CITY OF VENICE, FLORIDA

RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS (VILLAGE ON THE ISLE PROJECT), SERIES 2019 BOND RESOLUTION

ADOPTED NOVEMBER 12, 2019

RESOLUTION NO. 2019-27

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED $23,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF ITS RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS IN ONE OR MORE TAX-EXEMPT AND TAXABLE SERIES FOR THE PRINCIPAL PURPOSE OF LOANING THE PROCEEDS THEREOF TO SOUTHWEST FLORIDA RETIREMENT CENTER, INC. D/B/A VILLAGE ON THE ISLE TO FINANCE AND REFINANCE CERTAIN COSTS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF VARIOUS CAPITAL IMPROVEMENTS TO EXISTING CONTINUING CARE RETIREMENT FACILITIES; PROVIDING FOR CERTAIN RIGHTS OF THE OWNERS OF SUCH BONDS AND FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS; AUTHORIZING A DELEGATED NEGOTIATED SALE OF SUCH BONDS TO THE UNDERWRITER REFERRED TO HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND TRUST INDENTURE, LOAN AGREEMENT, BONDS, PURCHASE AGREEMENT AND ALL OTHER RELATED AGREEMENTS AND INSTRUMENTS INCLUDING, WITHOUT LIMITATION, A TAX AGREEMENT; AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND A FINAL OFFICIAL STATEMENT IN CONNECTION WITH THE SALE OF THE BONDS; PROVIDING FOR OTHER MISCELLANEOUS MATTERS IN CONNECTION WITH THE FOREGOING; AND PROVIDING FOR AN EFFECTIVE DATE FOR THIS RESOLUTION.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF VENICE, FLORIDA, THAT:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 166, Florida Statutes, Chapter 159, Part II, Florida Statutes, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms used in this Resolution shall have the meanings specified in this section. Any capitalized terms used but not otherwise defined herein shall have the meanings assigned such terms in the Bond Indenture (defined herein). Words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing persons shall include corporations and other entities or associations.

"Act" means the Constitution and laws of the State of Florida, particularly Chapter 166, Florida Statutes, Chapter 159, Part II, Florida Statutes, and other applicable provisions of law.

"Bond Counsel" means the law firm of Nabors, Giblin & Nickerson, P.A., Tampa, Florida.

"Bond Indenture" means the Indenture of Trust, to be executed by the City and the Bond Trustee, substantially in the form attached hereto as EXHIBIT C and incorporated herein by reference.

"Bond Trustee" means The Bank of New York Mellon Trust Company, N.A., and any successor trustee under the Bond Indenture.

"Borrower" means Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation, and any surviving, resulting, or transferee entity as provided in the Loan Agreement.

"City" means the City of Venice, Florida, a municipal corporation under the laws of the State.

"City Council" shall mean the City Council of the City of Venice, Florida, the governing body of the City.

"Clerk" shall mean the Clerk of the City and such other person as may be duly authorized to act on his or her behalf.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable regulations and rules thereunder in effect or proposed.

"Loan Agreement" means the Loan Agreement, to be executed between the City and the Borrower, substantially in the form attached hereto as EXHIBIT B and incorporated herein by reference.

"Mayor" shall mean the Mayor or Vice-Mayor of the City Council and such other person as may be duly authorized to act on his or her behalf.

"Purchase Agreement" means the Bond Purchase Agreement among the City, the Borrower and the Underwriter substantially in the form attached hereto as EXHIBIT A and incorporated herein by reference.

"Series 2019 Project" means the financing and refinancing of a portion of the costs (including reimbursement for prior related expenditures) relating to the acquisition, construction and equipping of various capital improvements to the Borrower's existing continuing care retirement facility located at 920 South Tamiami Trail, Venice, Florida 34285, as more particularly described in the Loan Agreement.

"Series 2019 Bonds" means the City's Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (with such designations as the City may hereafter determine to distinguish between separate series of Series 2019 Bonds and between tax-exempt and taxable Series 2019 Bonds and change of issuance dates) issued under the Bond Indenture in the aggregate principal amount of not to exceed $23,000,000, substantially in the form and

with the rates of interest, maturity dates and other details provided for in the Bond Indenture or otherwise established in accordance with the terms hereof and thereof.

"State" means the State of Florida.

"Tax Agreement" means the Tax Exemption Agreement and Certificate to be executed by the City and the Borrower in connection with the issuance of the tax-exempt Series 2019 Bonds.

"Underwriter" means B.C. Ziegler and Company, as underwriter for the Series 2019 Bonds.

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

A. The City is a municipal corporation duly organized under the laws of the State and a local agency pursuant to the Act, and is duly authorized and empowered by the Act to finance and refinance the acquisition, construction, reconstruction, improvement, rehabilitation, renovation, expansion and enlargement, or additions to, furnishing and equipping of any capital project, including any private non-profit "health care facilities" (as the quoted term is described in the Act), including land, rights in land, buildings and other structures, machinery, equipment, appurtenances and facilities incidental thereto, and other improvements necessary or convenient therefor.

B. The Borrower has heretofore requested the City to assist the Borrower by financing the costs of the Series 2019 Project through the issuance by the City of not exceeding $23,000,000 in aggregate principal amount of Series 2019 Bonds in one or more series of tax-exempt and taxable Series 2019 Bonds.

C. On the date hereof, in accordance with all requirements of law, upon reasonable public notice setting forth the location and nature of the Series 2019 Project and the proposed issuance of the Series 2019 Bonds by the City, which notice was published on November 2, 2019 in the *Sarasota-Herald Tribune*, a newspaper of general circulation within the City, a copy of said notice being attached hereto as EXHIBIT E, the City held a public hearing at which hearing members of the public were afforded reasonable opportunity to be heard on all matters pertaining to the issuance of the Series 2019 Bonds for the benefit of the Borrower and the location and nature of the Series 2019 Project, in accordance with Section 147(f) of the Code.

D. The Borrower has, after consulting with the Underwriter, determined that market and other conditions are now conducive to proceed with the financing of the costs of the Series 2019 Project with the proceeds of the Series 2019 Bonds.

E. Upon consideration of, and in reliance on, the documents described herein and the information presented to the City at or prior to the adoption of this Resolution, the City has made and does hereby make the following findings and determinations:

(1) The Series 2019 Project consists of certain capital costs related to the acquisition, construction and equipping of "health care facilities" within the meaning of

the Act, said Series 2019 Project being or to be owned and operated by the Borrower and its affiliates in its collective business of providing senior housing and health care services in the City and the State.

(2) The Borrower has represented that the Series 2019 Project will alleviate unemployment in the City by maintaining jobs in the City and the State, will foster the economic growth and development and the industrial and business development of the City and the State by providing access to senior housing and retirement health care facilities, and will serve other predominantly public purposes as set forth in the Act. It is desirable and will further the public purposes of the Act, and it will most effectively serve the purposes of the Act, for the Borrower to finance the costs of the Series 2019 Project and for the City to issue and sell the Series 2019 Bonds for the purpose of providing funds to finance the costs of the Series 2019 Project, all as provided in the Bond Indenture, which contains or shall contain such provisions as are necessary or convenient to effectuate the purposes of the Act.

(3) The Series 2019 Project is appropriate to the needs and circumstances of the City and will provide or preserve gainful employment; and will serve a public purpose by advancing the economic prosperity, public education, and the health and general welfare of the City, the State and its people in accordance with Section 159.26 of the Act.

(4) Taking into consideration representations made to the City by the Borrower and based on other criteria established by the Act, the Borrower is financially responsible and fully capable and willing (a) to fulfill its obligations under the Loan Agreement and any other agreements to be made in connection with the issuance of the Series 2019 Bonds and the use of the Series 2019 Bond proceeds for financing the costs of the Series 2019 Project, including the obligation to make payments due under the Loan Agreement in an amount sufficient in the aggregate to pay all of the principal of, purchase price, interest and redemption premiums, if any, on the Series 2019 Bonds, in the amounts and at the times required, (b) to operate, repair and maintain at its own expense the Series 2019 Project, and (c) to serve the purposes of the Act and such other responsibilities as may be imposed under such agreements.

(5) Based on the representations of the Borrower, the City and other local agencies have been or will be able to cope satisfactorily with the impact of the Series 2019 Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services necessary for the operation, repair and maintenance of the Series 2019 Project on account of any increase in population or other circumstances resulting therefrom.

(6) Adequate provision is made under the Loan Agreement for the operation, repair and maintenance of the Series 2019 Project at the expense of the Borrower, for the payment of the principal of, purchase price, premium, if any, and interest on the Series 2019 Bonds when and as the same become due, and payment by the Borrower of all other costs in connection with the financing, refinancing, operation, maintenance and

administration of the Series 2019 Project which are not being paid out of the proceeds of the Series 2019 Bonds or otherwise, it being understood by all of the parties involved in this transaction that the primary source of repayment of the Series 2019 Bonds is expected to be the revenue generated in operation of the Series 2019 Project.

(7) The costs of the Series 2019 Project being financed with the proceeds of the Series 2019 Bonds constitute "costs" of a "project" within the meaning of the Act.

(8) The principal of, premium, if any, and interest on the Series 2019 Bonds and all other pecuniary obligations of the City under the Loan Agreement, the Bond Indenture, or otherwise, in connection with the financing of the Series 2019 Project , or the issuance of the Series 2019 Bonds, shall be payable solely from (a) the loan payments and other revenues and proceeds received by the City under the Loan Agreement, (b) the sale, lease or other disposition of the Series 2019 Project, including proceeds from insurance or condemnation awards and proceeds of any foreclosure or other realization upon the liens or security interests under the Loan Agreement or the Bond Indenture, and (c) the proceeds of the Series 2019 Bonds and income from the temporary investment of the proceeds of the Series 2019 Bonds or of such other revenues and proceeds, as pledged for such payment under and as provided in the Bond Indenture. Neither the faith and credit nor the taxing power of the City, the State or of any political subdivision or agency thereof is pledged to the payment of the Series 2019 Bonds or of such other pecuniary obligations of the City, and neither the City, the State nor any political subdivision or agency thereof shall ever be required or obligated to levy ad valorem taxes on any property within their territorial limits to pay the principal of, purchase price, premium, if any, or interest on such Series 2019 Bonds or other pecuniary obligations or to pay the same from any funds thereof other than such revenues, receipts and proceeds so pledged, and the Series 2019 Bonds shall not constitute a lien upon any property owned by the City or the State or any political subdivision or agency thereof, other than the City's interest in the Loan Agreement and the property rights, receipts, revenues and proceeds pledged therefor under and as provided in the Bond Indenture and any other agreements securing the Series 2019 Bonds.

(9) A negotiated sale of the Series 2019 Bonds is required and necessary, and is in the best interest of the City, for the following reasons: the Series 2019 Bonds will be special and limited obligations of the City payable solely out of revenues and proceeds derived by the City pursuant to the Loan Agreement, and the Borrower will be obligated for the payment of all costs of the City in connection with the financing of the Series 2019 Project which are not paid out of the Series 2019 Bond proceeds or otherwise; the costs of issuance of the Series 2019 Bonds, which will be borne directly or indirectly by the Borrower, could be greater if the Series 2019 Bonds are sold at public sale by competitive bids than if the Series 2019 Bonds are sold at negotiated sale, and a public sale by competitive bids would cause undue delay in the financing of the Series 2019 Project; private activity revenue bonds having the characteristics of the Series 2019 Bonds are typically and usually sold at negotiated sale and/or privately placed; the Borrower has

indicated that it may be unable or unwilling to proceed with the issuance of the Series 2019 Bonds and the financing of the Series 2019 Project unless a negotiated sale of the Series 2019 Bonds is authorized by the City; and authorization of a negotiated sale of the Series 2019 Bonds is desirable in order to serve the purposes of the Act.

(10) All requirements precedent to the adoption of this Resolution, of the Constitution and other laws of the State, including the Act, have been complied with.

F. The City, the Borrower and the Underwriter will negotiate a sale of the Series 2019 Bonds in accordance with the terms of the Purchase Agreement, said Purchase Agreement to be executed by and among the City, the Underwriter and the Borrower in accordance with the terms and provisions hereof. Upon execution of the Purchase Agreement and in accordance with Section 218.385, Florida Statutes, the Underwriter will submit to the City a disclosure statement and a truth-in-bonding statement dated the date thereof setting forth any fee, bonus or gratuity paid in connection with the placement of the Series 2019 Bonds, said disclosure statement and truth-in-bonding statement to be substantially in the form attached to the Purchase Agreement.

SECTION 4. FINANCING OF COSTS OF THE SERIES 2019 PROJECT AUTHORIZED. The financing of the costs of the Series 2019 Project, funding of certain debt service reserve funds, funding of capitalized interest on the Series 2019 Bonds, and payment of costs of issuance related to the Series 2019 Bonds, all with the proceeds of the Series 2019 Bonds in the manner provided herein, in the Bond Indenture and in the Loan Agreement is hereby authorized. The City is not authorizing the issuance of any obligations at this time to finance the costs of any project other than the costs of the Series 2019 Project and as described above.

SECTION 5. AUTHORIZATION AND DESCRIPTION OF THE SERIES 2019 BONDS. For the purpose of providing for the financing of the costs of the Series 2019 Project, obligations of the City to be known as "City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019" (and such other series or other designations as the City may hereafter determine to distinguish between separate series of Series 2019 Bonds and between tax-exempt and taxable Series 2019 Bonds and change of issuance dates) are hereby authorized to be issued in an aggregate principal amount not exceeding TWENTY-THREE MILLION AND 00/100 DOLLARS ($23,000,000), in the form and manner described in the Bond Indenture. The Series 2019 Bonds shall be dated as of the date of their issuance, shall be issued in the form of fully-registered Bonds, without coupons, in denominations of $5,000 or integral multiples thereof (or otherwise as provided in the Bond Indenture), shall bear interest from their dated date(s) at the interest rates and shall mature in such amounts and on such dates set forth in the Bond Indenture.

SECTION 6. OPTIONAL AND EXTRAORDINARY REDEMPTION. The Series 2019 Bonds will be subject to optional, mandatory sinking fund and extraordinary redemption in the manner, to the extent, in the amounts and at the times set forth in the Bond Indenture.

SECTION 7. DELEGATED NEGOTIATED SALE OF THE SERIES 2019 BONDS. A delegated negotiated sale of the Series 2019 Bonds to the Underwriter in accordance with the terms hereof

and of the Purchase Agreement is hereby in all respects authorized subject to the following requirements: (A) receipt by the City of a written offer to purchase the Series 2019 Bonds by the Underwriter substantially in the form of the Purchase Agreement, said offer to provide for, among other things: (i) the issuance of not exceeding $23,000,000 initial aggregate principal amount of Series 2019 Bonds; (ii) the Series 2019 Bonds shall bear interest as provided in the Bond Indenture in no event to exceed five and one half percent (5.5%) per annum; (iii) the Series 2019 Bonds shall mature on such dates and in such amounts as provided in the Bond Indenture with the final maturity no later than December 31, 2055; (B) in accordance with Section 218.385, Florida Statutes, the Underwriter must submit to the City a disclosure statement and truth-in-bonding statement setting forth the information required by said Section 218.385, Florida Statutes, said statements to be attached to the Purchase Agreement and incorporated herein by reference; and (C) receipt by the City of a ratings report from a nationally recognizing rating service assigning the Series 2019 Bonds a rating in one of the highest four rating categories.

SECTION 8. APPOINTMENT OF BOND TRUSTEE. The Bank of New York Mellon Trust Company, N.A., Jacksonville, Florida, is hereby appointed and approved to act as the Bond Trustee under and pursuant to the Bond Indenture to assume the duties and responsibilities established therefor in said Bond Indenture.

SECTION 9. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE LOAN AGREEMENT. The Loan Agreement, substantially in the form attached hereto as EXHIBIT B with such corrections, insertions and deletions as may be approved by the Mayor and Clerk, such approval to be evidenced conclusively by their execution thereof, is hereby approved and authorized; the City hereby authorizes and directs the Mayor to date and execute and the Clerk to attest, under the official seal of the City, the Loan Agreement, and to deliver the Loan Agreement to the Borrower; and all of the provisions of the Loan Agreement, when executed and delivered by the City as authorized herein and by the Borrower, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 10. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE BOND INDENTURE. The Bond Indenture, substantially in the form attached hereto as EXHIBIT C with such changes, corrections, insertions and deletions as may be approved by the Mayor and Clerk, such approval to be evidenced conclusively by their execution thereof, is hereby approved and authorized; the City hereby authorizes and directs the Mayor to date and execute and the Clerk to attest, under the official seal of the City, the Bond Indenture, and deliver the Bond Indenture to the Bond Trustee; and all of the provisions of the Bond Indenture, when executed and delivered by the City as authorized herein, and by the Bond Trustee, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 11. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE PURCHASE AGREEMENT. In order to provide for the sale of the Series 2019 Bonds to the Underwriter, the City shall enter into the Purchase Agreement with the Underwriter and the Borrower. The Purchase Agreement shall be dated the date of sale of the Series 2019 Bonds and shall be substantially in the form attached hereto as EXHIBIT A, with such changes, corrections, insertions,

and deletions to reflect the final terms and provisions of the Series 2019 Bonds as may be approved by the Mayor, such approval to be evidenced conclusively by his execution thereof, is hereby approved and authorized. Subject to the provisions of Section 7 hereof, the Mayor is hereby authorized to date and execute and the Clerk is hereby authorized to attest, under the official seal of the City, the Purchase Agreement and to deliver the Purchase Agreement to the Underwriter and the Borrower, when finalized. All of the provisions of the Purchase Agreement, when executed and delivered by the City as authorized herein, and by the Borrower, shall be deemed to be a part hereof as fully and to the same extent as if set forth verbatim herein and therein.

