.04 hereof, a notice to the Owners of such Bonds that the deposit required by sub clause (ii) above has been made with the Bond Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of, premium, if any, and interest on said Bonds. Neither the Government Obligations nor moneys deposited with the Bond Trustee pursuant to this Section nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of, premium, if any, and interest on said Bonds; *provided*, any such cash received from such principal or interest payments on such Government Obligations deposited with the Bond Trustee, if not then needed for such purpose, shall, at the written direction of the Obligor, either (1) be reinvested, to the extent practicable, in Government Obligations of the type described in clause (ii) of this paragraph maturing at the times and in amounts sufficient to pay when due the principal of, premium, if any, and interest to become due on said Bonds on or prior to such redemption date or maturity date thereof, as the case may be or (2) be used to pay principal and/or interest on the Bonds. At such time as any Bond shall be deemed paid as aforesaid, it shall no longer be secured by or entitled to the benefits of this Bond Indenture, except for the purpose of any payment from such moneys or Government Obligations deposited with the Bond Trustee and the purpose of transfer and exchange pursuant to Section 2.05 hereof.

The release of the obligations of the Issuer under this Section shall be without prejudice to the rights of the Bond Trustee to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable and necessary expenses, charges and other disbursements incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01 Events of Default. If any of the following events occur, it is hereby defined as and shall be deemed an "Event of Default":

(a) Default in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, or upon proceedings for redemption or as required by the sinking fund provisions hereof or otherwise.

(b) Default in the payment of any installment of interest on any Bond when the same shall become due and payable.

(c) Declaration under the Master Trust Indenture that the principal of, and accrued and unpaid interest on, any Obligation issued thereunder is immediately due and payable.

(d) Failure by the Issuer in the performance or observance of any other of the covenants, agreements or conditions in its part in this Bond Indenture or in the Bonds contained, which failure shall continue for a period of 60 days after written notice specifying such failure and requesting that it be remedied, is given to the Issuer and the Obligor by the Bond Trustee or to the Issuer, the Obligor and to

the Bond Trustee by the Owners of not less than 25 percent in aggregate principal amount of the Bonds then Outstanding; *provided*, that such failure is the result of the failure of the Obligor to perform its obligations under the Agreement.

- (e) Failure to pay the purchase price of the Bonds tendered pursuant to Section 5.11 herein.

Section 8.02 Remedies on Events of Default. Upon the occurrence of an Event of Default, the Bond Trustee shall have the following rights and remedies:

(a) The Bond Trustee shall, in the event that the payment of the principal of and accrued but unpaid interest on the Series 2017 Note has been declared due and payable immediately by the Master Trustee, by notice in writing given to the Issuer and the Obligor, declare the principal amount of all Bonds then Outstanding and the unpaid interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee shall give notice to the Bondholders in the same manner as a notice of redemption under Article V hereof, stating the date upon which the Series 2017 Note and the Bonds shall be payable.

The provisions of the preceding paragraph, however, are subject to the condition that if, after the payment of the principal of, and accrued and unpaid interest on, the Series 2017 Note and the Bonds has been declared due and payable immediately, the declaration of the acceleration of the Series 2017 Note shall be annulled in accordance with the provisions of the Master Trust Indenture, the declaration of the acceleration of the Bonds shall be automatically annulled, and the Bond Trustee shall promptly give written notice of such annulment to the Issuer and the Obligor and notice to Bondholders in the same manner as a notice of redemption under Article V hereof; but no such annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

(b) The Bond Trustee may, by mandamus, or other suit, action or proceeding at law or in equity, enforce the rights of the Bondholders, and require the Issuer or the Obligor or both of them to carry out the agreements with or for the benefit of the Bondholders and to perform its or their duties under the Act, the Agreement and this Bond Indenture.

(c) The Bond Trustee may, by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Bondholders but any such judgment against the Issuer shall be enforceable only against the Funds (excluding the Rebate Fund) and Accounts hereunder in the hands of the Bond Trustee.

(d) The Bond Trustee may, by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders.

(e) The Bond Trustee may, upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, appoint a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

If any Event of Default shall have occurred and if requested by the Owners of at least 25 percent in aggregate principal amount of Bonds then Outstanding and indemnified as provided in Section 9.01(m) hereof (except the remedy under Section 8.02(a) above, for which no indemnity may be required), the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as it, being advised by counsel, shall deem most expedient in the interests of such Bondholders. In the event the Bond Trustee shall receive inconsistent or conflicting requests and indemnity from two or more groups of Owners of Outstanding Bonds, each representing less than a majority of the aggregate principal amount of the Outstanding Bonds, the Bond Trustee shall follow the request of the first group to so request and provide it with such indemnity.

Section 8.03 Majority of Bondholders May Control Proceedings. Anything in this Bond Indenture to the contrary notwithstanding the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the time, method, and place of conducting all proceedings, to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, or for the appointment of a receiver, and any other proceedings hereunder; *provided*, that such direction shall not be otherwise than in accordance with the provisions hereof. The Bond Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 9.01(m) hereof is provided to it by such Bondholders.

Section 8.04 Rights and Remedies of Bondholders. No Owner of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other applicable remedy hereunder, unless a default has occurred of which the Bond Trustee has been notified as provided in Section 9.01 hereof, or of which by said Section it is deemed to have notice, nor unless such default shall have become an Event of Default and the Owners of at least a majority in aggregate principal amount of Bonds then Outstanding shall have made written request to the Bond Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in their own name, nor unless they have also furnished to the Bond Trustee indemnity as provided in Section 9.01(m) hereof, nor unless the Bond Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and furnishing of indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of this Bond Indenture, and to any action or cause of action for the enforcement of this Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb, or prejudice the lien of this Bond Indenture by his, her, its, or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of any Owner of Bonds to enforce the payment of the principal of, premium, if any, or interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Owners of the Bonds at the time and place, from the source and in the manner herein, and in the Bonds expressed.

Section 8.05 Application of Moneys.

(a) Subject to the provisions of subparagraph (c) hereof, all moneys received by the Bond Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and the

expenses, liabilities, and advances incurred or made by the Bond Trustee, be deposited into the Bond Fund, and all moneys so deposited into the Bond Fund and all moneys held in or deposited into the Bond Fund during the continuance of an Event of Default and available for payment of the Bonds under the provisions of Section 3.04 hereof shall (after payment of the fees and expenses of the Bond Trustee and any Paying Agent) be applied as follows:

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

First: If directed by the Bondholders pursuant to Section 8.03 hereof, to the payment of operating Expenses of the Facilities (each as defined in the Master Trust Indenture);

Second: To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

Third: To the payment to the Persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due at the rate of interest borne by such Bonds and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment of principal and interest ratably, according to the amount of principal due on such date, to the Persons entitled thereto, without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon all of the Bonds (together with interest on overdue installments of principal at the rate of interest borne by each Bond), without preference or priority of principal over interest, any other installment of interest, or of any Bond over any other Bond, or of any series of Bonds over any other series of Bonds ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(iii) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (ii) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of the foregoing paragraph (i) of this Section.

(b) Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Bond Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not

be required to make payment to the Owner of any unpaid Bond until such unpaid Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Notwithstanding the foregoing, any moneys transferred into the Principal Subaccount or the Interest Subaccount of the Accounts in Bond Fund from the Debt Service Reserve Fund shall be held by the Bond Trustee separate and apart from any other moneys in such Account of the Bond Fund.

(d) Whenever all of the Bonds and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Bond Trustee and the Paying Agents and all Administration Expenses have been paid, any balance remaining in any Funds (excluding the Rebate Fund) shall be paid to the Obligor as provided in Section 3.15 hereof.

Section 8.06 Bond Trustee May Enforce Rights Without Bonds

All rights of action and claims under this Bond Indenture or any of the Bonds Outstanding hereunder may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee, without the necessity of joining as plaintiffs or defendants any Owners of the Bonds and any recovery of judgment shall be for the ratable benefit of the Owners of the Bonds, subject to the provisions of this Bond Indenture.

Section 8.07 Bond Trustee to File Proofs of Claim in Receivership, Etc.

In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceedings affecting the Obligor, the Bond Trustee shall, to the extent permitted by law, be entitled to file such proofs of claims and other documents as may be necessary or advisable in order to have claims of the Bond Trustee and of the Bondholders allowed in such proceedings for the entire amount due and payable by the Issuer under this Bond Indenture or by the Obligor at the date of the institution of such proceedings and for any additional amounts which may become due and payable by it after such date, without prejudice, however, to the right of any Bondholder to file a claim in his, her or its own behalf.

In the event the Bond Trustee incurs expenses or renders services in any proceedings affecting the Obligor and described in this Section, the expenses so incurred and compensation for services so rendered are intended to constitute expenses of administration under the United States Bankruptcy Code or equivalent law.

Section 8.08 Delay or Omission No Waiver

No delay or omission of the Bond Trustee or of any Bondholder to exercise any right or power accruing upon any default or Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every power and remedy given by this Bond Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09 Discontinuance of Proceedings on Default, Position of Parties Restored. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, then and in every such case the Issuer and the Bond Trustee shall be

restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 8.10 Enforcement of Rights. The Bond Trustee, as pledgee and assignee for security purposes of all the right, title, and interest of the Issuer in and to the Agreement (except those rights under Section 5.7, 7.4, 7.8, and 9.5 thereof and related rights and remedies, and the rights of consent and immunities conferred on the Issuer by the Agreement) and the Series 2017 Note shall, upon compliance with applicable requirements of law and except as otherwise set forth in this Article VIII, be the sole real party in interest in respect of, and shall have standing, exclusive of the Owners of Bonds to enforce each and every right granted to the Issuer under the Agreement and under the Series 2017 Note. The Issuer and the Bond Trustee hereby agree, without in any way limiting the effect and scope thereof, that the pledge and assignment hereunder to the Bond Trustee of any and all rights of the Issuer in and to the Series 2017 Note and the Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Issuer or its default hereunder or on the Bonds. Subject to Section 9.01 hereof, in exercising such right and the rights given the Bond Trustee under this Article VIII, the Bond Trustee shall take such action as, in the judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Trust Indenture, together with the security and remedies afforded to Owners of the Series 2017 Note.

Section 8.11 Undertaking for Costs. All parties to this Indenture agree, and each Owner of any Bond by his, her or its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Bond Indenture, or in any suit against the Bond Trustee for any action taken or omitted by it as Bond Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Bond Trustee, to any suit instituted by any Bondholder, or group of Bondholders, holding in aggregate more than 10 percent in aggregate principal amount of the then Outstanding Bonds, or to any suit instituted by a Bondholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Bond on or after the respective maturities thereof expressed in such Bond (or, in the case of redemption, on or after the redemption date).

Section 8.12 Waiver of Events of Default. The Bond Trustee shall waive any Event of Default hereunder and its consequences upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; *provided, however*, that the Bond Trustee may not waive an Event of Default described in subparagraph (a) or (b) of Section 8.01 hereof without the written consent of the Registered Owners of all Bonds then Outstanding; and *provided, further*, that notwithstanding anything to the contrary in this Bond Indenture, the Issuer shall have the sole ability to waive any Event of Default in connection with the covenants and obligations of the Obligor under Section 4.3 of the Agreement.

ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

Section 9.01 Duties of the Bond Trustee. The Bond Trustee hereby accepts the trust imposed upon it by this Bond Indenture and agrees to perform said trusts, but only upon and subject to the

following express terms and conditions, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee:

(a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture and no others, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee. In case an Event of Default has occurred (which has not been cured or waived) the Bond Trustee shall exercise such of the rights and powers vested in it by this Bond Indenture and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties hereunder, either directly or by or through attorneys, agents, receivers, or employees, and the Bond Trustee shall not be responsible for any misconduct or negligence on the part of any receiver, agent or attorney appointed with due care by it hereunder, and shall be entitled to consult with counsel and act upon an Opinion of Counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trust hereof (*provided*, that the Bond Trustee shall not be obligated to advance or pay any of such amounts from its own funds). The Bond Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction taken by or omitted to be taken in good faith in reliance upon such Opinion of Counsel.

(c) The Bond Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication by the Bond Trustee endorsed on the Bonds and the acceptance of the trusts hereunder).

(d) The Bond Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder or the proceeds thereof, or for any moneys disbursed by the Bond Trustee in accordance with this Bond Indenture. The Bond Trustee makes no representations as to the validity or sufficiency of this Bond Indenture or the Bonds. The Bond Trustee is not a party to, is not responsible for, and makes no representations with respect to matters set forth in any preliminary or final official statement, or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee may become the owner of the Bonds with the same rights which it would have if not Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, opinion, affidavit, letter, telegram, teletransmission or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any request or direction of the Issuer or the Obligor mentioned herein shall be sufficiently evidenced by a written request, order, or consent signed in the name of the Issuer or Obligor, by the Issuer Representative or an Authorized Representative of the Obligor, as the case may be. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bonds shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or matter or as to the sufficiency or validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely and shall be protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Obligor by the Issuer Representative or an Authorized Representative, respectively, as sufficient evidence of the facts

therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty (except as otherwise herein provided) and the Bond Trustee shall not be answerable for other than its own negligence or willful misconduct, except that:

(1) the Bond Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bond Trustee was negligent in ascertaining the pertinent facts;

(2) the Bond Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Bondholders of at least a majority in aggregate principal amount of the then Outstanding Bonds relating to the time, method, and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred upon the Bond Trustee, under this Bond Indenture; and

(3) the Bond Trustee shall not be liable if the Bond Trustee reasonably relies in good faith upon a certificate of the Obligor or the Issuer delivered pursuant to this Bond Indenture or an Opinion of Counsel.

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Issuer to cause to be made any of the payments to the Bond Trustee required to be made by Article III hereof unless the Bond Trustee shall be specifically notified in writing of such default by the Issuer or by the Owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Bond Indenture to be delivered to the Bond Trustee, must, in order to be effective, be delivered to a Responsible Officer at the designated corporate trust office of the Bond Trustee, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(i) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received, but need not be segregated from other funds except to the extent required by this Bond Indenture or law.

(j) At any and all reasonable times the Bond Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right, but shall not be required, to inspect the Project, including all books, papers, and records of the Issuer and the Obligor pertaining to the Project and the Bonds.

(k) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises, and no provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(l) Notwithstanding anything in this Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the

withdrawal of any cash, or any action whatsoever within the purview of this Bond Indenture, any showings, certificates, opinion, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Bond Trustee deemed desirable for the purpose of establishing the right of the Issuer to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Bond Trustee.

(m) Before taking any action under this Section or Article VIII hereof, the Bond Trustee may require that indemnity reasonably satisfactory to it be furnished to it for the reimbursement of its fees, costs, liabilities and all expenses (including attorney fees) which it may incur and to protect it against all liability, except liability which may result from its negligence or willful misconduct, by reason of any action so taken.

(n) Except as provided in Section 9.01(a) above, it shall not be the duty of the Bond Trustee, except as expressly provided herein, to see that any duties or obligations imposed herein or in the Agreement upon the Issuer, the Obligor, or other Persons are performed, and the Bond Trustee shall not be liable or responsible because of the failure of the Issuer, the Obligor, or other Persons to perform any act required of them pursuant to the terms of this Bond Indenture.

(o) In acting or omitting to act pursuant to the provisions of the Agreement, the Bond Trustee shall be entitled to and be protected by the rights and immunities accorded to it by the terms of this Bond Indenture.

(p) The Bond Trustee's immunities and protections from liability in connection with the performance of its duties under this Bond Indenture shall extend to the Bond Trustee's officers, directors, agents and employees. Such immunities and protections, together with the Bond Trustee's right to compensation, shall survive the Bond Trustee's resignation or removal and final payment of the Bonds.

(q) In no event shall the Bond Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(r) The Bond Trustee shall have no responsibility for any information in any official statement or other disclosure material proposed and distributed with respect to the Bonds.

Section 9.02 Fees and Expenses of Bond Trustee and Paying Agent. The Issuer agrees, but solely from any funds received from the Obligor pursuant to the Agreement,

(a) to pay to the Bond Trustee, each Paying Agent and all other agents their reasonable and necessary fees for services rendered hereunder as and when the same become due and all expenses (including attorney fees) reasonably and necessarily made or incurred by the Bond Trustee, such Paying Agent or such other agent in connection with such services as and when the same become due as provided in Section 3.13 hereof; and

(b) to reimburse the Bond Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bond Trustee in accordance with any provisions of this Bond Indenture (including the reasonable compensation, expenses, and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Bond Trustee.

As security for the performance of the obligations of the Issuer under this Section, the Bond Trustee and any Paying Agent shall be secured under this Bond Indenture by a lien senior to the Bonds. For the payment of the expenses and reimbursements due to the Bond Trustee or any Paying Agent hereunder, the Bond Trustee shall have the right to use and apply any trust funds held by it hereunder, unless held or required to be held in the Rebate Fund.

Section 9.03 Resignation or Replacement of Bond Trustee. The present or any future Bond Trustee may resign by giving to the Issuer, the Obligor and each Bondholder 30 days' notice of such resignation. The present or any future Bond Trustee may be removed (a) at any time upon at least 30 days' notice by an instrument in writing executed by the Owners of at least a majority in aggregate principal amount of Bonds then Outstanding or (b) if an Event of Default hereunder has not occurred and is continuing, upon at least 30 days' notice by an instrument in writing executed by the Obligor. Such resignation or removal shall not be effective until such time as a successor Bond Trustee shall have accepted its appointment.

In case the present or any future Bond Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding by an instrument or concurrent instruments signed by such Bondholders, or their attorneys in fact duly appointed; *provided*, that the Issuer may, by an instrument executed by order of the Board of Directors, appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The Issuer upon making such appointment shall forthwith give notice thereof to each Bondholder and to the Obligor, which notice may be given concurrently with the notice of resignation given by any resigning Bond Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. In the event that the Issuer and the Owner do not so act within 30 days after notice of resignation, the Bond Trustee shall have the right to petition a court of competent jurisdiction to appoint a successor Bond Trustee.

Every successor Bond Trustee shall always be a bank, banking corporation or trust company duly organized under the laws of the United States of America or any state or territory thereof, with trust powers in good standing, qualified to act hereunder, and having a combined capital and surplus of not less than \$50,000,000. Any successor appointed hereunder shall execute, acknowledge, and deliver to the Issuer and the predecessor Bond Trustee an instrument accepting such appointment hereunder and thereupon such successor shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its predecessor in the trust hereunder with like effect as if originally named as Bond Trustee herein; but the Bond Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the predecessor, who shall, upon payment of the expenses, charges and other disbursements which are due and owing to it pursuant to Sections 3.13 and 9.02 hereof, duly assign, transfer and deliver to the successor all properties and moneys held by it under this Bond Indenture. Should any instrument in writing from the Issuer be required by any successor for more fully and certainly vesting in and confirming to it all of such estates, properties, rights, powers, and trusts, the Issuer shall, on request of such successor, make, execute, acknowledge, and deliver the deeds, conveyances, and necessary instruments in writing.

The notices herein provided for shall be given by mailing a copy thereof to the Obligor and the Registered Owners of the Bonds at their addresses as the same shall last appear on the registration books.

Section 9.04 Conversion, Consolidation or Merger of Bond Trustee. Any bank, banking corporation or trust company into which the Bond Trustee merges or is consolidated, or to which it (or a receiver on its behalf) may sell or transfer its corporate trust business as a whole, or substantially as a whole, shall be the successor of the Bond Trustee under this Bond Indenture with the same rights, powers, duties, and obligations and subject to the same restrictions, limitations, and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Bond Trustee may adopt the certificate of any predecessor Bond Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Bond Trustee may authenticate such Bonds in the name of such successor Bond Trustee.

Section 9.05 Designation and Succession of Paying Agent. The Bond Trustee and any other banks or trust companies, if any, designated as Paying Agent or Paying Agents in any supplemental indenture providing for the issuance of Additional Bonds, shall be the Paying Agent or Paying Agents for the Bonds.

Any bank or trust company with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Bond Indenture. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint such bank or trust company as shall be specified by the Obligor and located in the same city as such Paying Agent to fill such vacancy; *provided, however*, that if the Issuer shall fail to appoint such Paying Agent within said period, the Obligor shall make such appointment.

The Paying Agents, if any, shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 9.01 hereof with respect to the Bond Trustee insofar as such provisions may be applicable.

Section 9.06 Voting Rights with Respect to Series 2017 Note. The Issuer hereby assigns and grants to the Bond Trustee, and the Bond Trustee shall, exercise for the benefit of the Bondholders, the power to execute all waivers, directions, consents, instructions, approvals, and other exercises of the voting rights of the holder and owner of the Series 2017 Note, which power shall be irrevocable so long as the Series 2017 Note shall be pledged hereunder. The Bond Trustee shall exercise such power with respect to the Series 2017 Note when and as, but only when and as, directed to do so by written direction of the Owners of a majority in aggregate principal amount of the then Outstanding Bonds.

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE AGREEMENT

Section 10.01 Supplemental Indentures Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee may, without the consent of, or notice to, the Bondholders, enter into such indentures or agreements supplemental hereto (which supplemental indentures or agreements shall thereafter form a part hereof) for any one or more or all of the following purposes:

(a) To add to the covenants and agreements in this Bond Indenture contained other covenants and agreements thereafter to be observed for the protection or benefit of the Bondholders.

(b) To cure any ambiguity, or to cure, correct, or supplement any defect or inconsistent provision contained in this Bond Indenture, or to make any provisions with respect to matters arising

under this Bond Indenture or for any other purpose if such provisions are necessary or desirable and do not adversely affect the interests of the Owners of Bonds.

(c) To subject to this Bond Indenture additional revenues, properties, or collateral.

(d) To qualify this Bond Indenture under the Trust Indenture Act of 1939, if such be hereafter required in the Opinion of Counsel.

(e) To satisfy any requirements imposed by a Rating Agency if necessary to maintain the then current rating on the Bonds.

(f) To maintain the extent to which the interest on the 2017A Bonds is not includable in the gross income of the recipients thereof, if in the Opinion of Bond Counsel such supplemental indenture or agreement is necessary.

Section 10.02 Supplemental Indentures Requiring Consent of Bondholders. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding affected thereby shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture; *provided, however*, that without the consent of the Owners of all the Bonds at the time Outstanding nothing herein contained shall permit, or be construed as permitting any of the following:

(a) An extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond.

(b) The creation of any lien or security interest prior to or on a parity with the lien and security interest of this Bond Indenture without the consent of the Owners of all of the Bonds at the time Outstanding which would be affected by the action to be taken.

(c) A reduction in the amount, or an extension of the time, of any payment required by the mandatory redemption provisions of Section 5.02 of this Bond Indenture, without the consent of the Owners of all of the Bonds at the time Outstanding which would be affected by the action to be taken.

(d) A reduction in the aggregate principal amount of Bonds the Owners of which are required to consent to any such amendment or supplement indenture, without the consent of the Owners of all Bonds at the time Outstanding which would be affected by the action to be taken.

(e) The modification of the trusts, powers, obligations, remedies, privileges, rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee.

(f) Except as otherwise permitted by Article VIII of this Bond Indenture, a privilege or priority of any Bond or Bonds over any other Bonds.

(g) The release of or requirements for the release of this Bond Indenture.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a) through (g) above may be made with respect to an Outstanding Bond of a series with the consent of the holders of at least 80 percent in aggregate principal amount of all Outstanding Bonds of such series with respect to which such amendment is made; *provided, however*, any such amendment shall not result in a preference or priority of any Bond over any other Bond and no such amendment described in clauses (a) through (g) shall result in a disproportionate change, reduction or modification with respect to any Bond.

Upon the execution of any supplemental indenture pursuant to the provisions of this Section, this Bond Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Bond Indenture of the Issuer, the Bond Trustee and all Owners of Bonds then Outstanding shall thereafter be determined, exercised, and enforced hereunder, subject in all respects to such modifications and amendments.

If at any time the Issuer shall request the Bond Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to costs, fees and expenses (including attorney fees), cause notice of the proposed execution of such supplemental indenture to be mailed to the Registered Owners of the Bonds at their addresses as the same last appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Issuer following the giving of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.03 Execution of Supplemental Indenture. The Bond Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations which may be contained therein, but the Bond Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties, or immunities under this Bond Indenture. The Bond Trustee shall receive, and shall be fully protected in conclusively relying upon, an Opinion of Counsel stating that the execution and delivery of a supplemental indenture is authorized or permitted by this Bond Indenture and has been effected in compliance with the provisions hereof. In connection with a supplemental indenture entered into pursuant to Section 10.01(b) hereof, the Bond Trustee shall receive an Opinion of Counsel as conclusive evidence as to whether the Bondholders would be so affected by any such modification or amendment to this Bond Indenture, and such Opinion of Counsel shall be binding and conclusive upon the Issuer, the Obligor, and Bondholders.

Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Bond Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Bond Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any, if deemed necessary or desirable by the Bond Trustee.

Section 10.04 Consent of Obligor. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Obligor shall

have consented in writing to the execution and delivery of such supplemental indenture unless the Obligor is in default under the Agreement or an Event of Default described under Section 8.01(a), (b) or (c) hereunder has occurred and is continuing, in which case no consent of the Obligor shall be required. The Bond Trustee shall cause notice of the proposed execution of any supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Obligor at least fifteen days prior to the proposed date of execution of such supplemental indenture.

Section 10.05 Amendments, Etc., of the Agreement Not Requiring Consent of Bondholders. The Issuer and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change, or modification of the Agreement as may be required (i) by the provisions of the Agreement and this Bond Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission, (iii) in connection with the issuance of Additional Bonds as herein provided, (iv) to satisfy any requirements imposed by a Rating Agency if necessary to maintain the then current rating on the Bonds, (v) to maintain the extent to which the interest on the Bonds is not includable in the gross income of the recipients thereof, if in the Opinion of Bond Counsel such amendment is necessary and (vi) in connection with any other change therein which does not adversely affect the Bond Trustee or the Owners of the Bonds.

Section 10.06 Amendments, Etc., of the Agreement Requiring Consent of Bondholders. Except for the amendments, changes, or modifications as provided in Section 10.05 hereof, neither the Issuer nor the Bond Trustee shall consent to any other amendment, change, or modification of the Agreement without the giving of notice to and the written approval or consent of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding given and procured as provided in Section 10.02 hereof. If at any time the Issuer and the Obligor shall request the consent of the Bond Trustee to any such proposed amendment, change, or modification of the Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change, or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall briefly set forth the nature of such proposed amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders.

In executing any amendment, change or modification of the Agreement, the Bond Trustee shall receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution and delivery of such amendment, change, modification of the Agreement is authorized or permitted by this Bond Indenture and the Agreement and has been effected in compliance with the provisions of this Bond Indenture and the Agreement. The Bond Trustee may, but shall not be obligated to, enter into any such amendment, change, or modification which affects the Bond Trustee's own rights, duties or immunities. In connection with any amendment, change or modification in connection with Section 10.05(vi), the Bond Trustee shall receive an Opinion of Counsel as conclusive evidence as to whether the Bondholders would be so affected by any such amendment, change, or modification of the Agreement, and such Opinion of Counsel shall be binding and conclusive on the Issuer, the Obligor, and the Bondholders.

ARTICLE XI MISCELLANEOUS

Section 11.01 Evidence of Signature of Bondholders and Ownership of Bonds. Any request, consent, or other instrument which this Bond Indenture may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or of the ownership of

Bonds shall be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Bond Trustee may, nevertheless, in its discretion, require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Bondholder or his attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of any fully registered Bond and the amount and numbers of such Bonds and the date of holding the same shall be proved by the registration books of the Issuer kept by the Bond Trustee.

Any request or consent of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Bond Trustee in accordance therewith.

Section 11.02 Limited Obligation; No Personal Liability. Neither the faith and credit of the Issuer, St. Johns County, the State of Florida or any other political subdivision thereof, nor the taxing power of St. Johns County, the State of Florida or any other political subdivision thereof is pledged for the payment of the principal of, the interest on, or the premium, if any, payable upon the Bonds. The Bonds shall not be or constitute a general obligation or a pledge of the faith, credit or taxing power of the Issuer (which has no taxing power), St. Johns County, the State of Florida or any other political subdivision thereof, or a lien upon any property owned by the Issuer, except upon the Trust Estate. The Registered Owners of the Bonds shall never have the right to require or compel the Issuer, St. Johns County, the State of Florida or any other political subdivision thereof to (i) levy any ad valorem taxes on any property to pay the principal of, or premium, if any, or interest on the Bonds or to make any other payments provided for under the Agreement or this Bond Indenture, (ii) pay the same from any funds other than the Trust Estate under this Bond Indenture, in the manner provided herein or (iii) require or enforce any payment or performance by the Issuer as provided by this Bond Indenture or the Agreement unless the Issuer's expenses in respect thereof shall be paid from the Trust Estate or shall be advanced to the Issuer for such purpose, and the Issuer shall receive indemnity to its satisfaction. No covenant or agreement contained in the Bonds or this Bond Indenture shall be deemed to be a covenant or agreement of any member, official, agent or employee of the Issuer in his individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance of the Bonds, all such liability being released as a condition of, and as a consideration for, the execution of this Bond Indenture and the issuance of the Bonds.

Section 11.03 [Reserved]

Section 11.04 Parties Interested Herein. With the exception of rights herein expressly conferred on the Obligor, nothing in this Bond Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person other than the Issuer, the Bond Trustee, the Paying Agents, and the Owners of the Bonds, any right, remedy, or claim under or by reason of this Bond Indenture, and any covenants, stipulations, promises, and agreements in this Bond Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Bond Trustee and the Owners of the Bonds.

Section 11.05 Titles, Headings, Etc. The titles and headings of the Articles, Sections, and subdivisions of this Bond Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.06 Severability. In the event any provision of this Bond Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.07 Governing Law. This Bond Indenture shall be governed and construed in accordance with the laws of the State of Florida.

Section 11.08 Execution of Counterparts. This Bond Indenture 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 11.09 Notices. Any notice, request or other communication under this Bond Indenture shall be given in writing and shall be deemed to have been given by a party to the other parties at the addresses shown below upon any of the following dates:

(a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;

(b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;

(c) The date of the receipt thereof by such other party if not given pursuant to (a) or (b) above.

The address for notice for each of the parties shall be as follows:

Issuer: St. Johns Industrial Development Authority
500 San Sebastian View
St. Augustine, FL. 32084
Attention: Counsel
Telephone: (904) 209-0655
Facsimile: (904) 209-0310

Obligor: Westminster Pines, Inc.
80 West Lucerne Circle
Orlando, FL 32801
Attention: Henry T. Keith, Chief Financial Officer
Telephone: (407) 839-5050 Ext. 267
Facsimile: (407) 849-1718

with a copy to: Rogers Towers, P.A.
1301 Riverplace Boulevard
Suite 1500
Jacksonville, Florida 32207
Attention: Irvin M. Weinstein
Telephone: (904) 346-5523

Email: jweinstein@rtlaw.com
Facsimile: (904) 396-0663

Bond Trustee: U.S. Bank National Association
225 Water Street
Suite 700
Jacksonville, Florida 32202
Attention: Jane Pope
Telephone: (904) 358-5378
Email: jane.pope@usbank.com
Facsimile: (904) 358-5374

(d) In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Bond Indenture and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder) from the Issuer Representative or the Authorized Representative (collectively, Authorized Officers) as applicable. If the Issuer and Obligor elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Obligor each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Obligor each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Obligor and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Obligor. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Obligor each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Obligor; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(e) Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

Section 11.10 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Bond Indenture, shall be a legal holiday or a day on which banking institutions in Jacksonville, Florida, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day

not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Bond Indenture.

Section 11.11 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Bond Indenture, shall be a legal holiday or a day on which banking institutions in Jacksonville, Florida, are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Bond Indenture.

Section 11.12 U.S.A. PATRIOT Act. The parties hereto (and the Obligor by its execution of the Agreement) acknowledge that in accordance with Section 326 of the U.S.A. PATRIOT Act, the Bond Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Bond Trustee. The parties to this Bond Indenture (and the Obligor by its execution of the Loan Agreement) agree that they will provide the Bond Trustee with such information as it may request in order for the Bond Trustee to satisfy the requirements of the U.S.A. PATRIOT Act.

IN WITNESS WHEREOF, ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY has caused this Bond Indenture to be executed on its behalf by its Chair, and U.S. BANK NATIONAL ASSOCIATION has caused this Bond Indenture to be executed on its behalf by its duly authorized officer to evidence its acceptance of the trusts hereby created, all as of the date first above written.

ST. JOHNS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY

By: _____
Chair

Attest:

Secretary

**U.S. BANK NATIONAL ASSOCIATION, as Bond
Trustee**

By: _____
Vice President

Exhibit 3.07
Construction Fund Requisition

Requisition No. _____

U.S. Bank National Association
225 Water Street, Suite 700
Jacksonville, Florida 32202

RE: St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds
and Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project),
Series 2017A

Pursuant to Section 3.07 of the Bond Trust Indenture dated as of _____ 1, 2017 relating to
the captioned bonds, please pay _____ [Name of person to whom payment is due] the amount of
\$ _____. Such payment is being made in respect of the following capital improvements at the
Community:

The obligations in the amounts stated above have been incurred by the Obligor and are presently
due and payable or properly reimbursable to the Obligor. Each item is a necessary cost of the capital
improvement and is a proper charge against the Construction Fund and has not been paid.

Capitalized terms used herein are used as defined in the referenced Bond Trust Indenture.

DATED: _____, 20__

WESTMINSTER PINES, INC.

By: _____
Name: _____
Title: _____, as Authorized
Representative

Exhibit B

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

and

WESTMINSTER PINES, INC.

LOAN AGREEMENT

Dated as of _____ 1, 2017

\$ __,000,000

St. Johns County Industrial Development Authority
Retirement Facility Revenue Bonds
(Westminster St. Augustine Project),
Series 2017A

and

\$ __,000,000

St. Johns County Industrial Development Authority
Taxable Retirement Facility Revenue Bonds
(Westminster St. Augustine Project),
Series 2017B

This instrument prepared by:
Irvin M. Weinstein
Rogers Towers, P.A.
1301 Riverplace Boulevard
Suite 1500
Jacksonville, Florida 32202
(904) 346-5523

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(This Table of Contents is not a part of this
Loan Agreement and is only for convenience of reference)

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LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of _____ 1, 2017 between the **ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY** (the "Issuer"), a public body corporate and politic of the State of Florida created and existing under the Constitution and laws of the State of Florida with the powers, among others, set forth in the Florida Industrial Development Financing Act, Parts II and III of Chapter 159, Florida Statutes, as amended (collectively, the "Act"), and **WESTMINSTER PINES, INC. d/b/a WESTMINSTER ST. AUGUSTINE**, a not for profit corporation duly organized and existing under the laws of the State of Florida (the "Obligor"),

WITNESSETH:

WHEREAS, pursuant to the Act the Issuer is authorized to make loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of projects, including health care facilities (within the meaning of the Act), to carry out any of its purposes and to issue its bonds for the purpose of carrying out any of its powers; and

WHEREAS, the Obligor is a private, not for profit and charitable corporation organized and existing under the laws of the State, which owns or operates a continuing care retirement community now known as Westminster St. Augustine; and

WHEREAS, the Obligor is authorized to represent entities that own, construct, establish, maintain and operate health care facilities, including the Community; and

WHEREAS, the Obligor has requested the Issuer to finance and refinance the acquisition of the Community and certain capital improvements to the Community through the issuance under the Act of revenue bonds of the Issuer; and

WHEREAS, the Issuer has been created and established as a public body corporate and politic of the State and is authorized under the Constitution and laws of the State, including particularly the Act, to issue its bonds and notes for the purpose of financing and refinancing the Community for the Obligor, and to finance certain reserves and pay the costs of issuing such bonds; and

WHEREAS, for the purpose of providing sufficient funds to pay the costs of (i) financing and refinancing the acquisition of the Community (including repaying a loan to Presbyterian Retirement Communities, Inc. incurred for such purpose), (ii) financing certain capital improvements to the Community, (iii) funding a debt service reserve fund and other reserve funds and (iv) pay costs of issuance of the Bonds, the Issuer proposes to issue its bonds, all as further described in the Bond Indenture; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.1 Definitions. Except as otherwise provided herein, the terms used in this Agreement shall have the meanings given such terms in the Master Trust Indenture. In addition to such terms defined in the Master Trust Indenture, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below.

"Account" means any account established within a Fund.

"Act" is as defined in the introductory paragraph of this Agreement.

"Administration Expenses" means the reasonable and necessary fees and expenses incurred by the Issuer pursuant to this Agreement and the Bond Indenture.

"Advance-Refunded Municipal Bonds" shall mean obligations that are exempt from federal income taxation that have been advance-refunded prior to their maturity, that are fully and irrevocably secured as to principal and interest by Government Obligations held in trust for the payment thereof, that are serial bonds or term bonds not callable prior to maturity except at the option of the holder thereof, and that are rated in the highest Rating Category by each Rating Agency then rating such obligations.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors (or other members of its Governing Body), the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" or "Loan Agreement" means this Loan Agreement and any amendments and supplements hereto made in conformity herewith and with the Bond Indenture.

"Authorized Denominations" means, with respect to the Bonds, the denomination of \$5,000 or any integral multiple thereof.

"Authorized Representative" means such person at the time and from time to time designated by written certificate of the Obligor furnished to the Bond Trustee containing the specimen signature of such person and signed on behalf of the Obligor by the President, any Vice President, Treasurer or Assistant Treasurer of the Obligor to act on behalf of the Obligor. Such certificate may designate an alternate or alternates.

"Board" or "Board of Directors" means the Governing Body of the Issuer or the Obligor.

"Bond Counsel" means Rogers Towers, P.A., or any other attorney at law or firm of attorneys of nationally recognized experience in matters pertaining to the validity of, and exclusion from gross income for federal income tax purposes of interest on, the obligations of states and their political subdivisions as may be selected by the Obligor, but is reasonably acceptable to the Issuer.

"Bond Fund" means the Bond Fund created in Section 3.02 of the Bond Indenture.

"Bond Indenture" means the Bond Trust Indenture of even date herewith relating to the Bonds between the Issuer and the Bond Trustee, including any indentures supplemental thereto made in conformity therewith.

"Bond Trustee" means U.S. Bank National Association, being the registrar, a paying agent, transfer agent and the trustee under the Bond Indenture, or any successor corporate trustee.

"Bondholder," "Holder" or "Owner" of the Bonds mean the Registered Owner of any fully registered Bond.

"Bonds" means the Series 2017A Bonds and the Series 2017B Bonds.

"Business Day" means any day other than a Saturday, a Sunday or, in the location of the designated corporate trust office of the Bond Trustee, a legal holiday or day upon which banking institutions are authorized by law to close.

"Certified Resolution" means a resolution duly adopted by the Board of Directors, certified by the Secretary or any Assistant Secretary.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings) and applicable court decisions.

"Community" means the senior living community called Westminster St. Augustine, the main office for which is located at 235 Towerview Drive, St. Augustine, Florida 32092.

"Construction Fund" means the Construction Fund created in Section 3.06 of the Bond Indenture.

"Cost of Issuance" means all costs and expenses incurred by the Issuer or the Obligor in connection with the issuance and sale of the Bonds, including without limitation (i) reasonable fees and expenses of accountants, attorneys, engineers, and financial advisors and of the Bond Trustee, (ii) materials, supplies, and printing and engraving costs, (iii) recording and filing fees and (iv) rating agency fees.

"Cost of Issuance Fund" means the cost of issuance fund created under Section 3.18 of the Bond Indenture.

"Debt Service Reserve Fund" means the Debt Service Reserve Fund created in Section 3.08 of the Bond Indenture.

"Debt Service Reserve Fund Obligations" means cash and Permitted Investments.

"Debt Service Reserve Fund Requirement" means with respect to the Series 2017A Bonds and the Series 2017B Bonds, respectively, the Maximum Annual Debt Service on such series of Bonds. The term "Maximum Annual Debt Service" shall be as defined in the Master Trust Indenture as if it applied to the respective series of the Bonds rather than to the "Series 2017 Master Obligation" referred to in such definition.

"Delivery Date" means the date the Bonds are delivered to the initial purchasers against payment therefor.