SECTION 12. PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT. The form, terms and provisions of the Official Statement relating to the Series 2019 Bonds to be substantially in the form of the Preliminary Official Statement attached hereto as EXHIBIT D, with any changes, insertions and amendments which are necessary to reflect the terms of the Series 2019 Bonds set forth herein and in the Bond Indenture, is hereby approved for use and distribution by the Underwriter in connection with the marketing and sale of the Series 2019 Bonds to potential purchasers. Although the City consents to and approves the preparation and distribution of the Preliminary Official Statement and a final Official Statement substantially in the form of the Preliminary Official Statement (with such changes as are necessary to reflect the final terms and provisions of the Series 2019 Bonds), the City has not participated in its preparation and makes no representations as to its accuracy or completeness other than in respect to the information contained therein related to the City under the captions "THE ISSUER," "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" or "LITIGATION - Issuer." The Mayor is hereby authorized to execute a certificate deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 upon delivery of a similar certificate by the Borrower.

SECTION 13. AUTHORIZATION OF EXECUTION OF TAX AGREEMENT, OTHER CERTIFICATES AND OTHER INSTRUMENTS. The Mayor and the Clerk are hereby authorized and directed, either alone or jointly, under the official seal of the City, to execute and deliver certificates of the City certifying such facts as the City Attorney or Bond Counsel shall require in connection with the issuance, sale and delivery of the Series 2019 Bonds, and to execute and deliver such other instruments, including but not limited to, a Tax Agreement relating to certain requirements set forth in Section 148 of the Code related to tax-exempt Series 2019 Bonds, and such other assignments, bills of sale, financing statements and escrow agreements, as shall be necessary or desirable to perform the City's obligations, or assist in the performance of the Borrower's obligations, under the Bond Indenture, the Loan Agreement, the Purchase Agreement and the Tax Agreement and to consummate all of the transactions hereby and thereby authorized.

SECTION 14. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement, the Tax Agreement, or any certificate or other instrument to be executed on behalf of the City in connection with the

issuance of the Series 2019 Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member, officer, employee or agent of the City in his or her individual capacity, and none of the foregoing persons nor any member or officer of the City executing the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement, the Tax Agreement, or any certificate or other instrument to be executed in connection with the issuance of the Series 2019 Bonds shall be liable personally thereon or be subject to any personal liability of or accountability by reason of the execution or delivery thereof.

SECTION 15. NO THIRD PARTY BENEFICIARIES. Except as otherwise expressly provided herein or in the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement or the Tax Agreement, nothing in this Resolution, or in the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement or the Tax Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the City, the Borrower, the Underwriter and any other owners from time to time of the Series 2019 Bonds any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement or the Tax Agreement, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the City, the Borrower, the Underwriter the owners from time to time of the Series 2019 Bonds.

SECTION 16. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this Resolution, to the issuance, sale and delivery of the Series 2019 Bonds, to the execution and delivery of the Bond Indenture, the Loan Agreement, the Purchase Agreement, the Tax Agreement and the other documents referred to herein or authorized hereby required by the Constitution or other laws of the State, to happen, exist and be performed precedent to the passage hereof, and precedent to the issuance, sale and delivery of the Series 2019 Bonds, to the execution and delivery of the Bond Indenture, the Loan Agreement, the Purchase Agreement and the Tax Agreement, have either happened, exist and have been performed as so required or will have happened, will exist and will have been performed prior to such execution and delivery thereof.

SECTION 17. COMPLIANCE WITH CHAPTER 218, PART III, FLORIDA STATUTES. The City 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 Borrower, of advance notice of the sale of the Series 2019 Bonds and of Bond Information Form BF 2003, and any other acts as may be necessary to comply with Chapter 218, Part III, Florida Statutes and any other applicable laws.

SECTION 18. GENERAL AUTHORITY. The officers, attorneys, engineers or other agents or employees of the City are hereby authorized to do all acts and things required of them by this Resolution, the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement and the Tax Agreement, and to do all acts and things which are desirable and consistent with the requirements hereof or of the Series 2019 Bonds, the Bond Indenture, the

Loan Agreement, the Purchase Agreement and the Tax Agreement, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein and in the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement and the Tax Agreement.

SECTION 19. THIS RESOLUTION CONSTITUTES A CONTRACT. The City covenants and agrees that this Resolution shall constitute a contract between the City, the Underwriter and any other owners from time to time of the Series 2019 Bonds then outstanding and that all covenants and agreements set forth herein and in the Series 2019 Bonds, the Bond Indenture, the Loan Agreement, the Purchase Agreement and the Tax Agreement, to be performed by the City shall be for the equal and ratable benefit and security of the Underwriter and any other owners of outstanding Series 2019 Bonds, without privilege, priority or distinction as to lien or otherwise of any of the Series 2019 Bonds over any other of the Series 2019 Bonds.

SECTION 20. LIMITED OBLIGATION. THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE CITY, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2019 BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE SERIES 2019 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE CITY OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE CITY'S INTEREST IN THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE BOND INDENTURE AND ANY OTHER AGREEMENTS SECURING THE SERIES 2019 BONDS.

SECTION 21. LIMITED APPROVAL. The approval given herein shall not be construed as an approval of any necessary rezoning applications nor for any other regulatory permits relating to the Series 2019 Project and the City shall not be construed by reason of its adoption of this resolution to (A) attest to the Borrower's ability to repay the indebtedness represented by the Series 2019 Bonds, (B) a recommendation to prospective purchasers of the Series 2019 Bonds to purchase the same, or (C) have waived any right of the City or stopping the City from asserting any rights or responsibilities it may have in that regard.

SECTION 22. 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 Series 2019 Bonds issued under the Bond Indenture.

SECTION 23. REPEALING CLAUSE. All resolutions or parts thereof in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

SECTION 24. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED AT A REGULAR MEETING OF THE VENICE CITY COUNCIL HELD ON THE 12TH DAY OF NOVEMBER, 2019.

_____
John W. Holic, Mayor

ATTEST:

_____
Lori Stelzer, MMC, City Clerk

I, **LORI STELZER**, MMC, City Clerk of the City of Venice, Florida, a municipal corporation in Sarasota County, Florida, do hereby certify that the foregoing is a full and complete, true and correct copy of a Resolution duly adopted by the City Council of said city at a meeting thereof duly convened and held on the 12th day of November 2019, a quorum being present.

WITNESS my hand and the official seal of said City this 12th day of November 2019.

(SEAL)

_____
Lori Stelzer, MMC, City Clerk

Approved as to form:

_____
Kelly M. Fernandez, City Attorney

EXHIBIT A

FORM OF BOND PURCHASE AGREEMENT

$_____

CITY OF VENICE, FLORIDA
Retirement Community Revenue Improvement Bonds
(Village On The Isle Project), Series 2019

BOND PURCHASE AGREEMENT

_____, 2019

City of Venice, Florida
401 West Venice Avenue
Venice, Florida 34285

Southwest Florida Retirement Center, Inc.
d/b/a Village On The Isle
920 Tamiami Trail South
Venice, Florida 34285

Ladies and Gentlemen:

The undersigned, B.C. Ziegler and Company (the "Underwriter"), offers to enter into the following agreement (this "Bond Purchase Agreement") with the City of Venice, Florida (the "Issuer") and Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Obligor"). Upon your acceptance of this offer, this agreement will be binding among the Issuer, the Obligor and the Underwriter. Capitalized terms used herein, but not otherwise defined herein, shall have the meanings assigned to them in the Loan Agreement, the Master Indenture (each as defined below) or in the Official Statement referred to in Section 3 hereof.

This offer is made subject to your acceptance of this agreement on or before 5:00 P.M., Eastern Time, on the date hereof.

1. Purchase Price; Purpose of Issue. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the Issuer's Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds") in the principal amounts specified above.

The Bonds are to be issued under and pursuant to an Indenture of Trust, dated as of December 1, 2019 (the "Bond Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Bond Trustee"). The purchase price for the Bonds shall be $_____.__ (representing the par amount of the Bonds [plus/minus] [net] original issue [premium/discount] of $_____.__and less an underwriting discount of $_____.__).

The Bonds shall have the maturities, principal amounts, interest rates, prices and yields, shall be subject to optional redemption and shall be otherwise as shown on SCHEDULE I attached hereto and as described and as set forth in the Bond Indenture and the Official Statement.

As described in the Official Statement (defined below), the Bonds shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC") or its designee for purposes of future transfer of the Bonds pursuant to the book-entry only system of registration maintained by DTC.

Concurrently with the execution and delivery of the Bonds, there are to be executed and delivered the following documents:

(i) the Bond Indenture,

(ii) a Supplemental Indenture Number 4, dated as of December 1, 2019, supplementing that certain Master Trust Indenture, dated as of November 1, 2016, as supplemented (collectively, the "Master Indenture"), each between the Obligor and The Bank of New York Mellon Trust Company, N.A., successor in interest to Wells Fargo Bank, N.A., as master trustee (the "Master Trustee");

(iii) a Second Supplemental Mortgage and Notice of Future Advance, dated as of December 1, 2019, amending and supplementing that certain Mortgage and Security Agreement (collectively, the "Mortgage"), dated as of November 1, 2016, each from the Obligor to the Master Trustee;

(iv) a Loan Agreement, dated as of December 1, 2019 (the "Loan Agreement"), between the Issuer and the Obligor;

(v) a [Tax Regulatory Agreement and No Arbitrage Certificate], dated the date of issuance of the Bonds, between the Issuer and the Obligor (the "Tax Agreement");

(vi) a Continuing Disclosure Certificate, dated the date of issuance of the Bonds, by the Obligor (the "Continuing Disclosure Certificate); and

(vii) the promissory note of the Obligor related to the Bonds (the "Series 2019 Note") created by and issued pursuant to the Master Indenture.

The Bonds are being used for the purpose of funding a loan to the Obligor to (i) reimburse itself for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor (the "Project"), (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuing the Bonds.

The Bond Indenture, the Loan Agreement, the Tax Agreement, the Bonds and this Bond Purchase Agreement are collectively referred to herein as the "Issuer Documents;" and this Bond Purchase Agreement, the Letter of Representation and Indemnification dated the date hereof from the Obligor to the Underwriter and the Issuer in the form attached hereto as EXHIBIT A (the "Letter of Representation"), the Loan Agreement, the Master Indenture, the Mortgage, the Tax Agreement, the Continuing Disclosure Certificate and the Series 2019 Note are collectively referred to herein as the "Obligor Documents."

2. Public Offering; No Fiduciary Relationship. The Underwriter intends to make an initial bona fide public offering of all of the Bonds at a price not in excess of the public offering

price or prices (or at public offering yield or yields which are not less than those) set forth on the inside cover of the Official Statement (as hereinafter defined) and may, subject to Section 4 hereof, subsequently change such offering price or prices (or yield or yields) without any requirement of prior notice. The Underwriter may, subject to Section 4 hereof, offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover of the Official Statement. The Underwriter, subject to Section 4 hereof, also reserves the right to over-allot or effect transactions that stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time.

The Issuer and the Obligor acknowledge that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the Issuer 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 Issuer or the Obligor; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Issuer or 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 Issuer or the Obligor on other matters) nor has it assumed any other obligation to the Issuer or 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 Issuer and the Obligor; and (v) the Issuer and the Obligor have consulted with their own legal and financial advisors to the extent they deemed appropriate in connection with the offering of the Bonds.

3. Official Statement. On any date specified by the Underwriter following the date hereof, but in any event no more than seven business days after the time of the Obligor's acceptance hereof, the Obligor shall deliver to the Underwriter the number of copies of the Official Statement relating to the Bonds required to permit the Underwriter to comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board ("MSRB"). The Official Statement shall be dated the date hereof, in substantially the form approved by the Obligor (which, together with the cover page, inside cover page and all exhibits, appendices, maps, pictures, diagrams, reports and statements included or incorporated therein or attached thereto and any amendments and supplements that may be authorized for use with respect to the Bonds is herein called the "Official Statement"). From the date of this Bond Purchase Agreement to the ninety-first day (or such later date, not to exceed 150 days, that may be specified by the Underwriter) following the date of Closing (as defined in Section 7 below), the Obligor will notify the Underwriter whenever, in its judgment, in relation to anything concerning the Obligor, the Official Statement should be amended or supplemented in order for the Official Statement not to contain any untrue statement of a material fact, or not to omit to state any material fact necessary to make the statements in the Official Statement not misleading. In addition, the Obligor agrees to amend or supplement the Official Statement at the Obligor's expense whenever requested by the Issuer or the Underwriter when in the reasonable judgment of the Underwriter or the Issuer such amendment or supplementation is required.

The Issuer hereby ratifies and approves the Preliminary Official Statement dated November ___, 2019, (the "Preliminary Official Statement") and its use by the Underwriter prior to the date hereof, and authorizes and approves the Official Statement and the form of the Issuer Documents and other pertinent documents referred to in Section 8 hereof to be used in connection with the offering and sale of the Bonds.

The Issuer is not undertaking any responsibility for the accuracy or completeness of any of the information in the Preliminary Official Statement or the Official Statement except for the information contained under the captions "THE ISSUER," "LITIGATION – Issuer" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the Issuer).

The Underwriter shall give notice to the Issuer and the Obligor on the date after which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule.

4. Establishment of Issue Price. (a) The Underwriter agrees to assist the Issuer in establishing the issue price of the 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, substantially in the form attached hereto as EXHIBIT B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Nabors, Giblin & Nickerson, P.A., as bond counsel ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule II attached hereto, the Issuer will treat the first price at which 10% of each maturity of the 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 to the Issuer the price or prices at which it has sold to the public each maturity of the Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all of the Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. Schedule II also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the

initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the 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 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 Bonds of that maturity or all 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 Issuer 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 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 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 Issuer 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 Bonds.

(e) The Underwriter acknowledges that sales of any 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 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 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 Bonds to the public);

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 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.

5. Representations and Warranties. The Issuer hereby represents and warrants to the Underwriter that:

(a) Due Organization; Existence. The Issuer is a municipal corporation of the State of Florida, duly created and validly existing under the Constitution and laws of the State of Florida;

(b) Issuer. The Issuer has full right, power and authority to execute, deliver and perform its obligations under the Issuer Documents and to consummate the transactions contemplated on its part by such instruments and the Official Statement;

(c) Due Authorization. The Issuer has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the distribution of the Preliminary Official Statement and the Official Statement, and (iii) the execution, delivery and receipt of the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Official Statement and the Issuer Documents;

(d) Execution and Enforceability. On the date of the Closing, the Resolution adopted by the Issuer on November ___, 2019 (the "Bond Resolution"), which authorizes the execution and delivery of the Issuer Documents and approves and authorizes the distribution of the Official Statement, will be in full force and constitute the legal and valid act of the Issuer and the other Issuer Documents will have been duly executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, the Issuer Documents (other than the Bonds which are addressed in paragraph (i) below) will constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms (except to the extent that such enforceability may

be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and general principles of equity);

(e) No Conflict. The authorization of the distribution of the Preliminary Official Statement and the Official Statement and the authorization, execution and delivery by the Issuer of the Issuer Documents and the other documents contemplated hereby and by the Official Statement, and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provision of the Constitution of the State of Florida or any existing state or federal constitution, law or administrative regulation, or by any court or administrative decree or order issued wherein the Issuer is a party, or, to the knowledge of the Issuer, by any agreement, indenture, mortgage, lease or other instrument entered into by the Issuer by which the Issuer or its properties are or, on the date of Closing, will be bound;

(f) No Adverse Actions. To its knowledge, 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 against the Issuer or, to the knowledge of the Issuer, threatened against or affecting the Issuer wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by the Official Statement or the validity or due adoption of the Bond Resolution or the validity, due authorization, execution or validity of the Issuer Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, (ii) the exclusion from gross income for federal income tax purposes of interest on the Bonds, or (iii) the collection of revenues by pledged under the Bond Indenture;

(g) No Defaults. The Issuer will not be in default under the terms and provisions of the Issuer Documents on the date of the Closing, and the Issuer is not on the date hereof, and will not be on the date of the Closing, in default under any other agreement, indenture, lease, deed of trust, note or other instrument entered into by the Issuer or by which it or its properties are or may be bound, which would have a material adverse effect on the condition of the Issuer, financial or otherwise, or otherwise materially affect its ability to perform its obligations under the Issuer Documents;

(h) Preliminary Official Statement; Accuracy of Information. Except for "Permitted Omissions" (as defined in the Rule), the Preliminary Official Statement is hereby deemed final, as of its date, by the Issuer for purposes of the Rule; provided that the Issuer is providing and is responsible only for the information provided by the Issuer. As of the date of Closing, the information contained in the Official Statement under the captions "THE ISSUER," "LITIGATION – Issuer" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the Issuer), will be correct in all material respects and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements under such captions in the Official Statement, in light of the circumstances under which they were made, not misleading;

(i) Validity of Bonds. The Bonds, when issued, delivered and paid for as herein and in the Bond Indenture provided, will have been duly authorized, executed and issued and will constitute legal, valid and binding limited obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and general principles of equity), secured by a pledge of the Issuer's rights under the Issuer Documents;

(j) Application of Proceeds; No Prior Liens. The Issuer will apply the proceeds from the sale of the Bonds as specified in the Issuer Documents and as more fully described in certificates delivered at the Closing. Except as otherwise contemplated by the Issuer Documents, the Issuer has never issued, assumed, guaranteed or otherwise in any manner become liable with respect to any bonds, notes, contracts, arrangements or obligations of any kind that might give rise to any lien or encumbrance on the Trust Estate (as defined in the Issuer Documents);

(k) All Approvals. To the best knowledge of the Issuer, all permits, consents or licenses, if any, and all notices to or filings with governmental authorities necessary for the consummation by the Issuer of its obligations described in the Official Statement and Issuer Documents (other than such permits, consents, licenses, notices and filings, if any, as may be required under the securities or blue sky laws of any jurisdiction) required to be obtained or made by the Issuer have been obtained or made; and

(l) Bringdown. Any certificates signed by an officer of the Issuer and delivered to the Underwriter shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

All representations, warranties and agreements of the Issuer hereunder shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of the Bonds and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

6. Letter of Representation. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the receipt of the Letter of Representation signed by the Obligor and accepted by the Issuer, in the form attached hereto as EXHIBIT A.

7. Delivery of, and Payment for, the Bonds. At 10:00 A.M. local time in Florida, on or about December ___, 2019, or at such other time or date as shall have been mutually agreed upon by the Issuer, the Obligor and the Underwriter, the Issuer will deliver, or cause to be delivered, to the Underwriter the Bonds, in definitive form, and provided that the Underwriter has made arrangements with the Bond Trustee and DTC for the Bonds to be immobilized as book-entry only securities, the Issuer shall take appropriate steps to provide DTC (or the Bond Trustee acting on its behalf pursuant to the FAST delivery program) with one definitive bond for each year of maturity of the Bonds, each registered in the name of Cede & Co., as nominee of DTC, as securities depository for the Bonds, to be delivered in exchange for the initial Bonds, together with the other documents hereinafter mentioned; and, subject to the conditions contained herein, the

Underwriter will accept such delivery and pay the purchase price of the Bonds plus accrued interest, by delivering to the Issuer or upon its order a wire transfer of immediately available funds.

Delivery of the definitive Bonds as aforesaid shall be made at DTC in New York, New York (or to the Bond Trustee acting on its behalf), not less than 24 hours prior to the Closing and shall be held in safe custody by DTC upon payment for the same and satisfaction of the conditions enumerated in Section 8. Delivery of all other documents required pursuant to Section 8 below shall be made at the offices of [Nabors, Giblin & Nickerson, P.A., 2502 Rocky Point Dr., Suite 1060, Tampa, FL 33607]. Payment for the Bonds shall be made at such location as may be agreed upon by the parties. Such payment and the related delivery is herein called the "Closing". The Bonds will be delivered as fully registered bonds, bearing proper CUSIP numbers, in authorized denominations and registered in such names and in such amounts as provided above.

8. Conditions Precedent. The obligations of the Issuer hereunder to deliver the Bonds shall be subject to receipt of the opinions of Bond Counsel, described in Section 8(b)(1) and Section 8(b)(2) hereof and a filing by the Underwriter of a disclosure and truth-in-bonding statement pursuant to Section 218.285, Florida Statutes as amended, which is attached as EXHIBIT G hereto. The obligations of the Underwriter hereunder shall be subject to (i) the performance by the Issuer and the Obligor's respective obligations to be performed hereunder, (ii) the accuracy in all material respects of the representations and warranties of the Issuer herein as of the date hereof and as of the time of the Closing, (iii) the accuracy in all material respects of the representations and warranties of the Obligor herein and in the Letter of Representation, and (iv) to the following conditions:

(a) At the time of Closing, (i) the Official Statement, the Issuer Documents and the Obligor Documents shall have been executed and delivered in the form approved by the Underwriter and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the Issuer Documents, and (iii) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions (including the Bond Resolution) as, in the opinion of Bond Counsel and Counsel to the Underwriter, shall be necessary in connection with the transactions contemplated hereby;

(b) At or prior to the Closing, the Underwriter shall have received executed counterparts of each of the following documents (or specimens or copies of fully executed documents in the case of the Bonds):

(1) The approving opinion, dated the date of the Closing, of Bond Counsel, relating to, among other things, the validity of the Bonds and the exclusion from gross income of the interest on the Bonds for federal income tax purposes, in substantially the form set forth as Appendix D to the Official Statement;

(2) The opinions, each in form and substance satisfactory to the Underwriter, dated the date of Closing and addressed to the Underwriter and (except in the case of the opinion of Counsel to the Underwriter) to such other parties to the Issuer Documents and the Obligor Documents as may have been so

requested in each case in the forms on the indicated Exhibit to this Bond Purchase Agreement and acceptable to the respective addressees of each opinion: (i) Bond Counsel, EXHIBIT C; (ii) the Office of the City Attorney, as Counsel to the Issuer, EXHIBIT D; (iii) Butler Snow LLP and Graham Legal Group, PLLC, as Co-Counsel to the Obligor, EXHIBIT E-1 and EXHIBIT E-2, respectively; and (iv) Holland & Knight LLP, as Counsel to the Underwriter, EXHIBIT F;

(3) A certificate of the Obligor, dated the date of the Closing and signed by an authorized executive officer of the Obligor, and in form and substance reasonably satisfactory to the Underwriter and its Counsel, to the effect that (i) since the date hereof no material and adverse change, or any development involving a prospective material and adverse change, has occurred in the financial position of the Obligor or results of operations of the Obligor; (ii) the Obligor has not, since the conclusion of its most recent fiscal year, incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement; (iii) no event materially affecting the Obligor has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein in light of the circumstances in which they are made not materially misleading as of the date of Closing; (iv) the representations and warranties included in the Letter of Representation are true and correct in all material respects as of the date of the Closing and all obligations to be performed by the Obligor under the Letter of Representation on or prior to the date of the Closing have been performed in all material respects; and (v) there has been no change or, to the best of the signer's knowledge, threatened change in the status of the Obligor as a Florida not-for-profit corporation and an organization exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code") or its liability for federal income taxes for any tax year ended before the Closing Date; with copies of the resolutions of the Board of Trustees of the Obligor authorizing the execution and delivery of the Obligor Documents and the approval of the Issuer Documents certified as having been duly adopted and being in full force and effect attached;

(4) A certificate of the Issuer, dated the date of Closing and signed on its behalf by an official of the Issuer acting solely in his or her official capacity, in form satisfactory to the Underwriter, to the effect that the representations of the Issuer herein are true and correct in all material respects as of the date of the Closing and that all obligations to be performed by the Issuer hereunder on or prior to the date of the Closing have been performed; with a copy of the Bond Resolution and all other resolutions of the Issuer authorizing the distribution of the Preliminary Official Statement and the Official Statement and the execution and delivery of the Issuer Documents certified by the Clerk (as defined in the Bond Resolution) as having been duly adopted and being in full force and effect;

(5) The Official Statement by the time and in the quantities required to permit the Underwriter to comply with the Rule and the applicable rules of the MSRB;

(6) The Tax Agreement, executed by duly authorized officers of the Issuer and the Obligor, satisfactory to Bond Counsel and Counsel to the Underwriter, dated the Closing Date, stating that such officers are charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner permitted by Section 1.103-13(a)(2)(ii) of the Treasury Regulations, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Bonds and of any other funds, if any, of the Issuer expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based;

(7) A letter from Fitch, indicating its rating for the Bonds of "BBB-" (negative outlook);

(8) Letters of CliftonLarsonAllen LLP, independent certified public accountants ("CPA"), dated within 10 days prior to printing the Preliminary Official Statement and within 10 days prior to the printing of the Official Statement consenting to the use of their report dated as of _____, 2019, in the Preliminary Official Statement and the Official Statement, respectively, and such other procedures as may be agreed upon with respect to the interim financial statements, as well as a "bring-down" letter of the CPA dated the date of Closing;

(9) Specimens of the Bonds and the Series 2019 Note;

(10) Evidence of maintenance of insurance required by the Master Indenture;

(11) Copies of the (A) Articles of Incorporation of the Obligor, certified as of a recent date by the Secretary of State of Florida and (B) Bylaws of the Obligor, together with a certificate of an officer of the Obligor that such Articles of Incorporation and bylaws have not been amended, modified, revoked or rescinded and are in full force and effect as of the date of Closing;

(12) A Certificate of the Secretary of State of the State of Florida with respect to the good standing of the Obligor;

(13) Internal Revenue Service Form 8038, signed by an authorized officer of the Issuer;

(14) Evidence satisfactory to Bond Counsel and Counsel to the Underwriter that the Obligor is an organization described in Section 501(c)(3) of the Code and is not a private foundation as described in Section 509(a) of the Code;

(15) Evidence of public hearings and approvals relating thereto by the Issuer and each entity having legislative authority over the jurisdiction in which the

capital improvements being financed with the proceeds of the Bonds are or will be located, as required by Section 147(f) of the Code;

(16) A copy of the ALTA title insurance policy issued by a title company acceptable to the Underwriter assuring that the Obligor has fee simple title to the Project site, subject only to Permitted Encumbrances (as defined in the Master Indenture);

(17) The certificates and opinions required by the Master Indenture for the issuance thereunder of the Series 2019 Note;

(18) One signed copy of a request and authorization to the Bond Trustee to authenticate and deliver the Bonds;

(19) Such other certificates of the Issuer and the Obligor listed on a Closing Memorandum to be approved by Counsel to the Issuer, Bond Counsel and Counsel to the Underwriter, including any certificates or representations of the Obligor required in order for Bond Counsel to deliver the opinion referred to in Section 8(b)(1) of this Bond Purchase Agreement; and such additional legal opinions, certificates, proceedings, instruments and other documents as the Counsel to the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer or the Obligor with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Issuer contained herein and of the Obligor contained in the Letter of Representation and the due performance or satisfaction by the Issuer and the Obligor at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Obligor.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are reasonably satisfactory in form and substance to the Underwriter and Counsel to the Underwriter. The Issuer will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request.

9. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the Closing:

(i) except as disclosed in the Official Statement, legislation shall be enacted or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any committee of such House or announced by the chairman of any such committee to which such legislation has been referred for consideration, a joint announcement of the Chairman of the House Ways and Means Committee and the Senate Finance Committee and the Secretary of the Treasury shall have been made, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to the federal taxation upon

revenues or other income of the general character to be derived by the Issuer or by any similar body, or upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, and, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds, or

(ii) any legislation, ordinance, rule or regulation shall be introduced in or be enacted by any governmental body, department or agency in the State of Florida or a decision by a court within the State of Florida shall be rendered which, in the Underwriter's opinion, materially adversely affects the market price of the Bonds, or

(iii) there shall exist any event which in the Underwriter's reasonable judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in light of the circumstances in which they were made in order to make the statements and information contained therein not misleading in any material respect, or

(iv) there shall have occurred any outbreak or escalation of hostilities or terrorist act involving the United States or the declaration by the United States of a national emergency or war if the effect of any such event specified in this clause (iv), in the judgment of the Underwriter, would make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Official Statement, or

(v) there shall be in force a general suspension of trading on the New York Stock Exchange, or

(vi) a general banking moratorium shall have been declared by either federal, Florida or New York authorities, or

(vii) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the affairs of the Issuer or the Obligor, except for changes which the Official Statement discloses have occurred or may occur, or

(viii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of Counsel for the Underwriter, has the effect of requiring the contemplated distribution of the Bonds or the Series 2019 Note to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, and any Issuer Document to be qualified under the Trust Indenture Act of 1939, as amended, or

(ix) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange 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 the Bonds, of obligations of the general character of the Bonds or the offering of any other security that is represented by the Bonds as contemplated hereby, is

in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or

(x) 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, or

(xi) the New York Stock Exchange or 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 the charge to the net capital requirements of, the Underwriter, or

(xii) any state "blue sky" or securities commission shall have withheld qualification, registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter, the ability of the Underwriter to successfully market the Bonds is materially affected thereby, or

(xiii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Bonds or in any way contesting or questioning any authority for or the validity of the Bonds or the money or revenues pledged to the payment thereof or any of the proceedings of the Issuer or the Obligor taken with respect to the issuance and sale thereof, or

(xiv) the withdrawal or downgrading of the Fitch rating on the Bonds.

If the Issuer and the Obligor shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter in its sole discretion, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter, the Issuer nor the Obligor shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof, shall continue in full force and effect.

If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon the proper tender thereof by the Issuer at the Closing as herein provided, the maximum liability of the Underwriter to the Issuer shall be the actual amount of its and its counsel and financial advisors fees and out-of-pocket expenses; provided, however, that the aggregate amount of such expenses for which the Underwriter shall be liable shall not exceed 1% of the principal amount of the Bonds (the lesser of the total of such expenses or such percentage being referred to herein as the "Maximum Amount"). When paid to the Issuer, the Maximum Amount shall serve as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and such Maximum Amount shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither the Issuer, nor any other person, shall have any further action for damages, specific performance or any other legal or equitable relief against the Underwriter.

10. Particular Covenants. The Issuer covenants and agrees with the Underwriter as follows:

(a) The Issuer shall, at the expense of the Obligor, cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under, or to cause such offer and sale of the Bonds to be exempt from any qualification or registration requirements under, the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Bonds to file a general written consent to suit or to file a general written consent to service of process in any jurisdiction or to qualify to do business in any jurisdiction. The Issuer consents to the use of a Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications. If a general consent to service of process or a general written consent to suit by the Issuer is required in order to successfully qualify the Bonds or to make such exemption available and, in the reasonable judgment of the Underwriter, lack of qualification would adversely affect the ability of the Underwriter to successfully market the Bonds, the Underwriter may, at its option, be relieved of the obligation to purchase the Bonds under this Bond Purchase Agreement unless the Issuer agrees in its sole discretion to file a general written consent to suit or service of process.

(b) The Issuer shall not take any action or knowingly permit any action to be taken on its behalf, or knowingly cause or permit any circumstances within its control to arise or continue, if such action or circumstance would result in the loss of the excludability for federal income tax purposes of the interest on the Bonds from gross income of the owners thereof.

11. Payment of Expenses. If the Bonds are sold to the Underwriter by the Issuer, the Obligor shall pay, any reasonable expenses incident to the performance of its and the Issuer's obligations hereunder, including but not limited to: (i) the cost of the preparation and distribution of the Issuer Documents and any and all such other agreements and documents as required to be executed, delivered and received by the Issuer pursuant hereto; (ii) the cost of the preparation, printing and distribution of the Preliminary Official Statement and the Official Statement, together with a number of copies which the Underwriter deems reasonable; (iii) the cost of the preparation and printing of the definitive Bonds; (iv) the fees and disbursements of Counsel to the Underwriter, Counsel to the Issuer, Bond Counsel, the Issuer's financial advisor, Counsel to the Obligor, the CPA and of any other experts or consultants retained by the Issuer or the Obligor, including the charges of the rating agency; (v) all advertising expenses in connection with the public offering of the Bonds; and (vi) all other reasonable customary expenses incurred by it in connection with its public offering and distribution of the Bonds. The fees and expenses shall be paid at the time of Closing.

If the Closing does not occur, the Obligor has agreed, pursuant to the Letter of Representation, to pay the Issuer's expenses as described above.

12. Miscellaneous.

(a) The headings herein are for convenience only and shall not affect the construction hereof.

(b) Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereunder to be made upon, given or furnished to, or filed with,

(1) the Issuer by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to the Issuer addressed to it at City of Venice, Florida, 401 West Venice Avenue, Venice, Florida 34285, Attention: City Attorney, or at any other address previously furnished in writing to the Underwriter by the Issuer, with a copy to Nabors, Giblin & Nickerson, P.A., 2502 Rocky Point Dr., Suite 1060, Tampa, FL 33607, Attention: Chris Traber;

(2) the Obligor by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, first class postage prepaid, to the Obligor addressed to it at Village On The Isle, 920 Tamiami Trail South, Venice, Florida 34285, or at any other address previously furnished to the Underwriter by the Obligor; or

(3) the Underwriter by any specified person shall be sufficient for every purpose hereunder if in writing and mailed, first-class postage prepaid, to B.C. Ziegler and Company, One North Wacker Drive, Suite 2000, Chicago, Illinois 60606, Attention: Daniel J. Herman, or at such other address previously furnished in writing to the Issuer by the Underwriter.

(c) All covenants and agreements in this Bond Purchase Agreement by the Underwriter and the Issuer shall bind their respective successors and assigns, whether so expressed or not.

(d) In case any provision in this Bond Purchase Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(e) Nothing in this Bond Purchase Agreement, express or implied, shall give to any Person, other than the parties hereto, and the successors of such parties hereunder, any benefit or any legal or equitable right, remedy or claim under this Bond Purchase Agreement.