"Determination of Taxability" means, with respect to the Series 2017A Bonds: (i) the issuance of a statutory notice of deficiency by the Internal Revenue Service (the "IRS") which in effect holds that an Event of Taxability has occurred; (ii) the issuance of a proposed written adverse determination by the IRS to the Obligor or the Issuer, which in effect holds that an Event of Taxability has occurred; *provided*, that no Determination of Taxability will be deemed to occur if the Obligor or the Issuer has initiated an

administrative appeal of such determination or has begun negotiating a closing agreement with the IRS, until the earliest of (A) abandonment of the appeals process by the Obligor, (B) the date on which such appeals process has been concluded adversely to the Obligor or the Issuer and no further appeal is permitted or (C) 12 months after the receipt by the Obligor or the Issuer of the proposed adverse determination, unless otherwise approved by the Owners of at least a majority in aggregate principal amount of the Series 2017A Bonds then Outstanding; (iii) the deposit by the Obligor with the Bond Trustee of a certificate to the effect that an Event of Taxability has occurred or will occur and setting forth the date of taxability (i.e., the date on which the interest on the Series 2017A Bonds is declared taxable for federal income tax purposes); the Obligor will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability; (iv) the rendering of a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred; or (v) the delivery to the Bond Trustee of an unqualified opinion of Bond Counsel to the effect that an Event of Taxability has occurred or a written statement by Bond Counsel delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Tax-Exempt Bonds is excluded from gross income for purposes of federal income taxation.

“Event of Default” means those defaults specified in Section 8.01 of the Bond Indenture.

“Event of Taxability” means any conditions or circumstances that cause the interest on any of the Series 2017A Bonds to become includable in the gross income of the owners thereof for federal income tax purposes.

“Fitch” means Fitch Ratings, Inc., or any successor thereto maintaining a rating on the Bonds.

“Funds” means the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Rebate Fund and the Cost of Issuance Fund.

“Governing Body” means, with respect to a Person, the board of directors, the board of trustees or similar group in which the right to exercise the powers of corporate directors or trustees is vested.

“Government Obligations” means direct obligations of the United States of America or obligations the full and timely payment of the principal of and interest on which is unconditionally guaranteed by the United States of America.

“Initial Reset Date” means [Date].

“Interest Account” means the account of such name in the Bond Fund created in Section 3.02 of the Bond Indenture.

“Interest Payment Date” means each February 1 and August 1, commencing February 1, 2018, or, if such day is not a business day, the immediately succeeding business day in the years during which the Bonds are Outstanding under the provisions of the Bond Indenture.

“Issuer” means the St. Johns County Industrial Development Authority, or any public body corporate and politic succeeding to its rights and obligations under this Agreement.

“Issuer Representative” means the Chair or Vice Chair of the Issuer or such other person at the time, and from time to time, designated by written certificate of the Issuer furnished to the Obligor and the Bond Trustee containing the specimen signature of such person and signed on behalf of the Issuer by

its Chair or Vice Chair. Such certificate shall designate an alternate or alternates, any of whom may act at any time as Issuer Representative.

"Master Trust Indenture" means the Master Trust Indenture, dated as of _____ 1, 2017, as supplemented, between the Obligor and the Master Trustee, including any supplements or amendments thereto and modifications thereof.

"Master Trustee" means U.S. Bank National Association, as trustee under the Master Trust Indenture, and its successors as trustee thereunder.

"Maximum Rate" means the maximum interest rate permitted by applicable Florida law.

"Moody's" means Moody's Investors Service, Inc., or any successor thereto maintaining a rating on the Bonds.

"Obligated Group Members" has the meaning given such term in the Master Trust Indenture.

"Obligated Group Representative" means (i) the Obligor and (ii) any surviving, resulting or transferee corporation.

"Obligor" means Westminster Pines, Inc., d/b/a Westminster St. Augustine a Florida not for profit corporation, and any and all successors thereto in accordance with the Master Trust Indenture.

"Officer's Certificate" means a certificate signed by an Authorized Representative of the Obligor and delivered to the Bond Trustee.

"Opinion of Bond Counsel" shall mean an opinion in writing signed by legal counsel selected by the Obligor and reasonably acceptable to the Issuer who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

"Opinion of Counsel" means an opinion in writing signed by an attorney or firm of attorneys, acceptable to the Bond Trustee, who may be counsel to the Obligor or other counsel.

"Outstanding" means, as of any particular time, all Bonds which have been duly authenticated and delivered by the Bond Trustee under the Bond Indenture, except:

(a) Bonds theretofore cancelled by the Bond Trustee or delivered to the Bond Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds (or Government Obligations to the extent permitted in Section 7.01 of the Bond Indenture) shall have been theretofore deposited with the Bond Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); *provided*, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee, shall have been filed with the Bond Trustee and provided further that prior to such payment or redemption, the Bonds to be paid or redeemed shall be deemed to be Outstanding for the purpose of transfers and exchanges under Section 2.05 of the Bond Indenture; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.06 of the Bond Indenture.

"Paying Agent" means any bank or trust company, including the Bond Trustee, designated pursuant to the Bond Indenture to serve as a paying agency or place of payment for the Bonds, and any successor designated pursuant to the Bond Indenture.

"Payment Office" with respect to the Bond Trustee or other Paying Agent means the office maintained by the Bond Trustee or any affiliate of the Bond Trustee or of another Paying Agent for the payment of interest and principal on the Bonds.

"Permitted Investments" shall mean and include any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons and interest coupons stripped from Government Obligations and receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Government Obligations which are held in a custody or trust account by a commercial bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$20,000,000;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following: Federal Home Loan Banks; Federal Home Loan Mortgage Corporation (including participation certificates); Federal National Mortgage Association; Government National Mortgage Association; Bank for Cooperatives; Federal Intermediate Credit Banks; Federal Financing Bank; Export-Import Bank of the United States; or Federal Land Banks;

(d) All other obligations issued or unconditionally guaranteed as to the timely payment of principal and interest by an agency or person controlled or supervised by and acting as an instrumentality of the United States government pursuant to authority granted by Congress;

(e) (i) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof); *provided*, that such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (ii) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Bond Trustee or any affiliate thereof); *provided*, such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose (or whose parent's) long-term unsecured debt at the time of the making of such deposit or the entering into such banking arrangement is rated in one of the three highest long term Rating Categories by at least two of Moody's, Fitch and S&P (or by at least one such Rating Agency if only two such rating agencies provide such ratings), and provided further that with respect to (i) and (ii) any such obligations are held by the Bond Trustee or a bank, trust company or national banking association (other than the issuer of such obligations);

(f) Repurchase agreements collateralized by securities described in subparagraphs (a), (b), (c) or (d) above with any registered broker/dealer subject to the Securities Investors' Protection Corporation which at the time of entering into such repurchase agreement has an uninsured, unsecured and unguaranteed obligation rated in one of the three highest rating categories by at least two of Moody's,

Fitch and by S&P (or by at least one such rating agency if only two such rating agencies provide such ratings) (including any affiliate of the Bond Trustee), or with any commercial bank (including the Bond Trustee or any affiliate thereof) with such ratings, provided that (1) a specific written repurchase agreement governs the transaction, (2) the securities are held, free and clear of any lien, by the Bond Trustee or an independent third party acting solely as agent for the Bond Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million, and the Bond Trustee shall have received written confirmation from such third party that it holds such securities, free and clear of any lien, as agent for the Bond Trustee, (3) a perfected first security interest under the Uniform Commercial Code of the State, or book entry procedures prescribed at 31 CFR 306.1 *et seq.* or 31 CFR 350.0 *et seq.* in such securities is created for the benefit of the Bond Trustee, (4) the repurchase agreement has a term of thirty days or less, or the Bond Trustee will value the collateral securities no less frequently than monthly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within two business days of such valuation, and (5) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 102 percent;

(g) Money market accounts which at the time of initial deposit are rated in one of the three highest long term Rating Categories by at least two of S&P, Fitch and Moody's (or by at least one such rating agency if only two such rating agencies provide such ratings) or an investment agreement with a financial institution (including the Bond Trustee or any affiliate thereof) whose long term debt (or the long-term debt of such institution's parent company) at the time of entering into such investment agreement is rated in one of the three highest long term Rating Categories by S&P, Fitch and Moody's (or by at least one such rating agency if only two such rating agencies provide such ratings);

(h) Commercial paper rated at the time of purchase at least P-1 by Moody's and at least A-1 by S&P;

(i) Shares of investment companies rated at the time of purchase in one of the three highest long term Rating Categories by at least two of S&P, Fitch and Moody's (or by at least one such rating agency if only two such rating agencies provide such ratings) or cash equivalent investments which are authorized to invest only in assets or securities described in subparagraphs (a), (b), (c), (d) and (f) above;

(j) Advance-Refunded Municipal Bonds;

(k) Obligations of political subdivisions of any state of the United States, whether or not such are exempt from federal income taxation; *provided*, such obligations are rated at the time of purchase in one of the three highest Rating Categories by at least two of Moody's, Fitch and S&P (or by at least one such rating agency if only two such rating agencies provide such ratings);

(l) Guaranteed investment contracts or investment agreements for the investment of moneys held by the Bond Trustee pursuant to this Bond Indenture with a financial institution (that may include the Bond Trustee) that is a domestic corporation, a bank, a trust company, a national banking association, a corporation subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956 or any successor provisions of law, a federal branch pursuant to the International Banking Act of 1978 or any successor provisions of law, a foreign bank acting through a domestic branch or agency which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America, a savings bank, a savings and loan association, or an insurance company or association chartered or organized under the laws of any state of the United States of America; *provided* that for each such entity its unsecured or uncollateralized long term debt obligations, or obligations secured or supported by a letter of credit, contract, guarantee,

agreement or surety bond issued by any such organization, or whose claims paying ability, directly or by virtue of a guarantee of a corporate parent thereof, have been assigned a credit rating at the time of execution of such guaranteed investment contract or investment agreement in one of the three highest Rating Categories by at least two of Moody's, Fitch and S&P (or by at least one such Rating Agency if only two such rating agencies provide such ratings) (*i.e.*, at the time the investment agreement is entered into); and

(m) Debt obligations or equity instruments of domestic or foreign corporations rated at the time of purchase in one of the three highest Rating Categories by at least two of Moody's, Fitch and S&P (or by at least one such Rating Agency if only two such Rating Agencies provide such ratings).

"Person" means an individual, association, unincorporated organization, corporation, limited liability company, partnership, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

"PRC Note" means the promissory note of the Obligor to Presbyterian Retirement Communities, Inc. dated _____, 2017 given for the purpose of financing the acquisition of the Community and related costs.

"Principal Account" means the account of such name in the Bond Fund created in Section 3.02 of the Bond Indenture.

"Rating Agency" means Fitch, Inc., Moody's or Standard & Poor's, and any successor thereto.

"Rebate Fund" means that special fund established in the name of the Issuer with the Bond Trustee pursuant to Section 3.16 of the Bond Indenture.

"Registered Owner" or "Owners" means the Person or Persons in whose name or names a Bond shall be registered on books of the Issuer kept by the Bond Trustee for that purpose in accordance with the terms of the Bond Indenture.

"Regular Record Date" means for the Bonds the close of business on the 15th day of the month next preceding each regularly scheduled Interest Payment Date therefor.

"Regulations" means the applicable proposed, temporary or final Income Tax Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954.

"Remarketing Agent" means, initially, Herbert J. Sims & Company, Inc., and its successors or assigns, or any successor remarketing agent.

"Reset Date" means the Initial Reset Date and any Reset Date selected by the Obligor pursuant to this Bond Indenture.

"Reset Period" means that period of time commencing on each applicable Reset Date and ending on the day prior to the next succeeding Reset Date and ending on the day prior to the next succeeding Reset Date or, if earlier, at the maturity of the Bonds.

"Reset Rate" means the adjusted rate of interest borne by the Bonds determined as provided in the Bond Indenture.

"Responsible Officer" when used with respect to the Bond Trustee means an officer in the corporate trust department of the Bond Trustee having direct responsibility for administration of the Bond Indenture.

"Securities Depository" means The Depository Trust Company and any successor thereto as permitted by the Bond Indenture.

"Series 2017A Bonds" means St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017A issued pursuant to the Bond Indenture.

"Series 2017B Bonds" means St. Johns County Industrial Development Authority Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project), Series 2017B issued pursuant to the Bond Indenture.

"Series 2017 Note" means the promissory note issued by the Obligor pursuant to the Supplemental Indenture.

"Series 2017A Reserve Account" means the account by that name established within the Debt Service Reserve Fund.

"Series 2017B Reserve Account" means the account by that name established within the Debt Service Reserve Fund.

"Short term" means, as to any investment, maturing within one year from the date of such investment and not renewable for a term greater than one year beyond the date of original issuance.

"Special Record Date" means a special date fixed to determine the names and addresses of Owners of Bonds for purposes of paying interest on a special interest payment date for the payment of defaulted interest, all as further provided in Section 2.03 of the Bond Indenture.

"Standard & Poor's" means S&P Global Ratings, a Standard & Poor's Financial Services LLC business, or any successor thereto maintaining a rating on the Bonds.

"State" means the State of Florida

"Supplemental Indenture" means Supplemental Indenture Number 1, dated as of _____ 1, 2017, by the Obligor executed and delivered to the Master Trustee, supplemental to the Master Trust Indenture, providing for the issuance of the Series 2017 Note.

"Tender Date" means any date on which the Bonds are subject to tender for purchase.

"Threshold Amount" has the meaning given such term in the Master Trust Indenture.

"Trust Estate" means the property pledged and assigned to the Bond Trustee pursuant to the granting clauses of the Bond Indenture.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by the Issuer. The Issuer represents that:

(a) The Issuer is a public body corporate and politic of the State created under the Act and has full power and authority under the laws of the State (including, in particular, the Act) to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder. By proper governmental action the Issuer has duly authorized the execution and delivery of this Agreement and the Bond Indenture and the performance of its obligations under this Agreement and the Bond Indenture.

(b) To the best of the Issuer's knowledge, neither the execution and delivery of the Bonds, the Bond Indenture or this Agreement, the consummation of the transactions contemplated thereby and hereby nor the fulfillment of or compliance with the terms and conditions or provisions of the Bonds, the Bond Indenture or this Agreement conflict with or result in the breach of any of the terms, conditions or provisions of any constitutional provision or statute of the State or of any agreement or instrument or judgment, order or decree of which the Issuer has notice that it is a party or constitute a default under any of the foregoing or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature upon any property or assets of the Issuer under the terms of any instrument or agreement.

(c) To pay in full the PRC Note [to finance in part the acquisition of the Community from Life Care St. Johns, Inc.], to refinance capital improvements of the Community, to fund a debt service reserve fund and other reserves and to pay all or a portion of the Cost of Issuance, the Issuer proposes to issue the Bonds. The Bonds shall be in the principal amount, mature, bear interest, be subject to redemption prior to maturity, be secured, and have such other terms and conditions as are set forth in the Bond Indenture.

(d) The Bonds are to be issued under and secured by the Bond Indenture pursuant to which the Issuer's interest in this Agreement and in the Series 2017 Note, and the revenues and receipts derived by the Issuer from the Series 2017 Note, will be pledged and assigned to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds.

(e) The issuance of the Bonds and the execution of this Agreement and the Bond Indenture have been approved by the Issuer at a duly constituted meeting.

(f) Except as otherwise permitted by this Agreement, the Issuer covenants that it has not and will not pledge the income and revenues derived from this Agreement other than to secure the Bonds.

Section 2.2 Representations by the Obligor. The Obligor represents that:

(a) The Obligor is a not for profit corporation duly incorporated and in good standing under the laws of the State, has power to enter into this Agreement, the Master Trust Indenture, the Supplemental Indenture, the Liquidity Support Agreement and the Series 2017 Note, and by proper corporate action has duly authorized the execution and delivery of this Agreement, the Master Trust Indenture, the Supplemental Indenture, the Liquidity Support Agreement and the Series 2017 Note.

(b) Neither the execution and delivery of this Agreement, the Master Trust Indenture, the Supplemental Indenture and the Series 2017 Note, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Master Trust Indenture, the Supplemental Indenture or the Series 2017 Note, conflict with or result in a breach of any of the terms, conditions or provisions

of any corporate restriction or any agreement or instrument to which the Obligor is now a party or by which it is bound or constitute a default under any of the foregoing.

(c) The Obligor, during the term of this Agreement will continuously operate, repair and maintain the Community or cause the Community to be operated, repaired and maintained as a "health care facility" as defined in the Act.

(d) No event of default or any event which, with the giving of notice or the lapse of time, or both, would constitute an event of default under the Master Trust Indenture, has occurred.

(e) To the best of the Obligor's knowledge, information and belief, all of the documents, instruments and written information supplied by or on behalf of the Obligor, which have been reasonably relied upon by Bond Counsel in rendering its opinion with respect to the exclusion from gross income of the interest on the Series 2017A Bonds for federal income tax purposes or counsel to the Obligor in rendering its opinion with respect to the status of the Obligor under Section 501(c)(3) of the Code, are true and correct in all material respects, do not contain any untrue statement of a material fact and do not omit to state any material fact necessary to be stated therein to make the information provided therein, in light of the circumstances under which such information was provided, not misleading.

(f) The Obligor affirmatively represents, warrants and covenants that as of the date of this Agreement, it is an organization organized and operated: (a) exclusively for charitable purposes; (b) not for pecuniary profit; and (c) no part of the net earnings of which inure to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and of the Securities Exchange Act of 1934, as amended.

ARTICLE III TERM OF AGREEMENT

Section 3.1 Term of this Agreement. Subject to Section 11.12 herein, this Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the Bonds shall have been fully paid or provision made for such payment pursuant to the Bond Indenture and all reasonable and necessary fees and expenses of the Bond Trustee and the Issuer accrued and to accrue through final payment of the Bonds and all liabilities of the Obligor with respect to the Bonds accrued and to accrue through final payment of the Bonds have been paid.

ARTICLE IV ISSUANCE OF THE BONDS; DISBURSEMENTS

Section 4.1 Agreement to Issue Bonds, Application of Bond Proceeds. The Issuer will sell and cause to be delivered to the initial purchasers thereof the Bonds and will deliver the proceeds thereof to the Bond Trustee for application as described in Section 3.01 of the Bond Indenture.

Section 4.2 Cost of Issuance Fund. The Obligor shall be entitled to disbursement of moneys in the Cost of Issuance Fund to pay the Cost of Issuance. The Obligor shall request disbursements from the Cost of Issuance Fund on the form attached hereto as Exhibit A to pay Cost of Issuance, and to reimburse itself for Cost of Issuance paid by the Obligor, upon presentation to the Bond Trustee of a request for disbursement signed by the Obligor, but in no event more often than four times a month.

Section 4.3 Covenants Regarding Tax Exemption. The Obligor hereby agrees to comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2017A Bonds is necessary for the Series 2017A Bonds to be, and to remain, bonds the interest on which is intended to be excludable from the gross income of the Owners thereof for federal income tax purposes and to not take any actions that would adversely affect such status of the Series 2017A Bonds. The representations, warranties, and covenants of the Obligor set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein. The Obligor hereby covenants to comply with the terms and provisions of the Tax Agreement while any Series 2017A Bonds remain Outstanding.

ARTICLE V

LOAN OF BOND PROCEEDS; NOTES; PROVISION FOR PAYMENT

Section 5.1 Loan of Bond Proceeds. The Issuer hereby agrees to loan to the Obligor the proceeds of the Bonds to provide for the refinancing of the PRC Note, funding certain capital improvements of the Community, funding the Debt Service Reserve Fund and other reserves, and paying costs of issuance of the Bonds. The Obligor hereby agrees to repay the loan pursuant to the conditions set forth in Section 5.2 hereof.

Section 5.2 Repayment of Loan. Anything to the contrary in the Agreement notwithstanding, the Obligor shall make loan payments with respect to the Series 2017 Note in accordance with the Bond Indenture and the Agreement directly to the Bond Trustee for deposit in the appropriate Account of the Bond Fund: [check dates]

(a) on _____ 27, 2018 and on the 27th day of each month thereafter, 1/6th of the interest due on the next Interest Payment Date; and

(b) on _____ 27, 20__ and on the 27th day of each month thereafter, 1/12th of the principal due on the next date on which such principal is due, and

(c) on the date on which any principal of, premium, if any or interest on any Bond is payable, an amount sufficient to cause the amount available in the Principal Account or the Interest Account of the Bond Fund for payment of such amounts to equal the amount due with respect to such Bond on such date.

Section 5.3 Credits. Any amount in the Principal Account or the Interest Account of the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding any payment date on the Series 2017 Note in excess of the aggregate amount then required to be contained in such Accounts of the Bond Fund pursuant to Section 5.2 hereof shall be credited as applicable against the payments due by the Obligor on such next succeeding principal or interest payment date on the Series 2017 Note.

In the event that all of the Bonds then Outstanding are called for redemption, any amounts contained in the Debt Service Reserve Fund and the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding such redemption date shall be credited against the payments due by the Obligor on the Series 2017 Note.

The principal amount of Bonds to be applied by the Bond Trustee as a credit against any sinking fund payment pursuant to Section 5.02 of the Bond Indenture shall be credited against the obligation of the Obligor with respect to payment of installments of principal of the Series 2017 Note as described in the Supplemental Indenture.

The cancellation by the Bond Trustee of any Bonds purchased by the Obligor or of any Series 2017 Bonds redeemed or purchased by the Issuer through funds other than funds received on the applicable Series 2017 Note shall constitute payment of a principal amount of the Series 2017 Note equal to the principal amount of the Bonds so cancelled.

Section 5.4 Notes. Concurrently with the sale and delivery by the Issuer of the Bonds, the Obligor shall execute and deliver the Series 2017 Note substantially in the form set forth in the Supplemental Indenture. Concurrently with the sale and delivery by the Issuer of any Additional Bonds, the Master Trust Indenture shall be supplemented to reflect the issuance of a Master Obligation referred to below, and to make any other changes, amendments or modifications which, in the opinion of the parties thereto, may be necessary or appropriate. Concurrently with the sale and delivery by the Issuer of any Additional Bonds, the Obligor shall execute and deliver one or more additional Master Obligations payable to the Bond Trustee for the account of the Issuer in substantially the form set forth in a supplement to the Master Trust Indenture. The additional Master Obligations shall:

(a) require payment or payments of principal, premium, and interest in amounts and at times sufficient, together with any other funds available therefor, to permit the payments of principal, premium, if any, and interest on the related Additional Bonds, taking into account any mandatory sinking fund requirements (pursuant to the Bond Indenture) which are required in respect of the related Additional Bonds, and

(b) require each payment on the Note to be made on or before the due date for the corresponding payment to be made on the related Additional Bonds of the Issuer.

Section 5.5 Payment of Bond Trustee's and Paying Agent's Fees and Expenses. The Obligor agrees to pay the reasonable and necessary fees and expenses (including attorney's fees) of the Bond Trustee and any Paying Agents as and when the same become due, upon submission by the Bond Trustee or any Paying Agent of a statement therefor.

Section 5.6 Debt Service Reserve Fund.

(a) In the event any moneys in any Account in the Debt Service Reserve Fund are transferred by the Bond Trustee for deposit to the Bond Fund pursuant to Section 3.10 or 3.11 of the Bond Indenture, except if such moneys are transferred due to the redemption of all or a portion of the Bonds of the applicable series, the Obligor agrees to deposit additional Debt Service Reserve Fund Obligations into such Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than 12 equal consecutive monthly installments, the first installment to be made within seven months of such transfer or receipt of written notice from the Bond Trustee of a deficiency.

(b) In the event the value of the Debt Service Reserve Fund Obligations (as determined pursuant to the statement of the Bond Trustee furnished in accordance with Section 6.03(b) of the Bond Indenture) on deposit in any Account in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement for such Account, the Obligor agrees to deposit additional Reserve Fund Obligations into such Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Bond Trustee of a deficiency.

(c) In the event that any change in the amount of the Debt Service Reserve Fund Requirement for any Account therein shall occur, the Obligor shall calculate or cause to be calculated the new Debt Service Reserve Fund Requirement and shall provide such new Debt Service Reserve Fund Requirement to the Bond Trustee within 45 days of such occurrence.

Section 5.7 Payment of Administration Expenses. In consideration of the agreement of the Issuer to issue the Bonds and loan the proceeds thereof to provide financing or refinancing for the Community, the Obligor hereby agrees to pay any and all costs paid or incurred by the Issuer in connection with the financing or refinancing of the Community, whenever incurred, including out of pocket expenses and compensation in connection with the issuance of Bonds, including, without limitation, reasonable sums for reimbursement of the fees and expenses incurred by the Issuer's financial advisors, consultants and legal counsel in connection with the Community and the issuance of the Bonds.

Section 5.8 Payees of Payments. The payments on the Series 2017 Note pursuant to Section 5.2 hereof shall be paid in funds immediately available at the Payment Office of the Bond Trustee, directly to the Bond Trustee for the account of the Issuer and shall be deposited into the appropriate Account of the Bond Fund. The amounts provided for in Section 5.6 hereof shall be paid to the Bond Trustee for the account of the Issuer and shall be deposited into the Debt Service Reserve Fund. The payments to be made to the Bond Trustee and the Paying Agent under Section 5.5 hereof shall be paid directly to the Bond Trustee and the Paying Agent for their own use. The payments for Administration Expenses under Section 5.7 hereof shall be paid directly to the Issuer for its own use.

Section 5.9 Obligations of Obligor Hereunder Unconditional. The obligations of the Obligor to make the payments required in Section 5.2 hereof shall be absolute and unconditional. The Obligor will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in Section 5.2 hereof for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Community, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Agreement, whether express or implied. Nothing contained in this Section shall be construed to release the Issuer from the performance of any agreements on its part herein contained; and in the event the Issuer shall fail to perform any such agreement, the Obligor may institute such action against the Issuer as the Obligor may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the Obligor contained herein and the Issuer shall not be required to pay any costs, expenses, damages or any amounts of whatever nature except for amounts received pursuant to this Agreement. Nothing herein shall be construed to impair the Obligor's right to institute an independent action for any claim that it may have against the Issuer, the Bond Trustee, any Bondholder or any other third party. The Obligor may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceedings or take any other action involving third persons which the Obligor deems reasonably necessary in order to secure or protect this right of possession, occupancy, and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Obligor.

ARTICLE VI INSURANCE

Section 6.1 Insurance. Throughout the term of this Agreement, the Obligor will, at its own expense, provide or cause to be provided insurance against loss or damage to the Community in accordance with the terms of the Master Trust Indenture.

The Obligor shall carry public liability insurance satisfactory to the Issuer and name the Issuer as an "additional insured" on such policy by endorsement. The Issuer must be furnished with an appropriate Certificate of Insurance, indicating such endorsement, with the insurer's commitment not to terminate the insurance without 60 days prior notice to the Issuer.

The Bond Trustee shall not be liable or responsible for the failure of the Obligor to maintain insurance on the Community or otherwise, for monitoring whether insurance is maintained on this Community, nor shall the Bond Trustee be responsible for any loss due to the insufficiency of such insurance or by reason of the failure of any insurer to pay the full amount of any loss against which it may have insured to the Obligor, the Bond Trustee or any other Person.

ARTICLE VII SPECIAL COVENANTS

Section 7.1 No Warranty of Merchantability, Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Community or that any Community will be suitable for the Obligor's purposes or needs. Without limiting the effect of the preceding sentence, it is expressly agreed that in connection with each sale or conveyance pursuant to this Agreement the Issuer makes NO WARRANTY OF MERCHANTABILITY.

Section 7.2 Right of Access to the Community. The Obligor agrees that the Issuer, the Bond Trustee, and any of their duly authorized agents shall have the right at all reasonable times upon reasonable notice to the Obligor to examine and inspect the Community to determine that the Obligor is in compliance with the terms and conditions of this Agreement; *provided*, that any such inspection will be conducted in a manner that will minimize any intrusion on the operations of the Community. The Bond Trustee shall have no duty to inspect the Community.

Section 7.3 Further Assurances. The Issuer and the Obligor agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement.

Section 7.4 Indemnification.

(a) In the exercise of the powers of the Issuer and its members, directors, officers, employees, agents and consultants under the Bond Resolution, the Bond Indenture, the Tax Agreement and this Agreement including, without limiting the foregoing, the application of moneys and the investment of funds, the Issuer shall not be accountable to the Obligated Group for any action taken or omitted by it or its members, directors, officers, employees, agents and consultants in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred. The Issuer and its members, directors, officers, employees, agents and consultants shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the Obligated Group for any claims based on the Bond Resolution, the Tax Agreement, the Bond Indenture or this Agreement or any instruments or documents related thereto against any member, director, officer, employee, agent or consultant of the Issuer alleging personal liability on the part of such Person unless such claims are based upon the bad faith, fraud or deceit of such Person.

(b) The Obligor will pay and will indemnify, defend and hold the Issuer (including any Person at any time serving as a member, director, officer, employee, agent or consultant of the Issuer in their capacity as such) and the Bond Trustee and its directors, officers, employees and agents harmless from and against all claims, liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses), suits and judgments of any kind arising out of (i) injury to or death of any Person or damage to property in or upon any property of the Obligor financed or refinanced, directly or indirectly, out of Bond proceeds or the occupation, use, possession or condition of such property or any part thereof or relating to the foregoing, (ii) any violation of any law, ordinance or regulation affecting such property or any part thereof or the ownership, occupation, use, possession or condition thereof, (iii) the issuance and sale of the Bonds or any of them, (iv) the execution and delivery hereof or of the Bond Indenture or of any document required hereby or thereby or in furtherance of the transactions contemplated hereby or thereby or (v) the performance of any act required of any indemnitee under this Section under any provision hereof or of the Bond Indenture or in furtherance of the transactions contemplated hereby or thereby.

(c) The Issuer and the Bond Trustee shall promptly, upon receipt of notice of the existence of a claim or the commencement of a proceeding regarding which indemnity under this Section may be sought, notify the Obligor in writing thereof. If such a proceeding is commenced against the Issuer, the Obligor may participate in the proceeding and, to the extent it elects to do so, may assume the defense thereof with counsel reasonably satisfactory to the Issuer and the Bond Trustee. If, however, the Issuer or the Bond Trustee is advised in an Opinion of Counsel that there is a conflict or may be legal defenses available to it which are different from or in addition to those available to the Obligor, or if the Obligor fails to assume the defense of such proceeding or to employ such counsel for that purpose within a reasonable time after notice of commencement of the proceeding, the Obligor shall not be entitled to assume the defense of the proceeding on behalf of the Issuer or the Bond Trustee, but shall be responsible for the reasonable fees, costs and expenses of the Issuer or the Bond Trustee in conducting its defense employing counsel selected by the Issuer or the Bond Trustee, as applicable. The Issuer and the Bond Trustee reserve the right to consent, or refuse to consent to any settlement.

(d) The provisions of this Section 7.4 shall survive the termination of this Agreement and the payment in full of the Series 2017 Note and the resignation or removal of the Bond Trustee pursuant to the Bond Indenture.

Section 7.5 Authority of Obligor. Whenever under the provisions of this Agreement the approval of the Obligor is required, or the Issuer or the Bond Trustee are required to take some action at the request of the Obligor, such approval or such request shall be made by the Obligor unless otherwise specified in this Agreement and the Issuer or the Bond Trustee shall be authorized to act on any such approval or request and the Obligor shall have no complaint against the Issuer or the Bond Trustee as a result of any action taken.

Section 7.6 Authority of Issuer Representative. Whenever under the provisions of this Agreement the approval of the Issuer or the Bond Trustee are required, or the Obligor is required to take some action at the request of the Issuer, such approval or such request shall be made by the Issuer Representative unless otherwise specified in this Agreement and the Obligor or the Bond Trustee shall be authorized to act on any such approval or request and the Issuer shall have no complaint against the Obligor or the Bond Trustee as a result of any such action taken.

Section 7.7 No Personal Liability. No obligations contained in the Bonds, the Bond Indenture or this Agreement shall be deemed to be the obligations of any officer, director, council

member, trustee, agent or employee of the Issuer, the Bond Trustee or the Obligor, in his or her individual capacity, and neither the Board of Directors, the governing body of the Obligor, or the Bond Trustee, any official of the Issuer nor any official of the Issuer executing the Bonds, the Bond Indenture or this Agreement shall be liable personally thereon or be subject to any personal liability or accountability with respect thereto.

Section 7.8 Fees and Expenses. The Obligor agrees to pay promptly upon demand therefor all costs paid, incurred or charged by the Issuer in connection with the Bonds, including without limitation, (i) all fees required to be paid to the Issuer with respect to the Bonds or any modification or administration thereof or of the Bond Indenture, this Loan Agreement or related documents, (ii) all out of pocket expenses and Cost of Issuance (including reasonable fees and expenses of attorneys employed by the Issuer) reasonably incurred by the Issuer in connection with the issuance of the Bonds and (iii) all out of pocket expenses (including reasonable fees and expenses of attorneys employed by the Issuer) reasonably incurred by the Issuer in connection with the enforcement of any of its rights or remedies or the performance of its duties under the Bond Indenture or this Agreement or any modification or administration thereof or of related documents..

ARTICLE VIII [RESERVED]

ARTICLE IX FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR

Section 9.1 Failure to Perform Covenants. Upon failure of the Obligor to pay when due any payment (other than failure to make any payment on any Note, which default shall have no grace period) required to be made under this Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, and continuation of such failure for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Obligor by the Issuer or the Bond Trustee, the Issuer or the Bond Trustee shall have the remedies provided in Section 9.2 hereof.

Section 9.2 Remedies for Failure to Perform. Upon the occurrence of a failure of the Obligor to perform as provided in Section 9.1 hereof, the Issuer or the Bond Trustee, as assignee or successor of the Issuer, upon compliance with all applicable law, in its discretion may take any one or more of the following steps:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Obligor to carry out any agreements with or for the benefit of the Bondholders and to enforce performance and observance of any duty, obligation, agreement or covenant of the Obligor under the Act or this Agreement; or
- (b) by action or suit in equity require the Obligor to account as if it were the trustee of an express trust for the Issuer; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer; or
- (d) upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Bond Trustee and the Bondholders, have appointed a receiver or receivers of the Trust Estate upon a showing of good cause with such powers as the court making such appointment may confer.

Section 9.3 Discontinuance of Proceedings. In case any proceeding taken by the Issuer or the Bond Trustee on account of any failure to perform under Section 9.1 shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Issuer or the Bond Trustee, then and in every case the Issuer and the Bond Trustee shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Issuer and the Bond Trustee shall continue as though no such proceeding had been taken.

Section 9.4 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bond Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required in Section 9.1 hereof. Such rights and remedies given the Issuer hereunder shall also extend to the Bond Trustee and the Owners of the Bonds, subject to the Bond Indenture.

Section 9.5 Agreement to Pay Attorneys' Fees and Expenses. In the event the Issuer or the Bond Trustee should employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the Obligor herein or in the Bond Indenture contained, the Obligor agrees that it will on demand therefor pay to the Issuer or the Bond Trustee, as the case may be, the reasonable fee of such attorneys actually incurred and such other reasonable expenses incurred by the Issuer or the Bond Trustee.

Section 9.6 Waivers. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Agreement to the Bond Trustee under the Bond Indenture, the Issuer shall have no power to waive any failure to perform under Section 9.1 hereunder without the consent of the Bond Trustee (other than a failure to observe the covenants contained in Section 4.9 hereof, which may be waived by the Issuer without the consent of the Bond Trustee).

ARTICLE X PREPAYMENT OF SERIES 2017 NOTE

Section 10.1 General Option to Prepay Note. The Obligor shall have and is hereby granted the option exercisable at any time to prepay all or any portion of its payments due or to become due on the Series 2017 Note by depositing with the Bond Trustee for payment into the Bond Fund an amount of money or Government Obligations the principal and interest on which when due, will be equal to an amount sufficient to pay the principal of, premium, if any, and interest on any portion of the Bonds then Outstanding under the Bond Indenture, without penalty. The exercise of the option granted by this Section shall not be cause for redemption of Bonds unless such redemption is permitted at that time under the provisions of the Bond Indenture and the Obligor specifies the date for such redemption. In the event the Obligor prepays all of its payments due and to become due on the Series 2017 Note by exercising the option granted by this Section and upon payment of all reasonable and necessary fees and expenses of the Bond Trustee, the Issuer and any Paying Agent accrued and to accrue through final payment of the Bonds called for redemption as a result of such prepayment and of all Administration Expenses through final payment of the Bonds called for redemption as a result of such prepayment, this Agreement shall terminate; *provided*, that no such termination shall occur unless all of the Bonds are no longer Outstanding.

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Notices. Any notice, request or other communication under this Agreement shall be given in writing and shall be deemed to have been given by any party to the other parties at the addresses shown below upon any of the following dates:

(a) The date of notice by telefax, telecopy, or similar telecommunications, which is confirmed promptly in writing;

(b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;

(c) The date of the receipt thereof by such other parties if not given pursuant to (a) or (b) above.

The address for notice for each of the parties shall be as follows:

Issuer:	St. Johns Industrial Development Authority 500 San Sebastian View St. Augustine, FL. 32084 Attention: Counsel Telephone: (904) 209-0655 Facsimile: (904) 209-0310
Obligor:	Westminster Pines, Inc. 80 West Lucerne Circle Orlando, FL 32801 Attention: Henry T. Keith, Chief Financial Officer Telephone: (407) 839-5050 Ext. 267 Facsimile: (407) 849-1718
Bond Trustee:	U.S. Bank National Association 225 Water Street Suite 700 Jacksonville, Florida 32202 Attention: Jane Pope Telephone: (904) 358-5378 Email: jane.pope@usbank.com Facsimile: (904) 358-5374
Remarketing Agent:	Herbert J. Sims & Company, Inc. 2150 Post Road Suite 301 Fairfield, Connecticut 06824-5669 Attention: Telephone: Email: Facsimile:

(d) In addition to the foregoing, the Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder from the Issuer Representative or the Authorized Representative (collectively, "Authorized Officers"), as applicable. If the Issuer and Obligor elects to give the Bond Trustee Instructions using Electronic Means and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling. The Issuer and Obligor each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Bond Trustee have been sent by such Authorized Officer. The Issuer and Obligor each shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Bond Trustee and the Issuer and Obligor and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Issuer and Obligor. The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Issuer and Obligor each agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Issuer and Obligor; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to them a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(e) Notwithstanding the foregoing, notices to the Bond Trustee shall be effective only upon receipt.

Section 11.2 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Issuer, the Obligor, and their respective successors and assigns, subject, however, to the limitations contained in Section 11.9 hereof.

Section 11.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4 Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Bond Fund and the Debt Service Reserve Fund upon expiration or sooner termination of this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Indenture), the fees, charges, and expenses of the Bond Trustee, the Issuer and the Paying Agent in accordance with the Bond Indenture and this Agreement, the Administration Expenses and all other amounts required to be paid under this Agreement and the Bond Indenture, shall belong to and be paid to the Obligor by the Bond Trustee or the Issuer.

Section 11.5 Amendments, Changes, and Modifications. Except as otherwise provided in this Agreement or in the Bond Indenture, subsequent to the initial issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Bond Indenture), this Agreement may not be effectively amended, changed, modified, altered, or terminated without the written consent of the Bond Trustee.

Section 11.6 Execution in Counterparts. This 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 11.7 Payment. At such time as the principal of, premium, if any, and interest on all Bonds Outstanding under the Bond Indenture shall have been paid, or shall be deemed to be paid, in accordance with the Bond Indenture, and all other sums payable by the Obligor under this Agreement shall have been paid, the Series 2017 Note shall be deemed to be fully paid and shall be delivered by the Bond Trustee to the Obligor.

Section 11.8 Governing Law. This Agreement shall be governed and construed in accordance with the law of the State.

Section 11.9 No Pecuniary Liability of Issuer. No provision, covenant, or agreement contained in this Agreement, or any obligations herein imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any Florida constitutional provision or statutory limitation or shall constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Agreement, the Issuer has not obligated itself except with respect to the application of the revenues, income, and all other property therefrom, as hereinabove provided.

Section 11.10 Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in Jacksonville, Florida are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Agreement.

Section 11.11 No Individual Liability. No covenant or agreement contained in this Agreement or the Bond Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors or the governing body of the Obligor or the Bond Trustee or of any officer, director, trustee, agent or employee of the Issuer, the Bond Trustee or the Obligor, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement or any assessment or penalty, or otherwise.

Section 11.12 Survival of Covenants. All covenants, agreements, representations and warranties made by the Obligor in this Agreement, the Bond Indenture, the Series 2017 Note and the Bonds, and in any certificates or other documents or instruments delivered pursuant to this Agreement or the Bond Indenture, shall survive the execution and delivery of this Agreement, and the Bond Indenture and the Series 2017 Note and shall continue in full force and effect until the Bonds and the Series 2017 Note are paid in full and all of the Obligor's other payment obligations (including without limitation the indemnification obligation under Section 7.4 and the obligations under Sections 5.5, 5.7 and 9.5 hereof) under this Agreement, the Bond Indenture, the Series 2017 Note and the Bonds are satisfied. All such

covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Obligor.

IN WITNESS WHEREOF, the Issuer and the Obligor have caused this Agreement to be executed in their respective corporate names, all as of the date first above written.