(f) THIS BOND PURCHASE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, AND THE PARTIES AGREE THAT ANY ACTION ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS BOND PURCHASE AGREEMENT SHALL, TO THE EXTENT PERMITTED BY LAW, BE BROUGHT EXCLUSIVELY IN A COURT OF THE STATE OF FLORIDA LOCATED IN SARASOTA COUNTY, FLORIDA.

This Bond Purchase Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

[Signature page follows]

This written Bond Purchase Agreement represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

Very truly yours,

B.C. ZIEGLER AND COMPANY, as Underwriter

By: _____
Managing Director

Accepted and agreed to as of the date first above written:

CITY OF VENICE, FLORIDA

Attest:

By: _____
Mayor

By: _____
City Clerk

[SEAL]

Approved:

SOUTHWEST FLORIDA RETIREMENT CENTER, INC. D/B/A VILLAGE ON THE ISLE

By: _____
Authorized Officer

SCHEDULE/EXHIBIT LIST

SCHEDULE I

CITY OF VENICE, FLORIDA
RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS
(VILLAGE ON THE ISLE PROJECT), SERIES 2019

THE SERIES 2019 BONDS

Dated: Date of Delivery **Due: As shown below**

The Series 2019 Bonds will be issuable in fully registered form without coupons in minimum denominations of $5,000 and any integral multiple of $5,000 in excess thereof. Interest on the Series 2019 Bonds will be payable on each January 1 and July 1 of each year, commencing on July 1, 2020. The Series 2019 Bonds will be subject to redemption prior to maturity, as more fully described herein.

$_____ Serial Bonds

Maturity Date (January 1)	Principal Amount $	Interest Rate %	Yield %	Price	CUSIP No.

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP data is provided for convenience of reference only. The Issuer, the Obligor and the Underwriter take no responsibility for the accuracy of such numbers.

Optional Redemption Provisions

The Bonds are subject to optional redemption prior to maturity by the Issuer, at the written direction of the Obligor, on or after January 1, 20__, at any time as a whole or in part by lot (subject to the requirements of the Bond Indenture with respect to partial redemptions), at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Price
January 1, 20__ through December 31, 20__	103%
January 1, 20__ through December 31, 20__	102
January 1, 20__ through December 31, 20__	101
January 1, 20__ and thereafter	100

EXHIBIT A

LETTER OF REPRESENTATION AND INDEMNIFICATION

_____, 2019

City of Venice, Florida
401 West Venice Avenue
Venice, Florida 34285

B.C. Ziegler and Company
One South Wacker Drive
Suite 3080
Chicago, IL 60606

Ladies and Gentlemen:

The City of Venice, Florida (the "Issuer") proposes to issue its Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds") in the aggregate principal amount of $_____.

The Bonds are to be issued under and pursuant to, and are to be secured by, an Indenture of Trust, dated as of December 1, 2019 (the "Bond Indenture"), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A. (or its successor in interest), as bond trustee (the "Bond Trustee"). The Bonds are limited obligations of the Issuer payable solely out of the revenues derived from or in connection with the Loan Agreement, the Series 2019 Note and the Bond Indenture, all as described in the Official Statement.

The Bonds are to be sold by the Issuer pursuant to a Bond Purchase Agreement between the Issuer and B.C. Ziegler and Company (the "Underwriter"), dated the date hereof (the "Bond Purchase Agreement"). Unless the context requires otherwise, the capitalized terms not herein defined shall have the same meanings as set forth in the Bond Purchase Agreement.

Section 1. Representations and Warranties. In order to induce you to enter into the Bond Purchase Agreement and to make the offering of the Bonds therein contemplated, Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle (the "Obligor"), on behalf of itself and as Obligated Group Representative, hereby represents, warrants and agrees with each of you as follows:

a. Due Organization; Existence. The Obligor is a not-for-profit corporation duly incorporated, organized and existing under the laws of the State of Florida with full power and authority to own its properties and to operate its facilities as described in the Preliminary Official Statement (except as to statements contained in the Preliminary Official Statement that have been changed or supplemented in the Official Statement) and the Official Statement.

b. Authority. The Obligor has full right, power and authority to (a) execute and deliver the Obligor Documents; and (b) except as described in the Preliminary Official

Statement and the Official Statement, perform its obligations under, and carry out and consummate all other material transactions to which it is a party described in the Obligor Documents and the Official Statement.

c. Due Authorization. The Obligor has duly authorized all necessary action to be taken by it for its execution, delivery and performance of the Obligor Documents to which it is a party and any and all such other agreements and documents as may be required to be executed, delivered and received by the Obligor in order to carry out the transactions contemplated by such instruments and by the Official Statement.

d. Execution and Enforceability. On the date of Closing, the Obligor Documents will have been duly executed and delivered by or on behalf of the Obligor and assuming the due authorization, execution and delivery of such instruments by the other parties thereto, their power and authority to perform such instruments and, as to the Series 2019 Note, advances are made by the payee thereof to the Obligor or the Obligor otherwise incurs liabilities to the payee thereof pursuant to such, will constitute legal, valid and binding obligations of the Obligor enforceable in accordance with their respective terms, except that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency, reorganization or other similar laws of general application affecting the rights of creditors and general principles of equity.

e. No Conflicts. The execution and delivery by or on behalf of the Obligor of the Obligor Documents and the consummation of the transactions described in all of such instruments, will not conflict with or constitute on the part of the Obligor a breach or violation of any of the terms and provisions of, or constitute a default in any material respect under (i) any agreement, indenture, mortgage, lease, deed of trust, note or other instrument to which the Obligor is subject or by which the Obligor, or its properties are or may be bound, (ii) any existing constitution, law, court or administrative rule or regulation, decree, order or judgment, or (iii) the Articles of Incorporation or Bylaws of the Obligor.

f. No Adverse Actions. Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity by or before any court or public board or body pending to which it is a party or, to the knowledge of the Obligor, threatened against or affecting the Obligor (or, to the knowledge of the Obligor, any basis therefor) that in any way questions or challenges the powers of the Obligor referred to in Section 1(b) of this Letter of Representation, or the validity of any proceedings taken by the Obligor in connection with the issuance of the Bonds, or that might result in a material adverse change in the condition (financial or otherwise), operations or affairs of the Obligor, or wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions described in the Official Statement and the Obligor Documents, (ii) the validity or enforceability of the Obligor Documents or any other agreement or instrument to which the Obligor is a party and which is used or contemplated for use in the consummation of the transactions described in the Official Statement and the Obligor Documents, (iii) the exclusion from gross income of the interest of the Bonds for federal income tax purposes, or (iv) the status of the Obligor as a Florida not-for-profit corporation exempt from federal income taxation under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code.

g. No Defaults. The Obligor is not in breach of or in default under any agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it is bound, and no event has occurred or is continuing which, with passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, except (in each case) for such minor breaches, defaults or potential defaults or events of default, if any, which individually and in the aggregate would have no material adverse effect on the Obligor's financial condition, operations or properties.

h. Accuracy of Information. Except for "Permitted Omissions" (as defined in the Rule), the Preliminary Official Statement is hereby deemed final, as of its date, by the Obligor for purposes of the Rule; the Preliminary Official Statement (except as to statements contained in the Preliminary Official Statement that have been changed or supplemented in the Official Statement) does not and the Official Statement will not at the date thereof, 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; provided, however, that the Obligor makes no representation or warranty (i) to the Underwriter as to information contained in the Preliminary Official Statement or the Official Statement under the caption "UNDERWRITING," (ii) to the Issuer or the Underwriter as to information contained in the Preliminary Official Statement or the Official Statement under the captions "THE ISSUER" and "LITIGATION – Issuer," or (iii) to the statements in the Preliminary Official Statement or the Official Statement under the caption "TAX MATTERS" or in APPENDIX D thereto.

i. Financial Information. Except as set forth in the Preliminary Official Statement and the Official Statement, subsequent to the respective dates as of which information is given in the Preliminary Official Statement (except as to dates or information contained in the Preliminary Official Statement that have been changed in the Official Statement) and the Official Statement, the Obligor has not incurred any liabilities, direct or contingent, or entered into any transactions not in the ordinary course of its operation, that are material to its operations and the affairs of the Obligor, taken as a whole, and there has not been any material adverse change in the financial structure of the Obligor or any material change in the condition, results of operation or general affairs of the Obligor (financial or otherwise).

j. All Approvals. All material permits, consents, certificates, approvals or licenses necessary for the execution and delivery by the Obligor of the Obligor Documents, ownership and operation of Obligor's facilities and the Project (to the extent such permits, consents and approvals can be obtained at this time) and all other obligations of the Obligor described in the Official Statement required to be obtained as of the date hereof, have been obtained and the Obligor does not reasonably foresee any issue with obtaining any required permits, consents and approvals for the Project not already obtained.

k. Tax Exemption. The Obligor has been determined to be and is exempt from federal income tax under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code, and the Obligor has done nothing to impair its status as a

tax-exempt organization. Under existing law, the Obligor's income is not subject to any taxation imposed by the State of Florida or any political subdivision thereof.

l. Securities Laws. To the best of the knowledge of the Obligor, no action, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission has been taken, issued or made to the effect that the issue, offering or sale of the Bonds, or the execution, delivery and performance of the Issuer Documents or the Obligor Documents in the manner contemplated, is in violation or would be in violation, unless registered or otherwise qualified, of any provision of the Securities Act of 1933 or the Trust Indenture Act of 1939.

m. Title to Properties. The Obligor has, or will have by or on the date of Closing, good and indefeasible fee simple interest in the real property on which its operating facilities are constructed and good title to or indefeasible fee simple interest in its other assets. At the time of Closing, the real property on which the operating facilities of the Obligor are constructed will be free and clear of any material adverse claim, deed of trust, mortgage, lien, charge or encumbrance, except for the mortgage and security interest created under the Mortgage and Permitted Encumbrances referred to in the Obligor Documents and the other assets of the Obligor will be subject only to those material adverse claims, deeds of trust, mortgages, liens, charges or encumbrances created under the Mortgage, Permitted Encumbrances, and as may be otherwise disclosed in the Official Statement.

n. Bringdown. Any certificate signed by an authorized officer of the Obligor delivered to the Issuer or the Underwriter shall be deemed a representation and warranty by the Obligor as to the statements made therein.

Section 2. Special Covenants. The Obligor covenants and agrees with the Issuer and with the Underwriter as follows:

a. Amendments and Supplements to Disclosure Materials. During such period as the Underwriter believes delivery of the Official Statement is necessary or desirable in connection with the initial distribution of the Bonds (but not less than 90 days following the date of the Closing described in the Bond Purchase Agreement), if any event shall occur within the Obligor's knowledge as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements of material fact therein, in light of the circumstances under which they were made when the Official Statement is delivered to a prospective purchaser, not misleading, the Obligor will promptly notify the Underwriter of the occurrence of such event and will cooperate in the preparation of a revised Official Statement or amendments or supplements to the Official Statement so that the statements of material fact in the Official Statement, as revised, or the Official Statement, as so amended or supplemented, will not, in light of the circumstances under which they were made when such Official Statement is delivered to a prospective purchaser, be misleading.

b. Blue Sky Qualification. The Obligor will cooperate with the Underwriter and its counsel in any endeavor to qualify the Bonds for offering and sale under, or to cause such offer and sale of the Bonds to be exempt from any qualification or registration

requirement under, the securities or "Blue Sky" laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Obligor shall not be required to file a general or special consent to suit or service of process in any jurisdiction.

c. Application of Proceeds. The Obligor shall not take any action or omit to take any action required to be taken by it that will in any way cause the proceeds from the sale of the Bonds to be applied or result in their being applied in a manner other than as provided in the Official Statement, the Issuer Documents and the Obligor Documents.

d. Preservation of Tax Status. Between the date hereof and the date of Closing, the Obligor shall not take any action or permit any action within its control to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance would result in (i) the loss of exclusion of the interest on the Bonds from gross income for federal income tax purposes, (ii) the loss by the Obligor of its tax-exempt status under the Code, or (iii) the taking by the Internal Revenue Service of formal action inconsistent with the continued validity and effectiveness of any determination letter previously received by the Obligor from the Internal Revenue Service.

e. Preservation of Representations and Warranties. Between the date hereof and the date of the Closing, the Obligor will not take any action that would cause the representations and warranties contained in Section 1 to be untrue on the date of the Closing. On the date of the Closing, the Obligor shall deliver or cause to be delivered all opinions, certificates and other documents to be delivered by it or on its behalf as provided for in the Bond Purchase Agreement, and to deliver such additional certificates and other documents as the Underwriter may reasonably request to evidence performance of or compliance with the provisions of this Letter of Representation and its obligations contemplated by the Official Statement and under the Issuer Documents and the Obligor Documents, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

Section 3. Indemnification.

a. **IN ADDITION TO ANY LIABILITY THAT THE OBLIGOR MIGHT OTHERWISE HAVE, THE OBLIGOR AGREES TO INDEMNIFY AND HOLD HARMLESS TO THE FULLEST EXTENT PERMITTED BY LAW THE ISSUER, THE UNDERWRITER, EACH OFFICER, DIRECTOR OR EMPLOYEE OF THE ISSUER AND THE UNDERWRITER AND EACH PERSON, IF ANY, WHO CONTROLS THE UNDERWRITER OR THE ISSUER WITHIN THE MEANING OF SECTION 20 OF THE SECURITIES EXCHANGE ACT OF 1934 OR SECTION 15 OF THE SECURITIES ACT OF 1933 (COLLECTIVELY, THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL LOSSES, CLAIMS, DAMAGES OR LIABILITIES (OR ACTIONS WITH RESPECT THERETO) TO THIRD PARTIES THAT ARISE OUT OF OR ARE BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT, OR ARISE OUT OF OR ARE BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE THEREIN A**

MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS THEREIN, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING IN ANY MATERIAL RESPECT; PROVIDED, HOWEVER, THAT (A) WITH RESPECT TO THE OBLIGOR'S LIABILITY TO THE UNDERWRITER, ANY OFFICER, DIRECTOR OR EMPLOYEE OF THE UNDERWRITER OR ANY PERSON CONTROLLING THE UNDERWRITER, THIS INDEMNITY AGREEMENT SHALL NOT APPLY TO ANY SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR ACTIONS ARISING OUT OF OR BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT UNDER THE CAPTIONS "UNDERWRITING," "THE ISSUER" AND "LITIGATION – ISSUER" OR ARISING OUT OF OR BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE UNDER SUCH CAPTIONS A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS UNDER SUCH CAPTIONS, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING, AND (B) WITH RESPECT TO THE OBLIGOR'S LIABILITY TO THE ISSUER, ANY OFFICER, DIRECTOR OR EMPLOYEE OF THE ISSUER OR ANY PERSON CONTROLLING THE ISSUER, THIS INDEMNITY AGREEMENT SHALL NOT APPLY TO ANY SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR LITIGATION ARISING OUT OF OR BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF A MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY PRELIMINARY OFFICIAL STATEMENT UNDER THE CAPTIONS "THE ISSUER" OR "LITIGATION – ISSUER" OR ARISING OUT OF OR BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE UNDER SUCH CAPTION A MATERIAL FACT NECESSARY TO MAKE THE STATEMENTS UNDER SUCH CAPTION, IN LIGHT OF THE CIRCUMSTANCES UNDER WHICH THEY WERE MADE, NOT MISLEADING.

b. If any action shall be brought against one or more of the Indemnified Parties with respect to which indemnity may be sought against the Obligor, such Indemnified Parties shall promptly notify the Obligor in writing and the Obligor shall, to the fullest extent permitted by law, promptly assume the defense thereof, including the selection of and employment of counsel reasonably acceptable to the Issuer, and the payment of all expenses of conducting such defense, but shall not have the right to negotiate the settlement thereof without the consent of the Indemnified Party, such consent not to be unreasonably withheld. The Obligor shall not be liable for any settlement of any such action effected without its consent. Each Indemnified Party shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but (i) in such case, the Obligor shall control such defense, and (ii) the fees and expenses of such counsel shall be paid by such Indemnified Party unless (A) the employment of such counsel has been specifically authorized by the Obligor, in writing, (B) the Obligor has failed within a reasonable time after receipt of notice of such action in accordance with this Section 3 to assume the defense and to employ counsel, or (C) the named parties to any such action (including any impleaded parties) include both an Indemnified Party and the Obligor, and the Indemnified Party shall have been advised in a written opinion of counsel that there

may be one or more legal defenses available to it which are different, adverse to or in conflict with those available to the Obligor (in which case, if such Indemnified Party notifies the Obligor in writing that it elects to employ separate counsel at the Obligor's expense, the Obligor shall not have the right to assume the defense of the action on behalf of such Indemnified Party; provided, however, that the Obligor shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Parties).

c. To the extent the indemnification provided for in Paragraph a. of this Section 3 is unavailable to an Indemnified Party or insufficient with respect to any losses, claims, damages or liabilities referred to therein, then the Obligor, in lieu of indemnifying such Indemnified Party thereunder, shall, to the fullest extent permitted by law, contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefits received by the Indemnified Party or Parties on the one hand and the Obligor on the other hand in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Obligor on the one hand and the Underwriter on the other hand shall be deemed to be in such proportion so that the Underwriter is responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriter hereunder (*i.e.,* the excess of the aggregate public offering price for the Bonds as set forth on the inside cover page of the Official Statement over the price to be paid by the Underwriter to the Issuer upon delivery of the Bonds as specified in Section 1 hereof) bears to the aggregate public offering price as described above, and the Obligor is responsible for the balance. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Obligor on the one hand or the Underwriter on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The Obligor, the Issuer and the Underwriter agree that it would not be just and equitable if contribution pursuant to this subsection (c) were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to above in this subsection (c).

d. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in this Section 3 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified party at law or in equity.