**ST. JOHNS COUNTY INDUSTRIAL
DEVELOPMENT AUTHORITY**

Attest:

By: _____
Chair

Secretary

WESTMINSTER PINES, INC.

By: _____
Title: _____

[Signature Page to Loan Agreement]

EXHIBIT A

FORM FOR COST OF ISSUANCE DISBURSEMENT

NO. _____

U.S. Bank National Association
225 Water Street
Suite 700
Jacksonville, Florida 32202
Attention: Corporate Trust Department

Re: St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds
(Westminster St. Augustine Project), Series 2017A and Series 2017B

Ladies and Gentlemen:

This request for disbursement is submitted to you pursuant to Section 4.2 of the Loan Agreement (the "Loan Agreement") dated as of _____ 1, 2017, between St. Johns County Industrial Development Authority and Westminster Pines, Inc. (the "Obligor") relating to the captioned Bonds. You are hereby requested to make the following disbursements from the Cost of Issuance Fund for the payment of Cost of Issuance referred to below, as defined and provided in the Loan Agreement.

(List payments to be made)

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Date: _____

WESTMINSTER PINES, INC.
as Obligor

By: _____
Authorized Representative

Exhibit C

BOND PURCHASE AGREEMENT

Dated as of [BPA DATE]

Relating to:

 \$[Tax-Exempt Principal Amount]
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017A

 \$[Taxable Principal Amount]
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
TAXABLE RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017B

[BPA DATE]

St. Johns County Industrial Development Authority
St. Augustine, Florida

Westminster Pines, Inc. d/b/a Westminster St. Augustine
Orlando, Florida

Ladies and Gentlemen:

The undersigned, Herbert J. Sims & Co., Inc. (the "Underwriter"), offers to enter into this Bond Purchase Agreement with the St. Johns County Industrial Development Authority (the "Issuer") and Westminster Pines, Inc. d/b/a Westminster St. Augustine (the "Obligor") which will become binding upon the Issuer, the Obligor and the Underwriter upon the Issuer's and the Obligor's acceptance evidenced by execution of this Bond Purchase Agreement. Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the hereinafter defined Loan Agreement, Master Indenture and Bond Indenture.

SECTION 1. PURCHASE AND SALE OF BONDS.

(a) Upon the terms and conditions and upon the basis of the representations, warranties, and covenants contained in this Bond Purchase Agreement, the Underwriter hereby agrees to purchase from the Issuer for offering to the public and the Issuer hereby agrees to sell to the Underwriter for such purpose all (but not less than all) of (i) \$[Tax-Exempt Principal Amount] in aggregate principal amount of its Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A (the "Series 2017A Bonds" and (ii) \$[Taxable Principal Amount] in aggregate principal amount of its Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Bonds") at the prices expressed as a percentage of the aggregate principal amount of such bonds shown on Exhibit A hereto. The purchase price of the Series 2017A Bonds is \$ _____ which is the par amount of the Bonds of \$[Principal Amount] plus aggregate original issue premium of \$ _____ less underwriter discount of \$ _____. The purchase price of the Series 2017B Bonds is \$ _____ which is the par amount of the Bonds of \$[Principal Amount] plus aggregate original issue premium of \$ _____ less underwriter discount of \$ _____. The Bonds are subject to optional redemption prior to maturity as described in Exhibit B hereto.

(b) Payment of the purchase price for the Bonds shall be made by wire in immediately available funds payable to the order of U.S. Bank National Association, as bond trustee (the "Bond Trustee") for the account of the Issuer. Settlement of the transaction will be held at the offices of the Obligor in Orlando, Florida on _____, 2017 (the "Closing"), or such other place, time, or date as shall be mutually agreed upon by the Issuer, the Obligor, and the Underwriter, against delivery of the Bonds to the Underwriter or the persons designated by the Underwriter. The date and time of such delivery and payment is herein called the "Closing." The delivery of the Bonds shall be made to the Bond Trustee in definitive form (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) and registered in the name of Cede & Co. At the Closing the Bonds shall be delivered to the Bond Trustee on behalf of The Depository Trust Company ("DTC") under the DTC Fast Service.

(c) The Underwriter, in its discretion, may permit other securities dealers who are members of the Financial Industry Regulatory Authority ("FINRA") to assist in selling the Bonds, and the Underwriter agrees to pay or reallow such securities dealers a fee or selling commission to be paid from

the underwriting fee provided in Section 8 of this Bond Purchase Agreement. The Underwriter agrees that it will not sell the Series 2017A Bonds in a manner which will jeopardize the tax-exempt status of the interest on the Series 2017A Bonds and, in connection with this agreement, agrees that it will not sell the Series 2017A Bonds to an "underwriter" or "dealer" for a price lower than 100% of the aggregate principal amount of Series 2017A Bonds being sold plus accrued interest from the date of the Series 2017A Bonds to the date of payment and delivery. The Underwriter agrees to exercise its best efforts to determine whether purchasers of the Bonds are "Underwriters" or "dealers."

(d) The Bonds shall be issued under and secured as provided in the Bond Indenture to be dated as of [Doc. Date] (the "Bond Indenture") and the Bonds shall have the maturities and interest rates, be subject to redemption, and shall be otherwise as described and as set forth in Exhibit A hereto and the Bond Indenture.

SECTION 2. DESCRIPTION OF FINANCING.

(a) As permitted by Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act"), the Issuer is authorized to issue its revenue bonds and to loan the proceeds thereof for the purposes set forth in the Act and pursuant to a resolution duly adopted by the Issuer on August 14, 2017 at a meeting duly called and held (the "Bond Resolution"), the Issuer has authorized the issuance and delivery of the Bonds. The Bonds will be issued under and secured by the Bond Indenture.

(b) The Obligor will use the proceeds of the Bonds, together with certain other moneys, in order to (a) refinance a loan made by Presbyterian Retirement Communities, Inc., the proceeds of which were used to acquire an existing continuing care retirement community presently known as "Glenmoor" and to be known as "Westminster St. Augustine" consisting of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages, (ii) [30][36] assisted living units and (iii) a health center containing 30 skilled nursing beds, located on a 40-acre site in World Golf Village, St. Johns County, St. Augustine, Florida (the "Community"), (b) finance certain capital improvements at the Community, (c) fund debt service reserves and other reserves and (d) pay the costs of issuance of the Series 2017 Bonds.

(c) The Bonds are being issued pursuant to the Bond Indenture, the Act and the Bond Resolution. The Issuer will loan the proceeds of the Bonds to the Obligor pursuant to a Loan Agreement to be dated as of [Doc. Date] (the "Loan Agreement"), between the Issuer and the Obligor. The obligation of the Obligor to repay the loan from the Issuer will be evidenced by a promissory note of the Obligated Group ("Series 2017 Note"), issued under and entitled to the benefit and security of a Master Trust Indenture, to be dated as of [Doc. Date], as supplemented by Supplemental Indenture No. 1, to be dated as of [Doc. Date], and each between U.S. Bank National Association, as master trustee, (the "Master Trustee") and the Obligated Group (collectively, the "Master Indenture"). The Series 2017 Note will constitute an unconditional promise by each Obligated Group Member (as defined in the Master Indenture) to pay amounts sufficient to pay principal of (whether at maturity, by acceleration or call for redemption) and premium, if any, and interest on the Bonds; and Series 2017 Note will be secured on a parity basis with any other Master Obligations hereafter issued under the Master Indenture, by a lien on and security interest in the Mortgaged Property granted to the Master Trustee pursuant to the Mortgage, Security Agreement and Fixture Filing, to be dated as of [Doc. Date], between the Obligated Group and the Master Trustee, as modified from time to time and modifications thereof (both of record) that are given by any Member of the Obligated Group to the Master Trustee to secure Master Obligations under the Master Indenture (collectively, the "Mortgage"), and a security interest in the Gross Revenues of the Obligated Group and the Funds established under the Master Indenture. Currently, only the Obligor and the Master Trustee are parties to the Master Indenture. The Obligated Group and each Member of the Obligated Group admitted in the future will be jointly and severally liable for the payment for all

obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder.

(d) As additional security for the Series 2017 Bonds, the Obligated Group Agent will enter into a Liquidity Support Agreement, to be dated [Date], by and among Presbyterian Retirement Communities, Inc. (the "Liquidity Provider"), the Obligor and the Master Trustee (the "Liquidity Support Agreement"), pursuant to which the Liquidity Provider agrees to pay monies in an amount equal to the Support Obligation (as defined therein).

SECTION 3. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT AND OFFERING OF BONDS.

(a) The Issuer and the Obligor each hereby authorize and ratify the distribution by the Underwriter of the Preliminary Official Statement dated [POS DATE] and Official Statement dated [BPA DATE] (collectively, the "Official Statement"), relating to the Bonds. The Preliminary Official Statement has been "deemed final" as of its date by the Issuer and the Obligor for purposes of Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "1934 Act"), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The Bonds will be offered for sale by the Underwriter pursuant to a definitive Official Statement.

(b) The Underwriter acknowledges that, except the information contained under the headings "SHORT STATEMENT – The Issuer," "THE ISSUER" and "LITIGATION – The Issuer," the Issuer (i) has not participated in the preparation of the Official Statement, (ii) has made no independent investigation and has furnished no information contained in the Official Statement and (iii) assumes no responsibility with respect to the sufficiency, accuracy, or completeness of any of the information contained in the Official Statement or any other document used in connection with the offer and sale of the Bonds.

(c) The Obligor shall deliver, or cause to be delivered, to the Underwriter copies of the Official Statement in sufficient quantity in order for the Underwriter to comply with Rule 15c2-12(b)(2) promulgated by the Commission under the 1934 Act.

(d) The Obligor shall deliver, or cause to be delivered, to the Underwriter copies of the Official Statement in sufficient quantity, in the Underwriter's opinion, to accompany any confirmation that requests payment from any customer and to comply with rules of the Commission and the Municipal Securities Rulemaking Board ("MSRB").

(e) To the extent required by rules of the Commission or MSRB, the Issuer and the Obligor hereby authorize the Underwriter to deliver the Official Statement to a nationally recognized municipal securities information repository and the Underwriter agrees to make such delivery.

(f) The Issuer and the Obligor will not amend or supplement the Official Statement without the consent of the Underwriter, which consent will not be unreasonably withheld. From the date hereof until the earlier of (i) ninety (90) days from the End of the Underwriting Period (as defined in Rule 15c2-12) or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than twenty-five (25) days following the end of the underwriting period (as defined in Rule 15c2-12), if any event occurs as a result of which the Issuer or the Obligor believes it may be necessary to amend or supplement the Official Statement in order to correct any untrue statement of a material fact contained in the Official Statement or to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer

and the Obligor will notify the Underwriter in writing of such event and, if such event requires, in the opinion of the counsel to the Underwriter, an amendment or supplement to the Official Statement, at the Obligor's expense the Issuer and the Obligor will amend or supplement the Official Statement in a form and in a manner jointly approved by the Issuer, the Obligor and the Underwriter, which approval will not be unreasonably withheld, so the Official Statement, as so amended or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading.

(g) The Underwriter intends to make a bona fide public offering of all of the Bonds at the offering prices (or yields) set forth on the inside cover of the Official Statement, it being understood and agreed that after the initial offering the Underwriter reserves the right change such public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds.

(h) The Issuer and the Obligor each agree that it will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter shall designate; provided, however, the Issuer shall not be liable for any expenses that are not paid or reimbursed by the Obligor, nor shall the Issuer be required to register as a dealer or broker in any such jurisdiction, nor execute a general consent to service of process or qualify to do business in connection with any such qualification of the Bonds in any such jurisdiction. The Obligor will reimburse the Issuer or cause it to be reimbursed for its reasonable out-of-pocket expenses, including attorneys' fees, in connection therewith.

SECTION 4. CONTINUING DISCLOSURE.

The Obligor will execute and deliver a Continuing Disclosure Certificate, to be dated as of [Doc. Date] (the "Continuing Disclosure Certificate"), in order to comply with the requirements for the dissemination of certain financial information and operating data, including audited financial statements, and notices required by Rule 15c2-12.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE ISSUER.

By the Issuer's acceptance hereof it hereby represents and warrants to, and covenants and agrees with, the Underwriter and the Obligor (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Bonds at the Closing (as hereinafter defined) that the Issuer shall so represent and warrant as of the date of the Closing) that:

(a) It is a public body corporate and politic created and existing under the laws of the State of Florida. The Issuer is authorized under the provisions of Florida law, particularly the Act, to issue the Bonds and to lend the proceeds thereof to the Obligor.

(b) It has complied with all provisions of the Constitution and laws of the State of Florida and has full power and authority to consummate all transactions contemplated by this Bond Purchase Agreement, the Tax Agreement, to be dated as of Closing (the "Tax Agreement"), the Bonds, the Bond Indenture and the Loan Agreement (collectively, the "Issuer Documents").

(c) By the Bond Resolution duly adopted by it at a meeting duly called and held, it has duly and validly authorized the issuance and sale of the Bonds and the execution and delivery of the Issuer Documents.

(d) It has duly and validly authorized its officers and directors to take all necessary action that is not inconsistent with the terms and provisions of the Bond Resolution for: (1) the issuance, sale,

and delivery of the Bonds upon the terms set forth herein, (2) the execution, delivery, and performance of the Bond Indenture providing for the issuance of and security for the Bonds (including the pledge of the payments to be received pursuant to the Loan Agreement and appointing the Bond Trustee as trustee, paying agent, and bond registrar under the Bond Indenture, (3) the loan of the proceeds of the Bonds pursuant to the Loan Agreement, (4) the carrying out, giving effect to, and consummation of the transactions contemplated hereby and (5) the consent to the distribution by the Underwriter of the Official Statement.

(e) The Issuer Documents, when executed by the other parties thereto at the Closing (as hereinafter defined), will have been duly and validly executed and delivered by the Issuer, will be in full force and effect as to the Issuer, and will constitute the legal, valid, and binding limited obligations of the Issuer, enforceable in accordance with their terms, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting the enforcement of creditors' rights generally and by general principles of equity affecting remedies. The Bonds, when issued, delivered, and paid for as herein and in the Bond Indenture provided, will have been duly and validly authorized and issued and will constitute valid and binding limited obligations of the Issuer enforceable in accordance with their terms and provisions, except as limited by applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws from time to time in effect affecting the enforcement of creditors' rights generally and by general principles of equity affecting remedies. The Bonds will be limited obligations of the Issuer, payable from and secured by the Trust Estate, including the moneys derived by the Issuer from the Obligor pursuant to the Loan Agreement, and will not constitute an obligation or debt of the Issuer, St. Johns County or the State of Florida, or any political subdivision thereof, and neither the faith nor credit of the Issuer, St. Johns County or the State of Florida, or any political subdivision thereof, is pledged to the payment of the Bonds.

(f) To the best of the knowledge of the Issuer, 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 its knowledge, threatened against it (or to its knowledge, after making due inquiry with respect thereto, any basis therefor), wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or the validity of the Issuer Documents, or any other agreement or instrument to which it is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(g) To the best of the knowledge of the Issuer, it is not in breach of or default under any court or administrative regulation, decree, or order of any court or governmental agency or body having jurisdiction over the Issuer, or any agreement, note, resolution, ordinance, indenture, mortgage, lease, or other instrument to which it is subject or by which it is bound which materially and adversely affects the transactions contemplated hereby. The Issuer, as a conduit issuer, issues its bonds as limited obligations of the Issuer, payable solely from payments to be made by the respective non-governmental entities which use or own the projects financed. Some bonds issued by the Issuer may have been, and may continue to be, in default, but to the best knowledge of the Issuer, the borrowers under the related loan or lease agreements are unrelated to the Obligated Group and other members of the Obligated Group, if any. To the best knowledge of the Issuer, the Issuer has not been in default as to the principal or interest at any time after December 31, 1975, as to any debt obligations relating to the Obligated Group or any other member of the Obligated Group. The consent to the use of the Official Statement and the execution and delivery of the Issuer Documents and the compliance with the provisions on the Issuer's part contained therein will not conflict with or constitute on its part a breach of or a default under its organizational documents or any agreement, note, resolution, ordinance, indenture, mortgage, lease, or other instrument to which it is subject or by which it is bound, or to its knowledge, any existing law, court or administrative regulation, decree, or order. No approval or other action by a governmental authority is required in connection with the execution and delivery by it of the Issuer Documents, or in connection

with the performance by it or its obligations hereunder or thereunder, which has not been previously obtained or accomplished; provided, however, that the Issuer makes no representation or warranty with respect to compliance with applicable federal or state securities laws or Blue Sky laws of any jurisdiction in connection with the issuance and sale of the Bonds.

(h) It will not knowingly take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of Bonds to be applied in a manner other than as provided in the Bond Indenture and the Loan Agreement or which would cause the interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes.

(i) The information contained under the headings "SHORT STATEMENT – The Issuer," "THE ISSUER" and "LITIGATION –The Issuer" in the Official Statement is true in all material respects.

(j) Any certificate signed by any of its authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein, and not a representation or warranty of the individual signatories.

(k) It acknowledges and agrees that these representations and warranties are made to induce the Underwriter to purchase the Bonds, and that such representations and warranties and any other representations and warranties made by the Issuer to the Underwriter are made for the benefit of the ultimate purchasers of Bonds and may be relied upon by said purchasers.

(l) The Issuer acknowledges receipt of written disclosure from the Underwriter in accordance with Municipal Securities Rulemaking Board Rule G-17, relating to the duty of fair dealing owed by the Underwriter to both the Issuer and purchasers of the Bonds. The disclosure included, but was not limited to, the Underwriter's role in the transaction, potential conflicts of interest due to the Underwriter's role in the issuance of the Bonds and the compensation structure of the Underwriter.

SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE OBLIGOR.

By the Obligor's acceptance hereof, the Obligor hereby represents and warrants to, and covenants and agrees with, the Underwriter and the Issuer (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Bonds at the Closing (as hereinafter defined) that the Obligor shall so represent and warrant as of the date of the Closing) that:

(a) The Obligor is organized and validly exists as a Florida not for profit corporation. The Obligor has full power and authority to enter into and execute, deliver, and perform this Bond Purchase Agreement, the Loan Agreement, the Mortgage, the Tax Agreement, the Liquidity Support Agreement, the Master Indenture, the Series 2017 Note and the Continuing Disclosure Certificate (collectively the "Obligor Documents"), and to own its properties and conduct its business, all as described in the Official Statement and as contemplated in the Obligor Documents. The Obligor is conducting its business in compliance with all applicable and valid laws, rules, and regulations of the State of Florida.

(b) The Obligor has duly authorized by all necessary action the execution, delivery, and performance of the Obligor Documents, the consent to the distribution by the Underwriter of the Official Statement, and the execution and delivery of the Official Statement. No approval, authorization, consent, or other action by any governmental body (other than the Issuer and other than consents and approvals (i) that already have been obtained or will be obtained at or prior to the Closing, (ii) are required under federal or state securities laws or (iii) are required under Florida law in connection with the issuance of the Bonds) is required in connection with the execution or performance by the Obligor of the Obligor Documents, and neither the execution nor the performance of the Obligor Documents will conflict with,

breach, or violate the organizing documents of the Obligor or any indenture, mortgage, deed of trust, lease, note, judgment, decree, order, lien, statute, resolution, rule, regulation, plan, agreement, or other instrument or restriction to which the Obligor is a party or by which it or its property may be subject or bound; provided, however, that the Obligor makes no representation or warranty with respect to compliance with applicable federal or state securities laws in connection with the issuance of the Bonds. The Obligor Documents, when executed by the other parties thereto at or before the Closing, will have been duly and validly executed and delivered by the Obligor, will be in full force and effect as to the Obligor, and will constitute the legal, valid, binding, and enforceable obligations of the Obligor, enforceable in accordance with their terms, except as limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditor rights generally and by general principles of equity affecting remedies.

(c) The Obligor is not in violation of any material provision of or in default under any indenture, mortgage, deed of trust, lease, indebtedness, agreement, instrument, lien, judgment, decree, order, statute, ordinance, rule, regulation, plan, or other restriction to which it is a party or by which it or its property is subject or bound, which violation would have any material adverse effect on the financing contemplated by the Official Statement, nor would any such violation result in any material adverse effect upon the operations, properties, assets, liabilities, or condition (financial or other) of the Obligor.

(d) There is no pending or, to the best of the Obligor's knowledge, threatened action, suit, proceeding, inquiry, or investigation, before or by any court, public board, or body against the Obligor, nor, to the best knowledge of the Obligor, is there any basis therefor, which would materially and adversely affect the transactions contemplated by the Official Statement, or which would materially and adversely affect the Bonds, the Obligor Documents or the financing or operation of the Community or which might result in any material adverse change in the operations, properties, assets, liabilities, or condition (financial or other) of the Obligor, or which affects the information contained in the Official Statement.

(e) To the best of the knowledge of the Obligor, no legislation, resolution, rule, or regulation has been enacted by any governmental body, department, or agency of St. Johns County, Florida or any other local government having jurisdiction over the Obligor (the "Local Governments"), the State of Florida or the United States of America, nor has any decision been rendered by any court of competent jurisdiction in the Local Governments, the State of Florida or the United States of America, which would materially and adversely affect the transactions contemplated by the Official Statement.

(f) The representations of the Obligor contained in this Bond Purchase Agreement and any certificate, document, written statement, or other instrument furnished by or on behalf of the Obligor to the Issuer or Underwriter in connection with the transactions contemplated hereby, do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein or therein not misleading. There is no fact that the Obligor has not disclosed to the Issuer or Underwriter in writing that materially and adversely affects or in the future may (so far as the Obligor can now reasonably foresee) materially and adversely affect the operation of the properties, business, operations, prospects, profits, or condition (financial or otherwise) of the Obligor, the ability of the Obligor to perform its obligations under the Obligor Documents, or in the other certificates, documents, and instruments furnished to the Underwriter by or on behalf of the Obligor prior to the date of delivery of the Official Statement in connection with the transactions contemplated hereby.

(g) The contents of the Official Statement are and at the End of the Underwriting Period (as defined in Section 3(f) hereof) will be complete, accurate, true, and correct in all material respects and do not or will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein made, in light of the circumstances under which they were made, not

misleading. Nothing has come to the attention of the Obligor which leads it to believe that any portions of the Official Statement contain or will contain any untrue statement of a material fact or omit or will omit to state any material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(h) It will not take or omit to take any action, which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner other than as provided in the Bond Indenture and the Loan Agreement or which would cause the interest on the Bonds to become includible in the gross income of the owners thereof for federal income tax purposes.

(i) Any certificate signed by any of its authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the Obligor to the Underwriter as to the statements made therein.

(j) The Obligor is a not-for-profit corporation organized and operated exclusively for charitable purposes (within the meaning of Section 501(a) of the Code), not for pecuniary profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual, all within the meaning of Subsection 3(a)(4) of the 1933 Act (as hereinafter defined) and of Subsection 12(g)(2)(D) of the 1934 Act. The Obligor has received a letter from the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code. The Obligor is in compliance with all terms, conditions, and limitations, if any, contained in such letter and the statements made in the application to the Internal Revenue Service for such letter are true and accurate and the facts presented in such requests do not deviate in any material respect from the facts of the transactions contemplated by the Official Statement. The income of the Obligor is not subject to any taxes based on net income pursuant to the laws of the State of Florida except unrelated business income. The Obligor has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its classification under Section 501(c)(3) of the Code has been revoked or modified or that the Internal Revenue Service is considering revoking or modifying such exemption.

(k) All licenses, consents, permits, approvals or authorizations, of any federal, state or local governmental issuer required on the part of the Obligor to be obtained in connection with the issuance of the Bonds for the purposes described in the Official Statement, the execution and delivery of the Obligor Documents, and the performance by the Obligor of its obligations thereunder and hereunder and the Obligor's consummation of the transactions contemplated thereby and by the Official Statement, have been duly obtained. The Obligor has complied, or by the date of Closing will have complied, with all applicable provisions of law requiring any designation, declaration, filing, registration or qualification with any governmental issuer in connection therewith, other than as may be required by state or federal securities laws.

(k) It acknowledges and agrees that these representations and warranties are made to induce the Underwriter to purchase the Bonds, and that such representations and warranties and any other representations and warranties made by the Obligor to the Underwriter in writing are made for the benefit of the ultimate purchasers of Bonds and may be relied upon by said purchasers.

SECTION 7. INDEMNIFICATION.

(a) The Obligor hereby agrees to indemnify and hold harmless the Issuer and Underwriter, together with each officer, employee, agent and member of the governing body of the Issuer and the Underwriter and each person who controls the Issuer or Underwriter within the meaning of either the Securities Act of 1933, as amended (the "1933 Act"), or the 1934 Act from and against any and all losses, claims, damages, liabilities, costs, and expenses (including, without limitation, fees and disbursements of

counsel and other expenses incurred by them or any of them in connection with investigating or defending any loss, claim, damage, or liability or any suit, action, or proceeding, whether or not resulting in liability), joint or several, to which they or any of them may become subject under the 1933 Act, the 1934 Act, or any other applicable statute or regulation, whether federal or state, or at common law or otherwise, insofar as such losses, claims, damages, liabilities, costs, and expenses (or any suit, action, or proceeding in respect thereof) arise out of or are based upon any untrue or misleading statement or alleged untrue or misleading statement of a material fact contained in the Official Statement or in any amendment or supplement to any of the foregoing, or arise out of or are based upon the omission or alleged omission to state therein a fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, provided, however, the Obligor will not be liable in any such case to the Underwriter to the extent that any such loss, claim, damage, liability, cost, or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished by the Underwriter specifically for use in connection with the preparation thereof. This indemnity agreement will be in addition to any liability that the Obligor may otherwise have.

(b) The Underwriter shall indemnify and hold harmless the Issuer and the Obligor, each of their respective members, trustees, officers and employees, and each person who controls the Issuer or the Obligor within the meaning of Section 15 of the 1933 Act, to the same extent as the foregoing indemnity from the Obligor to the Underwriter, but only with reference to written information relating to the Underwriter furnished by it specifically for inclusion in the Official Statement. This indemnity agreement will be in addition to any liability that the Underwriter may otherwise have. The Obligor acknowledges that the statements set forth under the heading "UNDERWRITING", in the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Official Statement. The Underwriter shall also reimburse the Issuer for any legal or other expenses incurred by the Issuer in connection with investigating any claim against it and defending any action alleging noncompliance with Blue Sky laws with respect to the Bonds.

(c) Promptly after receipt by any party entitled to indemnification under this paragraph of notice of the commencement of any suit, action, or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against the Obligor or the Underwriter under this paragraph, notify the Obligor or the Underwriter, in writing, as the case may be, of the commencement thereof, but the omission so to notify the Obligor or the Underwriter shall not relieve such party from any liability which it may have to any indemnified party otherwise than under this paragraph or from any liability under this paragraph unless the failure to provide notice prejudices the defense of such suit, action, or proceeding. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled, but not obligated, to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party, promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties at the sole cost and expense at the indemnifying party. Upon such indemnified party's receipt of notice from the indemnifying party of the indemnifying party's election to so assume the defense of such action and approval by the indemnified party of counsel, which approval shall not be unreasonably withheld, the indemnifying party shall not be liable to such indemnified party under this paragraph for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of

legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel representing each indemnified party under this paragraph who is a party to such action), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the indemnifying party's receipt of notice of commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party pursuant to the provisions hereof; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) An indemnifying party shall not be liable for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld but if settled with the consent of the indemnifying party, the indemnifying party agrees to indemnify and hold the indemnified party or parties, including an officer, employee, agent, member or director, or other controlling person of an indemnified party harmless from and against any loss or liability, including reasonable legal and other expenses incurred in connection with the defense of the action, by reason of such settlement to the extent of the indemnification provided for in this paragraph.

(e) In the event and to the extent that any indemnified party is entitled to indemnification from an indemnifying party under the terms of paragraph (a) or paragraph (b) above in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to therein, but such indemnification is unavailable to such indemnified party in respect of any such losses, claims, damages, liabilities, costs, or expenses due to such indemnification being impermissible under applicable law or otherwise, then the indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities, costs, or expenses in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party and such indemnified party, respectively, from the offering of the Bonds, the relative fault of the indemnifying party and such indemnified party, respectively, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities, costs, or expenses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact related to information supplied by the indemnified party or the indemnified party and the relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission of the indemnified party or the indemnified party. The Obligor and the Underwriter, respectively, agree that it would not be just and equitable if contribution pursuant to this paragraph (e) were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this paragraph (e). The amount paid or payable by any indemnified party as a result of the losses, claims, damages, liabilities, costs, or expenses referred to above in this paragraph (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with defending any such action or claim. This paragraph (e) shall not apply in the event of losses, claims, damages, liabilities, costs, or expenses caused by or attributable to the willful misconduct or gross negligence of an indemnified party. Notwithstanding, anything to the contrary contained in this paragraph (e), it is understood and agreed that this paragraph (e) is not intended, and shall not be construed, to expand, broaden, or increase in any way, whether in terms of scope, amount, or otherwise, the liability of the Obligor or the Underwriter in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to in paragraph (a) or paragraph (b) or otherwise, as that liability is set forth in paragraph (a) or paragraph (b) above.

(f) The indemnity and contribution obligations provided by this Section 7 shall survive the termination, cancellation or performance of this Bond Purchase Agreement.

SECTION 8. UNDERWRITING FEE AND COSTS.

(a) In consideration of the Underwriter's execution of this Bond Purchase Agreement, and for the performance of the Underwriter's obligations hereunder, the Obligor agrees to pay or cause to be paid to the Underwriter a total underwriting fee, including all expenses, in an amount equal to \$_____, which shall be due and payable at the Closing. The Underwriter is authorized to deduct its underwriting fees from the proceeds of the Bonds as the Underwriter's discount.

(b) At the closing, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Issuer's or the Obligor's obligations hereunder. All costs incurred in connection with the issuance of the Bonds and all expenses and costs to effect the authorization, preparation, issuance, delivery, and sale of the Bonds (including, without limitation, attorneys' fees and expenses, including Issuer's counsel, bond counsel, Underwriter's counsel, Obligor's counsel, accountants' fees and expenses, financial advisory fees and expenses, trustee's fees, trustee's counsel, and the expenses and costs for the preparation, printing, photocopying, execution, and delivery of the Bonds, the Obligor Documents, and all other agreements and documents contemplated hereby) shall be paid by the Obligor. If the Bonds are not sold by the Issuer to the Underwriter, and whether or not there is a closing, the Obligor shall pay all such expenses and costs of the Issuer, and the Issuer shall not be liable for any expenses or costs.

SECTION 9. CONDITIONS TO THE UNDERWRITER'S OBLIGATIONS.

The Underwriter's obligations hereunder shall be subject to the due performance in all material respects by the Obligor and the Issuer of their obligations and agreements to be performed hereunder at or prior to the Closing and to the accuracy of and compliance with in all material respects their representations and warranties contained herein, as of the date hereof and as of the Closing, and are also subject to receipt of the following evidence and documents and satisfaction of the following conditions, as appropriate, at or prior to the Closing:

(a) The Bonds, the Issuer Documents and the Obligor Documents shall have been duly authorized, executed, and delivered by the respective parties thereto in the forms heretofore approved by the Underwriter with only such changes therein as shall be mutually agreed upon by the parties thereto and the Underwriter, and shall be in full force and effect on the date of the Closing.

(b) At or before the Closing, the Underwriter shall receive:

(1) Copies of the original counterparts of this Bond Purchase Agreement, the Issuer Documents and the Obligor Documents.

(2) The following opinions, dated the date of the Closing, substantially in the forms attached to this Bond Purchase Agreement as the following Exhibits:

(i) bond counsel opinion of Rogers Towers, P.A., Bond Counsel, attached as Exhibit D to the Official Statement;

(ii) supplemental opinion of Rogers Towers, P.A., Bond Counsel, in form and substance satisfactory to the Underwriter;

(iii) an opinion of counsel to the Issuer, in the form and substance satisfactory to the Underwriter and Bond Counsel;

(iv) an opinion of Rogers Towers, P.A., counsel to the Obligor, in form and substance satisfactory to the Underwriter and Bond Counsel; and

(v) an opinion of Butler Snow LLP, Underwriter's Counsel, in form and substance satisfactory to the Underwriter.

(3) A closing certificate of the Issuer, satisfactory in form and substance to the Underwriter, executed, on behalf of the Issuer, by the Chairman or Vice Chairman of the Issuer, or of any other of the Issuer's duly authorized officers satisfactory to the Underwriter, dated as of the date of the Closing, to the effect that: (i) the Issuer has duly performed or complied with all of its obligations and conditions to be performed and satisfied hereunder at or prior to the Closing and that each of its representations and warranties contained herein is true and correct in all material respects as of the Closing, (ii) the Issuer has authorized, by all necessary action, the execution, delivery, receipt, and due performance of the Bonds and the Issuer Documents, (iii) no litigation is pending, or, to his knowledge, threatened against the Issuer, to restrain or enjoin the issuance or sale of the Bonds or in any way affecting any authority for or the validity of the Bonds or the Issuer Documents, the Issuer's existence or powers or its right to use the proceeds of the Bonds, (iv) the information contained under the headings "SHORT STATEMENT – The Issuer," "THE ISSUER" and "LITIGATION – The Issuer" (with respect to the Issuer) in the Official Statement does not as of the date thereof and as of the date of closing contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein pertaining to the Issuer, in light of the circumstances under which they were made, not misleading, and (v) the execution, delivery, receipt, and due performance of the Bonds and the Issuer Documents under the circumstances contemplated hereby and thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on the Issuer's part a breach of or a default under any existing law or court or administrative regulation, decree, or order or any agreement, indenture, lease, or other instrument to which the Issuer is subject or by which the Issuer is bound.

(4) A closing certificate of the Obligor, satisfactory in form and substance to the Underwriter and Bond Counsel, executed by an authorized representative of the Obligor, dated as of the date of the Closing, to the effect that: (i) since the date hereof there has not been any material adverse change in the business, properties, financial position, or results of operations of the Obligor, whether or not arising from transactions in the ordinary course of business, other than as previously disclosed in writing to the Underwriter, and except in the ordinary course of business, neither the Obligor has suffered or incurred any material liability, other than as previously disclosed in writing to the Underwriter, (ii) there is no action, suit, proceeding, or, to the best of the officer's knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to his knowledge, threatened against or affecting the Obligor or any affiliate or its property or, to his knowledge after making due inquiry with respect thereto, any basis therefore, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Indenture, or the Obligor Documents which have not been previously disclosed in writing to the Underwriter and which is not disclosed in the Official Statement, (iii) to his knowledge, all information furnished to the Underwriter with for use in connection with the marketing of the Bonds and the information contained in the Official Statement and all of the information contained in the Official Statement was, as of the respective dates thereof and are as of the date hereof true in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, (iv) the Obligor has duly authorized, by all necessary action, the execution, delivery, receipt, and due performance of the Obligor

Documents, (v) the Obligor has duly performed or complied with all of its obligations and conditions to be performed and satisfied hereunder at or prior to the Closing, and (vi) the representations contained herein have not been amended, modified, or rescinded and are in full force and effect, and the information and representations and warranties contained herein are true and correct, as of the Closing.

(5) A rating of the Bonds of "_____" from Fitch Ratings, Inc.

(6) A cash equity contribution from or on behalf of the Obligor in the amount of \$_____.

(7) A copy of a mortgagee title insurance policy insuring the priority of the Mortgage lien, subject only to Permitted Encumbrances, in an amount satisfactory to the Underwriter, together with a land survey prepared and certified by a licensed land surveyor, which shall be referenced in said title insurance policy.

(8) Certificates of insurance showing coverages of the types and amounts set forth in the Master Indenture and a certificate of an Insurance Consultant (as defined in the Master Indenture), to the effect that the insurance coverage, with respect to type and amount, complies with the requirements of the Master Indenture.

(9) Such additional certificates and other documents, agreements, and opinions as the Underwriter and Bond Counsel may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

All opinions shall be addressed to the Underwriter, and may also be addressed to such other parties as the giver of such opinion agrees to. All certificates, if addressed to any party, shall also be addressed to the Underwriter.

All such opinions, letters, certificates, and documents shall be in compliance with the provisions hereof only if they are in all material respects satisfactory to the Underwriter and to counsel to the Underwriter, as to which both the Underwriter and their counsel shall act reasonably. If any condition of the Underwriter's obligations hereunder to be satisfied prior to the Closing is not so satisfied, this Bond Purchase Agreement may be terminated by the Underwriter by notice in writing to the Obligor and the Issuer. The Underwriter may waive compliance by the Obligor or the Issuer of any one or more of such conditions or extend the time for their performance and such waiver shall be evidenced by the Underwriter's payment for the Bonds.

SECTION 10. THE UNDERWRITER'S RIGHT TO CANCEL.

The Underwriter shall have the right to cancel its obligations hereunder by notifying the Issuer and the Obligor in writing of its election so to do between the date hereof and the Closing, if at any time hereafter and on or prior to the Closing:

(a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation, or a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by, the House of Representatives or the Senate, or recommended to the Congress of the United States of America for passage by the President of the United

States of America, or be enacted by the Congress of the United States of America, or an announcement or a proposal for any such legislation shall be made by a member of the House of Representatives or the Senate of the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States of America or the Tax Court of the United States of America shall be rendered, or a ruling, regulation, or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in or proposes the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Obligor, any of its affiliates, state and local governmental units or by any similar body or upon interest received on obligations of the general character of the Bonds which, in the Underwriter's opinion, materially and adversely affects the market price of the Bonds.

(b) Any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency of the United States or of any state, or a decision by any court of competent jurisdiction within the United States or any state shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds.

(c) A stop order, ruling, regulation, or Official Statement by, or on behalf of, the Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provisions of the federal securities laws, including without limitation the registration provisions of the 1933 Act, or the registration provisions of the 1934 Act, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect (the "1939 Act").

(d) Legislation shall be introduced by amendment or otherwise in, or be enacted by, the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered to the effect that obligations of the general character of the Bonds including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act, or that the Bond Indenture is not exempt from qualification under or from other requirements of the 1939 Act, or with the purpose or effect of otherwise prohibiting the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement.

(e) Any event shall have occurred, or information becomes known, which, in the Underwriter's reasonable opinion, makes untrue in any material respect any representation by or certificate of the Issuer, or the Obligor hereunder, or any statement or information furnished to the Underwriter by the Issuer or the Obligor for use in connection with the marketing of the Bonds or any material statement or information contained in the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that the Issuer and the Obligor shall be granted a reasonable amount of time in which to cure any such untrue or misleading statement or information.

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(g) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or a change to the net capital requirements of, the Underwriter.

(h) A general banking moratorium or suspension or limitation of banking services shall have been established by federal, Florida, Connecticut or New York authorities.

(i) Any proceeding shall be pending, or to the knowledge of the Underwriter, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Bonds by the Issuer or the purchase, offering, sale, or distribution of the Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state securities laws or the rules and regulations of FINRA relating to the issuance, sale, or delivery of the Bonds by the Issuer or the purchase, offering, sale, or distribution of the Bonds by the Underwriter.

(j) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have materially escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds.

SECTION 11. CONDITIONS OF THE OBLIGOR'S AND ISSUER'S OBLIGATIONS.

The Obligor's and the Issuer's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder. The Underwriter represents that it is duly authorized to execute and deliver this Bond Purchase Agreement and that upon execution and delivery of this Bond Purchase Agreement by the other parties hereto, this Bond Purchase Agreement shall constitute a legal, valid, and binding agreement of the Underwriter enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity affecting remedies. The Obligor covenants to use its best efforts to accomplish, or cause to be accomplished, the conditions set forth herein prior to the Closing.

The Issuer's obligations hereunder to sell the Bonds to the Underwriter shall also be subject to the satisfaction of all of the conditions set forth in Section 9 above (unless waived by the Underwriter and such waiver is reasonably acceptable to the Issuer), the performance by the Issuer and the Obligor of the obligations and agreements to be performed thereby at or prior to the date of Closing, including those hereunder, and to the accuracy in all material respects of the representations, warranties and covenants of the Issuer and the Obligor contained herein and in the Issuer Documents and the Obligor Documents as of the date hereof and as of the date of Closing; and shall also be subject to the following conditions, (i) the Issuer shall receive the purchase price for the Bonds to be delivered and sold hereunder and (ii) all certificates, opinion and other documents relating to the transactions contemplated by this Bond Purchase Agreement shall be satisfactory in form and substance to the Issuer, Bond Counsel and the Obligor.

SECTION 12. REPRESENTATIONS, WARRANTIES, AND AGREEMENTS TO SURVIVE DELIVERY.

All of the Obligor's and Issuer's representations, warranties, and agreements shall remain operative and in full force and effect (unless expressly waived in writing by the Underwriter), regardless of any investigations made by the Underwriter or on its behalf, and shall survive delivery of the Bonds to the Underwriter and the resale by the Underwriter on behalf of the Issuer of the Bonds.