Section 4. Payment of Expenses. As provided in Section 11 of the Bond Purchase Agreement, all fees and expenses of the Issuer and the Obligor shall be paid by the Obligor at the time of Closing and delivery of the Bonds. In the event that, for any reason, the Bonds are not purchased by the Underwriter as provided in Section 7 of the Bond Purchase Agreement, all expenses and costs of the Issuer (including the fees and expenses of its counsel and financial advisors) incident to the performance of its obligations in connection with the authorization, sale and delivery of the Bonds to the Underwriter, specifically including, without limiting the generality of the foregoing, the cost of printing or reproducing the Preliminary Official Statement, the Official Statement, the blue sky and legal investment memorandum, the Issuer Documents and the Obligor Documents, and all ancillary papers, rating agency fees, fees and expenses of Counsel to the Underwriter, Counsel to the Obligor, the CPA and any other fees and expenses incurred in connection with the Bonds under applicable state securities laws and legal investment survey, shall be paid by the Obligor.

In addition, if the Closing does not occur as a result of the failure of the Obligor to meet its obligations hereunder, the Obligor agrees to pay all expenses incurred by the Underwriter in connection with its proposed purchase and sale of the Bonds, including fees and expenses of Counsel to the Underwriter.

Section 5. Survival of Representations and Warranties. All representations, warranties, covenants and agreements contained in this Letter of Representation or contained in certificates of officers of the Obligated Group Members submitted pursuant hereto or pursuant to the Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter, or any other person, and shall survive (i) delivery of the Bonds to the Underwriter and payment by the Underwriter therefor pursuant to the Bond Purchase Agreement, (ii) any termination of the Bond Purchase Agreement by the Underwriter pursuant to the provisions thereof, or (iii) any failure on the part of the Issuer to satisfy any condition to the obligations of the Underwriter specified in the Bond Purchase Agreement, which failure results in a refusal by the Underwriter to purchase and pay for the Bonds.

Section 6. Miscellaneous.

a. The headings herein are for convenience only and shall not affect the construction hereof.

b. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereunder to be made upon, given or furnished to, or filed with, the Issuer, the Obligor or the Underwriter by any specified Person shall be sufficient for every purpose hereunder if in writing and mailed, certified mail, return receipt requested, postage prepaid, to the Issuer, the Obligor or the Underwriter, as the case may be, addressed to it at the address set out in the Bond Purchase Agreement, or at any other address previously furnished in writing by the Issuer to the other parties hereto.

c. All covenants and agreements in this Letter of Representation by the Obligor, the Underwriter and the Issuer shall bind their respective successors and assigns, whether so expressed or not.

d. In case any provision in this Letter of Representation shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

e. Nothing in this Letter of Representation, express or implied, shall give to any Person, other than the parties hereto, and their successors hereunder, any benefit or any legal or equitable right, remedy or claim under this Letter of Representation.

f. THIS LETTER OF REPRESENTATION SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA, AND THE PARTIES AGREE THAT ANY ACTION ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS LETTER OF REPRESENTATION SHALL, TO THE EXTENT PERMITTED BY LAW, BE BROUGHT EXCLUSIVELY IN A COURT OF THE STATE OF FLORIDA LOCATED IN SARASOTA COUNTY, FLORIDA.

This Letter of Representation may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

This written Letter of Representation represents the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

There are no unwritten oral agreements between the parties.

[Signature page follows]

If the foregoing is in accordance with your understanding of the agreement between us, please sign and return to the Obligor a duplicate of this Letter of Representation whereupon this will constitute a binding agreement with the Obligor in accordance with the terms hereof.

Very truly yours,

SOUTHWEST FLORIDA RETIREMENT CENTER, INC. d/b/a VILLAGE ON THE ISLE

By: _____
Authorized Officer

Accepted and confirmed as of the date first above written:

B.C. ZIEGLER AND COMPANY

By: _____
Managing Director

Accepted and confirmed as of the date first above written:

CITY OF VENICE, FLORIDA

Attest:

By: _____ By: _____
Mayor City Clerk

[SEAL]

EXHIBIT B

FORM OF UNDERWRITER'S ISSUE PRICE CERTIFICATE

**$_____*
CITY OF VENICE, FLORIDA
Retirement Community Revenue Improvement Bonds
(Village On The Isle Project), Series 2019**

The undersigned, on behalf of B.C. Ziegler and Company ("Ziegler") hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (collectively, the "Bonds").

[Select appropriate provisions below:**]**

1. **[***Alternative 1*[1] *– All Maturities Use General Rule:* Sale of the Bonds. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule II.**]** **[***Alternative 2*[2] *– Select Maturities Use General Rule:* Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule II.**]**

2. Initial Offering Price of the **[**Bonds**][**Hold-the-Offering-Price Maturities**]**. (a) **[***Alternative 1*[3] *– All Maturities Use Hold-the-Offering-Price Rule:* Ziegler offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule II (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule III**] [***Alternative 2*[4] *– Select Maturities Use Hold-the-Offering-Price Rule:* Ziegler offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule II (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule III.**]**

(b) **[***Alternative 1 – All Maturities use Hold-the-Offering-Price Rule:* As set forth in the Bond Purchase Agreement, dated _____, 2019, among Ziegler, the Issuer and the Borrower, Ziegler has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any

[1] If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

[2] If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

[3] If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

[4] Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. **[***Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule:* As set forth in the Bond Purchase Agreement, dated _____, 2019, among Ziegler, the Issuer and the Borrower, Ziegler has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms. (a) "*Borrower*" means Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation that owns and operates a continuing care retirement community located in Venice, Florida.

[(b) "*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule II hereto as the "General Rule Maturities."**]**

[(c) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule II hereto as the "Hold-the-Offering-Price Maturities."**]**

[(d) "*Holding Period*" means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which Ziegler has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.**]**

(e) "*Issuer*" means the City of Venice, Florida.

(f) "*Maturity*" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(g) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(h) "*Sale Date*" means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

(i) "*Underwriter*" means (i) 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 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 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 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents B.C. Ziegler and Company's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Regulatory Agreement and No Arbitrage Certificate, dated as of December 1, 2019, between the Borrower and the Issuer with respect to the Bonds, and with respect to compliance with the federal income tax rules affecting the Bonds, and by Nabors, Giblin & Nickerson, P.A. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Issuer and the Borrower from time to time relating to the Bonds.

[Signature page follows]

B.C. ZIEGLER AND COMPANY

By:_____
Managing Director

Dated: _____, 2019

SCHEDULE II

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

EXHIBIT C

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

_____, 2019

B.C. Ziegler and Company
St. Petersburg, Florida

Re: $_____ City of Venice, Florida
Retirement Facility Revenue Improvement Bonds
(Village on the Isle Project), Series 2019

Ladies and Gentlemen:

We have served as Bond Counsel to City of Venice (the "Issuer") in connection with the issuance and sale of its $_____ City of Venice, Florida Retirement Facility Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds"), to B.C. Ziegler and Company (the "Underwriter") pursuant to the Bond Purchase Agreement dated _____, 2019 between the Issuer and the Underwriter (the "Purchase Agreement") and we have participated in various proceedings related thereto. Capitalized terms used herein which are defined in said Purchase Agreement shall have the meanings specified therein.

We have examined, among other things, the Act, the Bond Resolution, the proceedings of the Issuer with respect to the authorization and issuance of the Bonds, the Official Statement and the Purchase Agreement, and have made such other examination of applicable Florida and other laws as we have deemed necessary in giving this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Bond Resolution and the Purchase Agreement, the certified proceedings and other certifications of public officials furnished to us, and certifications furnished to us by or on behalf of the Issuer, without undertaking to verify the same by independent investigation.

Based on the foregoing, under existing law, we are of the opinion that:

(a) The Bonds are not subject to the registration requirement of the Securities Act of 1933, as amended, and the Bond Resolution and the Indenture are exempt from qualification under the Trust Indenture Act of 1939, as amended.

(b) The information contained in the Official Statement for the Bonds dated _____, ____ (the "Official Statement") under the captions "SUMMARY STATEMENT - Security and Sources of Payment for the Bonds," "INTRODUCTION," " THE BONDS", "REDEMPTION PROVISIONS FOR THE BONDS" (other than the financial, statistical and demographic information included therein, as to all of which no opinion is expressed) and "SECURITY FOR THE BONDS" insofar as such statements purport to be summaries of certain provisions of the

Bonds, the Master Indenture, the Bond Indenture, the Loan Agreement, Series 2019 Note and the Bond Resolution, constitute a fair summary of the information purported to be summarized therein. The statements in the Official Statement on the cover relating to our opinion and under the caption "TAX MATTERS" are accurate statements or summaries of the matters therein set forth. It should be noted that such summaries do not purport to summarize all of the provisions of, and are qualified in their entirety by, the complete documents or provisions which are summarized. We express no opinion as to the information contained in the Official Statement other than as provided in paragraph (b) above. The opinions expressed herein are predicated upon present law, facts and circumstances, and we assume no affirmative obligation or duty to update the opinions expressed herein if such laws, facts or circumstances change after the date hereof.

Of even date herewith we have delivered our approving opinion with respect to the Bonds. This letter shall confirm that you may rely on such opinion as if it were addressed to you; provided, however, no attorney-client relationship has existed or exists between our firm and you in connection with the Bonds and by virtue of this opinion letter or our Bond Counsel Opinion.

We are furnishing this letter to you, as Underwriter of the Bonds, solely for your benefit. The letter is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

EXHIBIT D

MATTERS TO BE COVERED IN OPINION OF COUNSEL TO ISSUER

_____, 2019

City of Venice, Florida

Nabors, Giblin & Nickerson, P.A.
Tampa, Florida

The Bank of New York Mellon
Trust Company, N.A., as trustee
Jacksonville, Florida

B.C. Ziegler and Company
St. Petersburg, Florida

Southwest Florida Retirement
Center, Inc.
Venice, Florida

Re: $_____ City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project), Series 2019

Ladies and Gentlemen:

I am the City Attorney for the City of Venice, Florida (the "Issuer") and am furnishing this opinion to you in connection with the issuance and sale by the Issuer of its $_____ City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds").

All terms used herein in capitalized form and not otherwise defined herein shall have the same meanings as ascribed to them under Resolution No. 2019-___ of the Issuer adopted on November ___, 2019 (the "Resolution"), the Indenture of Trust dated as of December 1, 2019 (the "Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as trustee (in such capacity, the "Bond Trustee"), and the Loan Agreement (the "Agreement"), between the Issuer and Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Borrower"), dated as of December 1, 2019.

In connection with this opinion, I have examined the following:

(j) the Resolution;

(k) the Agreement;

(l) the Southwest Florida Retirement Center, Inc. Series 2019 Note dated December ___, 2019, from the Borrower to the Issuer and assigned by the Issuer to the Bond Trustee (the "Series 2019 Note") issued by the Borrower under the terms of a Master Trust Indenture dated as of November 1, 2016, between the Borrower and The Bank of

New York Mellon Trust Company, N.A. (as successor to Wells Fargo Bank, N.A.), as trustee;

(m) a specimen of the Bonds;

(n) the Indenture;

(o) the Bond Purchase Agreement dated _____, 2019 (the "Bond Purchase Agreement"), among B.C. Ziegler and Company, the Borrower and the Issuer;

(p) [the Tax Regulatory Agreement and No Arbitrage Certificate dated December ___, 2019 (the "Tax Agreement"), between the Issuer and the Borrower;]

(q) the UCC Financing Statement from the Issuer naming the Bond Trustee as a secured party (the "Financing Statement");

(r) an affidavit of publication from **[***The Sarasota Harold-Tribune***]** dated _____, 2019, concerning a notice of a public hearing held by the City of Venice, Florida and Industrial Development Revenue Bond Citizens Advisory Committee on _____, 2019;

(s) the Official Statement dated _____, 2019, with respect to the Bonds (the "Official Statement"); and

(t) such other public records, documents and proceedings as I have deemed relevant and necessary in rendering this opinion.

Based on the foregoing, I am of the opinion that:

1. The Issuer is a municipal corporation of the State of Florida, duly created and validly existing under the Constitution and laws of the State of Florida and has full legal right, power and authority to adopt and perform its obligations under the Resolution, and to authorize, execute and deliver and to perform its obligations under the Bonds and the Agreement, the Indenture, the Bond Purchase Agreement and [the Tax Agreement] (collectively, the "Issuer Documents").

2. The Issuer has lawful authority to lend funds to the Borrower for the purposes described in the Agreement and the Resolution in accordance with the terms of the Agreement to accept the Series 2019 Note from the Borrower, to assign the same to the Bond Trustee and to assign certain of its rights under the Agreement to the Bond Trustee under the Indenture to secure the Bonds.

3. The Issuer has the right and power to adopt the Resolution, and the Resolution has been duly adopted by the Issuer and is in full force and effect as of the date hereof in the form in which adopted.

4. The Issuer has the right, power and authority to issue and sell the Bonds and the Bonds have been duly and validly authorized and issued in accordance with the laws of the State

of Florida, including the Act. The Bonds are legal, valid and binding obligations of the Issuer enforceable in accordance with their terms and the terms of the Indenture and are entitled to the benefits of the Indenture and the Act. The Bonds are special limited obligations of the Issuer payable solely from the payments made by the Borrower pursuant to the Agreement and the Note and other moneys in the funds and accounts held under the Indenture, all as provided in the Agreement and the Indenture. Neither the general credit nor taxing power of the State of Florida or any political subdivision thereof, including the Issuer, is pledged for the payment of the principal of, premium, if any, or interest on, the Bonds.

5. The Issuer Documents and the assignment of the Series 2019 Note have been duly and lawfully authorized, executed and delivered by the Issuer and the Financing Statement has been duly authorized and delivered by the Issuer and, assuming due execution by the other parties thereto, the Issuer Documents are legal, valid and binding agreements of the Issuer, enforceable as to the Issuer in accordance with their respective terms.

6. A public hearing was duly held by the City of Venice, Florida on November ___, 2019, concerning the issuance of the Bonds after giving public notice at least seven (7) days in advance of such hearing in a newspaper of general circulation in the City of Venice, Florida.

7. To the best of my knowledge 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 threatened against or affecting the Issuer seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, questioning or affecting the validity or enforceability against the Issuer of the Bonds, the Issuer Documents or the Issuer's proceedings or authority under which the Bonds are being issued, contesting the creation, organization or existence of the Issuer, questioning the right of the Issuer to enter into the Issuer documents, secure the Bonds as provided in the Bond Indenture, or to loan the proceeds of the Bonds under the Agreement or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Agreement and the Note or the validity or enforceability of the Bonds or the Issuer Documents.

8. No approval or other action is required by any governmental authority or agency in connection with the execution by the Issuer of the Bonds or the Issuer Documents which has not already been obtained or taken, except that the offer and sale of the Bonds in certain jurisdictions may be subject to the provisions of the Blue Sky or state securities laws of such jurisdictions.

9. The execution and delivery by the Issuer of the Bonds and the Issuer Documents, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or any court order or consent decree, or, to the best of my knowledge, any existing law or administrative regulation.

10. Based upon my participation in the preparation of the Official Statement, in my capacity as counsel to the Issuer, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements in the Official Statement, as of the date hereof, nothing has come to my attention to cause me to believe that, as of its date and as of the date hereof, the statements in the Official Statement under the captions “THE ISSUER,”

"LITIGATION – Issuer" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the Issuer), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein to make the statements therein concerning the Issuer, in light of the circumstances under which they were made, not misleading.

11. The Issuer has duly approved the distribution of the Official Statement.

The opinions set forth herein as to the enforceability of the legal obligations of the Issuer are subject to and limited by (i) bankruptcy, insolvency, reorganization, moratorium and similar laws, in each case relating to or affecting the enforcement of creditors' rights generally, and (ii) other general principles of equity. No opinion is expressed herein as to compliance with State or federal securities laws.

Very truly yours,

EXHIBIT E-1

MATTERS TO BE COVERED IN OPINION OF BUTLER SNOW LLP AS CO-COUNSEL TO OBLIGOR

(to be addressed to Obligor, Issuer, Bond Trustee, Master Trustee, Bond Counsel, Underwriter and Underwriter's Counsel)

_____, 2019

Re: $_____ City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project), Series 2019 (the "**Bonds**")

Ladies and Gentlemen:

In connection with the issuance of the Bonds on this date, we have acted as special counsel to Southwest Florida Retirement Center, Inc., a Florida not for profit corporation, d/b/a Village On The Isle (referred to herein as the "Obligor").