SECTION 13. NOTICE.

All notices and other communications hereunder shall be effective if and only if in writing and delivered personally, transmitted by facsimile which the sender's facsimile machine indicates has been

sent (in the case of an addressee whose facsimile number is supplied), sent by Federal Express or similar courier, or mailed by registered or certified mail (return receipt requested), charges or postage prepaid, to the addressee at the address that shall most recently have been designated, by effective notice hereunder from the addressee to the sender, as the addressee's desired address for notices hereunder (or, prior to any such notice, at the address for the addressee set forth below):

(a) if to the Issuer, to:

St. Johns County Industrial Development Authority
500 San Sebastian View
St. Augustine, Florida 32084
Attention: Chairman
Telephone: () _____
Facsimile: () _____

(b) if to the Obligor, to:

Westminster Pines, Inc.
c/o Presbyterian Retirement Communities, Inc.
80 West Lucerne Circle
Orlando, Florida 32801
Attention: Henry T. Keith, Chief Financial Officer
Telephone: (407) 839-5050 Ext. 267
Facsimile: (407) 849-1718

(c) if to the Underwriter, to:

Herbert J. Sims & Co., Inc.
2150 Post Road
Suite 301
Fairfield, Connecticut 06824
Attention: Executive Offices
Facsimile Number: 203-256-2377

Unless otherwise provided, written notices so delivered, transmitted, sent or mailed shall be effective on the earlier of (x) actual delivery, (y) the date of transmission, if by facsimile on or before 5:00 p.m. of the addressee's local time, or (z) as applicable, either (i) the first business day following the date of deposit with a qualified guaranteed next day courier service or (ii) the third business day following the date postmarked by the United States Post Office. Any refusal to accept delivery of any such communication shall be considered successful delivery thereof.

SECTION 14. APPLICABLE LAW; NONASSIGNABILITY.

This Bond Purchase Agreement shall be governed by the laws of the State of Florida. This Bond Purchase Agreement shall not be assigned by the Issuer, the Obligor, or the Underwriter.

SECTION 15. PARTIES IN INTEREST.

This Bond Purchase Agreement shall be binding upon, and has been and is made for the benefit of, the Issuer, the Obligor and the Underwriter, and to the extent expressed, any person controlling the Issuer, the Obligor or the Underwriter and their respective executors, administrators, successors, and

assigns, and no other person shall acquire or have any right or interest under or by virtue hereof. The term "successors and assigns" shall not include any purchaser, as such, of any Bond.

SECTION 16. NON-FIDUCIARY ACKNOWLEDGEMENT.

The Obligor acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Obligor and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Obligor, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Obligor with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Obligor on other matters) or any other obligation to the Obligor except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Obligor and (v) the Obligor has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

SECTION 17. WAIVER AND RELEASE OF PERSONAL LIABILITY.

No recourse under or upon any obligation, indemnity, covenant or agreement contained in this Bond Purchase Agreement or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by legal or equitable proceedings by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Bond Purchase Agreement, shall be had against any trustee, director, member, commissioner, officer, employee or agent, as such, past, present or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment of any amount of that may become owed by the Issuer hereunder. Any and all personal liability of every nature, whether at common law or in equity, or by statute or constitution or otherwise, if any trustee, director, member, commissioner, officer, employee or agent, as such, to respond by reason of any act or omission on his part or otherwise, for the payment for or to the Issuer or any receiver thereof, to the Underwriter or otherwise, of any amount that may become owed by the Issuer hereunder is hereby expressly waived and released as a condition of and in consideration for the execution of this Bond Purchase Agreement.

SECTION 18. ESTABLISHMENT OF ISSUE PRICE

The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2017A Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications in order to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017A Bonds.

The Authority will treat the first price at which 10% of each maturity of the Series 2017A Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report the price or prices at which it has sold to the public each maturity of Series 2017A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2017A Bonds, the Underwriter agrees to promptly report to the Issuer and the Obligor the prices at which it sells the unsold Series 2017A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Series 2017A Bonds of that maturity or until all Series 2017A Bonds of that maturity have been sold to the public.

The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2017A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017A Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017A Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority and the Obligor each acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2017A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Series 2017A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority and the Obligor further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017A Bonds.

The Underwriter acknowledges that sales of any Series 2017A Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017A Bonds to the public),
- (iii) a purchaser of any of the Series 2017A Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

[Signatures and Seal to Follow]

SECTION 19. EXECUTION OF COUNTERPARTS.

This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

HERBERT J. SIMS & CO., INC.

By: _____
Name: _____
Title: _____

[Signatures to Bond Purchase Agreement
Continued on Following Page]

Accepted as of the date
first above written:

WESTMINSTER PINES, INC.

By: _____
Treasurer

[Signatures to Bond Purchase Agreement
Continued on Following Page]

Accepted as of the date
first above written:

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
Name: _____
Title: _____

[SEAL]

[Signature Page to Bond Purchase Agreement]

EXHIBIT A
DESCRIPTION OF THE BONDS

EXHIBIT B

OPTIONAL REDEMPTION DATES AND PRICES

ATTACHMENT I

UNDERWRITER'S DISCLOSURE LETTER AND TRUTH IN BONDING STATEMENT

[BPA DATE]

St. Johns County Industrial Development Authority

Westminster Pines, Inc. d/b/a Westminster St. Augustine

Re: \$[Tax-Exempt Principal Amount] St. Johns County Industrial Development Authority Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A (the "Series 2017A Bonds")

\$[Taxable Principal Amount] St. Johns County Industrial Development Authority Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Bonds")

Ladies and Gentlemen:

Pursuant to Chapter 218.385, Florida Statutes, and in reference to the issuance of the Bonds as set forth above, Herbert J. Sims & Co., Inc. (the "Underwriter") makes the following disclosures to the St. Johns County Industrial Development Authority (the "Issuer") and Westminster Pines d/b/a Westminster St. Augustine (the "Obligor"). All capitalized terms not otherwise defined herein shall have the respective meanings specified in the Bond Purchase Agreement dated the date hereof among the Underwriter, the Issuer and the Obligor (the "Bond Purchase Agreement").

The Underwriter is acting as underwriter to the Obligor for the offering or sale of the Bonds. The underwriting fees to be paid to the Underwriter in the Bond Purchase Agreement are equal to _____ % of the total face amount of the Bonds.

(a) The expenses estimated to be incurred by the Underwriter in connection with the issuance of the Bonds are itemized on Schedule A hereto.

(b) Names, addresses and estimated amounts of compensation of any person who is not regularly employed by, or not a partner or officer of, the Underwriter and who enters into an understanding with either the Issuer or the Underwriter, or both, for any paid or promised compensation or valuable consideration directly, expressly or impliedly, to act solely as an intermediary between the Issuer and the Underwriter for the purpose of influencing any transaction in the purchase of the Bonds:

None

(c) The amount of underwriting spread expected to be realized is \$_____ per \$1,000 (\$_____) of Bonds and consists of the following components including the management fee indicated:

Management Fee	\$_____ per \$1,000 (\$_____)
Average Takedown	\$_____ per \$1,000 (\$_____)
Expenses	\$_____ per \$1,000 (\$_____)

(d) No fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds, to any persons not regularly employed or retained by the Underwriter, (including any "finder" as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as specifically enumerated as expenses to be incurred and paid by the Underwriter, as set forth in Schedule A attached hereto.

(e) The names and addresses of each Underwriter connected with the Bonds are:

Herbert J. Sims & Co., Inc.
2150 Post Road, Suite 301
Fairfield, Connecticut 06824

(f) *Truth in Bonding Statement.* The Obligor will use the proceeds of the Bonds, together with certain other moneys, for the purpose of (a) refinancing a loan made by Presbyterian Retirement Communities, Inc., the proceeds of which were used to acquire an existing continuing care retirement community presently known as "Glenmoor" and to be known as "Westminster St. Augustine" consisting of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages, (ii) 30 assisted living units and (iii) a health center containing 30 skilled nursing beds, located on a 40-acre site in World Golf Village, St. Johns County, St. Augustine, Florida (the "Community"), (b) finance certain capital improvements at the Community, (c) fund debt service reserves and other reserves and (d) pay the costs of issuance of the Series 2017 Bonds.

This debt or obligation is expected to be repaid over a period of approximately 30 years. Total interest paid over the life of the debt or obligation, assuming an all in interest rate of _____% per annum, will be approximately \$_____.

The source of repayment and security for this proposal to issue the Bonds is exclusively limited to certain revenues derived from the Obligor pursuant to the Loan Agreement. Because (a) such revenues may not be used by the Issuer for any purpose other than the purposes set forth in the Bond Indenture, (b) the Issuer has no taxing power and the taxing power of the St. Johns County, Florida and the State of Florida is not pledged or involved in the Bonds, (c) the Bonds and the interest thereon do not constitute a debt of the Issuer within the meaning of any constitutional or statutory provision, and (d) the faith and credit of the Issuer are not pledged to the payment of the principal of or the interest on the Bonds, authorizing this debt or obligation will not result in any moneys not being available to the Issuer to finance other transactions each year for the 30 year term of the Bonds.

We understand that the Issuer does not require any further disclosure from the Underwriter, pursuant to Section 218.385, Florida Statutes.

Very truly yours,

HERBERT J. SIMS & CO., INC.

By: _____
Name:
Title:

[Signature Page of Underwriter's Disclosure Letter and Truth in Bonding Statement]

SCHEDULE A

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

Retirement Facility Revenue Bonds
(Westminster St. Augustine Project)
Series 2017A

And

Taxable Retirement Facility Revenue Bonds
(Westminster St. Augustine Project)
Series 2017B

Combined Estimated Expenses Component of Underwriting Spread

Travel expenses	\$
CUSIP, MSRB, DTC, Operational expenses	
Teleconference, Courier, etc.	
TOTAL	\$

Exhibit D

This Preliminary Official Statement and certain of the information contained herein is in form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Series 2017 Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2017

NEW ISSUE
BOOK-ENTRY ONLY

RATING: Fitch: []
See "RATING" herein

In the opinion of Rogers Towers, P.A., Bond Counsel to the hereinafter defined Obligor, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Series 2017A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Interest on the Series 2017B Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017 Bonds. See "TAX MATTERS" herein.

[WP Logo]

\$ _____
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017

Consisting of:

\$ _____
SERIES 2017A

\$ _____
TAXABLE SERIES 2017B

Maturity Dates, Interest Rates, Prices, Principal Amounts, Yields and CUSIPS Shown on the Inside Cover

The St. Johns County Industrial Development Authority (the "Issuer") is issuing its Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A (the "Series 2017A Bonds") and its Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds" or the "Bonds") pursuant to Parts II and III of Chapter 159, Florida Statutes, as amended and supplemented (the "Act") under a Bond Trust Indenture, to be dated as of [DOC. DATE] (the "Bond Indenture"), between the Issuer and U.S. Bank National Association, as Bond Trustee (the "Bond Trustee"). The proceeds of the Series 2017 Bonds will be lent to Westminster Pines, Inc. d/b/a Westminster St. Augustine, a Florida not for profit corporation (the "Obligor" or "Obligated Group Representative"), pursuant to a Loan Agreement, to be dated as of [DOC. DATE] (the "Loan Agreement"), between the Issuer and the Obligor.

The Obligor will use the proceeds of the Series 2017 Bonds, together with certain other monies, to (a) refinance a loan made by Presbyterian Retirement Communities, Inc., the proceeds of which were used to acquire an existing continuing care retirement community [presently known as "Glenmoor" and to be known as "Westminster St. Augustine"] consisting of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages, (ii) 30 assisted living units and (iii) a health center containing 30 skilled nursing beds, located on a 40-acre site in World Golf Village, St. Johns County, Florida (the "Community"), (b) finance certain capital improvements at the Community, (c) fund the Debt Service Reserve Fund for the Series 2017 Bonds and other reserves, and (d) pay the costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds and the interest payable thereon are limited obligations of the Issuer and, except as described in this Official Statement, are payable solely from and secured exclusively by the funds pledged thereto under the Bond Indenture, the payments to be made by the Obligor pursuant to the Loan Agreement and the Series 2017 Note (as defined herein) issued by the Obligor under that certain Master Trust Indenture, to be dated as of [DOC. DATE], between the Obligor and U.S. Bank National Association, as Master Trustee (the "Master Trustee"), as supplemented by Supplemental Indenture Number 1, to be dated as of [DOC. DATE] (as supplemented, the "Master Indenture"). The sources of payment of, and security for, the Series 2017 Bonds are more fully described in this Official Statement. The Series 2017 Bonds are subject to acceleration of maturity and optional and mandatory redemption, in whole or in part, prior to maturity at the prices and under the circumstances described herein. See "THE SERIES 2017 BONDS - Redemption" herein.

The Series 2017 Bonds when issued will be registered only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Series 2017 Bonds. Purchasers of the Series 2017 Bonds will not receive certificates representing their interest in the Series 2017 Bonds purchased. Ownership by the beneficial owners of the Series 2017 Bonds will be evidenced by book-entry only. Principal of and interest on the Series 2017 Bonds will be paid by the Bond Trustee to DTC, which in turn will remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Series 2017 Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2017 Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. See "BOOK ENTRY ONLY SYSTEM" in APPENDIX E hereto.

The Series 2017 Bond maturing August 1, 20__ are subject to mandatory purchase by the Obligor on August 1, 20__ (the "Mandatory Tender Date"), and must be tendered for purchase on the Mandatory Tender Date or will be deemed tendered. See "THE SERIES 2017 BONDS - Mandatory Tender." This Official Statement provides information with respect to the Series 2017 Bonds only from the date hereof to the Mandatory Tender Date.

An investment in the Series 2017 Bonds involves a certain degree of risk related to, among other things, the nature of the Obligor's business, the regulatory environment, and the provisions of the principal documents. A prospective Bondholder is advised to read "SECURITY FOR THE SERIES 2017 BONDS" and "BONDHOLDERS' RISKS" herein for a discussion of certain risk factors that should be considered in connection with an investment in the Series 2017 Bonds.

THE SERIES 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE AND FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE SERIES 2017 BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS, OTHER THAN FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS.

The Series 2017 Bonds are being offered, subject to prior sale and withdrawal of such offer without notice, when, as and if issued by the Issuer and accepted by Herbert J. Sims & Company, Inc. (the "Underwriter") subject to the approving opinion of Rogers Towers, P.A., Jacksonville, Florida, Bond Counsel to the Obligor. Certain legal matters will be passed upon for the Issuer by its counsel, Geoffrey B. Dobson, P.A., St. Augustine, Florida; for the Obligor by its counsel, Rogers Towers, P.A., Jacksonville, Florida; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia. It is expected that the Series 2017 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about _____, 2017.

Dated: _____, 2017

[HJS Logo]

* Preliminary, subject to change.

\$ _____
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017

Dated: Date of Delivery

Due: As shown below

The Series 2017 Bonds will be issuable in fully registered form without coupons in denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof. Interest on the Series 2017 Bonds will be payable on each February 1 and August 1, commencing February 1, 2018.

MATURITIES, AMOUNTS, INTEREST RATES, RESET DATES, YIELDS AND CUSIPS

Series 2017A Bonds

\$ _____^{*} **Serial Bonds**

Maturity Date (August 1)	Principal Amount \$	Initial Interest Rate %	Initial Reset Date [†]	Yield %	CUSIP ^{®†}
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\$ _____^{*} **Term Bonds**

\$ _____	_____ %	<u>Due:</u> _____	<u>Price:</u> _____	<u>Yield:</u> _____ %	<u>CUSIP^{®†}</u> _____
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Series 2017B Bonds

\$ _____^{*} **Serial Bonds**

Maturity Date (August 1)	Principal Amount \$	Initial Interest Rate %	Initial Reset Date [†]	Yield %	CUSIP ^{®†}
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\$ _____^{*} **Term Bonds**

\$ _____	_____ %	<u>Due:</u> _____	<u>Price:</u> _____	<u>Yield:</u> _____ %	<u>CUSIP^{®†}</u> _____
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^{*} Preliminary, subject to change.

[†] From and after the Initial Reset Date and each subsequent reset date, as determined by the Obligor, and which shall be a ____ 1 and ____ 1 (each a "Reset Date") for the Series 2017 Bonds, the Series 2017 Bonds will bear interest at a rate and for a period determined in accordance with the Bond Indenture. On each Reset Date, the holders of outstanding Series 2017 Bonds will have the right to tender all or a portion of such Series 2017 Bonds to the Trustee for purchase at a price equal to the principal amount thereof, plus accrued interest to the Reset Date. See "THE SERIES 2017 BONDS - Purchase of Series 2017 Bonds on Reset Date" herein.

[†] Copyright 2012, American Bankers Association. CUSIP data contained herein are provided by CUSIP Global Services LLC, managed on behalf of the American Bankers Association by Standard & Poor's Capital IQ. CUSIP numbers have been assigned by an independent company not affiliated with the Issuer, the Underwriter nor the Obligated Group, and are included solely for the convenience of the holders of the Series 2017 Bonds. Neither the Issuer nor the Underwriter or the Obligated Group is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Series 2017 Bonds as indicated above.

PRELIMINARY NOTICES

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by the Obligor, the Issuer, or the Underwriter. The information set forth herein concerning the Obligor has been furnished by the Obligor and is believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any person to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale hereunder will under any circumstances create any implication that there has been no change in the affairs of the Obligor since the date hereof.

THE ISSUER HAS NOT REVIEWED OR APPROVED, AND DOES NOT REPRESENT OR WARRANT IN ANY WAY, THE ACCURACY OR COMPLETENESS OF ANY OF THE INFORMATION SET FORTH IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO OTHER THAN THE STATEMENTS SET FORTH UNDER THE CAPTIONS "THE ISSUER" AND "LITIGATION - ISSUER."

In making an investment decision, investors must rely on their own examination of the Series 2017 Bonds, the Obligor, and the terms of the offering, including the merits and risks involved. The Series 2017 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Furthermore, no such commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information contained in this Official Statement has been furnished by the Obligor, the Issuer, DTC and other sources that are believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation of, the Underwriter. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

U.S. Bank National Association, as Bond Trustee and Master Trustee, has not reviewed, provided or undertaken to determine the accuracy of any of the information contained in this Official Statement and makes no representation or warranty, express or implied, as to any matters contained in this Official Statement, including, but not limited to, (i) the accuracy or completeness of such information, (ii) the validity of the Series 2017 Bonds or the Series 2017 Note, or (iii) the tax-exempt status of the Series 2017A Bonds.

THE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE SERIES 2017 BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES 2017 BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2017 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL.

IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND IF CONTINUED, MAY BE RECOMMENCED AT ANY TIME.

**CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING
STATEMENTS IN THIS OFFICIAL STATEMENT**

Certain statements included or incorporated by reference in this Official Statement constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. Such forward looking statements include, but are not limited to, certain statements contained in the information in Appendix A and the Examination of a Financial Forecast (set forth as APPENDIX B to this Official Statement).

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATION CONTAINED IN SUCH FORWARD LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS THAT MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE OBLIGOR DOES NOT PLAN TO ISSUE AN UPDATES OR REVISIONS TO THOSE FORWARD LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

This Official Statement is being provided to prospective purchasers in either bound or printed format ("Original Bound Format"), or in electronic format on the following website: www.munios.com. This Official Statement may be relied on only if it is in its original bound format, or if it is printed or saved in full directly from the aforementioned website or www.emma.msrb.org.

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[PICTURES OF THE COMMUNITY]

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SHORT STATEMENT

The information set forth in this Short Statement is subject in all respects to more complete information set forth elsewhere in this Official Statement, which should be read in its entirety. The offering of the Series 2017 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this Short Statement from this Official Statement or otherwise to use it without this entire Official Statement. For the definitions of certain words and terms used in this Short Statement, see "FORMS OF THE MASTER INDENTURE, BOND INDENTURE, LOAN AGREEMENT, MORTGAGE AND LIQUIDITY SUPPORT AGREEMENT" in APPENDIX C hereto.

The Issuer

The St. Johns County Industrial Development Authority (the "Issuer") is a public body corporate and politic created pursuant to Parts II and III of Chapter 159, Florida Statutes, as amended (the "Act"). The Issuer is issuing its Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A (the "Series 2017A Bonds") and its Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017B (the "Series 2017B Bonds") and together with the Series 2017A Bonds, the "Series 2017 Bonds" or the "Bonds") under a Bond Trust Indenture, to be dated as of [DOC. DATE] (the "Bond Indenture"), between the Issuer and U.S. Bank National Association, as Bond Trustee (the "Bond Trustee"). The proceeds of the Series 2017 Bonds will be lent to Westminster Pines, Inc. d/b/a Westminster St. Augustine, a Florida not for profit corporation (the "Obligor" or "Obligated Group Representative"), pursuant to a Loan Agreement to be dated as of [DOC. DATE] (the "Loan Agreement"), between the Issuer and the Obligor. The Issuer is authorized pursuant to the provisions of the Act to issue revenue bonds for the purpose of financing and providing funds to pay the cost of, *inter alia*, acquiring the Community and to secure the payment of such revenue bonds as provided in the Loan Agreement and the Bond Indenture.

The Issuer has issued, and may continue to issue, other series of bonds or notes for the purpose of financing other projects and programs for the benefit of third parties unrelated to the Obligor. Each such series of bonds or notes is or will be secured by instruments separate and apart from the Bond Indenture and is or will be payable from different sources of revenue.

The Series 2017 Bonds are special obligations of the Issuer payable solely from and secured by a pledge of the Trust Estate (as described herein) and funds provided therefor under the Bond Indenture. The Series 2017 Bonds and the interest thereon shall not be deemed to constitute a debt, liability or obligation of the state of Florida or any political subdivision thereof. Neither the state of Florida nor any political subdivision thereof nor the Issuer shall be obligated to pay the principal of or interest on the Series 2017 Bonds, other than from the Trust Estate, and neither the faith and credit nor the taxing power of the state of Florida or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Series 2017 Bonds.

Purpose of the Series 2017 Bonds

The Obligor will use the proceeds of the Series 2017 Bonds, together with certain other monies, to (a) refinance a loan made by Presbyterian Retirement Communities, Inc., the proceeds of which were used to acquire an existing continuing care retirement community [presently known as "Glenmoor"] and to be known as "Westminster St. Augustine" consisting of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages, (ii) 30 assisted living units and (iii) a health center containing 30 skilled nursing beds, located on a 40-acre site in World Golf Village, St. Johns County, Florida (the "Community"), (b) finance certain capital improvements at the Community, (c) fund the Debt Service Reserve Fund for the Series 2017 Bonds and other reserves, and (d) pay the costs of issuance of the Series 2017 Bonds.

Description of the Series 2017 Bonds

Redemption. The Series 2017 Bonds are subject to optional, extraordinary and mandatory redemption prior to their stated maturity. See "THE SERIES 2017 BONDS" herein.

Denominations. The Series 2017 Bonds are issuable in the denominations of \$5,000 or any integral multiple thereof. See "THE SERIES 2017 BONDS" herein.

Registration, Transfers and Exchanges. The Series 2017 Bonds are issuable only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry only system maintained by DTC, only through brokers and dealers who are, or act through, its participating members, which include securities brokers and dealers, banks, trust companies, and clearing corporations ("DTC Participants"). Beneficial Owners will not be entitled to receive physical delivery of the Series 2017 Bonds. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX E hereto.

Payments. Interest on the Series 2017 Bonds is payable on February 1 and August 1 of each year (each such date, an "Interest Payment Date"), commencing February 1, 2018. Payment of the principal of and interest on the Series 2017 Bonds will be made by the Bond Trustee directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter by the DTC Participants to Beneficial Owners of the Series 2017 Bonds. See "BOOK-ENTRY ONLY SYSTEM" in APPENDIX E hereto.

Tender. The Series 2017 Bonds maturing on August 1, 20__ are subject to tender on August 1, 20__ as described herein. In order to exercise this option, the Holder shall deliver a tender notice to the Bond Trustee and the Remarketing Agent not later than 4:00 p.m., Eastern Time on a Business Day not less than 120 calendar days prior to the end of a Reset Period (a "Reset Tender Notice"). The Reset Tender Notice must state (i) the principal amount of Bonds which are to be purchased (which amount shall be in Authorized Denominations) and the principal amount retained, if any (which amount shall be in Authorized Denominations). The delivery of the Reset Tender Notice by an owner of Bonds in connection with a Reset Date shall be irrevocable and binding on such Holder and cannot be withdrawn, unless the Reset Rate is increased as described above.

Upon receipt by the Issuer and the Bond Trustee of a Tender Notice, such tendered Bonds shall be subject to mandatory tender for purchase by the Bond Trustee on behalf of the Obligated Group at the Tender Purchase Price on the Tender Date designated in the Tender Notice. If the tendered Bonds are not purchased by the Bond Trustee on the Tender Date or if the holder of the Series 2017 Bonds elects to continue to hold such Bonds after the Tender Date, such failure to purchase the tendered Bonds will constitute an Event of Default under the Bond Indenture. The Bond Trustee shall only pay the Tender Purchase Price from moneys provided to it by the Obligated Group or from the Remarketing Agent pursuant to the Bond Indenture, and shall not be required to expend the funds of the Bond Trustee to pay such Tender Purchase Price. See "THE SERIES 2017 BONDS –Tender and Interest Rate Reset" herein.

Tax Exemption. In the opinion of Rogers Towers, P.A., Jacksonville, Florida, Bond Counsel to the Obligor, assuming compliance with certain covenants by the Obligor and the Issuer, under existing statutes, regulations, published rulings and judicial decisions existing on the date hereof, (i) interest on the Series 2017A Bonds, except as set forth under "TAX MATTERS" herein, is excludable from gross income for federal income taxation purposes and (ii) the interest on the Series 2017A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income, which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code"). See the caption "TAX MATTERS" herein for a description of Bond Counsel's opinion, including a discussion of the alternative minimum tax consequences.

The Obligor and the Community

The Obligor is a nonprofit corporation; and the Internal Revenue Service (the "IRS") has issued a letter stating its determination that the Obligor is an organization described in Section 501(c)(3) of the Internal Revenue Code (the "Code"), and is therefore exempt from federal income taxation under Section 501(a) of the Code. The Obligor is acquiring the Community from Life Care St. Johns, Inc., a Florida not-for-profit corporation (the "Seller") pursuant to an order of the United States Bankruptcy Court Middle District of Florida Jacksonville Division. The Community will be the sole asset owned by the Obligor.

The Community is located on a 40-acre site in World Golf Village, St. Johns County, Florida. The Community presently consists of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages (the "Independent Living Units"), (ii) 30 assisted living units (the "Assisted Living Units"), and (iii) a health center (the "Health Center") containing 30 skilled nursing beds (the "Skilled Nursing Beds"). See APPENDIX A hereto for further information regarding the Community and the Obligor.

Security and Sources of Payment for the Series 2017 Bonds

The Loan Agreement. Under the Loan Agreement, the Obligor is required duly and punctually to pay amounts equal to the principal of, premium, if any, and interest on the Series 2017 Bonds and to make payments to the Bond Trustee to maintain the Debt Service Reserve Fund at its respective required amount and to make certain other payments. See "SECURITY FOR THE SERIES 2017 BONDS – The Loan Agreement" herein.

The Bond Indenture. The Series 2017 Bonds are issued under and are equally and ratably secured under the Bond Indenture, pursuant to which the Issuer has assigned and pledged to the Bond Trustee (1) all of the Issuer's right, title and interest in the hereinafter defined Series 2017 Note, (2) certain rights of the Issuer under the Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee holds under the terms of the Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for such Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2017 Note. See "SECURITY FOR THE SERIES 2017 BONDS – General" herein.

The Master Indenture. The Master Trust Indenture, to be dated as of [DOC. DATE], between the Obligor and U.S. Bank National Association, as Master Trustee (the "Master Trustee"), as supplemented by Supplemental Indenture Number 1, to be dated as of [DOC. DATE] (as supplemented, the "Master Indenture") is intended to provide assurance for the repayment of obligations entitled to its benefits by imposing financial and operating covenants that restrict the Obligor and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Obligor has pledged and granted to the Master Trustee (a) a security interest in all personal property owned or hereafter acquired by the Obligated Group, (b) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (c) a security interest in the funds established under the Master Indenture, and (d) a security interest in any other property from time to time subjected to the lien of the Master Indenture. See "SECURITY FOR THE SERIES 2017 BONDS – The Master Indenture" herein.

The promissory note, dated the date of issuance of the Series 2017 Bonds and in the principal amount of the Series 2017 Bonds (the "Series 2017 Note"), issued by the Obligor pursuant to the Master Indenture, will constitute a joint and several obligation of the Obligor and each future Obligated Group Member, if any, and the Series 2017 Note will be secured on a parity basis with any other Master Obligations hereafter issued under the Master Indenture by a lien on the trust estate pledged thereunder, which includes the Gross Revenues of the Obligated Group. Upon issuance of the Series 2017 Bonds, the only Note that will be outstanding under the Master Indenture will be the Series 2017 Note.

Currently, only the Obligor and the Master Trustee are parties to the Master Indenture, and the Obligor is the only Obligated Group Member. Each additional Obligated Group Member is, and will be, jointly and severally liable for the payment for all obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. See "FORM OF THE MASTER INDENTURE – Admission of Obligated Group Members" and "– Withdrawal of Obligated Group Members" in APPENDIX C hereto for a description of the limitations on admission and release of Obligated Group Members. It is not expected that there will be additional Obligated Group Members.

Mortgaged Property. The Mortgage, Security Agreement and Fixture Filing, to be dated as of [DOC. DATE], from the Obligor in favor of the Master Trustee (the "Mortgage"), grants a mortgage lien on the real property then owned by the Obligor consisting of the approximately 40 acre tract of real property (the "Mortgaged Property"), including, without limitation, all buildings, structures, fixtures, additions, enlargements, extensions,

improvements, modifications or repairs now or hereafter located on the Mortgaged Property for the benefit of all of the Master Obligations issued under the Master Indenture. See APPENDIX C.

Pledge of Gross Revenues. In order to secure the payment of the principal of, premium, if any, and interest on the Note, the Obligated Group Members will pledge, assign, confirm and grant a security interest unto the Master Trustee in the Gross Revenues of the Obligated Group Members as well as all moneys and securities from time to time held by the Master Trustee under the terms of the Master Indenture. Gross Revenues generally include all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicare and other third party payments), condemnation awards, Entrance Fees, Federal Subsidy Payments and other moneys received by or on behalf of any Obligated Group Member. See "SECURITY FOR THE SERIES 2017 BONDS" herein.

Debt Service Reserve Fund. Pursuant to the Bond Indenture and the Loan Agreement, the Debt Service Reserve Fund is required to be funded in an amount equal to the Debt Service Reserve Fund Requirement for the Series 2017 Bonds. The Debt Service Reserve Fund Requirement for the Series 2017 Bonds is an amount equal to the Maximum Annual Debt Service on the Series 2017 Bonds (the "Debt Service Reserve Fund Requirement"). See "SECURITY FOR THE SERIES 2017 BONDS" herein.

Liquidity Support

The Obligor, the Master Trustee, and Presbyterian Retirement Communities, Inc. ("PRC") will enter into a Liquidity Support Agreement, to be dated as of [DOC. DATE] (the "Liquidity Support Agreement"), pursuant to which PRC, as liquidity provider (the "Liquidity Provider") will make deposits in the Liquidity Support Fund created and existing under the Master Indenture in an aggregate amount not to exceed \$3,500,000 (the "Liquidity Support Obligation").

Upon the issuance of the Series 2017 Bonds, the Liquidity Provider will deposit into the Liquidity Support Fund a portion of the Support Obligation in an amount equal to \$1,500,000. The Obligor or the Master Trustee may, at any time thereafter during the term of the Liquidity Support Agreement, request the Liquidity Provider to provide an aggregate additional amount of \$2,000,000 to the Master Trustee for deposit in the Liquidity Support Fund.

The obligation of the Liquidity Provider hereunder shall be reduced to \$1,500,000 following a Fiscal Year end where the Obligor provides an Officer's Certificate to the Master Trustee demonstrating that it has achieved (i) Stable Occupancy, (ii) a Historical Debt Service Coverage Ratio of 1.3x or greater and (iii) Borrower's Days Cash on Hand is at least 150. The obligation of the Liquidity Provider hereunder shall be reduced to zero when the Obligor provides an Officer's Certificate to the Master Trustee demonstrating that it has achieved the three measures in the preceding sentence for any subsequent (not necessarily consecutive) Fiscal Year end. See "SECURITY FOR THE SERIES 2017 BONDS" herein.

Examination of a Financial Forecast

An Examination of a Financial Forecast (the "Examination of a Financial Forecast"), dated _____, 2017 and attached hereto as APPENDIX B, was prepared and examined by CliftonLarsonAllen LLP. The Examination of a Financial Forecast should be read in its entirety for an understanding of the forecasts and the underlying assumptions. The Examination of a Financial Forecast constitutes a "forward-looking statement." The Obligor's financial forecast is included in the Examination of a Financial Forecast. As stated in the Examination of a Financial Forecast, the financial forecast presents, to the best knowledge and belief of management of the Obligor, the expected results of operations, cash flows, and financial position for the Obligor at March 31, 2018 through 2022 and for the years then ending. The Examination of a Financial Forecast should be read in its entirety, including the notes and assumptions set forth therein. Among other matters, the Examination of a Financial Forecast includes the forecasted Annual Debt Service Coverage Ratio for the Fiscal Years ended March 31, 2018 and 2022 and the forecasted Days' Cash on Hand for the Fiscal Years ended March 31, 2018 through 2022.

The realization of any financial forecast depends on future events the occurrence of which cannot be assured. Forecasted results usually differ from actual results because events and circumstances frequently do not occur as expected. Therefore, the actual results realized may vary from those presented in the Examination of a

Financial Forecast. Such variation could be material. See APPENDIX B hereto. The table below shows the forecasted Debt Service Coverage Ratio for the Fiscal Year ending March 31, 2018 through 2022 and the forecasted Days' Cash on Hand for the fiscal years ending March 31, 2018 through 2022. The information on the following table has been extracted from the Examination of a Financial Forecast included in APPENDIX B hereto.

WESMINSTER PINES, INC.
D/B/A WESTMINSTER ST. AUGUSTINE AT WORLD GOLF VILLAGE
FORECASTED SCHEDULE OF DEBT SERVICE COVERAGE RATIO
FOR THE YEARS ENDING MARCH 31,
(000s Omitted)

DEBT SERVICE COVERAGE RATIO	2018⁽³⁾	For the Years Ending March 31,			
		2019	2020	2021	2022
Income (Loss) from Operations					
Non-Cash Items and Add Backs:					
Amortization of Entrance Fees					
Depreciation					
Interest Expense on Affiliate Subordinated Notes ⁽¹⁾					
Interest Expense including Amortization of Financing Costs					
Net Cash received from Turnover Entrance Fees ⁽²⁾					
Income Available for Debt Service					
Maximum Annual Debt Service ⁽³⁾					
FORECASTED MAXIMUM ANNUAL DEBT SERVICE COVERAGE RATIO ⁽²⁾					
DAYS' CASH ON HAND ⁽⁴⁾	2018	As of December 31,			
		2019	2020	2021	2022
Cash and Cash Equivalents					
Investments					
Working Capital Fund					
Liquidity Support Fund					
Minimum Liquid Reserve					
Construction Reserve					
Total					
Total Operating Expenses					
Less: Depreciation					
Amortization of Deferred Financing Costs included with					
Interest Expense					
Adjusted Operating Expenses					
Daily Cash Operating Expenses ⁽⁵⁾					
NUMBER OF DAYS' CASH ON HAND					

Notes:

- ⁽¹⁾ Interest expense on the Affiliate Subordinated Notes is assumed to be deferred and not paid until the Affiliate Subordinated Notes are paid in full. The Affiliate Subordinated Notes are not included in the calculation of the Maximum Annual Debt Service.
- ⁽²⁾ Excludes refunds to residents under Pre-Acquisition Residency Agreements.
- ⁽³⁾ Maximum Annual Debt Service for the years ending March 31, 2019-2022 is equal to the forecasted Maximum Annual Debt Service on the Series 2017 Bonds. Maximum Annual Debt Service for the year ended March 31, 2018 is equal to the forecasted Maximum Annual Debt Service on the Series 2017 Bonds prorated for nine months.
- ⁽⁴⁾ Calculations are presented based upon the assumed terms of the Series 2017 Bonds.

Certain Covenants of the Obligated Group

Debt Service Coverage Ratio Covenant. Under the Master Indenture, the Obligated Group is required to maintain a Debt Service Coverage Ratio of at least 1.20:1, tested annually. For reporting purposes, the Obligated Group Representative will calculate the Historical Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters ending on the last day of such fiscal quarter, commencing with the fiscal quarter ending March 31, 2020. See "FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting" herein. See also "SECURITY FOR THE SERIES 2017 BONDS – Covenants" herein.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30 and December 31). As of the last day of its Fiscal Year (currently March 31) and as of the last day of the second quarter of each Fiscal Year (currently September 30) (each such date being a "Testing Date"), (i) commencing March 31, 2018, the Obligated Group covenants that it will have no less than 60 Days Cash on Hand and (ii) commencing March 31, 2020, the Obligated Group shall have no less than 90 Days Cash on Hand (as applicable, the "Liquidity Requirement"). The Obligated Group will deliver an Officer's Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture. For a description of the remedies if the Obligated Group violates this covenant, see "SECURITY FOR THE SERIES 2017 BONDS – Covenants" herein and "FORM OF THE MASTER INDENTURE – Liquidity Covenant" in APPENDIX C hereto.

Financial Reporting and Disclosure

Financial Reporting. The Master Indenture requires that the Obligated Group Representative provide to each Required Information Recipient certain financial information on a monthly, quarterly and annual basis. For a description of the financial information required to be provided, see "FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting" herein.

Continuing Disclosure. Given the sources of repayment for the Series 2017 Bonds and the Issuer's limited obligation in respect thereof, the Issuer has determined that its financial and operating data are not material to a decision to purchase, hold or sell the Series 2017 Bonds. Consequently, the Issuer will not provide any such information. The Obligor, however, has agreed to make certain financial information and operating data available to holders of the Series 2017 Bonds as described under "FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting" herein and "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in APPENDIX F hereto. The Obligor has further agreed to provide certain financial information and operating data to the Municipal Securities Rulemaking Board. The Obligor is solely responsible for providing such disclosure, and the Issuer shall have no responsibility or liability to the holders of the Series 2017 Bonds or any other person for the making, monitoring or content of such disclosures. See "FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Continuing Disclosure" herein and "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in APPENDIX F hereto for further information.

Remarketing Agent

The Obligor has appointed Herbert J. Sims & Co., Inc. (in such capacity, the "Remarketing Agent"), having its principal office in Fairfield, Connecticut, as the initial Remarketing Agent for the Series 2017 Bonds. The Remarketing Agent will agree to perform certain duties and obligations imposed upon the Remarketing Agent under the Bond Indenture including, among other things, establishing the interest rate to be borne by the Series 2017 Bonds and using its best efforts to remarket the Series 2017 Bonds tendered for purchase. See "REMARKETING AGENT" herein.

Risk Factors

An investment in the Series 2017 Bonds involves a certain degree of risk including those risks set forth under the heading "BONDHOLDERS' RISKS" herein. A prospective bondholder is advised to read "SECURITY

FOR THE SERIES 2017 BONDS" and "BONDHOLDERS' RISKS" for a discussion of certain risk factors which should be considered in connection with an investment in the Series 2017 Bonds. Careful consideration should be given to these risks and other risks described elsewhere in this Official Statement. Among other things, careful evaluation should be made of certain factors that may adversely affect the ability of the Obligor or any future obligor to generate sufficient revenues to pay expenses of operation, including the principal of, premium, if any, and interest on the Series 2017 Bonds.

Offering and Delivery of the Series 2017 Bonds

The Series 2017 Bonds are offered when, as and if issued by the Issuer and accepted by Herbert J. Sims & Co., Inc., subject to prior sale and to withdrawal or modification of the offer without notice. The Series 2017 Bonds in definitive form are expected to be delivered to the Bond Trustee on behalf of The Depository Trust Company ("DTC") under the DTC FAST system of registration on or about [CLOSING].

Professionals Involved in Offering

Rogers Towers, P.A., Jacksonville, Florida, serves as bond counsel to the Obligor with respect to the Series 2017 Bonds. Certain matters will be passed upon for the Issuer by its counsel, Geoffrey B. Dobson, P.A., St. Augustine, Florida; for the Obligor by its counsel, Rogers Towers, P.A., Jacksonville, Florida and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

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OFFICIAL STATEMENT

relating to

\$ _____
**ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
RETIREMENT FACILITY REVENUE BONDS
(WESTMINSTER ST. AUGUSTINE PROJECT)
SERIES 2017**

Consisting of:

\$ _____
SERIES 2017A

\$ _____
TAXABLE SERIES 2017B

INTRODUCTION

This Official Statement, including the cover page and Appendices hereto, is provided to furnish information with respect to the issuance, sale and delivery by the Issuer of its Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017A (the "Series 2017A Bonds") and its Taxable Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds" or the "Bonds"). The Series 2017 Bonds are being issued pursuant to the Act. Additionally, the Series 2017 Bonds are being issued pursuant to the Bond Indenture. The Series 2017 Bonds will be issued under the Bond Indenture. The Series 2017 Bonds are payable from and equally and ratably secured by a promissory note (the "Series 2017 Note") issued under the Master Indenture described below and any supplements thereto. See "SECURITY FOR THE SERIES 2017 BONDS" herein. Certain capitalized terms used herein are defined in "FORMS OF THE MASTER INDENTURE, BOND INDENTURE, LOAN AGREEMENT, MORTGAGE AND LIQUIDITY SUPPORT AGREEMENT" in APPENDIX C hereto. The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of its terms and conditions. All statements herein are qualified in their entirety by reference to each document.

THE ISSUER

The Issuer is a public body corporate and politic duly created and validly existing by virtue of the Act, and a resolution adopted by the governing body of the St. Johns County. The general purpose of the Issuer is to promote the economic growth of the State of Florida, increase opportunities for gainful employment, promote the advancement of healthcare and the economic development of the State of Florida, and otherwise contribute to the general welfare of the State of Florida and its inhabitants, and to finance, refinance and reimburse the cost of such projects by the issuance of revenue bonds. The Act provides that the Issuer is authorized to make loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of projects, including health care facilities (within the meaning of the Act). The Issuer is authorized by the Act to issue revenue bonds payable solely from the revenues and receipts derived by the Issuer from such loan, and to secure such bonds by a pledge and assignment of such revenues and receipts and its interest in and rights under any loan agreements relating to such facilities and any collateral therefor. The Board of County Commissioners of St. Johns County has authorized the issuance of the Series 2017 Bonds.

THE SERIES 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE AND FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE SERIES 2017 BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS, OTHER THAN FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF FLORIDA OR

* Preliminary, subject to change.

OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS.

None of the officers, members, directors, officers, agents or employees of the Issuer will be personally liable for payments under the Series 2017 Bonds. The Issuer has not reviewed any appraisal for the Community or any feasibility study or other financial analysis of the Community and has not undertaken to review or approve expenditures for, or to supervise the construction of any facilities of the Community. The Issuer does not pass on the creditworthiness of the Series 2017 Bonds. The Issuer is not responsible for any information contained herein, except for the information in this section and under the headings "SHORT STATEMENT — The Issuer" and "LITIGATION — Issuer."

THE OBLIGOR

The Obligor is a nonprofit corporation; and the Internal Revenue Service (the "IRS") has issued a letter stating its determination that the Obligor is an organization described in Section 501(c)(3) of the Code, and is therefore exempt from federal income taxation under Section 501(a) of the Code. The Obligor [is acquiring][has acquired] an existing continuing care retirement community ("CCRC") [presently known as "Glenmoor" and to be known as "Westminster St. Augustine"] (the "Community"). The Community [will be][is] the sole asset owned by the Obligor. The Community is located on a 40-acre site in World Golf Village, St. Johns County, Florida. The Community presently consists of (i) 157 independent living units composed of 70 one- to three-bedroom apartment homes, 30 patio homes, 31 estate homes and 26 cottages (the "Independent Living Units"), (ii) 30 assisted living units (the "Assisted Living Units"), and (iii) a health center (the "Health Center") containing 30 skilled nursing beds (the "Skilled Nursing Beds"). See "CERTAIN INFORMATION ABOUT THE OBLIGOR AND THE COMMUNITY" in Appendix A hereto.

PLAN OF FINANCE

The Obligor will use the proceeds of the Series 2017 Bonds, together with certain other monies, to (a) refinance a loan made by PRC, the proceeds of which were used to acquire the Community, (b) finance certain capital improvements at the Community, (c) fund the Debt Service Reserve Fund for the Series 2017 Bonds and other reserves, and (d) pay the costs of issuance of the Series 2017 Bonds.

Westminster Foundation III is making a subordinated loan (the "Westminster Foundation III Subordinated Loan") in the amount of \$10,000,000 to the Corporation for the purchase of the Community. In addition, the PRC Obligated Group will provide a subordinated loan (the "PRC Obligated Group Subordinated Loan" and collectively with the Westminster Foundation III Subordinated Note, the "Affiliate Subordinated Loans") in the amount of \$1,500,000 to the Obligor to fund the Liquidity Support Fund. Interest on the Affiliate Subordinated Notes will bear interest at four percent per year.

Pursuant to the Master Indenture, an Obligated Group Member will not make payments on Affiliate Subordinated Indebtedness unless the Obligated Group Representative delivers an Officer's Certificate to the Master Trustee (upon which the Master Trustee shall conclusively rely) prior to any payment on Subordinated Indebtedness to an Affiliate certifying that the following conditions are satisfied: (1) if the proposed payment on Affiliate Subordinated Indebtedness had occurred as of the last day of the two most recent fiscal quarters for which financial statements have been delivered pursuant to the Master Indenture or otherwise posted to EMMA, the Obligated Group had 150 Days Cash on Hand, inclusive of such payment, as of each such date; (2) if the proposed payment on Affiliate Subordinated Indebtedness had occurred during the two most recent fiscal quarters for which financial statements have been delivered pursuant to the Master Indenture or otherwise posted to EMMA, the Historical Debt Service Coverage Ratio for each of the fiscal quarters would have been not less than 1.35:1; and (3) there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under the Master Trust Indenture.

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ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds in connection with the issuance of the Series 2017 Bonds are as follows:

SOURCES OF FUNDS

Series 2017A Bonds	\$
Net Original Issue Discount	
Series 2017B Bonds	
Net Original Issue Discount	
Westminster Foundation III Subordinate Loan	
PRC Obligated Group Subordinate Loan	
Total	\$

USES OF FUNDS

[Purchase of Community]	\$
Funding of Entrance Fee refunds (Net of refund credit)	
[Operating/Working Capital] Reserve Held by Master Trustee	
Operating Reserve Held by Obligor	
Deposit to Minimum Liquid Reserve Accounts	
Deposit to Construction Fund	
Deposit to Debt Service Reserve Fund	
Costs of Issuance ¹	
Total	\$

¹ Bond issuance costs include legal fees, accounting fees, Underwriter's discount, rating agency fees, and other costs associated with the issuance of the Series 2017 Bonds.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the amounts required for the payment of principal of the Series 2017 Bonds at maturity or by mandatory sinking fund redemption and for the payment of interest on the Series 2017 Bonds for each Bond Year ending August 1.

Bond Year Ending August 1	Series 2017A Bonds			Series 2017B Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2018	\$	\$	\$	\$	\$	\$	\$
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
2037							
2038							
2039							
2040							
2041							
2042							
2043							
2044							
2045							
2046							
2047							
Total	\$	\$	\$	\$	\$	\$	\$

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THE SERIES 2017 BONDS

Introduction

The Series 2017 Bonds provide that no recourse under or upon any obligation, covenant, or agreement contained in the Bond Indenture, or in any Series 2017 Bond, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of the Bond Indenture, will be had against any director, member, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Series 2017 Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any Series 2017 Bond.

So long as DTC acts as securities depository for the Series 2017 Bonds, as described in APPENDIX E hereto, all references herein to "Owner," "owner," "Holder" or "holder" of any Bonds or to "Bondowner," "Bondholder," "bondowner" or "bondholder" are deemed to refer to Cede & Co., as nominee for DTC, and not to Participants, Indirect Participants or Beneficial Owners (as defined herein).

So long as the Series 2017 Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, premium, if any, and interest on the Series 2017 Bonds will be paid as described in APPENDIX E hereto. The following information is subject in its entirety to the provisions described in APPENDIX E hereto.

Payment of Principal and Interest

The Series 2017 Bonds will be issued only in fully registered form without coupons in the denominations of \$5,000 and any integral multiple of \$5,000 in excess thereof. The Series 2017 Bonds will be dated their date of issuance. The Series 2017 Bonds will bear interest (based on a 360-day year of twelve 30-day months) at the rates set forth on the inside cover hereof, payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018 (each an "Interest Payment Date"), and mature on the dates set forth on the inside cover page hereof.

On each Interest Payment Date, the interest on each Series 2017 Bond will be paid by (i) check or draft mailed to the Owner at his or her address as it appears on the bond register or at such other address as is furnished to the Bond Trustee in writing at the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"), or (ii) by wire transfer of same day funds upon receipt by the Bond Trustee prior to the Regular Record Date of a written request by a registered owner of \$1,000,000 or more in aggregate principal amount of Series 2017 Bonds. In the event of any default in the payment of interest due on such Interest Payment Date, defaulted interest will be payable to the person in whose name such Series 2017 Bond is registered at the close of business on a special record date (a "Special Record Date") established by the Bond Trustee for the payment of such defaulted interest established by notice mailed by the Bond Trustee to the Owners of such Series 2017 Bonds entitled to such notice not less than ten days preceding such Special Record Date.

Optional Tender of Series 2017 Bonds

The Holder of any Series 2017 Bonds may, at its option, tender in whole or in part any of its Series 2017 Bonds for purchase by the Bond Trustee on behalf of the Obligor at a purchase price equal to the principal amount thereof plus accrued interest to the Tender Date (the "Purchase Price") at any time on and after [Date.] The Holder shall give written notice to the Issuer and the Bond Trustee (an "Optional Tender Notice") of its intention to tender any of its Series 2017 Bonds not less than one hundred twenty (120) days prior to the proposed tender date (an "Optional Tender Date"). Upon receipt by the Issuer and the Bond Trustee of an Optional Tender Notice identifying the Series 2017 Bonds to be tendered, such tendered Series 2017 Bonds shall be subject to mandatory tender for purchase by the Bond Trustee on behalf of the Obligor at the Purchase Price on the Optional Tender Date designated in the Optional Tender Notice.

If the tendered Series 2017 Bonds are not purchased by the Bond Trustee on behalf of the Obligor on the Tender Date, such failure to purchase the tendered Bonds will constitute an Event of Default on the Series 2017 Bonds. In such case, such Series 2017 Bonds will be retained by the tendering Series 2017 Bonds Bondholders. The Bond Trustee shall only pay the Purchase Price of tendered Series 2017 Bonds from moneys provided to it by the Obligor or from the Remarketing Agent pursuant to the Bond Indenture, and shall not be required to expend the funds of the Bond Trustee to pay such Purchase Price.

Interest Rate Reset

The Series 2017 Bonds will initially bear interest at the Initial Rate set forth on the inside cover hereof until _____, 1, 20____, the Initial Reset Date therefor. Thereafter, the Series 2017 Bonds will bear interest at an interest rate, which will become effective on each subsequent reset date, as determined by the Obligor, which shall be February 1 or August 1 (each a "Reset Date"). The period beginning on each Reset Date and ending on the day preceding the next Reset Date is referred to herein as a "Reset Period"; provided that the Reset Period shall be the same for all Series 2017 Bonds. No less than 60 days prior to the end of each Reset Period, the Obligor shall deliver to the Bond Trustee and Herbert J. Sims & Company, Inc., as Remarketing Agent for the Series 2017 Bonds (the "Remarketing Agent") written notice of the Obligor's determination of the next succeeding Reset Period for such Series 2017 Bonds, which Reset Period shall end on a February 1 or August 1, but not later than the maturity date of the Series 2017 Bonds; provided, however, that if the Obligor fails to specify the next succeeding Reset Period, such Reset Period shall be the same length as the preceding Reset Period, or until the maturity date of the Series 2017 Bonds, whichever is shorter.

Except as described below, the interest rate applicable to the Series 2017 Bonds on and after the Initial Reset Date shall be the Reset Rate determined by the Remarketing Agent on a date not less than 45 days prior to such Reset Date. The Reset Rate applicable to the Series 2017 Bonds shall be the lowest rate which, in the reasonable judgment of the Remarketing Agent (having due regard to the prevailing market conditions), would be necessary to enable the Series 2017 Bonds to be sold at par on the Reset Date, provided that such Reset Rate may not exceed the Maximum Rate. The Maximum Rate is the maximum interest rate permitted by Florida law.

On the date of such determination of a Reset Rate for the Series 2017 Bonds, the Remarketing Agent shall notify the Bond Trustee and the Obligor of the Reset Rate. No less than 45 days prior to the Reset Date, the Bond Trustee shall promptly notify each Holder of Series 2017 Bonds of the Reset Rate which will be applicable to such Series 2017 Bonds during the next Reset Period and the length of the next Reset Period. If Series 2017 Bonds are tendered for purchase by the Holders thereof and the Remarketing Agent is unable to remarket all of such tendered bonds at the Reset Rate determined as described in the preceding paragraph, the Remarketing Agent may, as described below, increase the Reset Rate for the Series 2017 Bonds to that rate of interest which is the lowest rate which, in the reasonable judgment of the Remarketing Agent (having due regard to the prevailing market conditions), would be necessary to enable all of the Series 2017 Bonds to be sold on the Reset Date, provided that such adjusted Reset Rate shall not exceed the Maximum Rate. The Remarketing Agent shall not increase the Reset Rate within 10 days of the Reset Date. The notice of such increased Reset Rate shall be given no less than 10 days preceding the Reset Date and shall be given by the Remarketing Agent concurrently to the Bond Trustee and the Obligor. No more than three Business Days after receiving written notice of an adjustment to the Reset Rate, the Bond Trustee shall notify by mail the Obligor and each Holder of Series 2017 Bonds of any such adjustment in the Reset Rate. If for any reason the Reset Rate for the Series 2017 Bonds is not or cannot be determined by the Remarketing Agent in the manner specified in the preceding paragraph, the Reset Rate will be the interest rate currently in effect on the Series 2017 Bonds, provided that such rate may not exceed the Maximum Rate.

The Series 2017 Bonds may, at the option of the Holder, be tendered for purchase by the Bond Trustee on behalf of the Obligor on each Reset Date. If a Holder of Series 2017 Bonds exercises such option, the Series 2017 Bonds shall be purchased by the Bond Trustee on behalf of the Obligor, but solely from the proceeds of the remarketing of the Series 2017 Bonds or moneys provided by the Obligor, in accordance with and subject to the terms of the Bond Indenture. In order to exercise this option, the Holder shall deliver a tender notice to the Bond Trustee and the Remarketing Agent not later than 4:00 p.m., Eastern Time, on a Business Day not less than 120 calendar days prior to the end of a Reset Period (the "Reset Tender Notice"). The Reset Tender Notice must state the principal amount of the Series 2017 Bonds which are to be purchased (which amount shall be in Authorized Denominations) and the principal amount retained, if any (which amount shall be in Authorized Denominations).

The delivery of the Reset Tender Notice by an owner of Series 2017 Bonds in connection with a Reset Date shall be irrevocable and binding on such Holder and cannot be withdrawn, unless the Reset Rate is increased as described above.

Delivery of a Reset Tender Notice by the Registered Holder of any Series 2017 Bonds to the Bond Trustee while DTC is the sole registered Holder of the Series 2017 Bonds shall occur when the Holder of such Series 2017 Bonds irrevocably authorizes (pursuant to the Reset Tender Notice described above) the Bond Trustee, directly or through its DTC Participant, to make appropriate entries on the books of DTC, any Direct Participant or any Indirect Participant; provided however, the Bond Trustee shall have no obligation to make or accept such entries, if at the time that such entry is made, the Bond Trustee has not yet received funds necessary to honor such entry. At no time shall the Bond Trustee be required to advance its own funds as a result of a tender by a beneficial owner under the Bond Indenture, to receive payment of the Purchase Price on or after the Reset Date. Interest will cease to accrue on the Reset Date on Series 2017 Bonds designated to be purchased in a Reset Tender Notice and for which sufficient funds are set aside with the Bond Trustee on the Reset Date to pay the Purchase Price of such tendered Series 2017 Bonds, whether or not such Series 2017 Bonds have been presented for payment. All other Series 2017 Bonds shall bear interest from and after the Reset Date at the Reset Rate determined for the new Reset Period. See "Book-Entry Only System" herein.

Purchase of Series 2017 Bonds on Reset Date

The Remarketing Agent shall offer for sale and use its best efforts to remarket the tendered Series 2017 Bonds to third parties for purchase at their principal amount on each Reset Date. Such Series 2017 Bonds shall be purchased from the proceeds of the remarketing of the Series 2017 Bonds held in the Bond Fund established pursuant to the Bond Indenture or moneys provided by the Obligor. In the event that there are not sufficient funds to purchase all tendered Series 2017 Bonds, such failure to purchase tendered Series 2017 Bonds is an Event of Default with respect only to the Series 2017 Bonds. In such event, such Series 2017 Bonds will be returned to the Holders thereof.

THE FAILURE TO PURCHASE ANY OR ALL SERIES 2017 BONDS TENDERED FOR PURCHASE ON A RESET DATE BECAUSE OF A FAILURE TO REMARKET ALL THE SERIES 2017 BONDS TENDERED FOR PURCHASE CONSTITUTES AN EVENT OF DEFAULT UNDER THE BOND INDENTURE.

Transfers and Exchanges; Persons Treated as Owners

The Series 2017 Bonds are fully transferable by the registered owner in person or by his or her duly authorized attorney on the registration books kept at the designated corporate trust office of the Bond Trustee upon surrender of the Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2017 Bond of authorized denomination or denominations for the same aggregate principal amount, maturity and interest rate will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Series 2017 Bond after the mailing of notice calling such Series 2017 Bond or any portion thereof for redemption has been given as provided, nor during the period beginning at the opening of business 15 days before the day of mailing by the Bond Trustee of a notice of prior redemption and ending at the close of business on the day of such mailing.

The Issuer and the Bond Trustee may deem and treat the Person in whose name the Series 2017 Bond is registered as the absolute owner thereof for the purpose of making payment (except to the extent otherwise provided hereinabove and in the Bond Indenture with respect to Regular and Special Record Dates for the payment of interest) and for all other purposes, and neither the Issuer nor the Bond Trustee will be affected by any notice to the contrary.

Redemption Provisions Related to Series 2017 Bonds

Mandatory Sinking Fund Redemption of Series 2017 Bonds. The Series 2017A Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the Principal Account of the Bond Fund a sum which is sufficient to redeem on August 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017A Bonds, plus accrued and unpaid interest to the redemption date:

<u>Maturing</u> <u>August 1, 20__</u>	<u>Amount</u> \$
--	---------------------

*maturity

The Series 2017B Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof plus accrued and unpaid interest to the redemption date. As and for a sinking fund for the redemption of such Bonds, the Issuer shall cause to be deposited into the Principal Account of the Bond Fund a sum which is sufficient to redeem on August 1 of each of the following years (after credit as provided below) the following principal amounts of such Series 2017B Bonds, plus accrued and unpaid interest to the redemption date:

<u>Maturing</u> <u>August 1, 20__</u>	<u>Amount</u> \$
--	---------------------

*maturity

On or before the 30th day prior to each sinking fund payment date, the Bond Trustee shall proceed to select for redemption (by lot in such manner as the Bond Trustee may determine) from all Bonds of the applicable series Outstanding subject to such redemption, a principal amount of such Bonds equal to the aggregate principal amount and interest rate of such Bonds redeemable with the required sinking fund payment, and shall call such Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next August 1, and give notice of such call. At the option of the Obligor to be exercised by delivery of a written certificate to the Bond Trustee on or before the 45th day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Bonds or portions thereof of the same series, maturity and interest rate, in an aggregate principal amount desired by the Obligor or (ii) specify a principal amount of Bonds or portions thereof of the same series, maturity and interest rate, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Bond Trustee at the request of the Obligor and not theretofore applied as a credit against any sinking fund redemption obligation. Each such Bond or portion thereof so delivered or previously redeemed shall be credited by the Bond Trustee at 100 percent of the principal amount thereof against the obligation of the Issuer to redeem Bonds on such sinking fund redemption date. Any excess shall be credited against the next sinking fund redemption obligation to redeem Bonds of such series.

Optional Redemption. The Series 2017A Bonds maturing on August 1, 20__ and thereafter are subject to optional redemption prior to maturity by the Issuer at the written direction of the Obligor in whole or in part on August 1, 20__ or any date thereafter at the redemption prices set forth in the table below, together with accrued and unpaid interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
	%

The Series 2017B Bonds maturing on August 1, 20__ and thereafter are subject to optional redemption prior to maturity by the Issuer at the written direction of the Obligor in whole or in part on August 1, 20__ or any date thereafter at the redemption prices set forth in the table below, together with accrued and unpaid interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
	%

Extraordinary Optional Redemption. The Series 2017 Bonds are subject to optional redemption by the Issuer at the direction of the Obligor, prior to their scheduled maturities, in whole or in part at a redemption price equal to the principal amount thereof plus accrued and unpaid interest from the most recent Interest Payment Date on which the interest has been paid to the redemption date on any date following the occurrence of any of the following events:

- (1) in case of damage or destruction to, or condemnation of, any property, plant, and equipment of any Obligated Group Member, only to the extent that net proceeds of insurance or condemnation award exceed the Threshold Amount, and the Obligor has determined not to use such net proceeds or award to repair, rebuild or replace such property, plant, and equipment; or
- (2) as a result of any changes in the Constitution or laws of the State of Florida or of the United States of America or of any legislative, executive, or administrative action (whether state or federal) or of any final decree, judgment, or order of any court or administrative body (whether state or federal), the obligations of the Obligor under the Loan Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Loan Agreement.

Mandatory Redemption upon Determination of Taxability. The Series 2017A Bonds are subject to mandatory redemption in whole on any Business Day within 60 days after the occurrence of a Determination of Taxability at a redemption price equal to (i) 105% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was the result of any action or inaction on the part of the Obligor, or (ii) 100% of the principal amount of the Series 2017A Bonds to be redeemed, if the Determination of Taxability was not the result of any action or inaction on the part of the Obligor, plus in either case accrued interest thereon to, but not including, the redemption date; provided, however, if, in the opinion of Bond Counsel, a mandatory redemption on account of a Determination of Taxability of less than all of the Series 2017A Bonds would result in the interest on the Series 2017A Bonds Outstanding following such mandatory redemption not being includable in the gross income of the owners of such Outstanding Series 2017A Bonds, then the Series 2017A Bonds are subject to mandatory redemption upon the occurrence of a Determination of Taxability in the amount specified in such opinion, provided that such redemption must be in an Authorized Denomination.

Partial Redemption of Fully Registered Bonds. In the event that less than all of the Outstanding Series 2017 Bonds or portions thereof of a particular series are to be redeemed as provided in the Bond Indenture, the Obligor will select the particular series, maturities and interest rates of such series to be redeemed. If less than all of the Outstanding Series 2017 Bonds or portions thereof of a single series, maturity and interest rate are to be redeemed, they will be selected by the Securities Depository or by lot in such manner as the Bond Trustee may determine. If a Series 2017 Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Series 2017 Bond may be redeemed, but Series 2017 Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Series 2017 Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

Notice of Redemption. In case of every redemption, the Bond Trustee will cause notice of such redemption to be given by mailing by first class mail, postage prepaid, a copy of the redemption notice to the Owners of the Series 2017 Bonds designated for redemption in whole or in part, at their addresses as the same will last appear upon the registration books, in each case not more than 60 nor less than 30 days prior to the redemption date. In addition, if the Series 2017 Bonds are not in full book entry with DTC, notice of redemption will be sent by first class or registered mail, return receipt requested, or by overnight delivery service (1) contemporaneously with such mailing: (A) to any Owner of \$1,000,000 or more in principal amount of Series 2017 Bonds and (B) to at least two or more information services of national recognition that disseminate redemption information with respect to municipal bonds; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Series 2017 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption will be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any Owner of Series 2017 Bonds selected for redemption that has not surrendered the Series 2017 Bonds called for redemption, at the address as the same will last appear upon the registration books. If at the time of mailing of notice of any optional redemption of all or a portion of the Series 2017 Bonds the Obligor shall not have deposited with the Bond Trustee moneys sufficient to redeem all of the Series 2017 Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. Failure to give any such notice, or any defect therein, will not affect the validity of any proceedings for the redemption of such Series 2017 Bonds.

Purchase in Lieu of Optional Redemption. In lieu of optionally redeeming the Series 2017 Bonds, the Bond Trustee shall, at the direction of the Obligor, use such funds otherwise available under the Bond Indenture for redemption of Series 2017 Bonds to purchase Series 2017 Bonds. No notice of the purchase in lieu of redemption will be required to be given to Bondholders (other than the notice of redemption otherwise required for such Series 2017 Bonds).

SECURITY FOR THE SERIES 2017 BONDS

General

The Series 2017 Bonds are being issued under and are equally and ratably secured under the Bond Indenture, pursuant to which the Issuer has assigned and pledged to the Bond Trustee (1) the Series 2017 Note, (2) certain rights of the Issuer under the Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in such funds, which the Bond Trustee holds under the terms of the Bond Indenture, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for such Bonds or that may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2017 Note.

The proceeds of the Series 2017 Bonds will be lent to the Obligor, and the obligation of the Obligor to repay that loan will be evidenced by the Series 2017 Note of the Obligor issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Limited Obligations

THE SERIES 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE AND FUNDS PROVIDED THEREFOR

UNDER THE BOND INDENTURE. THE SERIES 2017 BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS, OTHER THAN FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF FLORIDA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE ISSUER HAS NO TAXING POWER.

Debt Service Reserve Fund for the Series 2017 Bonds

The Bond Indenture creates and establishes with the Bond Trustee a Debt Service Reserve Fund (the "Debt Service Reserve Fund") and establishes a Series 2017A Reserve Account and a Series 2017B Reserve Account. Moneys on deposit in the Series 2017A Reserve Account will be used to provide a reserve for the payment of the principal of and interest on the Series 2017A Bonds and moneys on deposit in the Series 2017B Reserve Account will be used to provide a reserve for the payment of the principal of and interest on the Series 2017B Bonds. See "FORM OF THE BOND INDENTURE – Debt Service Reserve Fund" in APPENDIX C hereto.

Payments Into the Debt Service Reserve Fund. Pursuant to the Bond Indenture and the Loan Agreement, the Series 2017 Reserve Account is required to be funded in an amount equal to the Debt Service Reserve Fund Requirement for the Series 2017 Bonds, an amount equal to the Maximum Annual Debt Service on the Series 2017 Bonds. In addition to the deposits required by the Bond Indenture, there will be deposited into the appropriate Reserve Account of the Debt Service Reserve Fund all moneys required to be transferred thereto pursuant to the Bond Indenture, and all other moneys received by the Bond Trustee when accompanied by directions from the Obligor that such moneys are to be paid into such Reserve Account of the Debt Service Reserve Fund. There shall also be retained in each Reserve Account of the Debt Service Reserve Fund all interest and other income received on investments of Debt Service Reserve Fund moneys in such Reserve Account to the extent provided in the Bond Indenture. [NTD: Debt Service Reserve Fund Requirement is not defined in bond docs; but we should have one]

In the event the value of the Debt Service Reserve Fund Obligations on deposit in the Series 2017 Reserve Account is less than the Debt Service Reserve Fund Requirement for such Reserve Account, the Obligor agrees to deposit additional Debt Service Reserve Fund Obligations into such Reserve Account of the Debt Service Reserve Fund in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Bond Trustee of a deficiency.

Use of Moneys in the Series 2017 Reserve Account of the Debt Service Reserve Fund. Except as provided in the Bond Indenture, moneys in each Series 2017 Reserve Account in the Debt Service Reserve Fund will be used solely for the payment of the principal of and interest on the applicable series of the Series 2017 Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise. If at any time moneys in a Series 2017 Reserve Account are sufficient to pay the principal or redemption price of all of a series of Series 2017 Bonds, the Bond Trustee may, upon the direction of the Obligor, use the moneys on deposit in the applicable account of the Series 2017 Reserve Account to pay such principal or redemption price of the Series 2017 Bonds.

Liquidity Support Agreement

The Obligor, the Master Trustee, and PRC will enter into a Liquidity Support Agreement, to be dated as of [DOC. DATE] (the "Liquidity Support Agreement"), pursuant to which the Liquidity Provider will guaranty deposits in the Liquidity Support Fund created and existing under the Master Indenture in an aggregate amount not to exceed \$3,500,000 (the "Liquidity Support Obligation"). Upon the issuance of the Series 2017 Bonds, the Liquidity Provider will deposit into the Liquidity Support Fund a portion of the Support Obligation in an amount equal to \$1,500,000. The Obligor or the Master Trustee may, at any time thereafter during the term of the Liquidity Support Agreement, request the Liquidity Provider to provide an aggregate additional amount of \$2,000,000 to the Master Trustee for deposit in the Liquidity Support Fund. All amounts in the Liquidity Support Fund may be used to pay Expenses in accordance with an Obligated Group Representative Request.

If, [at the end of] any Fiscal Year, the Obligated Group Representative has achieved (i) Stable Occupancy, (ii) a Historical Debt Service Coverage Ratio of 1.30x or greater and (iii) Days Cash on Hand of at least 150 (the "Liquidity Test"), then (i) amounts in the Liquidity Support Fund will be reduced to \$1,500,000 and the Liquidity Support Obligation will be reduced to \$1,500,000. If the Obligated Group satisfies the Liquidity Test a second time (not necessarily during a consecutive fiscal year end), any balance in the Liquidity Support Fund will be transferred by the Master Trustee to the Liquidity Provider and the Liquidity Support Obligation will be reduced to \$0.

"Stable Occupancy" means the first full Fiscal Year in which the average occupancy of the units in the Facilities is equal to or greater than 87 percent, as evidenced by a certificate executed by the Obligated Group Representative and delivered to the Master Trustee. See "FORM OF THE LIQUIDITY SUPPORT AGREEMENT" in APPENDIX C hereto.

The Loan Agreement

Under the Loan Agreement, the Obligor is required duly and punctually to pay the principal of, premium, if any, and interest on the Series 2017 Bonds and to make payments to the Bond Trustee to maintain the Series 2017 Reserve Accounts within the Debt Service Reserve Fund at its required amount and to make certain other payments. See "FORM OF THE LOAN AGREEMENT" in APPENDIX C hereto.

The Master Indenture

General. The Master Indenture is intended to provide assurance for the repayment of obligations entitled to its benefits by imposing financial and operating covenants that restrict the Obligor and by the appointment of the Master Trustee to enforce such covenants for the benefit of the holders of such obligations. The holders of all obligations entitled to the benefit of the Master Indenture will be on a parity basis with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Obligor has pledged and granted to the Master Trustee (a) a security interest in all Personal Property owned or hereafter acquired by the Obligated Group, (b) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (c) a security interest in the funds established under the Master Indenture, and (d) a security interest in any other property from time to time subjected to the lien of the Master Indenture. See "FORM OF THE MASTER INDENTURE" in APPENDIX C hereto.

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees, Federal Subsidy Payments and other moneys received by or on behalf of any Obligated Group Member, including, without limitation, revenues derived from

(a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired,

(b) proceeds received from (i) accounts, (ii) securities and other investments, (iii) inventory and other tangible and intangible property and (iv) accounts receivable, general intangibles, contract rights, chattel paper, instruments and other rights and assets now existing or hereafter coming into existence or whether now owned or held or hereafter acquired and

(c) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities;

provided, however, that Gross Revenues does not include:

(i) all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law cannot be granted, assigned or pledged

hereunder or which would become void or voidable if granted, assigned or pledged hereunder by the Obligated Group Members, or which cannot be granted, assigned or pledged hereunder without the consent of other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, assigned and pledged by the Obligated Group Members,

(ii) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent,

(iii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use as payments required under the Master Indenture,

(iv) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants,

(v) all deposits made pursuant to Residency Agreements to be held in escrow until construction of any Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued and

(vi) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

The security interest in the Gross Revenues and the other Personal Property described above and the proceeds thereof is subject to Permitted Encumbrances that exist prior to or that may be created subsequent to the time such security interest attaches and is subject to the right of the Obligated Group Members to transfer such Personal Property free of such security interest under certain circumstances. See "FORM OF THE MASTER INDENTURE" in APPENDIX C hereto.

The Series 2017 Note will constitute a joint and several obligation of the Obligor and each future Obligated Group Member, if any, and the Series 2017 Note will be secured on a parity basis with any other Master Obligations hereafter issued under the Master Indenture by a lien on the trust estate pledged thereunder, which includes the Mortgaged Property and the Gross Revenues of the Obligated Group. Upon issuance of the Series 2017 Bonds, the only Note that will be outstanding under the Master Indenture is the Series 2017 Note.

Currently, only the Obligor and the Master Trustee are parties to the Master Indenture, and the Obligor is the only Obligated Group Member. Each additional Obligated Group Member is, and will be, jointly and severally liable for the payment for all obligations entitled to the benefits of the Master Indenture and will be subject to the financial and operating covenants thereunder. See "FORM OF THE MASTER INDENTURE - Admission of Obligated Group Members" and "- Withdrawal of Obligated Group Members" in APPENDIX C hereto for a description of the limitations on admission and release of Obligated Group Members.

Mortgaged Property. The Mortgage conveys to the Master Trustee security title in certain real property of the Obligated Group consisting of the approximately 40-acre tract of real property, which generally is the site of the Community (the "Mortgaged Property"), including, without limitation, all buildings, structures, fixtures, additions, enlargements, extensions, improvements, modifications or repairs now or hereafter located on the Mortgaged Property for the benefit of all of the Master Obligations issued under the Master Indenture. The lien on the Mortgaged Property is hereinafter referred to as the "Mortgage." Simultaneously with the delivery of the Series 2017 Bonds and as required by the Master Indenture, the Obligor will deliver to the Master Trustee a mortgagee title insurance policy insuring that the Mortgage executed and recorded in connection with the issuance of the Series 2017 Bonds constitutes a first priority lien of record, subject to Permitted Encumbrances, on the Mortgaged Property described therein. [The total stated amount of such title policy will be equal to at least the Outstanding principal amount of the Series 2017 Note.]

Working Capital Fund. The Master Indenture will establish a Working Capital Fund. The Obligated Group will deposit \$ _____ into the Working Capital Fund upon the issuance of the Series 2017 Bonds. Amounts on deposit in the Working Capital Fund shall be delivered to the Obligor upon an Obligated Group Representative Request stating that such amounts will be (i) used solely for Expenses of the Obligor or payment of Entrant Fee refunds or (ii) used by the Master Trustee, if necessary, to make payments on the Series 2017 Master Obligation. The Master Trustee shall disperse payments for debt service pursuant to (ii) to the Bond Trustee without the need for any direction or requisition. Upon receipt of an Officer's Certificate stating that the Historical Debt Service Coverage Ratio has exceeded 1.50 for two consecutive Fiscal Years and Days Cash on Hand has exceeded 150 for the same period, the Master Trustee shall disburse all remaining monies in the Working Capital Fund to the Obligor. [Fund still applicable? If no money in here at closing, is this needed?]

Liquidity Support Fund. The Master Indenture will establish a Liquidity Support Fund. PRC shall deposit or cause to be deposited into the Liquidity Support Fund prior to or simultaneously with the issuance of the Series 2017 Master Obligation an initial portion of the Liquidity Support Obligation in the amount of \$1,500,000. The Obligated Group Representative or the Master Trustee may at any time during the term of the Liquidity Support Agreement request PRC to provide an aggregate additional amount of \$2,000,000 to the Master Trustee for deposit to the Liquidity Support Fund.

The Liquidity Support Obligation shall not exceed an aggregate amount of \$3,500,000, which shall be reduced as described below upon the Master Trustee's receipt of an Officer's Certificate certifying compliance with the requirements described below. Money held in the Liquidity Support Fund may be used to pay Expenses in accordance with an Obligated Group Representative Request.

The Liquidity Support Obligation shall be reduced such that the Liquidity Support Obligation is \$1,500,000, and the Master Trustee shall disburse to PRC amounts in the Liquidity Support Fund, if any, which exceed that amount upon receipt of an Obligated Group Representative Request stating that for the Fiscal Year last ended (i) Stable Occupancy has been achieved, (ii) the Historical Debt Service Coverage Ratio is 1.30x or greater and (iii) Days Cash on Hand is at least 150. The obligation of PRC under the Liquidity Support Agreement shall be reduced to zero upon the Obligated Group's achieving the three measures in the preceding sentence for any subsequent (not necessarily consecutive) Fiscal Year end. Upon such reduction, any balance in the Liquidity Support Fund shall be transferred by the Master Trustee to PRC to the extent necessary to repay PRC for the Liquidity Support Obligation, as indicated in an Obligated Group Representative Request. See "FORM OF THE MASTER INDENTURE" in APPENDIX C hereto.

Covenants

The Master Indenture contains covenants which, among other things, restrict the issuance of debt, the granting of liens and the disposition of assets by the Obligor and the Obligated Group Members. For the definitions of certain words and terms used in this section, see "FORMS OF THE MASTER INDENTURE, BOND INDENTURE, LOAN AGREEMENT, MORTGAGE AND LIQUIDITY SUPPORT AGREEMENT" attached as APPENDIX C hereto.

Debt Service Coverage Ratio Covenant. Pursuant to the Master Indenture, each Obligated Group Member has covenanted to operate all of its Facilities (as defined in the Master Indenture) on a revenue producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property (as defined in the Master Indenture) together with other available funds sufficient to pay promptly all payments of principal and interest on its Indebtedness, all expenses of operation, maintenance and repair of its Property and all other payments required to be made by it under the Master Indenture to the extent permitted by law. Each Member has agreed that it will, from time to time as often as necessary and to the extent permitted by law, revise its rates, fees and charges in such manner as may be necessary or proper to comply with the provisions of the Master Indenture.

Under the Master Indenture, the Members agree that the Obligated Group Representative will calculate the Historical Debt Service Coverage Ratio of the Obligated Group for each fiscal quarter, for the period of four consecutive fiscal quarters (or for the Fiscal Year, as applicable) ending on the last day of such fiscal quarter, commencing with the fiscal quarter ending March 31, 2020.

The Historical Debt Service Coverage Ratio is calculated as the ratio of (i) Income Available for Debt Service divided by (ii) Maximum Annual Debt Service.

"Income Available for Debt Service" means for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

"Revenues" means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues, plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees received minus (A) Entrance Fees amortized during such period and (B) Entrance Fees refunded to residents other than residents under Pre-Acquisition Residency Agreements (which means contracts or residency agreements between the Seller and any resident of the Community that was assumed by the Obligor giving such resident certain occupancy rights at the Community), plus (vi) payments received from any Affiliate of an Obligated Group Member, plus (vii) any Federal Subsidy Payments; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments or Hedge Agreements, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to Entrance Fees, and (v) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations under the Master Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

"Expenses" means, for any period, the aggregate of all expenses calculated under GAAP, including, without limitation, any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (f) non-cash expenses or losses, (g) any expenses paid with proceeds of any Related Bonds and (h) any development, marketing, operating, overhead or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded. For the period prior to audited financial statements for the Fiscal Year ending March 31, 2019 being available for the Obligated Group, Expenses for any prior 12-month period shall be annualized based upon Expenses incurred through the date of determination. In the case of an Event of Default, one half of the management fee to Westminster Services, Inc. shall be subordinate to the payment of debt service on Master Obligations.

If the Historical Debt Service Coverage Ratio as of the end of any fiscal quarter commencing with the Fiscal Year ending March 31, 2020 is less than 1.20:1 (but not less than 1.00:1), the Obligated Group Representative is required to, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 in the future.

If (i) the Obligated Group has not corrected the deficiency by the end of the second fiscal quarter immediately subsequent to delivery of the Officer's Certificate required in the preceding paragraph, the Obligated Group Representative is required to, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, engage a Consultant to make recommendations with respect to the rates, fees and charges of the

Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase such Historical Debt Service Coverage Ratio to at least 1.20:1 in the future. A copy of the Consultant's report and recommendations, if any, is required to be filed with each Member and the Master Trustee within 60 days after the date such Consultant is engaged, and the Master Trustee shall notify each Required Information Recipient that such report is available from it upon request. Each Obligated Group Member is required to use the recommendations of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law.

The foregoing provisions notwithstanding, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year does not meet the levels required above, the Obligated Group is not obligated to engage a Consultant to make such recommendations if a Consultant's report was prepared for the previous Fiscal Year (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report).