The Bonds are being sold pursuant to the Bond Purchase Agreement, dated as of _____, 2019 (the "Bond Purchase Agreement"), by B.C. Ziegler and Company (the "Underwriter") in favor of City of Venice, Florida (the "Issuer"), and the Obligor, and issued pursuant to the Indenture of Trust (the "Indenture") dated as of December 1, 2019 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as the bond trustee (the "Bond Trustee").

The Bonds are being issued for the purpose of providing funds to (i) reimburse itself for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor as more particularly described herein (the "Project"), (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuing the Bonds.

This opinion is given in accordance with the Bond Purchase Agreement and at the request and with the consent of the Obligor. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Transaction Documents, as hereinafter defined, unless the context clearly requires to the contrary.

This opinion letter is limited to matters expressly stated herein. No opinions are to be inferred or implied beyond the opinions expressly so stated.

In connection with rendering the opinions set forth in this opinion letter, we have reviewed originals or copies of the following documents and instruments (collectively, the "Transaction Documents"):

1. Bond Purchase Agreement;

2. Bond Indenture;

3. Master Trust Indenture (the "**Master Trust Indenture**") dated as of November 1, 2016, between the Obligor and The Bank of New York Mellon Trust Company, N.A., successor in interest to Wells Fargo Bank, N.A., as Master Trustee ("**Master Trustee**");

4. Supplemental Indenture Number 1 dated as of November 1, 2016, between the Obligor and the Master Trustee ("**Supplement No. 1**");

5. Supplemental Indenture Number 2 dated as of December 1, 2017, between the Obligor and the Master Trustee ("**Supplement No. 2**");

6. Supplemental Indenture Number 3 dated as of December 21, 2017, between the Obligor and the Master Trustee ("**Supplement No. 3**");

7. Supplemental Indenture Number 4 dated as of December 1, 2019 ("**Supplement No. 4,**") and together with the Master Trust Indenture, Supplement No. 1, Supplement No. 2 and Supplement No. 3, the "**Master Indenture**");

8. Loan Agreement;

9. "Southwest Florida Retirement Center, Inc., Series 2019 Note" securing the Bonds (the "**Note**");

10. [Tax Regulatory Agreement and No-Arbitrage Certificate, dated as of December ___, 2019, among the Issuer, the Obligor and the Bond Trustee;] and

11. Continuing Disclosure Certificate dated as of December ___, 2019, of the Obligor.

In addition, in connection with rendering the opinions set forth in this opinion letter, we have reviewed originals or executed copies of the following other documents (the "**Other Documents**"):

1. Closing Certificate of the Obligor dated as of _____, 2019;

2. Preliminary Official Statement dated _____, 2019;

3. Official Statement dated _____, 2019;

4. Second Amended and Restated Articles of Incorporation of the Obligor filed with the Florida Secretary of State on _____, _____;

5. Amended Bylaws of the Obligor;

6. Electronic Certificate of Status for the Obligor issued _____, 2019, by the Secretary of State for the State of Florida;

7. Resolution of the Board of Trustees of the Obligor dated _____, 2019, and Motion for Approval by the Executive Committee of the Board of Trustees of the Obligor dated _____, 2019, authorizing or ratifying the Transaction Documents to which Obligor is a party;

8. Internal Revenue Service ("IRS") Determination Letter dated September 12, 2001 (the "Determination Letter") confirming that the Obligor is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and that the Obligor is not classified as a private foundation within the meaning of Section 509(a) of the Code; and

9. Certificate to Counsel dated _____, 2019, executed by Obligor in favor of Butler Snow LLP and Graham Legal Group, PLLC (the "**Certificate to Counsel**").

For purposes of rendering the opinions contained in this opinion letter, we have not reviewed any documents other than the documents listed above. We have also not reviewed any documents that may be referred to in or incorporated by reference into any of the documents listed above. We note that, except as specifically provided herein, we have been retained to act solely as special counsel to the Obligor in connection with the issuance of the Bonds contemplated by the Transaction Documents. We are not regular counsel to the Obligor and are not generally informed as to its business affairs.

With your consent, we have relied upon, and assumed the accuracy of, the representations and warranties contained in the Transaction Documents supplied to us by the Obligor with respect to the factual matters set forth therein. However, no opinion is rendered hereunder as to the accuracy of the representations or warranties contained in the Transaction Documents.

We have, with your consent, assumed that certificates of public officials dated earlier than the date of this opinion letter remain accurate from such earlier date through and including the date of this opinion letter.

In rendering the opinions set forth herein, we have relied, without investigation, on each of the following assumptions: (i) the legal capacity of each natural person to take all actions required of each such person in connection with the Transaction Documents; (ii) the legal existence of each party to the Transaction Documents, other than the Obligor; (iii) the power of each party to the Transaction Documents, other than the Obligor, to execute, deliver and perform all Transaction Documents executed and delivered by such party and to do each other act done, or to be done, by such party; (iv) the authorization, execution and delivery by each party, other than the Obligor, of each Transaction Document executed and delivered or to be executed and delivered by such party; (v) the validity, binding effect and enforceability as to each party, other than the Obligor (and with respect to the Obligor only to the extent expressly provided in this opinion letter), of each Transaction Document executed and delivered by such party or to be executed and delivered and of each other act done or to be done by such party; (vi) there have been no undisclosed modifications of any provision of any document reviewed by us in connection with the rendering of this opinion letter and no undisclosed prior waiver of any right or remedy contained in any of the Transaction Documents; (vii) the genuineness of each signature, the completeness of each document submitted to us, the authenticity of each document reviewed by us as an original, the conformity to the original of each document reviewed by us as a copy and the authenticity of the original of each document received by us as a copy; (viii) the truthfulness of each statement as to all factual matters otherwise not known to us to be untruthful or unreliable contained in any document encompassed within the diligence review undertaken by us; (ix) each certificate or other document issued by a public authority is accurate, complete and authentic as of the date of the opinion letter, and all official public records (including their proper indexing and filing) are accurate and complete; (x) each recipient of the opinion letter has acted in good faith without notice

of any defense against enforcement of rights created by, or adverse claim to any property or security interest transferred or created as part of, the Transaction Documents, and has complied with all laws applicable to it that affect the Bonds and the Transaction Documents; (xi) the Transaction Documents and the conduct of the parties to the Transaction Documents comply with any requirement of good faith, fair dealing and conscionability; (xii) routine procedural matters such as service of process or qualification to do business in the relevant jurisdiction(s) will be satisfied by the parties seeking to enforce the Transaction Documents; (xiii) agreements (other than the Transaction Documents as to which opinions are being rendered) and judgments, decrees and orders reviewed in connection with rendering the opinions will be enforced as written; (xiv) no discretionary action (including a decision not to act) that is permitted in the Transaction Documents will be taken by or on behalf of the Obligor in the future that might result in a violation of law or constitute a breach of or default under any of the Obligor's respective other agreements or under any applicable court order; (xv) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement, modify or qualify the terms of the Transaction Documents or the rights of the parties thereunder; and (xvi) with respect to the Bonds and the Transaction Documents, including the inducement of the parties to enter into and perform their respective obligations thereunder, there has been no mutual mistake of fact or undue influence and there exists no fraud or duress.

Based upon and subject to the foregoing, and subject to the assumptions, limitations and qualifications contained herein, we are of the opinion that:

a. The Obligor (a) has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "**Code**"); (b) is exempt from federal income taxes under Section 501(a) of the Code and, to the best of our information, knowledge and belief, after due inquiry, is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain such status; (c) is not a private foundation described in Section 509(a) of the Code; and (d) is organized and operated such that no part of its net earnings will inure to the benefit of any person, private stockholder or individual. To the best of our knowledge, after due inquiry, and also based on the Certificate to Counsel attached hereto, the Obligor has not taken any action and has not failed to take any action which would impair such status, and the Obligor will not, as a result of the transactions contemplated by the Transaction Documents or the Official Statement, use any of its facilities in any activity constituting an unrelated trade or business within the meaning of Section 513(a) of the Code.

b. As counsel to the Obligor, we have rendered legal advice and assistance to the Obligor in connection with the review of the Official Statement. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, reviews of responses to such inquiries and reviews of certain records, documents and proceedings. We have also corresponded with and held telephone conversations and conferences with representatives of the Obligor, representatives of the Underwriter and its counsel and Bond Counsel. In the course of such correspondence, discussions, conversations, conferences and telephone conferences, the contents of portions of the Official Statement and related matters were discussed and revised. Subject

to the qualifications set forth below, on the basis of the information which was developed on the course of rendering the legal advice and assistance, and in the course of the correspondence, discussions, conversations, conferences and telephone conferences referred to above, but without having undertaken to determine independently the accuracy and completeness of, or to verify the information contained in, the Official Statement, nothing has come to our attention which would lead us to believe that the statements contained in the Official Statement relating to the Obligor and to the Community (as defined in the Official Statement) (including such information contained in the Official Statement under the captions "THE OBLIGOR AND THE COMMUNITY," "RISK FACTORS" (as it relates to the Obligor), "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the Obligor), "LITIGATION — Obligor," "FINANCIAL REPORTING AND CONTINUING DISCLOSURE" and in Appendix A to the Official Statement) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In expressing the beliefs set forth in this paragraph, we express no view with respect to any financial, technical, statistical, appraisal or demographic data, forecasts or expressions of opinion included or incorporated by reference in the Official Statement or the Appendices thereto including, but not limited to, the financial statements of the Obligor contained in the Official Statement and any excerpts or summaries thereof contained in the Official Statement. We express no view as any information relating to the Issuer, the information in Appendices D, E and F to the Official Statement, and the information contained under the caption "TAX MATTERS".

c. Registration of the Note under the Securities Act of 1933, as amended, and qualification of Supplemental Indenture Number 4 under the Trust Indenture Act of 1933, as amended, is not required.

We do not express any opinion as to the laws of any jurisdiction other than the United States of America.

This letter is furnished only to you and is solely for the benefit of the addressees in connection with the transactions referenced in the first paragraph. The foregoing opinions may be relied on by the addressees but may not be relied upon by any other party. This letter may not be relied upon by the addressees for any other purpose, or furnished to, assigned to, quoted to or relied upon by any other person, firm or entity for any purpose, without our prior written consent, which may be granted or withheld in our discretion.

This letter speaks only as of the date hereof. We have no responsibility or obligation to update this letter, to consider its applicability or correctness to other than its addressee(s), or to take into account changes in law, facts or any other developments of which we may later become aware, and any such reliance by a future assignee must be actual and reasonable under the circumstances existing at the time of assignment, including any changes in law, facts or any other developments known to or reasonably knowable by the assignee at such time.

Very truly yours,

Butler Snow LLP

EXHIBIT E-2

MATTERS TO BE COVERED IN OPINION OF GRAHAM LEGAL GROUP, PLLC AS CO-COUNSEL TO OBLIGOR

(to be addressed to Obligor, Issuer, Bond Trustee, Master Trustee, Bond Counsel, Underwriter and Underwriter's Counsel)

_____, 2019

Re: $_____ City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project), Series 2019 (the "**Bonds**")

Ladies and Gentlemen:

In connection with the issuance of the Bonds on this date, we have acted as special counsel to Southwest Florida Retirement Center, Inc., a Florida not-for-profit corporation, d/b/a Village On The Isle (referred to herein as the "**Obligor**").

The Bonds are being sold pursuant to the Bond Purchase Agreement, dated as of _____, 2019 (the "**Bond Purchase Agreement**"), among B.C. Ziegler and Company (the "**Underwriter**") City of Venice, Florida (the "**Issuer**"), and the Obligor, and issued pursuant to the Indenture of Trust (the "**Indenture**") dated as of December 1, 2019 (the "**Bond Indenture**"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "**Bond Trustee**"). The proceeds from the sale of the Bonds will be loaned to the Obligor pursuant to a Loan Agreement dated as of December 1, 2019 (the "**Loan Agreement**") between the Issuer and the Obligor.

The Bonds are being issued for the purpose providing funds to (i) reimburse itself for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor as more particularly described herein (the "Project"), (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuing the Bonds. However, the foregoing does not constitute an opinion that may be relied upon, for any purpose, in this letter.

This opinion is given in accordance with the Bond Purchase Agreement and at the request and with the consent of the Obligor. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Indenture, the Loan Agreement, the Master Indenture (defined below) or other Transaction Documents, each as hereinafter defined, unless the context clearly requires to the contrary.

This opinion letter is limited to matters expressly stated herein. No opinions are to be inferred or implied beyond the opinions expressly so stated.

In connection with rendering the opinions set forth in this opinion letter, we have reviewed originals or copies of the following documents and instruments (collectively, the "**Transaction Documents**"):

1. Bond Purchase Agreement;

2. Bond Indenture;

3. Master Trust Indenture (the "**Master Trust Indenture**") dated as of November 1, 2016, between the Obligor and The Bank of New York Mellon Trust Co., N.A., successor in interest to Wells Fargo Bank, N.A., as Master Trustee ("**Master Trustee**");

4. Supplemental Indenture Number 1 dated as of November 1, 2016, between the Obligor and the Master Trustee ("**Supplement No. 1**");

5. Supplemental Indenture Number 2 dated as of December 1, 2017, between the Obligor and the Master Trustee ("**Supplement No. 2**");

6. Supplemental Indenture Number 3 dated as of December 21, 2017, between the Obligor and the Master Trustee ("**Supplement No. 3**");

7. Supplemental Indenture Number 4 dated as of December 1, 2019 ("**Supplement No. 4,**") and together with the Master Trust Indenture, Supplement No. 1, Supplement No. 2 and Supplement No. 3, the "**Master Indenture**");

8. Loan Agreement;

9. Southwest Florida Retirement Center, Inc. Series 2019 Note (the "**Note**");**]**

10. Mortgage and Security Agreement dated as of November 1, 2016, and recorded on November 3, 2016, as Instrument No. 2016137223, Public Records of Sarasota County, Florida, (the "**Original Mortgage**") from Obligor in favor of Master Trustee with respect to the real property (the "**Real Property**"), including fixtures (the "**Fixtures**") described in the Mortgage (the Real Property and the Fixtures are sometimes collectively referred to as the "**Real Property Collateral**") and with respect to a grant of a security interest in the personal property collateral described in the Mortgage (the "**Personal Property Collateral**");

11. Mortgage Modification, Spreader and Release Agreement dated as of December 21, 2017, (the "**Mortgage Modification**") by and between the Obligor and the Master Trustee;

12. First Supplemental Mortgage and Notice of Future Advance dated as of December 21, 2017 (the "**First Supplemental Mortgage**") by and between Obligor and the Master Trustee;

13. Second Supplemental Mortgage and Notice of Future Advance dated as of [December 1, 2019] (the "**Second Supplemental Mortgage**" and together with the Original Mortgage, the Mortgage Modification and the First Supplemental Mortgage, the "**Mortgage**") by and between Obligor and the Master Trustee;

14. [Tax Regulatory Agreement and No-Arbitrage Certificate dated as of _____, 2019, among the Issuer, the Obligor and the Bond Trustee;] and

15. Continuing Disclosure Certificate dated as of _____, 2019, of the Obligor.

In addition, in connection with rendering the opinions set forth in this opinion letter, we have reviewed originals or executed copies of the following other documents (the "**Other Documents**"):

1. Closing Certificate of Obligor dated _____, 2019;

2. Preliminary Official Statement dated _____, 2019, as to the Bonds;

3. Official Statement dated _____, 2019, as to the Bonds;

4. The UCC-1 Financing Statement filed in the Florida Secured Transaction Registry (the "**State Filing Office**") on November 3, 2016, under instrument number 201609317643 naming the Obligor as debtor and the Master Trustee as secured party describing the Personal Property Collateral, as modified and amended by UCC-3 Financing Statement Amendment Form filed in the State Filing Office on December 8, 2017, under instrument number 201703461892 (collectively, the "**Financing Statement**");

Further, in connection with rendering the opinions set forth in this opinion letter, we have reviewed originals or executed copies of the following authorization documents (the "**Organizational Documents**"):

1. Second Amended and Restated Articles of Incorporation of Obligor filed with the Florida Secretary of State on _____, _____;

2. Amended Bylaws of Obligor effective as of May 11, 2017;

3. Certified copy of the Articles of Incorporation of Obligor issued by the Florida Secretary of State on _____, 2019;

4. Electronic Certificate of Status for Obligor issued _____, 2019, by the Secretary of State for the State of Florida;

5. Resolution of the Board of Trustees of Obligor dated _____, 2019, and Motion for Approval by the Executive Committee of the Board of Trustees of the Obligor dated _____, 2019, authorizing or ratifying the Transaction Documents to which Obligor is a party; and

6. Certificate to Counsel dated _____, 2019, from Obligor in favor of Butler Snow LLP and Graham Legal Group, PLLC (the "**Certificate to Counsel**").

For purposes of rendering the opinions contained in this opinion letter, we have not reviewed any documents other than the documents listed above. We have also not reviewed any documents that may be referred to in or incorporated by reference into any of the documents listed above. We note that, except as specifically provided herein, we have been retained to act solely as Florida counsel to the Obligor in connection with the loan contemplated by the Transaction Documents. We are not regular counsel to the Obligor or to any other party to the Transaction Documents and are not generally informed as to their respective business affairs.