If the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of 1.20:1, but achieves a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year, such failure will not constitute a default or an Event of Default under the Master Indenture if the Obligated Group has taken all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and used the recommendations contained in such report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

It is an Event of Default under the Master Indenture if the Historical Debt Service Coverage Ratio for any Fiscal Year is less than 1.00:1 and the Liquidity Requirement was not met for the same Fiscal Year

See "FORM OF THE MASTER INDENTURE – Debt Service Coverage Ratio Covenant" in APPENDIX C hereto.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days Cash on Hand of the Obligated Group as of the last day of each fiscal quarter (currently March 31, June 30, September 30 and December 31). As of the last day of its Fiscal Year (currently March 31) and as of the last day of the second quarter of each Fiscal Year (currently September 30) (each such date being a "Testing Date"), (i) commencing with March 31, 2018, the Obligated Group shall have no less than 60 Days Cash on Hand and (ii) commencing with March 31, 2020, the Obligated Group shall have no less than 90 Days Cash on Hand and (iii) commencing with March 31, 2022, the Obligated Group shall have no less than 120 Days Cash on Hand (as applicable, the "Liquidity Requirement"). The Obligated Group will deliver an Officer's Certificate setting forth such calculation as of each Testing Date to the Master Trustee not less than 45 days after such Testing Date pursuant to the Master Indenture.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative shall, within 30 days after delivery (at the time required in accordance the Master Indenture) of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to raise the level of Days Cash on Hand to the Liquidity Requirement for future Testing Dates.

If the Obligated Group has not raised the level of Days Cash on Hand to the Liquidity Requirement by the next Testing Date immediately subsequent to delivery of the Officer's Certificate required to be delivered by the preceding paragraph, the Obligated Group Representative is required, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, to engage a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase Days Cash on Hand to the Liquidity Requirement for future Testing Dates. A copy of the Consultant's report and recommendations, if any, is required to be filed with each Member and the Master Trustee within 60 days after the date such Consultant is engaged and the Master Trustee shall notify each Required Information Recipient that such report is available from it upon request. Each Obligated Group Member will use the recommendations of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Obligated Group is not required to cause the Consultant's report referred to in this paragraph to be prepared if (unless a majority in principal amount of the Outstanding Master Obligations request a new Consultant's report, which request may not be made more frequently than each Testing Date) a Consultant's report referred to above was prepared two Testing Dates

prior to the current Testing Date and the Obligated Group provides to the Master Trustee and each Related Bond Trustee an Opinion of Counsel to the effect that the applicable laws and regulations underlying the last Consultant's report have not changed in any material way.

Failure of the Obligated Group to achieve the required Liquidity Requirement for any Testing Date will not constitute a Default or an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for adopting a plan and uses the recommendations contained in such plan or Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of such Member) and permitted by law. The Master Trustee has no duty or obligation to monitor the Obligated Group's compliance with any such recommendations. See "FORM OF THE MASTER INDENTURE - Liquidity Covenant" in APPENDIX C hereto.

Approval of Consultants. The Master Indenture provides that if at any time the Obligated Group Representative is required to engage a Consultant under the provisions of the Master Indenture, such Consultant will be engaged in the manner set forth below in this section.

Upon engaging a Consultant as required under the provisions of the Master Indenture, the Obligated Group Representative will provide written notice to the Master Trustee of such engagement. The Master Trustee is required to, as soon as practicable but in no case longer than five (5) Business Days after receipt of notice, send a copy of such notice to the Holders of all Master Obligations Outstanding under the Master Indenture. Such notice prepared by the Obligated Group Representative will (i) include the name of the Consultant and a brief description of the Consultant, (ii) state the reason that the Consultant is being engaged, including a description of the covenant(s) of the Master Indenture that require the Consultant to be engaged, and that the engagement of the Consultant is authorized by the Master Indenture, and (iii) state that the Holder of the Master Obligation will be deemed to have consented to the selection of the Consultant named in such notice unless such Holder submits an objection to the engaged Consultant in writing to the Master Trustee within 15 days of the date that the notice is sent to the Holders. No later than two Business Days after the end of the 15-day objection period, the Master Trustee is required to notify the Obligated Group Representative of the number of any objections. If 66.6% or more in aggregate principal amount of the Holders of the Outstanding Obligations have been deemed to have consented to the engagement of the Consultant or have not responded to the request for consent, the Obligated Group Representative is required to engage the Consultant within three Business Days. If more than 33.4% in aggregate principal amount of the Holders of the Master Obligations Outstanding have objected to the Consultant engaged, the Obligated Group Representative is required to select another Consultant which may be engaged upon compliance with the procedures described herein.

For further information about the approval of Consultants, including the ability of owners to object to the selection of a Consultant, see "FORM OF THE MASTER INDENTURE - Approval of Consultants" in APPENDIX C hereto.

Disposition of Property. The Master Indenture affords the Obligated Group the option to sell, lease or otherwise dispose of their property so long as they comply with certain requirements or meet certain financial tests. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including, without limitation, any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property: (a) transfers among Members of the Obligated Group are permitted without limit; (b) dispositions of property which has been replaced or determined to be obsolete, inadequate, or not useful in the ordinary course of business, without receiving cash or other property substantially equivalent in value; (c) the Property sold, leased, donated, transferred or otherwise disposed of does not, for any Fiscal Year, exceed 5% of the total Book Value of all Property of the Obligated Group, provided, however, that Days Cash on Hand shall not be less than 120 after giving effect to such sale, lease, donation, transfer or other disposition of assets; provided, further, if the Historical Debt Service Coverage Ratio as calculated above is not less than 1.20:1, the foregoing percentage of the total Book Value may be increased as follows under the following conditions: (i) to 7.5%; provided, however, Days Cash on Hand shall not be less than 350 after the effect of such sale, lease, donation, transfer or other disposition of assets; or (ii) to 10%; provided, however, Days Cash on Hand shall not be less than 400 after the effect of such sale, lease, donation, transfer or other disposition of assets; (d) transfers aggregating in any Fiscal Year to not more than 5% of net property, plant and

equipment, as reported in the prior Fiscal Year's audit, without receiving cash or other property substantially equivalent in value; or (e) cash and investments may not be transferred outside the Obligated Group, except that current assets (i.e., cash and cash equivalents, investment securities, accounts receivable, accrued interest or other investment income, funds permitted to be designated by the governing bodies of the Obligated Group for any specific purpose, and any other tangible or intangible assets of the Obligated Group ordinarily considered to be current assets under generally accepted accounting principles) may be transferred and used in payment for property or services of substantially equivalent value, for Obligated Group capital expenditures, or as an investment of the Obligated Group funds, in each case subject to independent third party transactions. See "FORM OF THE MASTER INDENTURE – Disposition of Property" in APPENDIX C.

Affiliate Subordinated Indebtedness. An Obligated Group Member will not make payments on Affiliate Subordinated Indebtedness unless the Obligated Group Representative delivers an Officer's Certificate to the Master Trustee (upon which the Master Trustee shall conclusively rely) prior to any payment on Subordinated Indebtedness to an Affiliate certifying that the following conditions are satisfied (1) if the proposed payment on Affiliate Subordinated Indebtedness had occurred as of the last day of the two most recent fiscal quarters for which financial statements have been delivered under Section 4.15 hereof or otherwise posted to EMMA, the Obligated Group had 150 Days Cash on Hand, inclusive of such payment, as of each such date; (2) if the proposed payment on Affiliate Subordinated Indebtedness had occurred during the two most recent fiscal quarters for which financial statements have been delivered under Section 4.15 hereof or otherwise posted to EMMA, the Historical Debt Service Coverage Ratio for each of the fiscal quarters would have been not less than 1.20:1; and (3) there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under this Master Trust Indenture.

All payments on Subordinated Indebtedness in a fiscal period shall be subordinated to all payments due on any Master Obligations Outstanding in such period, except for Master Obligations evidencing other Subordinated Indebtedness.

Subordinated Indebtedness may not be accelerated without the prior written consent of the Holder of each Master Obligation Outstanding that does not constitute Subordinated Indebtedness.

Notwithstanding any other provisions of this section the Obligor shall repay its debt to PRC that funded the purchase of the Premises from Life Care St. Johns, Inc. and that funded the payment of other obligations under the contract with Life Care St. Johns, Inc. upon the issuance and from the proceeds of the Series 2017 Master Obligation. [Describe master notes]

Occurrence of Stable Occupancy. The Obligated Group shall provide the Master Trustee written notice within 10 days of the occurrence of Stable Occupancy.

Rating Sonication Covenant. [Add later if applicable]

Certain Amendments to Bond Indenture and Master Indenture After an Event of Default

Except for certain amendments not requiring consent under the Bond Indenture, the Owners of not less than a majority in aggregate principal amount of the Series 2017 Bonds then Outstanding affected thereby shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Bond Trustee of amendments to the Bond Indenture for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in the Bond Indenture; provided, however that without the consent of the Owners of all the Series 2017 Bonds at the time Outstanding nothing contained in the Bond Indenture shall permit, or be construed as permitting any of the following: (a) an extension of the stated maturity or reduction in the principal amount of, or a reduction in the rate or an extension of the time of payment of interest on, or a reduction of any premium payable on the redemption of, any Bonds of such series, without the consent of every Owner of such Bonds, or (b) the creation of any lien or security interest prior to or on a parity with the lien and security interest of the Bond Indenture without the consent of the Owners of all Bonds of such series at the time Outstanding which would be affected by the action to be taken, or (c) a reduction in the amount, or an extension of the time, of any payment required by the mandatory redemption provisions of the Bond Indenture, without the consent of the Owners of all Bonds of such series at the time Outstanding which would be affected by the action to be taken, or (d) a

reduction in the aggregate principal amount of Bonds of such series the Owners of which are required to consent to any such amendment or supplemental indenture, without the consent of the Owners of all Bonds of such series at the time Outstanding which would be affected by the action to be taken, or (e) the modification of the trusts, powers, obligations, remedies, privileges, rights, duties or immunities of the Bond Trustee, without the written consent of the Bond Trustee, or (f) except as otherwise permitted by Article VIII of the Bond Indenture, a privilege or priority of any Bond or Bonds of such series over any other Bond or Bonds of such series, or (g) the release of or requirements for the release of the Bond Indenture. The Bond Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a) through (g) above may be made with respect to an Outstanding Bond of a series with the consent of the Holders of at least 80% in aggregate principal amount of all Outstanding Bonds of such series; provided, however, any such amendment shall not result in a preference or priority of any Bond over any other Bond and no such amendment described in clauses (a) through (g) shall result in a disproportionate change, reduction or modification with respect to any Bond. See "BONDHOLDERS' RISKS - Amendments to Documents."

With the Consent of the Holders of not less than a majority in principal amount of the Outstanding Master Obligations (except Master Obligations constituting Subordinated Indebtedness), by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Trust Indenture or of modifying in any manner the rights of the Holders of the Master Obligations under the Master Indenture; provided, however, that no such Supplement shall, without the Consent of the Holder of each Outstanding Master Obligation affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest on, any Master Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Master Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or (b) reduce the percentage in principal amount of the Outstanding Master Obligations the Consent of whose Holders is required for any such Supplement or the Consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Trust Indenture or certain defaults hereunder and their consequences) provided for in this Master Trust Indenture, or (c) modify any of the provisions of the Master Indenture relating to Supplements with consent of Holders or any of the provisions of the Master Indenture relating to waivers, except to increase any such percentage or to provide that certain other provisions of the Master Indenture cannot be modified or waived without the Consent of the Holder of each Master Obligation affected thereby. The Master Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in subsections (a), (b) and (c) above may be made with respect to an Outstanding Master Obligation with the consent of the Holders of at least 80% in aggregate principal amount of all Outstanding Related Bonds related to such Master Obligation; provided, however, any such amendment shall not result in a preference or priority of any Master Obligation or Related Bonds over any other Master Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in subsections (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds. See "BONDHOLDERS' RISKS - Amendments to Documents."

Limitation on Affiliate Payments

Payment on Affiliated Subordinated Indebtedness, as such term is defined in the Master Indenture, are regularly scheduled periodic fees payable by the Obligor or any other Member of the Obligated Group pursuant to the Master Indenture and any other agreements from time to time between any Obligated Group Member and an affiliate that is not otherwise part of the Obligated Group. Payments on Affiliated Subordinated Indebtedness can only be paid if the following conditions are satisfied:

- 1) if the proposed Affiliate Payment had occurred as of the last day of the most recent fiscal quarter for which financial statements have been delivered pursuant to the Master Indenture or otherwise posted to EMMA, the Obligated Group would have had 150 Days Cash on Hand, inclusive of such payment as of such date;

(2) if the proposed Affiliate Payment had occurred during the most recent fiscal quarter for which financial statements have been delivered pursuant to the Master Indenture or otherwise posted to EMMA, the Historical Debt Service Coverage Ratio for that fiscal quarter would have been not less than 1.20:1; and

(3) there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under the Master Trust Indenture.

Affiliate Payments not paid under these provisions of the Master Indenture shall constitute Affiliated Subordinated Indebtedness and shall be payable in accordance with paragraph (c) below.

All Affiliate Payments shall be subordinated to all payments due on any Obligations Outstanding under the Master Indenture.

A Member of the Obligated Group will not make payments on Affiliate Subordinated Indebtedness, unless the Obligated Group Representative delivers an Officer's Certificate to the Master Trustee (upon which the Master Trustee shall conclusively rely) prior to any payment on Subordinated Indebtedness to an Affiliate certifying that the following conditions are satisfied:

(1) if the proposed payment on Affiliate Subordinated Indebtedness had occurred as of the last day of the two most recent fiscal quarters for which financial statements have been delivered pursuant to the Master Indenture, the Obligated Group has 150 Days Cash on Hand, inclusive of such payment, as of each such date;

if the proposed payment on Affiliate Subordinated Indebtedness had occurred during the two most recent fiscal quarters for which financial statements have been delivered pursuant to the Master Indenture or otherwise posted to EMMA, the Historical Debt Service Coverage Ratio for each of the fiscal quarters would have been not less than 1.20:1; and

there is no event existing that constitutes, or with the giving of notice or the passing of time or both would constitute, an Event of Default under the Master Trust Indenture.

See "EXCERPTS FROM MASTER TRUST INDENTURE" in Appendix D hereto.

BONDHOLDERS' RISKS

General Risk Factors

The Series 2017 Bonds are special and limited obligations of the Issuer, payable solely from and secured exclusively by the funds pledged thereto, including the payments to be made by the Obligated Group under the Master Indenture.

An investment in the Series 2017 Bonds involves various risks as described in this Official Statement. Each prospective investor should carefully examine this Official Statement and his or her own financial condition in order to make a judgment as to whether the Series 2017 Bonds are an appropriate investment. A BONDOWNER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND SPECIAL REFERENCE IS MADE TO THE SECTION "SECURITY FOR THE SERIES 2017 BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2017 BONDS.

As described herein under the caption "SECURITY FOR THE SERIES 2017 BONDS," except to the extent that the principal of, premium, if any, and interest on the Series 2017 Bonds may be payable from the proceeds thereof or investment income thereon or, under certain circumstances, proceeds of insurance, sale or condemnation awards or net amounts by recourse to the Mortgaged Property, such principal, premium and interest

will be payable solely from amounts paid by the Obligor under the Loan Agreement or by the Obligated Group under the Master Indenture, including Series 2017 Note.

No representation or assurance is given or can be made that revenues will be realized by the Obligated Group (which in the context of this discussion of risk factors, should be understood to include the Obligated Group individually and together with future Members of the Obligated Group, if any) sufficient to ensure the payment of the principal of and interest on the Series 2017 Bonds in the amounts and at the times required to pay debt service on the Series 2017 Bonds when due. Neither the Underwriter nor the Issuer has made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group. The ability of the Obligated Group to generate sufficient revenues may be impacted by a number of factors. Some, but not necessarily all of these risk factors are discussed in this section below; these risk factors should be considered by investors considering any purchase of the Series 2017 Bonds. Neither the Underwriter nor the Issuer has made any independent investigation of the extent to which any such factors may have an adverse effect on the revenues of the Obligated Group.

Limited Obligations

THE SERIES 2017 BONDS ARE SPECIAL OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE AND FUNDS PROVIDED THEREFOR UNDER THE BOND INDENTURE. THE SERIES 2017 BONDS AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE OF FLORIDA NOR ANY POLITICAL SUBDIVISION THEREOF NOR THE ISSUER SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS, OTHER THAN FROM THE TRUST ESTATE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF FLORIDA OR OF ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SERIES 2017 BONDS. THE ISSUER HAS NO TAXING POWER.

The Series 2017 Bonds are special limited obligations of the Issuer and have three sources of payment, as follows:

(1) *Loan payments received by the Bond Trustee from the Obligor pursuant to the terms of the Loan Agreement and the Obligated Group pursuant to Series 2017 Note.* The Issuer has no obligation to pay the Series 2017 Bonds except from loan payments derived from the Loan Agreement and from the Obligated Group pursuant to Series 2017 Note. The Series 2017 Bonds, together with interest and premium, if any, thereon, will be limited obligations of the Issuer and will never constitute an indebtedness of the Issuer within the meaning of any State constitutional provision or statutory limitation and will never constitute or give rise to a pecuniary liability of the Issuer or the State or any political subdivision thereof or a charge against the general credit or taxing powers, if any, of any of them. The Issuer has no taxing power. Under the Loan Agreement, which the Issuer has assigned to the Bond Trustee, the Obligor will be required to make loan payments to the Bond Trustee in amounts sufficient to enable the Bond Trustee to pay the principal of, premium, if any, and interest on the Series 2017 Bonds. Such loan payments are, however, anticipated to be derived solely from operation of the Community by the Obligated Group and investment earnings. Profitable operation of the Community by the Obligated Group depend in large part on achieving and maintaining certain occupancy levels throughout the term of the Series 2017 Bonds. However, no assurance can be made that the revenues derived from the operation of the Community will be realized by the Obligated Group in the amounts necessary, after payment of operating expenses of the facilities of the Obligated Group, to pay maturing principal of, premium, if any, and interest on the Series 2017 Bonds.

(2) *Revenues received from operation of the Community of the Obligated Group by a receiver upon a default under the Master Indenture or the Bond Indenture.* Attempts to have a receiver appointed to take charge of properties pledged to secure loans are frequently met with defensive measures such as the initiation of protracted litigation and/or the initiation of bankruptcy proceedings, and such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. It is therefore likely that prospects for uninterrupted payment of principal and interest on the Series 2017 Bonds in accordance with their terms are largely dependent upon the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating the Community in a profitable manner.

(3) *Proceeds realized from the sale or lease of the Community of the Obligated Group to a third party by the Bond Trustee or Master Trustee.* Attempts to sell or foreclose on commercial property or otherwise realize upon security for obligations may be met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. In addition the Bond Trustee or Master Trustee could experience difficulty in selling or leasing any of the Community upon foreclosure due to the special-purpose nature of a continuing care retirement facility and the proceeds of such sale may not be sufficient to fully pay the owners of the Series 2017 Bonds.

The best prospects for uninterrupted payment of principal and interest on the Series 2017 Bonds in accordance with their terms is the source described in (1) above, which is wholly dependent upon the success of the Obligated Group in operating its Community in a profitable manner. Even if its Community is operating profitably, other factors could affect the Obligor's ability to make loan payments under the Loan Agreement and the Obligated Group's ability to make payments under the Series 2017 Note.

History of the Community

The Obligor is acquiring the Community from Life Care St. Johns, Inc., a Florida not-for-profit corporation (the "Seller"). The Seller experienced financial distress and declared bankruptcy on multiple occasions. See "THE COMMUNITY – History of the Community" in Appendix A hereto. The Obligor believes the Community will be a success once the Community emerges from the cloud of the bankruptcy proceeding and is managed by WSI (with its successful record of operating CCRCs) that Entrance Fee sales can be increased and occupancy stabilized. See "THE OBLIGOR - Business Plan" in Appendix A hereto. However, the negative history of the Community may provide additional or unforeseen challenges for the Obligated Group to successfully operate the Community.

Financial Forecast

The financial forecast contained in the Examination of a Financial Forecast included in APPENDIX B hereto is based upon assumptions made by the management of the Obligor. As stated in such financial forecast, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. In addition, the financial forecast is only for the years ending March 31, 2018 through 2022 and consequently does not cover the whole period during which the Series 2017 Bonds may be outstanding. See the Examination of a Financial Forecast included herein as APPENDIX B, which should be read in its entirety.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE, NO GUARANTEE CAN BE MADE THAT THE FINANCIAL FORECAST IN THE EXAMINATION OF A FINANCIAL FORECAST WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO INCREASED COSTS, LOWER THAN ANTICIPATED REVENUES, EMPLOYEE RELATIONS, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN THE SENIOR LIVING INDUSTRY, AND GENERAL ECONOMIC CONDITIONS. SEE "CAUTIONARY STATEMENTS REGARDING FORWARD LOOKING STATEMENTS" IN THIS OFFICIAL STATEMENT.

Liquidity Support Risks

The Liquidity Provider is executing and delivering the Liquidity Support Agreement in connection with the issuance of the Series 2017 Bonds for the benefit of the holders of the Series 2017 Bonds. The Liquidity Support Agreement is an unsecured obligation of the Liquidity Provider and is in effect only in certain limited circumstances. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2017 BONDS – Liquidity Support" herein. No representation or warranty is made that the Liquidity Provider will have sufficient funds to honor requests under the Liquidity Support Agreement in whole or in part on a timely basis or that the Liquidity Provider will not contest any requests for funds under such agreement. In the event that the Liquidity Provider does not honor requests made pursuant to the Liquidity Support Agreement, such event may have an adverse impact on

the holders of the Series 2017 Bonds. The Liquidity Provider has represented that it has sufficient resources to honor any claims made pursuant to the Liquidity Support Agreement; however, the then financial position of the Liquidity Provider may not be sufficient to honor requests under the Liquidity Support Agreement. **THE SERIES 2017 BONDS ARE AN OBLIGATION OF THE OBLIGOR, PAYABLE AND SECURED SOLELY BY THE ASSETS OF THE OBLIGATED GROUP. THE LIQUIDITY PROVIDER IS NOT LIABLE IN ANY WAY FOR THE PAYMENT OF INTEREST ON OR PRINCIPAL OF THE SERIES 2017 BONDS.**

Risk of Tender

The Series 2017 Bonds maturing on August 1, 20__ are subject to mandatory tender on August 1, 20__. The holder of any Series 2017 Bonds may, at its option, tender in whole or in part any of its Series 2017 Bonds for purchase by the Bond Trustee on behalf of the Obligor at a purchase price equal to the principal amount thereof plus accrued interest to the Tender Date at any time on or after [Date]. Upon receipt by the Issuer and the Bond Trustee of a notice identifying the Series 2017 Bonds to be tendered, such tendered Series 2017 Bonds shall be subject to mandatory tender for purchase by the Bond Trustee on behalf of the Obligor at the Purchase Price on the Tender Date designated in such notice. While the Obligor has engaged the Remarketing Agent to serve as a remarketing agent for any tendered Series 2017 Bonds, the Obligor may need to find alternative financing to pay the purchase price of any tendered Series 2017 Bonds. No representation or warranty is made that the Obligor will have funds necessary to pay the Purchase Price of the tendered Series 2017 Bonds. **If the tendered Series 2017 Bonds are not purchased by the Bond Trustee on the Tender Date, such failure to purchase the tendered Series 2017 Bonds will constitute an Event of Default under the Bond Indenture.**

The Mortgage

The Obligated Group has delivered the Mortgage on the Mortgaged Property to the Master Trustee to secure its obligations pursuant to the Master Indenture. In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on the Mortgaged Property under certain circumstances.

All amounts collected upon foreclosure of the Mortgaged Property pursuant to the Mortgage will be used to pay certain costs and expenses incurred by, or otherwise related to, the foreclosure, the performance of the Master Trustee and/or the beneficiary under the Mortgage, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master Indenture. See also "Master Indenture" in APPENDIX C hereto.

In the event that the Mortgage is actually foreclosed, then, in addition to the customary costs and expenses of operating and maintaining the Community, the party or parties succeeding to the interest of the Obligated Group in the Mortgaged Property (including the Master Trustee, if such party were to acquire the interest of the Obligated Group in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Community, such as the Americans with Disabilities Act; costs associated with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation and costs associated with paying any deferred or suspended debt service payments.

The Community generally is suitable only for residential use and are specifically designed and constructed for senior adults and are not composed of general purpose buildings. Additionally, the Community presently require licenses from the State to operate. Therefore, the Community would not be suitable for industrial or commercial use and consequently, it would be difficult to find a buyer or lessee for the Community, and, upon any default, the Master Trustee may not realize the amount of the outstanding Bonds from the sale or lease of the Community in the event of sale of all or a portion of the Community following an Event of Default. See also "FLORIDA REGULATION OF CONTINUING CARE FACILITIES" for a discussion of the rights of residents in the event of foreclosure.

Any valuation of the Community is based on future projections of income, expenses, capitalization rates, and the availability of the partial or total property tax exemption. Additionally, the value of the Community will at all times be dependent upon many factors beyond the control of the Obligated Group, such as changes in general and local economic conditions, changes in the supply of or demand for competing properties in the same locality, and

changes in real estate and zoning laws or other regulatory restrictions. A material change in any of these factors could materially change the value of the Community. Any weakened market condition may also depress the value of the Community. Any reduction in the market value of the Community could adversely affect the security available to the owners of the Series 2017 Bonds. There is no assurance that the amount available upon foreclosure of the Community after the payment of foreclosure costs will be sufficient to pay the amounts owing by the Obligated Group on Series 2017 Note and other outstanding Parity Obligations.

In the event of foreclosure, a prospective purchaser of the Mortgaged Property may assign less value to the Mortgaged Property than the value of the Mortgaged Property while owned by the Obligated Group since such purchaser may not enjoy the favorable financing rates associated with the Series 2017 Bonds and other benefits. To the extent that buyers whose income is not tax-exempt may be willing to pay less for the Mortgaged Property than nonprofit buyers, then the resale of the Mortgaged Property after foreclosure may require more time to solicit nonprofit buyers interested in assuming the financing now applicable to the Mortgaged Property. In addition, there can be no assurance that the Mortgaged Property could be sold at 100 percent of its fair market value in the event of foreclosure. Although the Master Trustee will have available the remedy of foreclosure of the Mortgage in the event of a default (after giving effect to any applicable grace periods, and subject to any legal rights which may operate to delay or stay such foreclosure, such as may be applicable in the event of the Obligated Group's bankruptcy), there are substantial risks that the exercise of such a remedy will not result in recovery of sufficient funds to satisfy all the Obligated Group's obligations.

If an Event of Default occurs under the Master Indenture, it is uncertain that the Master Trustee or the Bond Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Series 2017 Bonds. In addition, the Obligated Group may issue additional Obligations under the Master Indenture from time to time in the future pursuant to the Master Indenture. If and when issued, such Obligations will be on a parity with Series 2017 Note and other outstanding Parity Obligations with respect to the benefits of the Master Indenture. In addition, should other entities become obligated under the Master Indenture in the future, the Obligated Group currently obligated under the Master Indenture would become jointly and severally liable for any Obligations issued on behalf of such other entities under the Master Indenture.

In the event that all or a portion of the Mortgaged Property is sold, then, in addition to the customary costs and expenses of operating and maintaining the Mortgaged Property, the party or parties succeeding to the interest of the Member of the Obligated Group in the Mortgaged Property (including the Master Trustee, if such party or parties were to acquire the interest of the Obligated Group or a Member in the Mortgaged Property) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Mortgaged Property, such as the Americans with Disabilities Act; and costs associated with the potential reconstruction or repair of the Mortgaged Property in the event of any casualty or condemnation.

Risks of Real Estate Investment

Ownership and operation of real estate, such as the Community, involves certain risks, including the risk of adverse changes in general economic and local conditions (such as the possible future oversupply and lagging demand for rental housing for the aged), adverse use of adjacent or neighboring real estate, initial and continued community acceptance of the Community, increased competition from other senior living facilities, changes in the cost of operation of the Community, difficulties or restrictions in the Obligated Group's ability to raise rents charged, damage caused by adverse weather, climate change and delays in repairing such damage, population decreases, uninsured losses, failure of residents to pay rent, operating deficits and mortgage foreclosure, lack of attractiveness of the Community to residents, adverse changes in neighborhood values, and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Community, or any parts of the Community, become uninhabitable during restoration after damage or destruction, the residence units or common areas affected may not be available during the period of restoration, which could adversely affect the ability of the Obligor to generate sufficient revenues to pay debt service on the Series 2017 Bonds and other parity indebtedness. Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may

render the sale or refinancing of the Community difficult or unattractive. These conditions may have an adverse effect on the demand for the services provided by the Community as well as the market price received for the Community in the event of a sale or foreclosure of the Community. Many other factors may adversely affect the operation of the Community and cannot be determined at this time.

Title Insurance

The Obligated Group is securing mortgagee title insurance with respect to the Mortgaged Property as described under the caption "SECURITY FOR THE SERIES 2017 BONDS – Security for Series 2017 Note." Recovery under a title insurance policy issued to a mortgagee (here, the Master Trustee) is dependent upon a number of factors including, but not limited to, the amount of title insurance purchased relative to the value of the Mortgaged Property, the nature of the title defect, the presence of a payment default under the Obligations and the other terms and conditions of the insurance policy. No assurance can be given that any particular set of circumstances will give rise to a recovery under the title insurance policies.

Uncertainty of Occupancy and Entrance and Service Fee Collection

As noted elsewhere, except to the extent that the Series 2017 Bonds will be payable from the proceeds of insurance, sale or condemnation awards, the Series 2017 Bonds will be payable solely from payments or prepayments to be made by the Obligated Group under the Loan Agreement and under Series 2017 Note. The ability of the Obligated Group to make payments under the Loan Agreement and the ability of the Obligated Group and any other future Members of the Obligated Group to make payments on Series 2017 Note and other outstanding Parity Obligations is dependent upon the generation by the Obligated Group of revenues in the amounts necessary for the Obligated Group to pay the principal of, premium, if any, and interest on the Series 2017 Bonds, as well as other operating and capital expenses.

The financial feasibility of the Community and payment, when due, of the Series 2017 Bonds is dependent on the continuing ability of the Obligated Group to achieve and maintain high levels of occupancy of the Community and to (i) fill those facilities that accept residents who purchase the right to live there by paying Entrance Fees (as defined in APPENDIX A hereto), (ii) collect new Entrance Fees from residents occupying apartment units vacated by deceased residents, residents permanently transferred to assisted living or nursing care facilities operated by the Obligated Group or residents leaving such facilities for other reasons, and (iii) keep the Community substantially occupied by residents who can pay the full amount of the Entrance Fees and/or Monthly Service Fees (as defined in APPENDIX A hereto). This depends to some extent on factors outside the Obligated Group's control, such as the residents' right to terminate their Residency Agreements in accordance with the terms of the Residency Agreements and by general economic conditions. In particular, a depressed housing market may prevent prospective residents from selling their homes and generating cash to pay Entrance Fees. If the Community fails to achieve and maintain a high level of occupancy, there may be insufficient funds to pay debt service on the Series 2017 Bonds and any other Outstanding bonds and obligations.

Moreover, if a substantial number of independent living unit residents live beyond their anticipated life expectancies or if admissions or transfers to the health care components of the Community is substantially less than anticipated by the Obligated Group, or if market conditions or market changes prevent an increase in the amount of the resident Entrance Fees payable by new residents of the Community or the Monthly Service Fees payable by all residents, the receipt of additional resident Entrance Fees and/or Monthly Service Fees would be curtailed or limited, with a consequent impairment of the Obligated Group's revenues. Such impairment would also result if the Obligated Group is unable to remarket independent living units becoming available when residents die, withdraw, or are permanently transferred to the health care components of the Community.

The Community expects to rely on regular increases to both Entrance Fees and Monthly Service Fees to offset increasing operating costs due primarily to inflation. There can be no assurance that such increases will continue or that increases in expenses will not be greater than any such future rate increase. Also, since many of the residents may be living on fixed incomes or incomes that do not readily change in response to changes in economic conditions, there can be no assurance that any such Entrance Fee or Monthly Service Fee increases can be paid by residents or that such increases will not adversely affect the occupancy of the Community. While the Community can accept new residents unable to pay in full the Entrance Fees and Monthly Service Fees, it intends to do so only

to the extent of available Foundation funds to pay their expenses. It is possible that residents who unexpectedly become unable to make such payments would be allowed to remain residents, even though the costs of caring for them could have an adverse effect on the financial condition of the Obligated Group. As a charitable tax-exempt organization, the Obligated Group may be unable or unwilling to require residents who lack adequate financial resources to leave the Community. In the future, the Obligated Group could possibly be required to accept residents unable to pay all Entrance Fees or Monthly Service Fees or be required to provide services to a certain number of indigent persons unable to pay any fees, in order to maintain its tax-exempt status.

The Entrance Fees and Monthly Service Fees for the Community are described in APPENDIX A hereto. As set forth therein, the Obligated Group has set such fees based on, among other things, anticipated revenue needs and analysis of the market areas. If actual operating experience is substantially different from that anticipated, the revenues of the Obligated Group could be less than expenses. Should methods of payment other than Entrance Fees, including straight rental, become prevalent as the form of payment for elderly housing, the ability to charge resident Entrance Fees to potential future residents may decrease. If this should happen, the Obligated Group may be forced to alter its method of charging for elderly housing services and could encounter operational difficulties.

Sale of Homes

The number of persons who can afford payment of the substantial Entrance Fees and Monthly Service Fees may be affected by general economic conditions. It is anticipated that a substantial number of existing and potential applicants for residency in the Community will expect to pay the Entrance Fees from the proceeds of the sale of a residence. Nationwide, and particularly in Florida, there previously had been a substantial reduction in residential sales volume, a reduction in residential sales prices and residential mortgage loans generally had become less available. While housing prices and sales volume in Florida have stabilized and shown recent improvement, if there is another reduction or stagnation in residential sales volume or if mortgage loans remain difficult to secure or if such loans are only available only at interest rates that prospective home purchasers are unwilling to pay, or should there be any material adverse conditions in the residential housing market, such applicants might be unable to sell their homes at acceptable financial terms, and in such event may choose not to establish residence at the Community.

Utilization Demand

Several factors could, if implemented, affect demand for services provided at the Community including: (i) efforts by insurers and governmental agencies to reduce utilization of skilled nursing home and long-term care facilities by such means as preventive medicine and home health care programs; (ii) advances in scientific and medical technology; (iii) a decline in the population, a change in the age composition of the population or a decline in the economic conditions of the service areas for the Community; and (iv) increased or more effective competition from retirement communities, assisted living communities and long-term care facilities now or hereafter located in the service areas of the Community.

Potential Refund of Entrance Fees

Under certain circumstances, the Obligated Group is obligated to refund all or a portion of a resident's Entrance Fee upon the resident's departure from the Community. The payment of such refunds could adversely affect the Obligated Group's ability to make payments required by the Loan Agreement, the Series 2017 Bonds and Series 2017 Note. The Obligated Group is required to refund Entrance Fees within the earlier of (i) 30 days after receipt of the next Entrance Fee received for a like or similar unit for which there is no prior claim or (ii) 12 months after the contract is terminated and the unit is vacated. The Seller of the Community experiences problems with Entrance Fee refunds. See "THE COMMUNITY - History of the Community" in Appendix A hereto.

Nature of Income and Assets of the Elderly

A large percentage of the monthly income of the residents of the Community is expected to be fixed in amount, consisting of income derived from savings, pensions, investments and Social Security payments. If, due to inflation or otherwise, substantial increases in Monthly Service Fees are required to cover increases in operating

costs and other expenses, residents may have difficulty paying or may be unable to pay increased fees. In addition, some residents may need to liquidate assets, such as by selling a home, to pay the required fees. The Obligated Group's inability to collect from residents the full amount of their payment obligations, either when due or at all, may jeopardize the ability of the Obligated Group to pay amounts due under the Loan Agreement and Series 2017 Note.

Competition

The Community is located in areas where other continuing care retirement facilities including Westminster Woods on Julington Creek, which is located approximately 17 miles from the Community and is managed by WSI and other competitive facilities exist, and may in the future be developed. The Community may also face additional competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing continuing care facilities in the geographic areas served by the Community. The Obligated Group presently faces and will continue to face competition from other forms of retirement living, including condominiums, apartment buildings and facilities not specifically designed for the elderly, some of which may be designed to offer similar facilities but not necessarily similar services, at lower prices. In addition, there are few entry barriers to future competitors because competing facilities generally do not require a certificate of need approval for independent living facilities, although continuing care facilities would be required to obtain a Certificate of Authority from the Office of Insurance Regulation of the State of Florida. All of these factors combine to make the elderly housing industry volatile and subject to material change that cannot be currently predicted. See APPENDIX A for more information about competitive facilities in the market area.

Rights of Residents

The Obligated Group enters into residency agreements with its residents. For more information about the reservation agreements and residency agreements, see "CERTAIN INFORMATION ABOUT THE OBLIGOR AND THE COMMUNITY" in Appendix A hereto. Although the reservation and residency agreements give to each resident a contractual right to use space and not any ownership rights in the facilities owned by the Obligated Group, in the event that the Bond Trustee or the holders of the Series 2017 Bonds seek to enforce any of the remedies provided by the Bond Indenture upon the occurrence of a default or the Master Trustee seeks to enforce remedies under the Mortgage or the Master Indenture, it is impossible to predict the resolution that a court might make of competing claims among the Master Trustee, the Bond Trustee, the Issuer or the holders of the Series 2017 Bonds and a resident of the Community who has fully complied with all the terms and conditions of his or her Residency Agreement.

Regulation of Residency Agreements

As described herein under "FLORIDA REGULATION OF CONTINUING CARE FACILITIES," Chapter 651 requires every continuing care facility to maintain a certificate of authority from the Office of Insurance Regulation in order to operate. The Obligated Group has received final certificates of authority for the Community. If the Obligated Group fails to comply with the requirements of Chapter 651, it would be subject to sanctions including the possible revocation of certificates of authority for the respective Community. The certificate of authority may be revoked if certain grounds exist including, among others, failure by the provider to continue to meet the requirement for the certificate of authority originally granted, on account of deficiency of assets, failure of the provider to maintain escrow accounts or funds required by Chapter 651 and failure by the provider to honor its Residency Agreements with residents. Under certain circumstances the Office of Insurance Regulation may petition for an appropriate court order for rehabilitation, liquidation, conservation, reorganization, seizure or summary proceedings. If the Office of Insurance Regulation has been appointed a receiver of a continuing care facility, it may petition a court to enjoin a secured creditor of a facility from seeking to dispose of the collateral securing its debt for a period of up to 12 months.

Organized Resident Activity

The Obligated Group may, from time to time, be subject to pressure from organized groups of residents seeking, among other things, to raise the level of services or to maintain the level of Monthly Service Fees with respect to the Community or other charges without increase. Moreover, the Obligated Group may be subject to

conflicting pressures from different groups of residents, some of whom may seek an increase in the level of services while others wish to hold down Monthly Service Fees and other charges. No assurance can be given that the Obligated Group will be able satisfactorily to meet the needs of such resident groups and that such activity would not adversely impact occupancy.

Staffing

The health care industry continues to suffer from a shortage of skilled and unskilled nursing personnel that has forced nursing wage scales to increase. The Obligated Group's management believes that it will be able to retain current personnel and hire any additional required staff, but the presence of other health care providers may make it difficult over time to attract and retain skilled personnel. If the Obligated Group is forced to employ temporary staff through employment agencies, its employment costs will be substantially increased.

Increases of Medical Costs

The cost of providing health care services may increase due to many reasons, including increases in salaries paid to nurses and other health care personnel and due to shortages in such personnel that many require the use of employment agencies. Additionally recent changes to federal wage and labor laws will likely impact the Obligated Group.

Labor Union Activity

Certain residential care facilities are being subjected to increasing union organizational efforts. Employees of the Obligated Group are not presently subject to any collective bargaining agreements. There can be no assurance, however, that such employees will not seek to establish collective bargaining agreements with the Obligated Group, and if so established, such collective bargaining agreements could result in significantly increased labor costs to the Obligated Group and have an adverse effect on the financial condition of the Obligated Group.

Natural Disasters

Florida has suffered from natural disasters over the years, including hurricanes. While the Obligated Group believes that it maintains adequate insurance to cover any loss arising from such natural disasters, there can be no assurance that in severe circumstances that such insurance will be adequate to rebuild such Community. Additionally, there can be no assurance that after experiences with natural disasters, residents will continue to choose to live in such areas of the country. Such decisions could have an adverse impact on the financial success of the Obligated Group.

Malpractice Claims and Losses

The Obligated Group has covenanted in the Master Indenture to maintain professional liability insurance. The operations of the Obligated Group may be affected by increases in the incidence of malpractice lawsuits against elder care facilities and care providers in general and by increases in the dollar amount of client damage recoveries. These may result in increased insurance premiums and an increased difficulty in obtaining malpractice insurance. It is not possible at this time to determine either the extent to which malpractice coverage will continue to be available to the Obligated Group or the premiums at which such coverage can be obtained.

Insurance and Legal Proceedings

The provision of personal and health care services entails an inherent risk of liability. In recent years, participants in the senior living and health care services industry have become subject to an increasing number of lawsuits alleging negligence, malpractice or related legal theories, many of which involve large claims and result in the incurrence of significant defense costs. The Obligor carries insurance coverage in amounts deemed adequate by management and consistent with other comparable Obligor. However, there can be no assurance that any current or future claims will not be covered by or exceed applicable insurance coverage. A claim against the Obligated Group

not covered by, or in excess of, the Obligated Group's insurance could have a material adverse effect upon the Obligor.

In addition, the Obligated Group's insurance policies must be renewed periodically. Because the increased litigation in the retirement and nursing care business has resulted in increased insurance premiums and an increased difficulty in obtaining insurance at reasonable rates, there can be no assurance that insurance coverage will continue to be available to the Obligated Group at reasonable premiums, if at all.

In its role as an owner and operator of real properties, the Obligated Group may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its real property, including any such substances that may have migrated off of its real property. In addition, the Obligated Group's operations include the handling, use, storage and disposal of hazardous, infectious and toxic materials and wastes. Such handling, use or release by the Obligated Group may produce risks of damage to individuals, property or the environment; interruption of operations or increased costs; legal liability, damages, injunctions or fines, or the triggering of investigations, administrative proceedings, penalties or other government agency actions. There can be no assurance that the Obligated Group will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of the Obligated Group. The Obligated Group is not aware of any environmental liability with respect to any of its properties that it believes would have a material adverse effect on the Obligated Group's business, financial condition, or results of operations. The Obligated Group believes that its operations and Community are in compliance in all material respects with all federal, state, and local laws, ordinances, and regulations regarding hazardous or toxic substances or petroleum products.

The Obligated Group currently is not a party to any legal proceeding that its management believes would have a material adverse effect on its business, financial condition, or results of operations.

Additions to and Withdrawals from the Obligated Group

Upon satisfaction of certain conditions in the Master Indenture, other entities can become Members of the Obligated Group and existing Members may withdraw from the Obligated Group; provided that the Master Indenture prohibits the Obligor from withdrawing from the Obligated Group. See also "Master Indenture" in APPENDIX C hereto. Management of the Obligor currently has no plans to add additional Members to the Obligated Group. However, if and when new Members are added or one or more Members withdraw, the Obligated Group's financial situation and operations will likely be altered.

Third-Party Payments and Managed Care

In the environment of increasing managed care, the Obligated Group can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors, such as health maintenance organizations, direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than stand-alone skilled nursing facilities; however, the risk may increase and the Obligated Group may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the health care industry continue to grow.

Federal and State Health Care Laws and Regulations; Medicare

The Obligated Group's independent living units are not currently subject to significant federal governmental regulation, other than laws and regulations applicable generally to developers and operators of residential real estate. For example, the Obligated Group must comply with the Federal Fair Housing Act and Fair Housing Amendments Act of 1988, 42 U.S.C.A. §3601 et seq., as amended (which among other things, prohibits discrimination in housing) and the Americans with Disabilities Act of 1990, 42 U.S.C.A. §12101 et seq., as amended (which mandates the elimination of discrimination against individuals with disabilities and imposes certain standards relating to the construction and/or renovation of certain buildings and structures). Compliance with such regulatory requirements may adversely affect the Obligated Group's financial results. Failure to comply with such requirements could also result in the imposition of various fines and other remedies.

Skilled nursing facilities ("SNFs") that accept payment from Medicare are required to comply with federal laws that affect the rights of residents, including the Federal Nursing Home Reform Act and related regulations. In addition, state laws establish the rights and responsibilities of residents of nursing homes and assisted living facilities. Failure to comply with these laws can result in regulatory action, monetary fines, loss or restriction of licensure or certification, and other remedies. There is no certainty that compliance with the laws or regulatory actions under them will not adversely affect operation of the Community or the financial condition of the Obligated Group. The Obligated Group is currently not licensed to accept Medicaid patients.

The health care industry in general is subject to highly technical regulation by a number of federal, state and local governmental agencies, including the Centers for Medicare Services. As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare program. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Facility.

There is an expanding and increasingly complex body of law, regulation and policy (both federal and state) relating to Medicare program, which is not directly related to payments under such programs. This includes reporting and other technical rules as well as broadly stated prohibitions regarding improper inducements for referrals, referrals by physicians for designated health services to entities with which the physicians have a prohibited financial relationship, and payment of kickbacks in connection with the purchase of goods and services. Violations of prohibitions against false claims, improper inducements and payments, prohibited physician referrals, and illegal kickbacks may result in civil and/or criminal sanctions and penalties. Civil penalties range from monetary fines that may be levied on a per-violation basis to temporary or permanent exclusion from the Medicare program. The determination that any of the Community of the Obligated Group were in violation of these laws could have a material adverse effect on finances of the Obligated Group. Indeed, even the cost of defending against such allegations could be significant.

At this time, all the SNF beds are certified for Medicare. For the Fiscal Year ended December 31, 2016, approximately 3.39% of the Obligated Group's annual operating revenues were derived from Medicare. See also "Sources of Resident Service Revenue" in APPENDIX A hereto.

General. Medicare is a federal insurance program that, among other things, provides reimbursement for nursing facility care in Medicare-certified facilities. Generally, a resident will qualify for Medicare reimbursement only if the resident's admission to the nursing home facility is immediately subsequent to the resident's three or more day stay at an acute care facility. Medicare reimbursement for nursing care is limited to a renewable 100-day period for each qualified resident.

Other future legislation, regulation or actions by the federal government are expected to continue the trend toward more limitations on reimbursement for long term care services. At present, no determination can be made concerning whether or in what form such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon the Obligated Group's financial performance cannot be determined at this time. The current congressional discussions regarding decreasing the federal budget in connection with raising the federal debt decision may result in lowering Medicare payments to providers such as the Obligated Group.

Medicare Reimbursement. Medicare reimbursement to SNFs depends on several factors, including the character of the facility, the beneficiary's circumstances, and the type of items and services provided. Extended care services furnished by SNFs are covered only if the patient spent at least three consecutive days as a hospital inpatient prior to admission to the SNF and if the patient was admitted to the SNF within 30 days of discharge from a qualifying hospital stay. Medicare Part A covers nursing services furnished by or under the supervision of a registered professional nurse, as well as physical, occupational, and speech therapy provided by the SNF. "Ancillary" services furnished to the non-Medicare Part A SNF patients are also covered under Medicare Part B. SNF services for Medicare Part A inpatient stays are reimbursed for up to 100 days for each spell of illness. Medicare payments are subject to coinsurance and deductibles from the patient.

Payments of Medicare patients in SNFs are now based on a Prospective Payment System ("PPS"). Under the PPS, SNFs are paid a single per diem rate per resident according to the Resource Utilization Group ("RUG") to which the patient is assigned. RUG rates are based on the expected resource needs of patients and cover routine services, therapy services, and nursing costs. SNF PPS payment rates are adjusted annually based on the SNF "market basket" index, or the cost of providing SNF services. There is no guarantee that the SNF rates, as they may change from time to time, will cover the actual costs of providing care to Medicare SNF patients. In March 2010, the Medicare Payment Advisory Commission recommended eliminating the market based update for skilled nursing facilities. In addition, certain health care reform statutes enacted by Congress (the "Health Care Reform Statutes") contain changes to Medicare reimbursement that may negatively impact the Medicare reimbursement levels for the Obligated Group. Commencing in 2014, the market basket adjustment is reduced by a productivity adjustment, which may result in payments lower than previous years.

The Health Care Reform Statutes also required the Secretary of the United States Department of Health and Human Services ("DHHS") to develop a "value based" purchasing program (based on performance and quality measures and other factors) for SNFs. DHHS is required to publish the measures selected with respect to fiscal year 2014, including procedures for the public to review such data. This will eventually result in a mandatory requirement for nursing homes reporting on key performance and other quality performance measures and the development of a pay for performance program for SNFs which will impact reimbursement to SNFs. Compliance with the performance and other quality performance measures will be essential for full reimbursement under the Medicare Program. In 2014, the Health Care Reform Statutes require that the annual update to the standard federal rate for discharges during the rate year will be reduced by two percentage points for each facility that does not report quality data. The Secretary is also required to study the impact of expanding Medicare's health care acquired conditions reduced payment policy to SNFs. Because the Health Care Reform Statutes are relatively new, the full impact of these provisions is unknown and subsequent laws, regulation and guidance impacting Medicare policy and reimbursement may provide additional changes which may adversely impact skilled nursing homes.

Medicare has also increased its efforts to recover overpayments. CMS is expanding its use of Recovery Audit Contractors ("RACs") to further assure accurate payments to providers. RACs search for potentially improper Medicare payments from prior years that may have been detected through CMS existing program integrity efforts. RACs use their own software and review processes to determine areas for review. Once a RAC identifies a potentially improper claim as a result of an audit, it applies an assessment to the provider's Medicare reimbursement in an amount estimated to equal the overpayment from the provider pending resolution of the audit. In 2014, the RAC project returned approximately \$2.4 billion to the Medicare program, with Florida accounting for \$139 million of this amount. Such audits may result in reduced reimbursement for past alleged overpayments and may slow future Medicare payments to providers pending resolution of appeals process with RACs, as well as increase purported Medicare overpayments and associated costs for the Obligated Group.

Other future legislation, regulation or actions by the federal government are expected to continue to trend toward more restrictive limitations on reimbursement for the long term care services. At present, no determination can be made concerning whether, or in what form, such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon the financial performance of the Obligated Group cannot be determined at this time.

Medicare Reporting Requirements. Medicare regulations provide that all entities furnishing services for which payment may be made under Medicare are required to submit certain information to CMS. Persons who fail to submit the required information or who fail to report the information accurately and completely are subject to civil or criminal money penalties. As these requirements are numerous, technical and complex, there can be no assurance that one or more Members of the Obligated Group may not incur such penalties in the future. These penalties could have a material adverse effect on the Obligated Group's revenues and/or its ability to operate.

Government Health Program Regulations Governing Fraud and Abuse and Certain Referrals. Federal and state health care fraud and abuse laws generally regulate services furnished to beneficiaries of federal and state (including Medicare) and private health insurance plans, and they impose penalties for improper billing and other abuses. Under these laws, health care providers may be punished for billing for services that were not provided, not medically necessary, provided by an improper person, accompanied by an illegal inducement to use or not use another service or product, or billed in a manner that does not comply with applicable government requirements.

Violations of these laws are punishable by a range of criminal, civil and administrative sanctions. If the Obligated Group violates one of the fraud and abuse laws, among other possible sanctions, federal or state authorities could recover amounts paid, exclude the Obligated Group from participation in the Medicare program, impose civil monetary penalties, and suspend Medicare payments. The federal government (and individuals acting on its behalf) have brought many investigations, prosecutions and civil enforcement actions under the fraud and abuse laws in recent years. In some cases, the scope of the fraud and abuse laws are so broad that they may result in liability for business transactions that are traditional or commonplace in the health care industry.

There is an increasingly expanding and complex body of state and federal law, regulation and policy relating to relationships between providers of health care services to patients and potential referral sources such as, but not limited to, physicians. The federal and state illegal remuneration statutes and anti-kick back statutes applicable to Medicare and all federal and state health care programs ("Government Programs") prohibits the offer, payment, solicitation, or receipt of any remuneration, directly or indirectly, covertly or overtly, in cash or in kind, for (1) the referral of patients, or arranging for the referral of patients, for the provision of items or services for which payment may be made under the Government Programs; or (2) the purchase, lease or order, or arranging for the purchase, lease or order, of any good, facility, service or item for which payment may be made under the Government Programs. A violation of the illegal remuneration statute constitutes a felony criminal offense, and applicable sanctions include imprisonment of up to five years, fines up to \$25,000 and exclusion from the Medicare program.

The federal civil False Claims Act ("Civil FCA") prohibits anyone from knowingly submitting a false, fictitious or fraudulent claim to the federal government. Violation of the Civil FCA can result in civil money penalties and fines, including treble damages. Private individuals may initiate actions on behalf of the federal government in lawsuits called qui tam actions. The plaintiffs, or "whistleblowers," can recover significant amounts from the damages awarded to the government. In several cases, Civil FCA violations have been alleged solely on the existence of alleged kickback arrangements or violations of Section 1877 of the Social Security Act (commonly known as the "Stark Law"), even in the absence of evidence that false claims had been submitted as a result of those arrangements. The Patient Protection and Affordable Care Act ("PPACA") creates Civil FCA liability for knowingly failing to report and return an overpayment within a specified time. The federal criminal False Claims Act ("Criminal FCA") prohibits the knowing and willful making of a false statement or misrepresentation of a material fact in submitting a claim to the government. Sanctions for violation of the Criminal FCA include imprisonment, fines, and exclusions.

The Civil Monetary Penalties Law in part authorizes the government to impose money penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, the Obligated Group may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare patients under the physician's direct care. PPACA amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the Office of Inspector General timely access for audits, investigations or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil money penalties plus three times the amount claimed.

In addition to the anti-kickback and illegal remuneration statutes, the Stark Law imposes certain restrictions upon referring physicians and providers of certain designated health services, including long term care services, under the Medicare program. Subject to certain exceptions, the Stark Law provides that if a physician (or a family member of a physician) has a financial relationship with an entity (i) the physician may not make a referral to the entity for the furnishing of designated health services reimbursable under the Medicare program, and (ii) the entity may not bill for designated health services furnished pursuant to a prohibited referral. Entities and physicians committing an act in violation of the Stark Law are subject to civil money penalties and exclusion from the Medicare program. Mandated by PPACA, the recently published Medicare self-referral disclosure protocol ("SRDP") is intended to allow providers to self-disclose actual or potential violations of the Stark Law. PPACA

provides for discretion to reduce penalties for providers submitting an SRDP. As a result of the scarcity of case law interpreting the Stark Law, there can be no assurance that the Obligated Group will not be found in violation of the Stark Law or that self-disclosure of a potential violation would result in reduced penalties for the Obligated Group.

Sanctions could be applied in many situations where SNFs participate in joint ventures with entities that may be in a position to make referrals or to which SNFs may be in a position to make referrals, enter into personal service and management contracts, enter into space and equipment rental agreements, waive co-payments and deductibles, etc. Such sanctions could result in a material adverse effect on the financial position of the Obligated Group, exclusion from Government Programs, loss of license or disciplinary action by licensing agencies, and/or substantial civil monetary penalties.

Management of the Obligated Group does not believe that it is involved in activities that pose a significant risk of sanctions under these referral laws. However, there can be no assurance that such challenge or investigation will not occur in the future.

Audits. Most health care providers are audited for compliance with the requirements for participation in the Medicare program. If audits discover alleged overpayments, the Obligated Group could be required to pay a substantial rebate of prior payments. The federal government contracts with third-party RACs, on a contingent fee basis, to audit the propriety of payments to Medicare providers. The centers for Medicare Services recently passed rules resulting in several more types of Medicare audits. Medicare zone program integrity contractors ("ZPICs") transitioned from the program safeguard contractor ("PSC") program, target potential fraud and abuse and are tasked with ensuring the integrity of all Medicare-related claims per assigned jurisdiction. PSCs, ZPICs, affiliated contractors ("ACs"), and Medicare administrative contractors ("MACs") must ensure that they pay the right amount for covered and correctly coded services rendered to eligible beneficiaries by legitimate providers. Four parallel strategies are employed in meeting this goal: (i) preventing fraud through effective enrollment and through education of providers and beneficiaries, (ii) early detection through, for example, medical review and data analysis, (iii) close coordination with partners, including PSCs, ZPICs, ACs, MACs, and law enforcement agencies, and (iv) fair and firm enforcement policies. The Obligated Group has not received claims or been a party to settlement negotiations outside of the routine audit processes. Nevertheless, ultimate liability could exceed reserves, and any excess could be substantial. Medicare regulations also provide for withholding or recouping payment in certain circumstances, which could adversely affect the Obligated Group's cash flow.

Health Care Reform

The enactment of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, "PPACA") represents a significant reform of federal health care legislation. Additionally, Congress continues to consider the adoption of additional laws to modify several aspects of such legislation. PPACA is intended to bring about substantial changes to the delivery of health care services, the financing of health care costs, reimbursement to health care providers, and the legal obligations of health insurers, providers, and employers. The numerous provisions of PPACA are slated to take effect at specified times over approximately the next decade, and, therefore, the full consequences of the new laws on the health care industry will not be immediately realized. The ramifications of PPACA provisions may become apparent only as a result of regulatory interpretations promulgated during the implementation of the enacted laws. Portions of the PPACA may also be limited or nullified as a result of legal challenges.

Many PPACA provisions could have a significant impact on health care providers, including their operations and revenues, and such impact could be negative. For example, expanded health insurance coverage, in particular, could affect the composition of the population enrolled in various public and private health plans, potentially resulting in a capacity strain on provider networks or unanticipated service costs. PPACA attempts to increase competition among private health insurers by providing for transparent state insurance exchanges. PPACA also prevents private insurers from adjusting insurance premiums based on health status, gender, or other specified factors. Further, to offset the cost of expanded health care coverage and implementation of reform, PPACA includes cuts in Medicare reimbursement and increased taxes. Cost-cutting provisions will impact health care providers by reducing or eliminating reimbursement for failure to satisfy certain quality requirements and reduction of Medicare market basket updates.

PPACA reduces payments for services to federally-insured patients because Congress expected that providers will realize savings in bad debt and charity care expenses, since they are expected to provide care to fewer uninsured patients as a result of mandated increases in insurance coverage.

The constitutionality of certain PPACA provisions designed to expand health insurance coverage was recently challenged. While the private insurance mandate has been upheld by the Supreme Court, certain provisions were found to be unconstitutional. Members of Congress continue to propose a repeal or amendment of PPACA and there is no assurance that it will be implemented as initially adopted.

It is difficult to predict the full impact of PPACA due to the law's complexity, lack of implementing regulations or interpretive guidance and gradual implementation, as well as an inability to foresee how states, businesses and individuals will respond to the choices afforded them by the law. The Obligor is therefore unable to predict the full impact of PPACA on it at this time.

Health care providers are likely to be subjected to decreased reimbursement as a result of implementation of recommendations of the PPACA-created Independent Payment Advisory Board, whose directive is to reduce Medicare cost growth. The Board's recommended reductions would be automatically implemented unless Congress adopts alternative legislation that meets equivalent savings targets.

PPACA provisions relating to skilled nursing facilities ("SNFs") include requirements that facilities (i) make certain disclosures regarding ownership; (ii) implement compliance and ethics programs; and (iii) make certain disclosures regarding expenditures for wages and benefits for direct care staff. In addition, PPACA may affect SNF reimbursement through the creation of value-based purchasing payment and post-acute care payment bundling programs and may place limitations on SNF payments for health care acquired conditions. Investors are encouraged to review legislative, legal, and regulatory developments as they occur and to assess the elements and potential effects of the health care reform initiative as it evolves.

Possible Future Adverse Legislative Proposals

Legislative proposals which could have an adverse effect on the Obligated Group include: (a) any changes in the taxation of non-profit corporations or in the scope of their exemption from income or property taxes; (b) limitations on the amount or availability of tax exempt financing for corporations recognized under Section 501(c)(3) of the Code; (c) regulatory limitations affecting the Obligated Group's ability to undertake capital projects or develop new services; and (d) a requirement that non-profit health care Obligor pay real estate property tax and sales tax on the same basis as for-profit entities.

The discussion above (or as otherwise discussed herein) is not an exhaustive study of the laws and regulations which may apply to the Obligated Group and its operations. Other laws and regulations not set forth herein (or elsewhere herein) may also apply to the Obligated Group and its operations and may have an adverse impact thereon.

Future Health Care and Regulatory Risks

The Obligated Group is and will continue to be subject to certain governmental regulations. Participants in the health care industry are subject to significant regulatory requirements of federal, state and local governmental agencies and independent professional organizations and accrediting bodies, technological advances and changes in treatment modes, various competitive factors and changes in third party reimbursement programs. In addition, the operations of the health care industry have been subject to increasing scrutiny by federal, state and local governmental agencies. In response to perceived abuses and actual violations of the terms of existing federal, state and local health care payment programs, such agencies have increased their audit and enforcement activities, and federal and state legislation has been considered or enacted, providing for civil and criminal penalties against certain activities.

Bills proposing to regulate or control, in some manner, health care costs and revenues and a number of proposals for a national health insurance program are regularly submitted to Congress. There are wide variations

among these proposals and the effect on the health care industry and the Obligated Group cannot be determined. There can be no assurance that the implementation of any such bill or proposal or any future bill or proposal, or the implementation by the federal or state administrative bodies of cost containment or revenue control programs, would not adversely affect the revenues of the Community, and thus the revenues of the Obligated Group.

In the environment of increasing managed care, the Obligated Group can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors, such as health maintenance organizations, direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than stand-alone SNFs; however, the risk may increase and the Obligated Group may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the health care industry continue to grow.

Liquidation of Secnry May Not be Sufficient in the Event of a Default

The Bond Trustee and the Issuer must look solely to the Gross Revenues, the Mortgaged Property and any funds held under the Bond Indenture and the Master Indenture to pay and satisfy the Series 2017 Bonds in accordance with their terms. The owners of the Series 2017 Bonds are dependent upon the success of the Obligated Group's Community and the value of the assets of the Obligated Group for the payment of the principal of, redemption price, if any and interest on, the Series 2017 Bonds. The Obligated Group has not made any representations to owners of the Series 2017 Bonds regarding the current market value of its Community. In the event of a default, the value of the Mortgaged Property may be less than the amount of the outstanding Bonds, since the Obligated Group's Community exists for the narrow use as a CCRC. The special design features of a CCRC and the continuing rights of residents under continuing care and lease agreements may make it difficult to convert the Community to other uses, which may have the effect of reducing their attractiveness to potential purchasers.

Availability of Remedies

The remedies available to the Bond Trustee, the Master Trustee and the owners of the Series 2017 Bonds upon an event of default under the Bond Indenture and the Master Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Bond Indenture and the Master Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors' generally and laws relating to fraudulent conveyances.

Bankruptcy

If one or more Members of the Obligated Group were to file a petition for relief under the United States Bankruptcy Code, its revenues and certain of its accounts receivable and other property acquired after the filing (and under certain conditions some or all thereof acquired within 120 days prior to the filing) would not be subject to the security interests created under the Master Indenture. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against such Member or Members of the Obligated Group and its property and as an automatic stay of any act or proceeding to enforce a lien upon its property. If the bankruptcy court so ordered, the property, including accounts receivable and proceeds thereof, of such Member or Members could be used for the benefit of the Obligated Group despite the security interest of the Master Trustee therein, provided that "adequate protection" is given to the lienholder.

In a bankruptcy proceeding, the petitioner could file a plan for the adjustment of its debts which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be

confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly in favor of junior creditors. Certain judicial decisions have cast doubt upon the right of a trustee, in the event of a health care facility's bankruptcy, to collect and retain for the benefit of bondholders portions of revenues consisting of Medicare and other governmental receivables.

On April 20, 2005, the Health Care Bankruptcy Bill was enacted (the "Health Care Bankruptcy Act"). The stated goal of the Health Care Bankruptcy Act was to encourage health care companies to consider the patients' rights and interests when administering their bankruptcy cases related to (1) disposal of patient records, (2) transferring patients to new facilities, (3) appointment of a patient ombudsman, and (4) exclusions of a debtor from Medicare and other federal health care programs.

In the event of bankruptcy of one or more Members of the Obligated Group, there is no assurance that certain covenants, including tax covenants, contained in the Bond Indenture, the Loan Agreement, the Master Indenture and certain other documents would survive. Accordingly, the Obligated Group, as debtor in possession, or a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the Series 2017 Bonds from gross income of the Owners for federal income tax purposes.

Additional Indebtedness

The Master Indenture permits the Obligated Group to incur Additional Indebtedness which may be secured *pari passu* with Series 2017 Note and the Parity Obligations. Any such Additional Indebtedness would be entitled to share ratably with the holders of Series 2017 Note and the holders of Parity Obligations in any moneys realized from the exercise of remedies in the event of a default under the Master Indenture. The issuance of such Additional Indebtedness could reduce the Historical Debt Service Coverage Ratio and could impair the ability of the Obligated Group to maintain its compliance with certain covenants described in the Master Indenture in APPENDIX C hereto. There is no assurance that, despite compliance with the conditions upon which such Additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligated Group to make the necessary payments to repay Series 2017 Note and the Parity Obligations may not be materially adversely affected upon the incurrence of Additional Indebtedness.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligated Group and any future Member of the Obligated Group under Series 2017 Note will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights and as additionally described below.

The accounts of the Obligated Group and any future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Obligations, including Series 2017 Note pledged under the related Bond Indenture as security for the related series of Bonds. The obligations described herein of the Obligated Group to make payments of debt service on Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and by general equitable principles and (2) such payments (i) are requested with respect to payments on any Obligations issued by a Member other than the Member from which such payment is requested, issued for a purpose which is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or issued for the benefit of a Member of the Obligated Group which is not a Tax-Exempt Organization; (ii) are requested to be made from any moneys or assets which are donor-restricted or which are subject to a direct or express trust which does not permit the use of such moneys or assets for such a payment; (iii) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (iv) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (ii) and (iii)

above with respect to the Obligations cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Obligation, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on Series 2017 Note may be voided by a trustee in bankruptcy in the event of bankruptcy of a Member of the Obligated Group, or by third-party creditors in an action brought pursuant to Florida fraudulent conveyance statutes. Under the United States Bankruptcy Code, a trustee in bankruptcy and, under Florida fraudulent conveyance statutes and common law, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or Florida fraudulent conveyance statutes, or the guarantor is undercapitalized.

Application by courts of the tests of "insolvency," "reasonably equivalent value" and "fair consideration" has resulted in a conflicting body of case law. It is possible that, in an action to force a Member of the Obligated Group to pay debt service on an Obligation for which it was not the direct beneficiary, a court might not enforce such a payment in the event it is determined that such Member is analogous to a guarantor of the debt of the Obligated Group who directly benefited from the borrowing and that sufficient consideration for such Member's guaranty was not received and that the incurrence of such Obligation has rendered or will render the such Member insolvent.

Limitations on Security Interest in Gross Revenues

The effectiveness of the security interest in the Obligated Group's Gross Revenues granted in the Master Indenture may be limited by a number of factors, including: (i) present or future prohibitions against assignment contained in any applicable statutes or regulations; (ii) certain judicial decisions which cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any Member of the Obligated Group, to collect and retain accounts receivable from Medicare, general assistance and other governmental programs; (iii) commingling of the proceeds of Gross Revenues with other moneys of a Member of the Obligated Group not subject to the security interest in Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws which may affect the enforceability of the mortgage or the security interest in the Gross Revenues of the Obligated Group which are earned by the Obligated Group within 90 days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual Obligor of bankruptcy proceedings by or against a Member of the Obligated Group; (viii) rights of third parties in Gross Revenues converted to cash and not in the possession of the Master Trustee; and (ix) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Florida Uniform Commercial Code as from time to time in effect.

The Master Indenture provides that if an Event of Default shall have occurred and be continuing, the Master Trustee may request that each Member of the Obligated Group deliver all Gross Revenues to it; *provided*, that if the Holders of a majority in aggregate principal amount of Obligations then Outstanding request that each Member of the Obligated Group deliver all Gross Revenues to the Master Trustee, the Master Trustee shall make such demand.

It is unclear whether the covenant to deposit the proceeds of Gross Revenues with the Master Trustee is enforceable. In light of the foregoing and of questions as to limitations on the effectiveness of the security interest granted in such Gross Revenues, as described above, no opinion will be expressed by counsel to the Obligated Group as to enforceability of such covenant with respect to the required deposits.

Environmental Matters

Health care providers are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations which address, among other things, health care operations, facilities and properties owned or operated by health care providers. Among the type of regulatory requirements faced by health care providers are (a) air and water quality control requirements, (b) waste management requirements, including medical waste disposal, (c) specific regulatory requirements applicable to asbestos, polychlorinated biphenyls and radioactive substances, (d) requirements for providing notice to employees and members of the public about hazardous materials handled by or located at the clinics, (e) requirements for training employees in the proper handling and management of hazardous materials and wastes and (f) other requirements.

In its role as the owner and operator of properties or facilities, the Obligated Group may be subject to liability for investigating and remediating any hazardous substances that may have migrated off of its property. Typical health care operations include, but are not limited to, in various combinations, the handling, use, storage, transportation, disposal and discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants or contaminants. As such, health care operations are particularly susceptible to the practical, financial and legal risks associated with compliance with such laws and regulations. Such risks may (a) result in damage to individuals, property or the environment, (b) interrupt operations and increase their cost, (c) result in legal liability, damages, injunctions or fines and (d) result in investigations, administrative proceedings, penalties or other governmental agency actions. There is no assurance that the Obligated Group will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of the Obligated Group.

The Obligated Group has not secured a Phase I Environmental Assessment in connection with the issuance of the Series 2017 Bonds. Management of the Obligated Group is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to the Obligated Group, would have a material adverse effect on its operations or financial condition.

Uncertainty of Investment Income

A portion of the Obligated Group's revenues available to pay debt service is expected to come from investment income and net realized gains on the investment of available funds. The amount of such interest earnings and gains will fluctuate with changes in prevailing interest rates and financial market conditions.

Factors Affecting Real Estate Taxes

In recent years various state and local legislative, regulatory and judicial bodies have reviewed the exemption of non-profit corporations from real estate taxes. Various state and local government bodies have challenged with increasing frequency and success the tax-exempt status of such Obligor and have sought to remove the exemption of property from real estate taxes of part or all of the property of various non-profit Obligor on the grounds that a portion of such property was not being used to further the charitable purposes of the Obligor. Several of these disputes have been determined in favor of the taxing authorities or have resulted in settlements.

The SNFs (but not the assisted living units or the independent living units) owned and operated by the Obligated Group are currently exempt from the payment of property taxes. This trend is accelerating in Florida among county property appraisers who are seeking additional revenue. There can be no assurance that future changes in the laws and regulations of state or local governments will not materially and adversely affect the operation and revenues of the Obligated Group by requiring the Obligated Group to pay real estate taxes for such portions of the Community owned and operated by the Obligated Group.

Federal Tax Matters

Possible Changes in Obligated Group's Tax Status. The possible modification or repeal of certain existing federal income or state tax laws or other loss by one or more Members of the Obligated Group of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the

revenues of the Obligated Group. The sole Member of the Obligated Group has obtained a determination letter from the IRS to the effect that such Member of the Obligated Group is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code. As an exempt organization, each Member of the Obligated Group is subject to a number of requirements affecting its operation. The failure of a Member of the Obligated Group to remain qualified as an organization described in Section 501(c)(3) of the Code would affect the funds available to the Obligated Group for payments to be made under the Loan Agreement and Series 2017 Note. Failure of the Obligated Group or the Issuer to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as those being financed or refinanced with Bond proceeds, could cause interest on the Series 2017 Bonds to be included in the gross income of holders of Bonds or former holders of Bonds for federal income tax purposes.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of charitable organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Obligated Group by requiring it to pay income taxes.

Intermediate Sanctions. Section 4958 of the Code, provides the IRS with an "intermediate" tax enforcement tool to combat violations by tax-exempt organizations of the private inurement prohibition of the Code. Previous to the "intermediate sanctions law," the IRS could punish such violations only through revocation of an entity's tax-exempt status. Intermediate sanctions may be imposed where there is an "excess benefit transaction," defined to include a disqualified person (*i.e.*, a director, officer or other related party) (1) engaging in a non-fair market value transaction with the tax-exempt organization; (2) receiving excessive compensation from the tax-exempt organization; or (3) receiving payment in an arrangement that violates the private inurement proscription. A disqualified person who benefits from an excess benefit transaction will be subject to a "first tier" penalty excise tax equal to 25 percent of the amount of the excess benefit. Organizational managers who participate in an excess benefit transaction knowing it to be improper are subject to a first-tier penalty excise tax of 10 percent of the amount of the excess benefit, subject to a maximum penalty of \$10,000. A "second tier" penalty excise tax of 200 percent of the amount of the excess benefit may be imposed on the disqualified person (but not the organizational manager) if the excess benefit transaction is not corrected in a specified time period.

Bond Audit. IRS officials have stated that more resources will be allocated to audits of tax-exempt bonds in the charitable organization sector. The Series 2017 Bonds may be subject to audit, from time to time, by the IRS. The Obligated Group believes that the Series 2017 Bonds properly comply with applicable tax laws and regulations. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Series 2017 Bonds, as described under the heading "TAX MATTERS." No ruling with respect to the tax-exempt status of the Series 2017 Bonds has been or will be sought from the Internal Revenue Service, however, and opinions of counsel are not binding on the IRS or the courts, and are not guarantees. There can be no assurance, therefore, that an audit of the Series 2017 Bonds will not adversely affect the tax-exempt status of the Series 2017 Bonds.

IRS Examination of Compensation Practices. In August 2004, the IRS announced a new enforcement effort to identify and halt abuses by tax-exempt organizations that pay excessive compensation and benefits to their officers and other insiders. In February 2009, the IRS issued its Hospital Compliance Project Final Report (the "IRS Final Report") based on its examination of such tax-exempt organizations. The IRS Final Report indicates that the IRS (i) will continue to heavily scrutinize executive compensation arrangements, practices and procedures and (ii) in certain circumstances, may conduct further investigations or impose fines on tax-exempt organizations.

Other Tax Status Issues. The IRS has also issued Revenue Rulings dealing specifically with the manner in which a facility providing residential services to the elderly must operate in order to maintain its exemption under Section 501(c)(3). Revenue Rulings 61-72 and 72-124 hold that, if otherwise qualified, a facility providing residential services to the elderly is exempt under Section 501(c)(3) if the organization (1) is dedicated to providing, and in fact provides or otherwise makes available services for, care and housing to aged individuals who otherwise would be unable to provide for themselves without hardship, (2) to the extent of its financial ability, renders services to all or a reasonable proportion of its residents at substantially below actual cost, and (3) renders services that minister to the needs of the elderly and relieve hardship or distress. Revenue Ruling 79-18 holds that a facility providing residential services to the elderly may admit only those tenants who are able to pay full rental charges,

provided that those charges are set at a level that is within the financial reach of a significant segment of the Facility's elderly persons, and that the organization is committed by established policy to maintaining persons as residents, even if they become unable to pay the monthly charges after being admitted to the facility.

IRS Form 990. IRS Form 990 is used by 501(c)(3) not-for-profit organizations to submit information required by the federal government for tax-exemption. Form 990 requires detailed public disclosure of compensation practices, corporate governance, loans to management and others, joint ventures and other types of transactions, political campaign activities and other areas the IRS deems to be compliance risk areas. Form 990 also requires the reporting of detailed community benefit information on Schedule H to the Form 990 and establishes uniform standards for the reporting of charity care. Form 990 also contains a separate schedule requiring detailed reporting of information relating to tax-exempt bonds, including compliance with the arbitrage rules and rules limiting private use of bond-financed facilities, including compliance with the safe harbor guidance in connection with management contracts and research contracts. Form 990 allows for enhanced transparency as to the operations of exempt organizations. It is likely to result in enhanced enforcement, as Form 990 makes available a wealth of detailed information on compliance risk areas to the IRS and other stakeholders, including state attorneys general, unions, plaintiff's class action attorneys, public watchdog groups and others.

Other Legislation. Section 7872 of the Code (Treatment of Loans with Below Market Interest Rates), provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below market rate loan is the avoidance of federal income taxation.

A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a "safe harbor" exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether the Residency Agreements come within the scope of the continuing care facility safe harbor or within the statute itself.

Provided the Residency Agreement falls within the scope of Section 7872, the safe harbor exemption under Section 7872(h) is applicable (i) if such loan was made pursuant to a continuing care contract, (ii) if the resident (or the resident's spouse) has attained age 62 before the close of the year and (iii) irrespective of the amount of the "loan" by the resident (or the resident's spouse) to the continuing care facility. Section 425 of the Tax Relief and Health Care Act of 2006 amended Section 7872(h) to make the exemption for loans to qualifying care facilities permanent.

Any determination of applicability of Section 7872 could have the effect of discouraging potential residents from becoming or remaining residents of the Community.

In recent years the IRS and members of Congress have expressed concern about the need for more restrictive rules governing the tax-exempt status of 501(c)(3) organizations generally and of retirement communities in particular. Legislation has been previously introduced restricting the ability of such organizations to utilize tax-exempt bonds unless they maintain a required percentage of low to moderate income residents. Although the Obligated Group has covenanted in the Loan Agreement to take all appropriate measures to maintain the tax-exempt status of each of the Members of the Obligated Group, compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Obligated Group to charge and collect revenues at the level required by the Loan Agreement and Series 2017 Note, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2017 Bonds.

Market for Bonds

It is the present practice of the Underwriter to make a secondary market in the bond issues that it offers. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular bond issue, these secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then

prevailing circumstances. Such prices could be substantially lower than the original purchase price. While there can be no guarantee or assurance that its present secondary marketing practices will always be continued, the Underwriter presently intends to make a secondary market in the Series 2017 Bonds, subject to the foregoing limitations. Nevertheless, there can be no guarantee that there will be a secondary market for the Series 2017 Bonds or, if a secondary market exists, that the Series 2017 Bonds can be sold for any particular price. [Check with rating]

Risk of Early Redemption

Purchasers of the Series 2017 Bonds, including those who purchase Bonds at a price in excess of their principal amount or who hold such Bonds trading at a price in excess of par, should consider the fact that the Series 2017 Bonds are subject to optional and mandatory redemption at a redemption price equal to their principal amount plus accrued interest upon the occurrence of certain events. This could occur, for example, in the event that the Series 2017 Bonds are prepaid as a result of a casualty or condemnation award affecting the Community or there is a default under the Mortgage. Under such circumstances, a purchaser of the Series 2017 Bonds whose bonds are called for early redemption may not have the opportunity to hold such Bonds for a time period consistent with such purchaser's original investment intentions and may lose any premium paid for the Series 2017 Bonds.

Risk of Loss Upon Redemption

The rights of Beneficial Owners to receive interest on the Series 2017 Bonds will terminate on the date, if any, on which such Bonds are to be redeemed pursuant to a call for redemption, notice of which has been given under the terms of the Bond Indenture, and interest on such Bonds will no longer accrue on and after such date of redemption. There can be no assurance that the Obligated Group will be able or will be obligated to pay for any amounts not available under the Bond Indenture. In addition, there can be no guarantee that present provisions of the Code or the rules and regulations thereunder will not be adversely amended or modified, thereby rendering the interest earned on the Series 2017 Bonds taxable for federal income tax purposes. Interest earned on the principal amount of the Series 2017 Bonds may or may not be subject to state or local income taxes under applicable state or local tax laws. Each prospective purchaser of Beneficial ownership Interests in the Series 2017 Bonds should consult his or her own tax advisor regarding the taxable status of the Series 2017 Bonds in a particular state or local jurisdiction.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Obligated Group:

1. Reinstatement or establishment of mandatory governmental wage, rent or price controls;
2. Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, given an inability to obtain corresponding increases in revenues from residents whose incomes will largely be fixed;
3. Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;
4. Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Obligated Group;
5. The cost and availability of energy;
6. Increased unemployment or other adverse economic conditions in the service areas of the Obligated Group which would increase the proportion of patients who are unable to pay fully for the cost of their care;

7. Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the Community in order to maintain the charitable status of the Obligated Group;
8. Inflation or other adverse economic conditions;
9. Changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;
10. Inability to control the diminution of patients' assets or insurance coverage with the result that the patients' charges are reimbursed from government reimbursement programs rather than private payments;
11. The occurrence of natural disasters, including hurricanes, sinkholes, volcanic eruptions and typhoons, floods or earthquakes, or failures of storm water detention devices during such naturally occurring events, which may damage the facilities of the Obligated Group, interrupt utility service to the facilities, or otherwise impair the operation and generation of revenues from said facilities; or
12. Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability that organizations, such as the Obligated Group, generally carry.

FLORIDA REGULATION OF CONTINUING CARE FACILITIES

Continuing care facilities in Florida are regulated by the Department of Financial Services, Office of Insurance Regulation (the "OIR") under the provisions of Chapter 651, Florida Statutes, as amended ("Chapter 651"). Under Chapter 651, "continuing care" means furnishing pursuant to an agreement shelter, food and either nursing care or certain personal services, whether such nursing care or personal services are provided in the facility or in another setting designated by the agreement for continuing care, to an individual not related by consanguinity or affinity to the provider furnishing such care, upon payment of an entrance fee. Agreements to provide continuing care include agreements to provide care for any duration, including agreements that are terminable by either party. "Personal services" include, but are not limited to, such services as individual assistance with or supervision of essential activities of daily living. "Entrance fee" means an initial or deferred payment of a sum of money or property made as full or partial payment to assure the resident a place in a facility. An accommodation fee, admission fee or other fee of similar form and application is considered to be an entrance fee.