With your consent, we have relied upon, and assumed the accuracy of, the representations and warranties contained in the Transaction Documents supplied to us by the Obligor with respect to the factual matters set forth therein. However, no opinion is rendered hereunder as to the accuracy of the representations or warranties contained in the Transaction Documents.

We have, with your consent, assumed that certificates of public officials dated earlier than the date of this opinion letter remain accurate from such earlier date through and including the date of this opinion letter.

In rendering the opinions set forth herein, we have relied, without investigation, on each of the following assumptions: (i) the legal capacity of each natural person to take all actions required of each such person in connection with the Transaction Documents; (ii) the legal existence of each party to the Transaction Documents, other than the Obligor; (iii) the power of each party to the Transaction Documents, other than the Obligor, to execute, deliver and perform all Transaction Documents executed and delivered by such party and to do each other act done, or to be done, by such party; (iv) the authorization, execution and delivery by each party, other than the Obligor, of each Transaction Document executed and delivered or to be executed and delivered by such party; (v) the validity, binding effect and enforceability as to each party, other than the Obligor (and with respect to the Obligor only to the extent expressly provided in this opinion letter), of each Transaction Document executed and delivered by such party or to be executed and delivered and of each other act done or to be done by such party; (vi) there have been no undisclosed modifications of any provision of any document reviewed by us in connection with the rendering of this opinion letter and no undisclosed prior waiver of any right or remedy contained in any of the Transaction Documents; (vii) the genuineness of each signature, the completeness of each document submitted to us, the authenticity of each document reviewed by us as an original, the conformity to the original of each document reviewed by us as a copy and the authenticity of the original of each document received by us as a copy; (viii) the truthfulness of each statement as to all factual matters otherwise not known to us to be untruthful or unreliable contained in any document encompassed within the diligence review undertaken by us; (ix) each certificate or other document issued by a public authority is accurate, complete and authentic as of the date of the opinion letter, and all official public records (including their proper indexing and filing) are accurate and complete; (x) each recipient of the opinion letter has acted in good faith without notice of any defense against enforcement of rights created by, or adverse claim to any property or security interest transferred or created as part of, the Transaction Documents, and has complied with all laws applicable to it that affect the Bonds and the Transaction Documents; (xi) the Transaction Documents and the conduct of the parties to the Transaction Documents comply with any requirement of good faith, fair dealing and conscionability; (xii) routine procedural matters such as service of process or qualification to do business in the relevant jurisdiction(s) will be satisfied by the parties seeking to enforce the Transaction Documents; (xiii) agreements (other than the Transaction Documents as to which opinions are being rendered) and judgments, decrees and orders reviewed in connection with rendering the opinions will be enforced as written; (xiv) no discretionary action (including a decision not to act) that is permitted in the Transaction Documents will be taken by or on behalf of the Obligor in the future that might result in a violation of law or constitute a breach of or default under any of the Obligor's respective other agreements or under any applicable court order; (xv) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement, modify or qualify the terms of the Transaction

Documents or the rights of the parties thereunder; (xvi) except as set forth in paragraph m below, the payment of all required documentary stamp taxes, intangible taxes and other taxes and fees imposed upon the execution, filing or recording of documents, if any; and (xvii) with respect to the Bonds and the Transaction Documents, including the inducement of the parties to enter into and perform their respective obligations thereunder, there has been no mutual mistake of fact or undue influence and there exists no fraud or duress.

When used in this opinion letter, the phrases "to our knowledge," "known to us" or the like means the conscious awareness of the lawyers in the "primary lawyer group" of factual matters such lawyers recognize as being relevant to the opinion or confirmation so qualified. Such phrases do not imply that we have undertaken any independent investigation within our firm, with the Obligor, or with any third party to determine the existence or absence of any facts or circumstances, and no inference should be drawn merely from our past or current representation of the Obligor. Where any opinion or confirmation is qualified by the phrase "to our knowledge," "known to us" or the like, it means that the lawyers in the "primary lawyer group are without any actual knowledge or conscious awareness that the opinion or confirmation is untrue in any respect material to the opinion or confirmation. For purposes of this opinion letter, "primary lawyer group" means: (i) the lawyer who signs his or her name or the name of the firm to this opinion letter, (ii) the lawyers currently in the firm who are actively involved in preparing or negotiating this opinion letter, and (iii) the lawyers currently in the firm who are actively involved in negotiating or documenting the Transaction or the Transaction Documents.

Based upon and subject to the foregoing, and subject to the assumptions, limitations and qualifications contained herein, we are of the opinion that:

a. Obligor is a not-for-profit corporation organized under Florida law and its status is active.

b. Obligor has the corporate power to execute and deliver the Transaction Documents to which it is a party and to perform its respective obligations thereunder.

c. Obligor has authorized the execution, delivery of, and performance of its obligations under the Transaction Documents to which it is a party by all necessary corporate action.

d. Each of the Transaction Documents to which the Obligor is a party have been executed and delivered by the Obligor.

e. Each of the Transaction Documents to which the Obligor is a party is a valid and binding obligation of the Obligor, enforceable against the Obligor in accordance with its respective terms.

f. The execution and delivery by the Obligor of the Transaction Documents, the performance by the Obligor of its respective obligations under the Transaction Documents to which it is a party, and the approval by the Obligor of the Bond Indenture and the issuance of the Bonds do not:

(1) violate the Obligor's applicable Organizational Documents or the Transaction Documents;

(2) constitute a breach of or a default under, or result in the creation of a security interest or a lien on the assets of the Obligor under, any of the Obligor's material agreements that are known to us (other than those liens and security interests expressly created under the Transaction Documents);

(3) violate any judgment, decree or order of any court or administrative tribunal applicable to the Obligor that is known to us after due inquiry; or

(4) violate any of the Applicable Laws (defined below).

g. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority of the United States or the State of Florida is required by or on behalf of the Obligor to execute and deliver the Transaction Documents and to borrow the proceeds of the Bonds contemplated by the Transaction Documents other than those consents, approvals, authorizations, actions, filings and registrations as to which the requisite consents, approvals or authorizations have been obtained, the requisite actions have been taken and the requisite filings and registrations have been accomplished.

h. To our knowledge, after due inquiry, there is no action, suit or proceeding, at law or in equity, or by or before any governmental agency, now pending or overtly threatened in writing against the Obligor that challenges the validity or enforceability of, seeks to enjoin the performance of, or seeks damages with respect to, the Transaction Documents or the Bonds.

i. The Mortgage is effective to create in favor of the Master Trustee a security interest in such portion of the Personal Property Collateral described therein (the "**Article 9 Collateral**") in which a security interest may be created under Article 9 of the Uniform Commercial Code in effect in the State of Florida as of the date of this opinion letter (the "**Florida UCC**").

j. Based upon the prior filing of the Financing Statement with the State Filing Office, the Master Trustee has a perfected security interest in such portion of the Article 9 Collateral in which, and only to the extent that, a security interest therein may be perfected by filing a financing statement under Article 9 of the Florida UCC. The Filing Office is the only office in which the Financing Statement is required to be filed in order to perfect Master Trustee's security interest in the Article 9 Collateral.

k. Based upon Section 159.31, Florida Statutes, there is no State documentary stamp tax or intangible tax due in connection with the execution, delivery and recording of the Note and Mortgage. Notwithstanding the foregoing, in the event a court of competent jurisdiction determines that an insufficient amount of documentary stamp tax or intangible taxes paid, the respective liens and priority of the Mortgage will not be affected; however, the Mortgage might not be enforced by the court until the proper amount of such taxes is paid.

l. To our knowledge after due inquiry, and based solely on the Certificate to Counsel, no suit, action or proceedings is pending or overtly threatened against the Obligor, the Mortgaged Property or any other assets of the Obligor, before any court of governmental agency (i) that seeks to contest the titles of the officers of the Obligor executing the Obligor Documents on behalf of the Obligor or the authority or power of such officers to execute the Obligor Documents, (ii) in which an unfavorable decision, ruling or finding would materially and adversely affect the transactions provided for in the Obligor Documents or the Official Statement, or which would adversely affect the validity or enforceability of any of the Obligor Documents, provided that no opinion is expressed with respect to the financial condition or credit worthiness of the Obligor, or (iii) involve a stated claim for damages in excess of available insurance and funded self-insurance coverage.

m. The Obligor has obtained with respect to the Project the following licenses and governmental approvals: (i) a nursing home operating license issued under Chapter 400, Part II, Florida Statutes, (ii) an assisted living facility operating license issued under Chapter 429, Florida Statutes, (iii) a continuing care retirement community license issued under Chapter 651, Florida Statutes, (iv) a Medicaid provider agreement, and (v) a Medicare provider agreement. Such licenses and governmental approvals are adequate to permit the operation of the facility as it is currently operated. Please be aware that the licensure and qualifications of the Project to participate in the Medicaid and Medicare programs are subject to continuous substantial compliance with federal, state and local laws regulating the standards for licensure and participation in the Medicaid and Medicare programs. Other than reviews of certain regulatory survey reports and due inquiry of the Obligor, we have made no investigation as to whether the Project and the Obligor's operation thereof are in substantial compliance with the applicable regulatory standards as of the date hereof.

n. The execution and delivery of the Supplemental No. 3 is authorized or permitted under the Master Indenture and all conditions precedent thereto have been complied with.

The foregoing opinions are subject to the following exceptions, qualifications and limitations:

1. When used in this opinion letter, the term "**Applicable Laws**" means the federal and Florida laws, rules and regulations that a Florida counsel exercising customary professional diligence would reasonably be expected to recognize as being applicable to the Obligor, the Transaction Documents or the Transaction, but excluding the laws, rules and regulations set forth below.

2. The following federal and Florida laws, rules and regulations are expressly excluded from the scope of this opinion letter: (a) Securities laws, rules and regulations; (b) Federal Reserve Board margin regulations; (c) Laws, rules and regulations regulating banks and other financial institutions, insurance companies and investment companies; (d) Pension and employee benefit laws, rules and regulations, such as the Employee Retirement Income Security Act (ERISA); (e) Labor laws, rules and regulations, including laws on occupational safety and health (OSHA); (f) Antitrust and unfair competition laws, rules and regulations; (g) Laws, rules and regulations concerning compliance with fiduciary requirements; (h) Laws, rules and regulations

concerning the creation, attachment, perfection or priority of any lien or security interest, except to the extent expressly set forth in this opinion letter; (i) Laws rules and regulations relating to taxation; (j) Bankruptcy, fraudulent conveyance, fraudulent transfer and other insolvency laws; (k) Environmental laws, rules and regulations; (l) Laws, rules and regulations relating to patents, copyrights, trademarks, trade secrets and other intellectual property; (m) Local laws, administrative decisions, ordinances, rules or regulations, including any zoning, planning, building, occupancy or other similar approval or permit or any other ordinance or regulation of any county, municipality, township or other political subdivision of the State of Florida; (n) Criminal and state forfeiture laws and any racketeering laws, rules and regulations; (o) Other statutes of general application to the extent that they provide for criminal prosecution; (p) Laws relating to terrorism or money laundering; (q) Laws, regulations and policies concerning national and local emergency and possible judicial deference to acts of sovereign states; (r) Filing or consent requirements under any of the foregoing excluded laws; and (s) Judicial and administrative decisions to the extent they deal with any of the foregoing excluded laws.

3. We express no opinion in paragraph f(2) regarding liens arising by operation of law or as to compliance or non-compliance with provisions in other agreements that require financial calculations or determinations to ascertain compliance or relating to any other aspect of the financial condition or results of operations of the Obligor.

4. Except as set out in paragraph o, we express no opinion as to any consent, approval, authorization or other action or filing necessary for the ongoing operation of the Obligor's business.

5. The scope of our opinion regarding enforceability of the Transaction Documents that are contained in paragraph e above is limited by:

a. bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and transfer, and similar law affecting the rights of creditors' generally (the "**Bankruptcy Exception**"); and

b. general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity (the "**Equitable Principles Limitation**").

6. In addition, certain remedies, waivers and other provisions of the Transaction Documents might not be enforceable; nevertheless, subject to the Bankruptcy Exception and the Equitable Principles Limitation, such unenforceability will not render the Transaction Documents invalid as a whole or preclude: (i) the judicial enforcement of the obligation of the Obligor to repay the principal, together with the interest thereon (to the extent not deemed a penalty), as provided in the Note, (ii) the acceleration of the obligation of the Obligor to repay such principal, together with such interest, upon a material default by the Obligor of the payment of such principal or interest or upon a material default by Obligor in any other material provisions of the Transaction Documents, or (iii) the foreclosure in accordance with Applicable Laws of the lien on and security interest in the Real Property Collateral created by the Mortgage upon maturity or upon acceleration pursuant to (ii) above.

7. No opinion is expressed herein with respect to any provision of the Transaction Documents that: (a) purports to excuse a party from liability for the party's own acts; (b) purports

to make void any act done in contravention thereof; (c) purports to authorize a party to act in the party's sole discretion or purports to provide that determination by a party is conclusive; (d) requires waivers or amendments to be made only in writing; (e) purports to effect waivers of constitutional, statutory or equitable rights or the effect of applicable laws, waivers of any statute of limitations or waivers of broadly or vaguely stated rights, of unknown future defenses or of rights to damages; (f) imposes or permits: (i) liquidated damages, (ii) the appointment of a receiver, (iii) penalties, (iv) indemnification for gross negligence, willful misconduct or other wrongdoing, (v) confessions of judgment, or (vi) rights of self-help or forfeiture; (g) purports to limit or alter laws requiring mitigation of damages; (h) concerns choice of forum, consent or submission to the personal or subject matter jurisdiction of courts, venue of actions or means of service of process, waivers of rights to jury trials, and agreements regarding arbitration; (i) purports to reconstitute the terms thereof as necessary to avoid a claim or defense of usury; (j) purports to require a party thereto to pay or reimburse attorneys' fees incurred by another party, or to indemnify another party therefor, which provisions may be limited by applicable statutes and decisions relating to the collection and award of attorneys' fees; (k) relates to the evidentiary standards or other standards by which the Transaction Documents are to be construed, including, but not limited to, provisions that attempt to change or waive rules of evidence or fix the method or quantum of proof to be applied in litigation or similar proceedings; (l) prohibits or unreasonably restricts: (i) competition, (ii) the solicitation or acceptance of customers, business relationships or employees, (iii) the use or disclosure of information, or (iv) activities in restraint of trade; (m) enumerates that remedies are not exclusive or that a party has the right to pursue multiple remedies without regard to other remedies elected or that all remedies are cumulative; (n) constitutes severability provisions; (o) permits the exercise, under certain circumstances, of rights without notice or without providing opportunity to cure failures to perform; (p) purports to create rights to setoff otherwise than in accordance with applicable law; (q) contains a blanket prohibition on assignments or a specific prohibition on assignment of payments due or to come due; or (r) purports to entitle any party to specific performance of any provision thereof.

8. No opinions are expressed with respect to the status of title to the Real Property Collateral or with respect to the relative priority of any liens or security interests created by the Transaction Documents. We have assumed as to matters of title that the Obligor owns or has rights in the Real Property Collateral.

9. For purposes of this opinion letter, we have assumed that the respective descriptions of the Real Property Collateral contained in the Mortgage and in the Fixture Filing Financing Statement sufficiently identify the collateral intended to be covered thereby and that the information regarding the debtor and the secured party contained in the Fixture Filing Financing Statements is correct and complete.

10. For purposes of this opinion, we assume that the Fixtures constitute "fixtures" as defined in the Florida UCC. We caution you that to the extent that the goods described in the Financing Statement or the Mortgage are not "fixtures" under Florida law, it may be necessary to file a financing statement under the Uniform Commercial Code against the Obligor as debtor in the appropriate jurisdiction. No opinion is rendered hereunder as to whether the Fixtures constitute "fixtures" under Florida law.

11. Our opinions regarding the Mortgage and the Personal Property Financing Statement that are set forth in paragraphs k, l and n above are limited to Article 9 of the Florida

UCC. Exclusive of the opinions in this letter regarding the Real Property Collateral, we express no opinion with respect to: (a) the right, title or interest of the Obligor in or to any of the Personal Property Collateral or any other property; (b) except as expressly set forth in paragraphs k, l and n above, the creation, attachment, or perfection of any security interest or lien; (c) the priority of any security interest or lien; (d) under Article 9 of the Florida UCC, what other Florida law or law of another state governs the perfection or effect of perfection or non-perfection of the security interest of the Lender in any particular item or items of the Article 9 Collateral; and (e) any collateral not subject to Article 9 of the Florida UCC. For purposes of this opinion letter, we assume that the Obligor has rights in the Personal Property Collateral.

12. For purposes of this opinion letter, we have assumed that the respective descriptions of the Personal Property Collateral contained in the Mortgage and in the Personal Property Filing sufficiently identify the Personal Property Collateral intended to be covered thereby and that the information regarding the debtor and the secured party contained in the Personal Property Financing Statement is correct and complete.

13. The scope of our opinions regarding the liens and security interests created by the Mortgage is further limited by the Bankruptcy Exception and the Equitable Principles Limitation.