Certificate of Authority

Chapter 651 provides that no person may engage in the business of providing continuing care or enter into continuing care agreements or construct a facility for the purpose of providing continuing care without a certificate of authority issued by the OIR. A final certificate of authority may be issued after the applicant has provided the OIR with the information and documents required by Chapter 651. The Obligated Group received a final certificate of authority for the Community, which remains in full force and effect.

Once issued, a certificate of authority is renewable annually as of each September 30 upon a determination by the OIR that the provider continues to meet the requirements of Chapter 651. Annual reports containing financial and other information about the provider and the facility are required to be filed with the OIR annually on or before each May 1. If a provider fails to correct deficiencies within 20 days of notice from the OIR, and if the time for correction is not extended, the OIR may institute delinquency proceedings against the provider, as described below.

Required Reserves

Chapter 651 requires that each continuing care provider maintain: (a) a debt service reserve in an amount equal to the principal and interest payments becoming due during the then current fiscal year (12 months' interest on the financing if no principal payments are currently due) on any mortgage loan or other long term financing, including taxes and insurance; (b) an operating reserve in an amount equal to 15% of the facility's average total

annual operating expenses set forth in the annual reports filed pursuant to Chapter 651 for the immediate preceding three-year period, subject to adjustment in the event there is a change in the number of facilities owned; and (c) a renewal and replacement reserve in an amount equal to 15 percent of the total accumulated depreciation based on the audited financial statements included in the facility's annual report filed pursuant to Chapter 651, not to exceed 15 percent of the facility's average operating expenses for the past three fiscal years based on the audited financial statements for each of such years. These reserves are required to be held in a segregated escrow account maintained with a Florida bank, savings and loan association or trust company acceptable to the OIR and, in the case of the operating reserve, must be in an unencumbered account held in escrow for the benefit of the residents. The Reserve Account established with the Bond Trustee pursuant to the Bond Indenture and an escrow account established with U.S. Bank National Association, as escrow agent, are intended to meet the requirements of Chapter 651 for those reserves (the "Required Reserves").

Chapter 651 requires the escrow agent holding the Required Reserves to deliver to the OIR quarterly reports on the status of the escrow funds, including balances, deposits and disbursements. Chapter 651 provides that withdrawals can be made from the Required Reserves only after ten days' prior written notice to the OIR, except that in an emergency the provider may petition for a waiver of such 10-day notice requirement (a waiver being deemed granted if not denied by the OIR within three working days). Fines may be imposed for failure to deliver the quarterly reports or notices of withdrawal within the required time periods.

Continuing Care Agreements and Residents' Rights

Chapter 651 prescribes certain requirements for continuing care agreements and requires OIR approval of the form of an agreement before it is used and of any changes to the terms of an agreement once it has been approved. In addition to requiring that the agreement state the amounts payable by the resident, the services to be provided and the health and financial conditions for acceptance of a resident, Chapter 651 requires that the agreement may be canceled by either party upon at least 30 days' notice. A provider that does not give its residents a transferable membership right or ownership interest in the facility may retain two percent of the entrance fee per month of occupancy prior to cancellation, plus a processing fee not exceeding 4% of the entrance fee, and must pay the refund within 120 days of notice of cancellation. The residency agreements for the Community meet the requirements of this provision.

Chapter 651 requires that a prospective resident have the right to cancel without penalty a continuing care agreement within seven days of signing the continuing care agreement. During this seven-day period, any entrance fee or deposit must be held in escrow or, at the request of the prospective resident, held by the provider. If the prospective resident rescinds the continuing care contract during the seven-day rescission period, the entrance fee or deposit must be refunded to the prospective resident without deduction. If cancellation occurs after seven days, but prior to occupancy, the entire entrance fee must be refunded, less a processing fee not exceeding 4 percent, within 60 days of notice of cancellation. However, if cancellation occurs prior to occupancy due to death, illness, injury or incapacity of the prospective resident, the entire entrance fee must be refunded, less any costs specifically incurred by the provider at the written request of the resident.

Chapter 651 further requires that a resident may not be dismissed or discharged without just cause. Failure to pay monthly maintenance fees will not be considered just cause until such time as the amounts paid by the resident, plus any benefits under Medicare or third party insurance, exceed the cost of caring for the resident, based on the per capita cost to the facility (which cost may be adjusted proportionately for amounts paid above the minimum charge for above-standard accommodations).

Chapter 651 also contains provisions giving residents the right: to form residents' organizations and choose representatives; to attend quarterly meetings with the provider; and to inspect the provider's annual reports to the OIR and any examination reports prepared by the OIR or any other governmental agencies (except those which are required by law to be kept confidential). Prior to the implementation of any increase in the monthly maintenance fee, the provider must provide, at a quarterly meeting of the residents, the reasons, by department cost centers, for any increase in the fee that exceeds the most recently published Consumer Price Index for all Urban Consumers, all items, Class A Areas of the Southern Region. Residents must also be notified of any plans filed with the OIR relating to expansion of the facility or any additional financing or refinancing.

Examinations and Delinquency Proceedings

The OIR is required to examine the business of each continuing care provider at least once every three years, in the same manner as provided under Florida law for examination for insurance companies. Inspections may also be requested by any interested party. The OIR is required to notify the provider of any discrepancies and to set a reasonable time for corrective action and compliance by the provider.

The OIR may deny, suspend, revoke or refuse to renew a certificate of authority for various grounds relating to: the insolvent condition of the provider or the provider's being in a condition which renders its conduct of further business hazardous or injurious to the public; lack of one or more of the qualifications for a certificate of authority; material misstatements, misrepresentation, fraud, misappropriation of moneys or demonstrated lack of fitness or untrustworthiness; violations of Chapter 651 or any regulation or order of the OIR; or refusal to permit examination or to furnish required information.

Suspension of a certificate of authority may not exceed one year, during which period the provider may continue to operate and must file annual reports, but may not issue new continuing care agreements. At the end of the suspension period, the certificate of authority is to be reinstated, unless the OIR finds that the causes for suspension have not been removed or that the provider is otherwise not in compliance with Chapter 651 (in which event the certificate of authority is deemed to have been revoked as of the end of the suspension period). In lieu of suspension, administrative fines may be levied, not exceeding \$1,000 per violation, or \$10,000 for knowing and willful violations.

If the OIR finds that sufficient grounds exist as to a continuing care provider for the rehabilitation (*i.e.*, receivership), liquidation, conservation, reorganization, seizure or summary proceedings of an insurer as provided under Florida law pertaining to insurance companies, the OIR may petition for an appropriate court order or pursue such other relief as is afforded under Part I of Chapter 631, Florida Statutes, as amended (the "Insurers Rehabilitation and Liquidation Act"), for insurance companies generally. Such grounds include, but are not limited to, insolvency or failure or refusal to comply with OIR requirements.

Chapter 651 provides that the rights of the OIR are subordinate to the rights of a trustee or lender pursuant to an indenture, loan agreement or mortgage securing bonds issued to finance or refinance the facility. However, if the OIR has been appointed as receiver of the facility, the court having jurisdiction over the receivership proceeding is authorized to enjoin a secured creditor from seeking to dispose of the collateral securing its mortgage for up to 12 months, upon a showing of good cause, such as a showing that the collateral should be retained in order to protect the life, health, safety or welfare of the residents or to provide sufficient time for relocation of the residents.

If a trustee or lender becomes the mortgagee under the Mortgage pursuant to a foreclosure sale or otherwise through the exercise of remedies upon the default of the mortgagor, the rights of a resident of any portion of the Mortgaged Property governed by Chapter 651, Florida Statutes, under a continuing care agreement, shall be honored and shall not be disturbed or affected (except as described below) as long as the resident continues to comply with all provisions of the continuing care agreement and has asserted no claim inconsistent with the rights of the trustee or lender. In such event, the OIR shall not exercise its remedial rights provided under Chapter 651 with respect to the facility, including its right to enjoin disposal of the facility as described in the preceding paragraph. Upon acquisition of a facility by a trustee or lender pursuant to remedies under the Mortgage, the OIR shall issue a 90-day temporary certificate of authority to operate the facility, provided that the trustee or lender will not be required to continue to engage in the marketing or resale of new continuing care agreements, pay any refunds of entrance fees otherwise required to be paid under a resident's continuing care agreement until expiration of such 90-day period, be responsible for acts or omissions of the operator of the facility arising prior to the acquisition of the facility by the trustee or lender, or provide services to the residents to the extent that the trustee or lender would be required to advance funds that have not been designated or set aside for such purposes.

Florida Licensure

The health care components of the Community is licensed by AHCA. The health facilities are required to undergo at least one annual unannounced inspection by AHCA to determine compliance with applicable statutes and rules promulgated thereunder which govern minimum standards of construction, quality, adequacy of care and rights

of residents. In addition, AHCA will at least annually evaluate the health facilities to determine compliance with applicable licensure requirements and standards as a basis for assigning a rating to such facilities. In addition, the Obligated Group is required to submit an annual financial statement and statement of ownership to AHCA, as well as maintaining a certificate of authority from the Department. Under Florida Statutes, the administrator of the health facilities is required to be and is licensed as a nursing home administrator.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Master Indenture requires that the Obligated Group Representative provide to each Required Information Recipient, the following:

(i) Commencing with the quarter ending December 31, 2017, quarterly unaudited financial statements of the Obligated Group as soon as practicable after they are available but in no event more than 45 days after the completion of such fiscal quarter, including a combined and combining statement of operations and changes in net assets (deficit) and statement of cash flows of the Obligated Group during such period and a combined and combining balance sheet of the Obligated Group as of the end of each such fiscal quarter, along with a payor mix for skilled nursing beds, occupancy levels of the Facilities as of the end of such quarter including the number of Independent Living Units occupied, average occupancy of Assisted Living Units and skilled nursing beds for such fiscal quarter, and a calculation of the Historical Debt Service Coverage Ratio for such fiscal quarter, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative. Such financial statements and calculations shall be accompanied by a comparison of income to the budgeted income included in the Annual Budget provided pursuant to subsection (a)(ii) above. In addition, there shall be a calculation of Days Cash on Hand as of the end of each fiscal quarter prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative.

After Stable Occupancy is achieved, if the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1 and the Days Cash on Hand is less than the Liquidity Requirement on a Testing Date as provided herein, the Obligated Group will deliver the financial information and the calculations described in the above paragraph on a monthly basis within 45 days of the end of each month until the Historical Debt Service Coverage Ratio of the Obligated Group is at least 1.20:1 and the Days Cash on Hand is at least equal to the applicable Liquidity Requirement.

(ii) Within 120 days of the end of each Fiscal Year, the audited annual financial statements of the Obligated Group examined by an Accountant which shall include a combined and combining balance sheet as of the end of such Fiscal Year and a combined and combining statement of cash flows and changes in net assets (deficit) for such Fiscal Year, and a combined and combining statement of revenues and expenses for such Fiscal Year (together with any required supplemental information), showing in each case in comparative form the financial figures for the preceding Fiscal Year; provided, however, that if the audited financial report of the Obligated Group is not available by such date, unaudited financial statements shall be provided and the audited financial report will be provided if and when available.

(iii) On or before the date of delivery of the annual financial reports referred to in subsection (b)(ii) above, a management's discussion and analysis of results for the applicable fiscal period, together with an Officer's Certificate of the Obligated Group Representative (A) calculating the Obligated Group's Historical Debt Service Coverage Ratio and Days Cash on Hand of the Obligated Group at the end of such Fiscal Year, (B) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the Fiscal Year and average occupancy of Assisted Living Units and skilled nursing beds, including a comparison to the prior year's occupancy of the Independent Living Units and average occupancy of the assisted living units and skilled nursing beds, (2) sources of revenue for the skilled nursing units, (3) net entrance fees received from Independent Living Unit turnover for the Fiscal Year, (4) material changes in services offered at the Facilities and (5) a statement whether the Facilities are in compliance with State regulations and statutes.

(iv) On or before the date of delivery of the financial reports referred to in subsection (b)(i) above, a management's discussion and analysis of results for the applicable fiscal period, together with an Officer's Certificate of the Obligated Group Representative (A) stating that the Obligated Group is in compliance with all of the terms, provisions and conditions of this Master Trust Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the Days Cash on Hand and the Debt Service Coverage Ratio, if required to be calculated for such fiscal period or as of the end of such fiscal period, as appropriate, and (C) attaching (1) information about occupancy of the Independent Living Units at the end of the quarter and average occupancy of Assisted Living Units and skilled nursing beds for the quarter, including a comparison to the occupancy for the same quarter of the prior year, (2) a status report of outstanding refund obligations including due dates for payments of Entrance Fee refunds, (3) sources of revenue for the skilled nursing units, (4) material changes in services offered at the Facilities, (5) a statement whether the Facilities are in compliance with State regulations and statutes, (6) a report of the stars awarded to the Obligated Group pursuant to the Centers for Medicare and Medicaid Services Five Star Quality Rating System, and (7) if Master Obligations have been issued in connection with any construction project, reports with respect to the progress of construction of such project.

(v) Copies of (A) any board-approved revisions to the summary of the Annual Budget provided pursuant to subsection (a)(ii) above, or (B) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of any Obligated Group Member as a Tax-Exempt Organization or with respect to the tax-exempt status of any Related Bonds, promptly upon receipt.

(vi) Subject to industry standards relating to the financing of facilities similar to the Facilities, the Obligated Group Representative shall use its best efforts to make available one or more representatives for a quarterly telephone conference call with the holders of the Related Bonds and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the holders of the Related Bonds and the Master Trustee. The Obligated Group Representative shall post notice of such calls to EMMA at least two weeks prior to the scheduled date of each call, but shall provide such notice to the Master Trustee. Such quarterly conference calls shall not be required if Stable Occupancy has been maintained for a Fiscal Year.

(vii) Details regarding Additional Indebtedness incurred by the Obligated Group, including a summary of the terms of the borrowing, a debt service schedule for such borrowing and certifying ongoing compliance with the documents executed in connection with such borrowing.

The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Required Information Recipients notice that a Consultant's report required to be prepared under terms of this Master Indenture has been issued and is available upon request.

In addition, the Obligated Group Representative shall prepare and deliver to each Required Information Recipient monthly occupancy statistics and monthly unaudited financial statements until the Community achieves Stable Occupancy.

Continuing Disclosure

In accordance with the Securities and Exchange Commission Rule 15c2-12 (the "Rule") and so long as the Series 2017 Bonds are outstanding, the Obligated Group will agree pursuant to a Continuing Disclosure Certificate to be dated as of _____, 2017, to be delivered on the date of delivery of the Series 2017 Bonds substantially in the form attached to this Official Statement as APPENDIX F hereto, to cause the certain financial and operating information to be provided to the Municipal Securities Rulemaking Board ("MSRB").

As required by the Rule, the Continuing Disclosure Certificate provides that the information to be filed with the MSRB described in the preceding paragraph is to be filed in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB. An MSRB rule change approved by the Securities and Exchange Commission establishes a continuing disclosure service of EMMA for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted pursuant to continuing disclosure undertakings (such as the Continuing Disclosure Certificate) entered into on or

after July 1, 2009, consistent with the Rule. In general, all continuing disclosure documents and related information are to be submitted to the MSRB's continuing disclosure service through an Internet-based electronic submitter interface (EMMA Dataport) or electronic computer-to-computer data connection, accompanied by certain identification information, in portable document format (PDF) files configured to permit document to be saved, viewed, printed and retransmitted by electronic means and must be word-searchable.

The Continuing Disclosure Certificate provides Holders of the Series 2017 Bonds with certain enforcement rights in the event of a failure by the Obligated Group to comply with the terms thereof; however, a default under the Continuing Disclosure Certificate does not constitute a default under the Bond Indenture, the Loan Agreement, the Mortgage, the Series 2017 Note or the Master Indenture. The Continuing Disclosure Certificate may be amended or terminated under certain circumstances in accordance with the Rule as more fully described therein. Holders of the Series 2017 Bonds are advised that the Continuing Disclosure Certificate should be read in its entirety for more complete information regarding its contents.

No financial or operating data concerning the Issuer is material to any decision to purchase, hold or sell the Series 2017 Bonds and the Issuer will not provide any such information. The Obligated Group has undertaken all responsibilities for any continuing disclosure to holders of the Series 2017 Bonds as described above and in Appendices C and D and the Issuer shall have no liability to the holders of the Series 2017 Bonds or any other person with respect to such disclosures. The Obligor has not previously been subject to the Rule.

LITIGATION

Issuer

There is not now pending or, to the Issuer's knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or the execution and delivery by the Issuer of the Bond Indenture, or the Loan Agreement or questioning or affecting the validity of the Series 2017 Bonds or the security therefor or the proceedings or Issuer under which they are or are to be issued, respectively.

Obligor

There is no litigation pending or, to the Obligor's knowledge, threatened against the Obligor, wherein an unfavorable decision (i) would adversely affect the ability of the Obligor to operate its facilities or to carry out its obligations under the Master Indenture or the Loan Agreement, or (ii) would have a material adverse impact on the financial position or results of operations of the Obligor.

EXAMINATION OF A FINANCIAL FORECAST

Management's financial forecast for the Fiscal Years ending March 31, 2018 through 2022 included as part of the Examination of a Financial Forecast dated _____, 2017 included in APPENDIX B hereto, has been examined by CliftonLarsonAllen LLP, independent certified public accountants, as stated in APPENDIX B. As stated in the Examination of a Financial Forecast, there will usually be differences between the forecasted data and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The Examination of a Financial Forecast should be read in its entirety, including management's notes and assumptions set forth therein.

The Examination of a Financial Forecast was undertaken to, among other things, estimate the ability of the Obligor to generate sufficient revenues and other available funds to meet the debt service requirements of the Series 2017 Bonds. The financial forecast of management of the Obligor is included as part of the Examination of a Financial Forecast. Such financial forecast is based on certain information and assumptions provided by management of the Obligor and in the opinion of the Obligor, these assumptions provide a reasonable basis for the forecast. The Examination of a Financial Forecast should be read in its entirety for a description of and an understanding of the forecast and the underlying assumptions contained therein. Any projection or forecast is subject to uncertainties, and inevitably some assumptions used to develop the Examination of a Financial Forecast and the financial forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are

likely to be differences between projected and actual results, and such differences may be material. No representation or guaranty is made herein as to the accuracy of the Examination of a Financial Forecast. Neither Bond Counsel nor counsels to the Obligor or Underwriter have been involved in the production of the financial projections included in the Examination of a Financial Forecast. See "RISK FACTORS – Examination of a Financial Forecast."

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2017 Bonds are subject to the unqualified opinion of Bond Counsel for the Obligor. Rogers Towers, P.A., Jacksonville, Florida has acted in the capacity as Bond Counsel for the Obligor for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Series 2017 Bonds and for the purpose of rendering an opinion on the exclusion of the interest on the Series 2017A Bonds from gross income for federal income tax purposes and certain other tax matters. Such firm has not been requested to examine, and has not investigated or verified, any statements, records, material or matters relating to the financial condition or capabilities of the Obligated Group or its affiliates, and has not assumed responsibility for the preparation of this Official Statement, except that, in its capacity as Bond Counsel for the Obligor, such firm has reviewed the information in this Official Statement under the captions "THE SERIES 2017 BONDS," "SECURITY FOR THE SERIES 2017 BONDS" (other than under the subheading "– The Master Indenture – Mortgaged Property") and "TAX MATTERS," and in APPENDIX C - "FORMS OF THE MASTER INDENTURE, BOND INDENTURE, LOAN AGREEMENT, MORTGAGE AND LIQUIDITY SUPPORT AGREEMENT."

Certain matters will be passed upon for the Issuer by its counsel, Geoffrey B. Dobson, P.A., St. Augustine, Florida, for the Obligor by its counsel, Rogers Towers, P.A., Jacksonville, Florida and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Series 2017 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

CERTAIN RELATIONSHIPS

The Obligor does business or may do business with firms with which members of its Board of Trustees may be affiliated. Such business arrangements are required to be disclosed to the Board of Trustees and made a matter of record. See "THE CORPORATION – Board of Trustees – Conflict of Interest Policy" in APPENDIX A hereto.

TAX MATTERS

In the opinion of Bond Counsel to the Obligor, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, (i) interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code and (ii) interest on the Series 2017B bonds is not excluded from gross income for federal tax purposes. Bond Counsel is of the further opinion that interest on the Series 2017A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D hereto.

The Series 2017A Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax

purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2017A Bonds. The Issuer and the Obligor will make representations and will covenant to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Series 2017A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2017A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2017A Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Series 2017A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2017A Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Bond Counsel has also relied upon representations of the Obligor concerning the Obligor's "unrelated trade or business" activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor Counsel to the Obligor has given any opinion or assurance concerning Section 513(a) of the Code, and neither Bond Counsel nor Counsel to the Obligor can give or has given any opinion or assurance about the future activities of the Obligor or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the IRS. Failure of the Obligor to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed and refinanced by the Series 2017A Bonds in a manner that is substantially related to the Obligor's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Series 2017A Bonds being included in federal gross income, possibly from the date of the original issuance of the Series 2017A Bonds.

Although Bond Counsel is of the opinion that interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2017A Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2017A Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, certain federal budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Series 2017A Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect (perhaps significantly) the market price for, or marketability of, the Series 2017A Bonds. Prospective purchasers of the Series 2017A Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Series 2017A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or the Obligor or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer and the Obligor will covenant, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Series 2017 Bonds ends with the issuance of the Series 2017 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer or the Obligor or the Beneficial Owners regarding the tax-exempt status of the Series 2017A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer, the Obligor and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer or the Obligor legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2017A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2017A Bonds, and may cause the Issuer, the Obligated Group or the Beneficial Owners to incur significant expense.

RATING

The Series 2017 Bonds have been assigned a bond rating of "[]" (Stable Outlook) from Fitch Ratings, Inc. ("Fitch"), as indicated on the cover of this Official Statement, based on the credit strength of the Obligor. Such rating reflects only the views of such rating agencies at the time the ratings are given, and the Issuer makes no representation as to the appropriateness of the ratings. An explanation of the significance of any rating may be obtained only from the rating agencies.

The Obligor has furnished the rating agency with certain information and materials that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies, and assumptions by the rating agencies. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the agency originally establishing the rating, circumstances so warrant. Any such change in or withdrawal of such rating could have an adverse effect on the market price for or marketability of the Series 2017 Bonds.

None of the Issuer, the Underwriter or the Obligor has an obligation to oppose any proposed revision or withdrawal of the ratings on the Series 2017 Bonds. Neither the Issuer nor the Underwriter has any responsibility to bring to the attention of the holders of the Series 2017 Bonds any proposed revision or withdrawal of the ratings on the Series 2017 Bonds.

UNDERWRITING

The Series 2017A Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$[PURCHASE PRICE] (representing the par amount of the Series 2017A Bonds less an underwriter's discount of \$_____ and less original issue discount on the Series 2017A Bonds of \$_____) pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Obligor and the Underwriter (the "Purchase Agreement").

The Series 2017B Bonds are being purchased by Herbert J. Sims & Co., Inc. as Underwriter, for a purchase price of \$[PURCHASE PRICE] (representing the par amount of the Series 2017B Bonds less an underwriter's discount of \$_____ and less original issue discount on the Series 2017B Bonds of \$_____) pursuant to a Bond Purchase Agreement, entered into by and among the Issuer, the Obligor and the Underwriter (the "Purchase Agreement").

The Obligor has agreed to indemnify the Underwriter and the Issuer against certain liabilities. The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2017 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2017 Bonds are subject to various conditions contained in the Purchase Agreement. The Purchase Agreement provides that the Underwriter will purchase all of the Series 2017 Bonds if any Series 2017 Bonds are purchased.

MISCELLANEOUS

The references herein to the Act, the Bond Indenture, the Loan Agreement, the Master Indenture, the Mortgage, the Liquidity Support Agreement and other materials are only brief outlines of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials, forms of which are attached to this Official Statement in APPENDIX C and copies of which will be furnished by the Bond Trustee upon request for further information.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The attached Appendices A through F are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Series 2017 Bonds, but neither the failure to print such numbers on any Series 2017 Bond nor any error in the printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Series 2017 Bonds.

The information assembled in this Official Statement has been supplied by the Obligor and other sources believed to be reliable, and, except for the statements under the heading "THE ISSUER" herein and information relating to the Issuer under the heading "LITIGATION – Issuer," the Issuer makes no representations with respect to nor warrants the accuracy of such information. The Obligor has agreed to indemnify the Issuer and the Underwriter against certain liabilities relating to the Official Statement.

[Signature Page Follows]

SIGNATURE PAGE

The execution, delivery and distribution of this Official Statement have been duly authorized by the Obligor.

**WESTMINSTER PINES, INC.
D/B/A WESTMINSTER ST. AUGUSTINE**

By: _____
President

APPENDIX A

**CERTAIN INFORMATION ABOUT
THE OBLIGOR AND THE COMMUNITY**

APPENDIX B
FINANCIAL FEASIBILITY STUDY

APPENDIX C

**FORMS OF THE MASTER INDENTURE,
BOND INDENTURE, LOAN AGREEMENT, MORTGAGE
AND LIQUIDITY SUPPORT AGREEMENT**

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Series 2017 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2017 Bonds are to be paid to and credited by DTC while the Series 2017 Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Issuer believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Issuer cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2017 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2017 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2017 Bonds. The Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2017 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2017 Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Series 2017 Bonds are in the Book-Entry Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Series 2017 Bonds, but (i) all rights of

ownership must be exercised through DTC and the Book-Entry Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Indenture will be given only to DTC.

Information concerning DTC and the Book-Entry Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Issuer or the Underwriter.

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued by DTC or the use of the Book-Entry Only System is discontinued by the Issuer, the following provisions will be applicable to the Series 2017 Bonds. The Series 2017 Bonds may be exchanged for an equal aggregate principal amount of the Series 2017 Bonds in authorized denominations and of the same maturity upon surrender thereof at the principal office for payment of the Bond Trustee. The transfer of any Bond may be registered on the books maintained by the Bond Trustee for such purpose only upon the surrender of such Series 2017 Bond to the Bond Trustee with a duly executed assignment in form satisfactory to the Bond Trustee. For every exchange or transfer of registration of Bonds, the Bond Trustee and the Issuer may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer. The Issuer shall pay the fee, if any, charged by the Bond Trustee for the transfer or exchange. The Bond Trustee will not be required to transfer or exchange any Bond after its selection for redemption. The Issuer and the Bond Trustee may treat the person in whose name a Bond is registered as the absolute owner thereof for all purposes, whether such Series 2017 Bond is overdue or not, including for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on, such Bond.

Limitations

For so long as the Series 2017 Bonds are registered in the name of DTC or its nominee, Cede & Co., the Issuer and the Bond Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Series 2017 Bonds for all purposes, including payments, notices and voting.

Under the Bond Indenture, payments made by the Bond Trustee to DTC or its nominee will satisfy the Issuer's respective obligations under the Bond Indenture and the Obligor's respective obligations under the Loan Agreement to the extent of the payments so made.

None of the Issuer, the Underwriter nor the Bond Trustee will have any responsibility or obligation with respect to (i) the accuracy of the records of DTC, its nominee or any DTC Participant or Indirect Participant with respect to any beneficial ownership interest in any Bond, (ii) the delivery to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any notice with respect to any Bond including, without limitation, any notice of redemption, tender, purchase or any event that would or could give rise to a tender or purchase right or option with respect to any Bond, (iii) the payment to any DTC Participant or Indirect Participant or any other Person, other than an owner, as shown in the Bond Register, of any amount with respect to the principal of, premium, if any, or interest on, or the purchase price of, any Bond or (iv) any consent given by DTC as registered owner.

Prior to any discontinuation of the book-entry only system described above, the Issuer and the Bond Trustee may treat DTC as, and deem DTC to be, the absolute owner of the Series 2017 Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Series 2017 Bonds, (ii) giving notices of redemption and other matters with respect to the Series 2017 Bonds, (iii) registering transfers with respect to the Series 2017 Bonds, and (iv) the selection of Bonds for redemption.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

Exhibit E

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), dated as of _____ 1, 2017, is executed and delivered by **WESTMINSTER PINES, INC.**, as obligor ("Obligor") for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the "Rule").

SECTION 1. DEFINITIONS. Capitalized terms not otherwise defined in this Continuing Disclosure Certificate shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

"Annual Filing Date" means the date, set forth in Sections 2(a) and 2(d), by which the Annual Report is to be filed with the MSRB.

"Annual Financial Information" means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Continuing Disclosure Certificate.

"Annual Report" means an Annual Report described in and consistent with Section 3 of this Continuing Disclosure Certificate.

"Audited Financial Statements" means the financial statements of the Obligor for the prior Fiscal Year, certified by an independent auditor and prepared in accordance with generally accepted accounting principles in accordance with the terms of the Master Indenture.

"Authority" means St. Johns County Industrial Development Authority and its successors and assigns.

"Bond Trustee" means U.S. Bank National Association, as bond trustee under the Bond Indenture dated as of _____ 1, 2017, entered into with the St. Johns County Industrial Development Authority, pursuant to which the Bonds were issued.

"Bonds" means the bonds as listed on the attached EXHIBIT A, with the CUSIP numbers relating thereto.

"Dissemination Agent" shall mean any person designated by the Obligor to act as its agent hereunder.

"EMMA" means the Electronic Municipal Market Access System of the MSRB.

"Failure to File Event" means the failure to file an Annual Report on or before the Annual Filing Date.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Master Indenture” shall mean the Master Trust Indenture by and among the Obligor, as supplemented and amended, particularly as supplemented by Supplemental Indenture for Obligation No. 1, dated as of _____ 1, 2017, between the Obligor and U.S. Bank National Association.

“Monthly Report” means the Monthly Report described in and consistent with Section 3 of this Continuing Disclosure Certificate.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Continuing Disclosure Certificate.

“Obligated Person” means any person who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on EXHIBIT A hereto. “Obligated Person” shall include the Obligor.

“Official Statement” means the Official Statement delivered in connection with the issue and sale of the Bonds, as listed on EXHIBIT A hereto.

“Quarterly Report” means the Quarterly Report described in and consistent with Section 3 of this Continuing Disclosure Certificate.

“SEC” means the Securities and Exchange Commission.

“Voluntary Event Disclosure” means the following types of information:

1. “amendment to continuing disclosure undertaking”;
2. “change in Obligated Person”;
3. “notice to investors pursuant to bond documents”;
4. “certain communications from the Internal Revenue Service”;
5. “secondary market purchases”;

6. "capital or other financing plan";
7. "litigation/enforcement action";
8. "derivative or other similar transaction"; and
9. "other event-based disclosures."

"Voluntary Financial Disclosure" means the following types of information:

1. "monthly financial information";
2. "change in Fiscal Year/timing of annual disclosure";
3. "change in accounting standard";
4. "interim/additional financial information/operating data";
5. "budget";
6. "investment/debt/financial policy";
7. "information provided to rating agency, credit/liquidity provider or other third party";
8. "consultant reports"; and
9. "other financial/operating data."

SECTION 2. PROVISION OF ANNUAL, QUARTERLY AND MONTHLY REPORTS.

(a) The Obligor shall provide to the MSRB, annually, an electronic copy of the Annual Report not later than 120 days after the end of the Obligor's Fiscal Year, commencing with the Fiscal Year ending March 31, 2017. Such date and each anniversary thereof is the "Annual Filing Date." The Annual Report may be submitted as a single document or as separate documents composing a package, and may cross-reference other information as provided in Section 3 of this Continuing Disclosure Certificate.

(b) If by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred, the Obligor shall immediately send a notice to the MSRB; in substantially the form attached as EXHIBIT B hereto, accompanied by a cover sheet in the form set forth in EXHIBIT C-I hereto.

(c) If Audited Financial Statements of the Obligor are not available prior to the Annual Filing Date, the Obligor shall file unaudited financial statements by such date and, when the Audited Financial Statements are available, promptly file them with the MSRB.

(d) The Obligor may adjust the Annual Filing Date upon change of the Obligor's Fiscal Year by providing written notice of such change and the new Annual Filing Date to the Bond Trustee and the MSRB; provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(e) The Obligor shall provide to the MSRB, annually, an electronic copy of the Quarterly Report not later than 45 days after the end of the Obligor's fiscal quarter, commencing with the fiscal quarter ending December 31, 2017.

(f) The Obligor shall provide to the MSRB, annually, an electronic copy of the Monthly Report not later than 45 days after the end of the Obligor's fiscal quarter, commencing with the fiscal quarter ending December 31, 2017.

SECTION 3. CONTENT OF ANNUAL, QUARTERLY AND MONTHLY REPORTS.

(a) Each Annual Report shall contain (i) a copy of the Obligor's Annual Financial Statements and (ii) the items required to be filed on an annual basis pursuant to Sections 4.15(a)(ii) through (h) of the Master Indenture.

(b) Each Quarterly Report shall contain the items required to be filed on a quarterly basis as set forth in Section 4.15(b)(i) and (iv) of the Master Indenture.

(c) Each Monthly Report shall contain the items required to be filed on a monthly basis as set forth in Section 4.15(a)(iv) and (v) of the Master Indenture.

(b) Any or all of the information to be provided pursuant to subsections (a), (b) and (c) above may be set forth in a document or set of documents, or may be included by specific reference to documents previously provided to the MSRB through EMMA, or filed with the SEC. If the document is an official statement, it must be available on EMMA. The Obligor shall identify clearly each other document so included by specific reference.

(c) If the Obligor is unable to provide to the MSRB through EMMA, any financial information or operating data required by subsections (a), (b) and (c) above by the date specified in subsections (a), (b) and (c) above, as applicable, the Obligor shall provide, or cause its Dissemination Agent to provide, in a timely manner, a notice of such failure to the MSRB through EMMA, if any.

(d) If the Fiscal Year of the Obligor changes, the Obligor shall provide, or cause its Dissemination Agent to provide, notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the Fiscal Year prior to such change or the ending date of the Fiscal Year, as changed.

(e) Any Annual Financial Information containing modified operating data or financial information is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. REPORTING OF NOTICE EVENTS. (a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. principal and interest payment delinquencies;
2. non-payment related defaults, if material;
3. unscheduled draws on debt service reserves reflecting financial difficulties;
4. unscheduled draws on credit enhancements reflecting financial difficulties;
5. substitution of credit or liquidity providers, or their failure to perform;
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. modifications to rights of Bond holders, if material;
8. bond calls, if material, and tender offers;
9. defeasances;
10. release, substitution, or sale of property securing repayment of the Bonds, if material;
11. rating changes;
12. bankruptcy, insolvency, receivership or similar event of the Obligated Person (for the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person);
13. the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Obligor shall, in a timely manner not in excess of ten (10) business days after the occurrence of such Notice Event, file a notice of such occurrence with MSRB. The notice will be filed with a cover sheet in the form set forth in EXHIBIT C-1 hereto.

SECTION 5. CUSIP NUMBERS. Whenever providing information to the MSRB, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the Obligor shall indicate the full name of the Bonds and the CUSIP numbers for the Bonds as to which the provided information relates.

SECTION 6. VOLUNTARY FILING. If the Corporation desires to file a Voluntary Event Disclosure with the MSRB, it may use a cover sheet in the form set forth in EXHIBIT C-2 hereto. If the Obligor desires to file a Voluntary Financial Disclosure with the MSRB, it may use a cover sheet in the form set forth in EXHIBIT C-3 hereto. Nothing in this Continuing Disclosure Certificate shall be deemed to prevent the Obligor from disseminating any other information to the MSRB by other means or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Continuing Disclosure Certificate. If the Obligor chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Continuing Disclosure Certificate, the Obligor shall have no obligation under this Continuing Disclosure Certificate to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 7. TERMINATION OF REPORTING OBLIGATION. The obligations of the Obligor under this Continuing Disclosure Certificate shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligor is no longer an Obligated Person with respect to the Bonds, or upon receipt of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 8. REMEDIES IN EVENT OF DEFAULT. In the event of a failure of the Obligor to comply with any provision of this Continuing Disclosure Certificate, the Holders' rights to enforce the provisions of this Continuing Disclosure Certificate shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Continuing Disclosure Certificate. Any failure by a party to perform in accordance with this Continuing Disclosure Certificate shall not

constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 9. AMENDMENT; WAIVER. Notwithstanding any other provision of this Continuing Disclosure Certificate, the Obligor may amend this Continuing Disclosure Certificate and any provision of this Continuing Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

SECTION 10. BENEFICIARIES. This Continuing Disclosure Certificate shall inure solely to the benefit of the Obligor, the Bond Trustee, the Underwriter, the Authority and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 11. GOVERNING LAW. This Continuing Disclosure Certificate shall be governed by the laws of the State of Florida.

[SIGNATURE PAGE FOLLOWS]

[SIGNATURE PAGE TO CONTINUING DISCLOSURE CERTIFICATE]

PRC has caused this Continuing Disclosure Certificate to be executed, on the date first written above, by its duly authorized officer.

WESTMINSTER PINES, INC.

By: _____
Henry T. Keith, Chief Financial Officer

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: St. Johns County Industrial Development Authority

Obligated Persons: Westminster Pines, Inc.

Name of Bond Issue: Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017

Date of Issuance: _____, 2017

Date of Official Statement: _____, 2017

CUSIP Numbers:

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: St. Johns County Industrial Development Authority

Obligated Persons: Westminster Pines, Inc.

Name of Bond Issue: Retirement Facility Revenue Bonds (Westminster St. Augustine Project) Series 2017

Date of Issuance: _____, 2017

Date of Official Statement: _____, 2017

CUSIP Numbers:

NOTICE IS HEREBY GIVEN that the Obligated Persons have not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate of the Corporation. The undersigned anticipates that the Annual Report will be filed by _____.

Dated: _____

WESTMINSTER PINES, INC.

cc:

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Other Obligated Person's Name:

St. Johns County Industrial Development Authority
Westminster Pines, Inc.

Issuer's CUSIP Number: _____

or CUSIP Number(s) of the bonds to which this event notice relates: _____

Number of pages attached: _____

____ Description of Notice Events (Check One):

- | | |
|---|---|
| 1. ____ "Principal and interest payment delinquencies"; | 7. ____ "Modifications to rights of securities holders, if material"; |
| 2. ____ "Non-Payment related defaults, if material"; | 8. ____ "Bond calls, if material"; |
| 3. ____ "Unscheduled draws on debt service reserves reflecting financial difficulties"; | 9. ____ "Defeasances"; |
| 4. ____ "Unscheduled draws on credit enhancements reflecting financial difficulties"; | 10. ____ "Release, substitution, or sale of property securing repayment of the securities, if material"; |
| 5. ____ "Substitution of credit or liquidity providers, or their failure to perform"; | 11. ____ "Rating changes"; |
| 6. ____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security"; | 12. ____ "Tender offers"; |
| | 13. ____ "Bankruptcy, insolvency, receivership or similar event of the obligated person"; |
| | 14. ____ "Merger, consolidation, or acquisition of the obligated person, if material"; and |
| | 15. ____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material." |

____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by Westminster Pines, Inc. or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated as of _____ 1, 2017 of the Corporation.

Issuer's and Other Obligated Person's Name:

St. Johns County Industrial Development Authority
Westminster Pines, Inc.

Issuer's Six-Digit CUSIP Number:

or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking";
2. _____ "change in obligated person";
3. _____ "notice to investors pursuant to bond documents";
4. _____ "certain communications from the Internal Revenue Service";
5. _____ "secondary market purchases";
6. _____ "bid for auction rate or other securities";
7. _____ "capital or other financing plan";
8. _____ "litigation/enforcement action";
9. _____ "change of tender agent, remarketing agent, or other on-going party";
10. _____ "derivative or other similar transaction"; and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by Westminster Pines, Inc. or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" will be sent to the MSRB, pursuant to the Continuing Disclosure Certificate dated as of _____ 1, 2017 of the Corporation.

Issuer's and Other Obligated Person's Name:

St. Johns County Industrial Development Authority
Westminster Pines, Inc.

Issuer's Six-Digit CUSIP Number:

_____ or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "monthly financial information";
2. _____ "change in fiscal year/timing of annual disclosure";
3. _____ "change in accounting standard";
4. _____ "interim/additional financial information/operating data";
5. _____ "budget";
6. _____ "investment/dcbt/financial policy";
7. _____ "information provided to rating agency, credit/liquidity provider or other third party";
8. _____ "consultant reports"; and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by Westminster Pines, Inc. or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Date: _____
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