14. We assume that "value" has been given to the Obligor in connection with the Transaction.

15. In addition, we call to your attention to the following: (a) the continued effectiveness of certain financing statements filed under the Florida UCC is dependent on the filing of a properly completed continuation statement within six (6) months prior to the fifth anniversary of the date of filing of the financing statement and thereafter within six (6) months prior to each additional fifth anniversary of the filing of the initial financing statement; (b) the continued effectiveness of each of the financing statements in the event of a change of location of the debtor (as defined in the Florida UCC), or the removal from the State of Florida of any of the fixtures covered by financing statements filed in Florida, may be dependent on perfecting the security interest in accordance with the laws of such other jurisdiction and the perfection or non-perfection of the security interest therein may be governed by the law of another jurisdiction; (c) the continued effectiveness of the financing statement as against collateral transferred to a new owner will be dependent upon the nature of the collateral and whether the secured party authorized the disposition of the collateral and further dependent upon perfecting the security interest in accordance with the laws of the jurisdiction in which the new owner is located (as defined in the Florida UCC); (d) the continued effectiveness of the financing statements to perfect a security interest in collateral acquired by the debtor more than four months after a change of the debtor's name, identity or corporate or other organizational structure, as provided in the Florida UCC, are dependent on the filing of an appropriate amendment to the financing statement prior to the expiration of such four-month period; and (e) the failure of a secured party to respond within two weeks after receipt of a transaction party's request for approval or correction of the transaction party's statement of the aggregate amount of unpaid obligations or the transaction party's list of collateral may result in a loss of that secured party's security interest in collateral as against persons misled by that secured party's failure to respond, and may also result in liability of that secured party for any loss caused to the transaction party thereby.

16. Except as expressly noted in paragraph o above, we exclude from this opinion letter any opinion as to the applicability or effect of any federal and state taxes, including income taxes, sales taxes and franchise fees.

17. We express no opinion regarding whether the Bonds constitute a security under the federal Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or any applicable state "blue sky" laws or regulations.

18. We express no opinion as to compliance or non-compliance with provisions in other agreements that require financial calculations or determinations to ascertain compliance or relating to any other aspect of the financial condition or results of operations of the Obligor.

19. We do not express any opinion as to the laws of any jurisdiction other than the State of Florida and the United States of America.

This letter is furnished only to you and is solely for the benefit of the addressees in connection with the transactions referenced in the first paragraph. The foregoing opinions may be relied upon by the Bond Trustee, its successors and/or assigns, any rating agency involved in the securitization of the Bonds, the addressees, and their respective counsel, but may not be relied upon by any other party. This letter may not be relied upon by the addressees for any other purpose, or furnished to, assigned to, quoted to or relied upon by any other person, firm or entity for any purpose, without our prior written consent, which may be granted or withheld in our discretion. At the addressees request, we hereby consent to reliance hereon by any future participant in the Bonds and any successor or assignee of the Trustee's interest or in the Bonds, on the condition and understanding that (i) this letter speaks only as of the date hereof, (ii) we have no responsibility or obligation to update this letter, to consider its applicability or correctness to other than its addressee(s), or to take into account changes in law, facts or any other developments of which we may later become aware, and (iii) any such reliance by a future assignee must be actual and reasonable under the circumstances existing at the time of assignment, including any changes in law, facts or any other developments known to or reasonably knowable by the assignee at such time.

Very truly yours,

Graham Legal Group, PLLC

EXHIBIT F

FORM OF OPINION OF COUNSEL TO UNDERWRITER

_____, 2019

B.C. Ziegler and Company
St. Petersburg, Florida

Re: $_____ City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project), Series 2019

Ladies and Gentlemen:

We have acted as your counsel in connection with the purchase by B.C. Ziegler and Company (the "Underwriter") of $_____ City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds"), pursuant to that certain Bond Purchase Agreement, dated _____, 2019 (the "Purchase Agreement"), between you and the City of Venice, Florida (the "City"), and approved by Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Obligor"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In rendering the opinions set forth in the numbered paragraphs immediately below, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary in order to render such opinions. Regarding questions of fact material to such opinions, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that:

1. As of the date hereof and under existing law, the Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Bond Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

2. The undertaking of the Obligor pursuant to the Continuing Disclosure Certificate of the Obligor, dated _____, 2019, satisfies the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934, as amended, in effect as of the date hereof.

In providing the statement of belief set forth in the paragraph immediately below, reference is made to the Preliminary Official Statement and the Official Statement. As your counsel, we reviewed the Preliminary Official Statement and the Official Statement and certain other documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and other matters were discussed. The purpose of our engagement was not to establish or to confirm factual matters set forth in the Preliminary Official

Statement or the Official Statement, and we have not undertaken to verify independently any of such factual matters.

Subject to the foregoing, and on the basis of the information we gained in the course of performing the services referred to above, we confirm to you that no facts have come to the attention of the attorneys in our firm rendering legal services in connection with this matter that cause them to believe that the Official Statement, as of its date or as of the date hereof, contained any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, we do not assume responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, nor do we express any belief with respect to (i) any financial and statistical data and forecasts, projections, numbers, estimates, assumptions and expressions of opinion contained in or incorporated by reference in the Official Statement, including any of its Appendices, (ii) the information under the headings "THE ISSUER," "LITIGATION," "LEGAL MATTERS" and "TAX MATTERS," and (iii) the information in Appendices A, B, C, D and E, which we expressly exclude from the scope of this paragraph.

The opinions set forth herein are expressly limited to, and we opine only with respect to, the laws of the State of Florida and the United States of America. The only opinions rendered hereby shall be those expressly stated as such herein, and no opinion shall be implied or inferred as a result of anything contained herein or omitted herefrom.

This letter is furnished by us as your counsel and is solely for your benefit in your role as underwriter and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur.

Sincerely yours,

HOLLAND & KNIGHT LLP

EXHIBIT G

UNDERWRITER'S DISCLOSURE AND TRUTH-IN-BONDING STATEMENT

_____, 2019

City of Venice, Florida
Sarasota, Florida

Re: $_____ City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project), Series 2019

Ladies and Gentlemen:

In connection with the proposed issuance by City of Venice, Florida (the "Issuer") of its $_____ aggregate principal amount of Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds"), B.C. Ziegler and Company (the "Underwriter") is underwriting a public offering of the Bonds.

The purpose of this letter is to furnish, pursuant to the provisions of Section 218.385, Florida Statutes, as amended, certain information in respect of the arrangements contemplated for the underwriting of the Bonds as follows:

1. The nature and estimated amount of expenses to be incurred by the Underwriter in connection with the purchase and offering of the Bonds are set forth in Schedule A attached hereto.

2. No person has entered into an understanding with the Underwriter, or to the knowledge of the Underwriter, with the Issuer for any paid or promised compensation or valuable consideration, directly or indirectly, expressly or implied, to act solely as an intermediary between the Issuer and the Underwriter or to exercise or attempt to exercise any influence to effect any transaction in the purchase of the Bonds.

3. The underwriting spread (the difference between the price at which the Bonds will be initially offered to the public by the Underwriter and the purchase price to be paid to the Issuer for the Bonds, exclusive of accrued interest, if any) will be $_____ per $1,000 of Bonds issued.

4. As part of the estimated underwriting spread set forth in paragraph (3) above, the Underwriter will charge a management fee of $_____ per $1,000 of Bonds issued.

5. No other fee, bonus or other compensation is estimated to be paid by the Underwriter in connection with the issuance of the Bonds to any person 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 by the Underwriter, as set forth in paragraph (1) above.

6. The name and address of the Underwriter is:

B.C. Ziegler and Company

200 South Wacker Drive
Suite 2000
Chicago, IL 60606
Attention: Daniel J. Herman, Managing Director

We understand that you do not require any further disclosure from the Underwriter pursuant to Section 218.385(6), Florida Statutes, as amended.

TRUTH-IN-BONDING STATEMENT

The Issuer is proposing to issue the Bonds for the purpose of funding a loan to the Obligor to ((i) reimburse itself for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor as more particularly described herein, (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuing the Bonds. The Bonds are expected to be repaid over a period of approximately __._ years. Assuming an average interest rate of _._____% for the Bonds, total interest paid over the life of the Bonds will be $_____.

The source of repayment or security for the Bonds consists of loan payments to be made by Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, as repayment for the loan of the proceeds of the Bonds, and certain other revenues and proceeds as provided in the Bond Indenture relating to the Bonds. Authorizing the Bonds will not result in any adverse change in the amount of Issuer moneys available to finance other services of the Issuer.

[Signature page follows]

The foregoing statements are intended to comply with Section 218.385(2) and (3), Florida Statutes, as amended, and shall not affect or control the actual terms and conditions of the Bonds.

Very truly yours,

B.C. ZIEGLER AND COMPANY

By: _____
Richard J. Scanlon, Managing Director

SCHEDULE A

UNDERWRITER'S ESTIMATED EXPENSES

Conference calls and travel	$	$
Pershing Processing Fee		
Fed Funds - Day Loan		
DTC		
Ipreo		
Cusip		
Miscellaneous		
TOTAL	$	$

* The fees and expenses of Counsel to the Underwriter in the amount of $_____.__ shall be paid directly by the Obligor.

EXHIBIT B

FORM OF LOAN AGREEMENT

CITY OF VENICE, FLORIDA

and

SOUTHWEST FLORIDA RETIREMENT CENTER, INC.
d/b/a VILLAGE ON THE ISLE

LOAN AGREEMENT

DATED AS OF DECEMBER 1, 2019

CITY OF VENICE, FLORIDA
RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS
(VILLAGE ON THE ISLE PROJECT),
SERIES 2019

TABLE OF CONTENTS

PAGE

ARTICLE X
PREPAYMENT OF NOTES

ARTICLE XI
MISCELLANEOUS

LOAN AGREEMENT

THIS **LOAN AGREEMENT** dated as of December 1, 2019, between the **CITY OF VENICE, FLORIDA**, a public body corporate and politic of the State of Florida (the "Issuer"), and **SOUTHWEST FLORIDA RETIREMENT CENTER, INC. d/b/a VILLAGE ON THE ISLE**, a nonprofit corporation duly organized and existing under the laws of the State of Florida (the "Obligor"),

W I T N E S S E T H:

WHEREAS, the Issuer is a municipal corporation of the State of Florida and a public agency under the Act (as hereinafter defined); and

WHEREAS, the Issuer is authorized under the Act to enter into loan agreements and to issue its bonds and loan the proceeds thereof to provide for the financing and refinancing of the acquisition, construction or installation of health facilities and health care facilities and the refunding of its outstanding bonds issued for such purposes, all for the public purpose of improving the adequacy, cost and accessibility of health care within the State of Florida; and

WHEREAS, the Obligor has requested the Issuer to issue its bonds in an amount sufficient to provide for the financing and refinancing (including through reimbursement) of all or a portion of the cost of the acquisition, construction and equipping of capital improvements to the Obligor's Facilities (the "Series 2019 Project"), funding necessary reserves, and paying costs of issuance of such bonds;

NOW, THEREFOR, 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. 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" means the Constitution and laws of the State of Florida, particularly Chapter 159, Part II, Florida Statutes, Chapter 166, Florida Statutes; and other applicable provisions of law.

"Additional Bonds" means the one or more series of additional bonds authorized to be issued by the Issuer pursuant to Sections 2.09 and 2.10 of the Bond Indenture.

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

"Aggregate Principal Amount" means the outstanding principal amount including, in the case of a security sold at a discount to the purchaser thereof the accreted value of such discount calculated in accordance with the documents authorizing such security, or if not so defined, generally accepted accounting principles.

"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 Series 2019 Bonds, the denomination of $5,000 or any integral multiple of $5,000 in excess thereof and, with respect to any series of Additional Bonds, as provided in the supplemental indenture creating such series of Additional Bonds.

"Bond Counsel" means any 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 and is not objected to by the Bond Trustee.

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

"Bondholder," "Owner" or **"owner"** of the Bonds mean the registered owner of any fully registered Bond.

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

"Bonds" means, collectively, the Series 2019 Bonds and any Additional Bonds issued pursuant to the Bond Indenture.

"2016 Bond Indenture" means the Indenture of Trust, dated as of November 1, 2016, relating to the Series 2016 Bonds, between the Sarasota County Health Facilities Authority and The Bank of New York Mellon Trust Company, N.A., as successor bond trustee.

"2017 Bond Indenture" means the Indenture of Trust, dated as of December 1, 2017, relating to the Series 2017A Bonds and Series 2017B Bonds, between the Sarasota County Health Facilities Authority and The Bank of New York Mellon Trust Company, N.A., as bond trustee.

"Bond Trustee" means The Bank of New York Mellon Trust Company, N.A., being the registrar, a paying agent and the trustee under the Bond Indenture, or any successor corporate trustee.

"Business Day" means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Jacksonville, Florida (or, if different, in the city in which the designated corporate trust office of the Bond Trustee is located), a day on which banking institutions are authorized or required by law or executive order to close, or (ii) a day on which the New York Stock Exchange is closed.

"CCRC Law" means, collectively, (i) Chapter 651 of the Florida Statutes, Chapter 690-193 of the Florida Administrative Code, the provisions of any and all other Florida Statutes incorporated therein by reference, and the rules and regulations promulgated under any of the foregoing, and (ii) any other statute, regulation or rule now or thereafter enacted or promulgated pertaining to the development, construction, marketing, licensing and/or operation of continuing care retirement communities in the State or a material portion thereof, in the case of each of the foregoing, as the same may be amended, supplemented and replaced from time to time.

"Closing Date" means the date on which a series of Bonds is delivered to the purchaser or purchasers thereof and payment is received by the Bond Trustee.

"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.

"Completion Certificate" means a certificate of the Obligor delivered pursuant to Section 4.2(b) hereof.

"Completion Date" means the date specified in the Completion Certificate as the date of completion or termination.

"Construction Fund" means the construction fund created under Section 2.09 of the Bond Indenture.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate dated December 1, 2019, executed by the Obligor.

"Cost" or **"Costs"** as applied to a Project means and includes any and all costs permitted by the Code and the Act.

"Costs of Issuance" means with respect to the Tax Exempt Bonds all costs that are treated as issuance costs within the meaning of Section 1.150-1(b) of the Regulations, including but not limited to, (a) underwriter's spread (whether realized directly or derived through purchase of the Tax Exempt Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees, costs and expenses (including bond counsel, underwriter's counsel, Issuer's counsel, Bond Trustee's counsel and Obligor's counsel fees that relate to the issuance of the Tax Exempt Bonds, as well as any other certain specialized counsel fees incurred in connection with the issuance of the Tax Exempt Bonds); (c) financial advisory fees incurred in connection with the issuance of the Tax Exempt Bonds; (d) rating agency fees; (e) Bond Trustee fees, costs and expenses incurred in connection with the issuance of the Tax Exempt Bonds; (f) paying agent and registrar and authenticating agent fees related to issuance of the Tax Exempt Bonds; (g) accountant fees related to the issuance of the Tax Exempt Bonds; (h) printing costs of the Tax Exempt Bonds and of the preliminary and final offering materials; (i) publication costs associated with the financing proceedings; (j) any fees paid to the Issuer; and (k) costs of engineering and feasibility studies necessary to the issuance of the Tax-Exempt Bonds; provided, that bond insurance premiums and certain credit enhancement fees, to the extent treated as interest expense under applicable income tax regulations, shall not be treated as "Costs of Issuance."

"Cost of Issuance Fund" means the cost of issuance fund created under Section 3.17 of the Bond Indenture.

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

"Department" means the Department of Financial Services, Office of Insurance Regulation (formerly the Department of Insurance) of the State, and its successors, as administrator of any portion of the CCRC Law.

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

"Expansion" means such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes in, on or to any Project permitted as a "health facility" or "health care facility" under the Act as the Obligor deems necessary or desirable, provided such Expansion does not materially impair the effective use of such Project.

"Facility" means the continuing care retirement community presently consisting of 247 independent living units, 64 assisted living units and 60 skilled nursing beds together

with the 2019 Project, owned by the Obligor and located in Venice, Sarasota County, Florida.

"Fitch" means Fitch Inc. or any successor thereto maintaining a rating on Bonds.

"Funds" means Cost of Issuance Fund, the Bond Fund, the Reserve Fund, the Construction Fund and the Rebate Fund.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including (in the case of direct obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the Obligor of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Proceeds" shall have the meaning ascribed thereto in Section 3.16 of the Bond Indenture.

"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 (i) as to the Series 2019 Bonds, each January 1 and July 1, commencing July 1, 2020, or, if such day is not a Business Day, the immediately succeeding Business Day in the years during which a series of the Series 2019 Bonds are Outstanding under the provisions of the Bond Indenture, and (ii) as to Additional Bonds, the dates specified in the applicable supplemental indenture on which interest on such Additional Bonds is to be paid.

"Issuer" means the City of Venice, Florida, or any public entity succeeding to its rights and obligations under this Agreement.

"Issuer Representative" means the Mayor 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 Mayor. Such certificate shall designate an alternate or alternates, any of whom may act at any time as Issuer Representative.

"2016 Loan Agreement" means the Loan Agreement, dated as of November 1, 2016, relating to the Series 2016 Bonds, between the Sarasota County Health Facilities Authority and the Obligor.

"2017 Loan Agreement" means the Loan Agreement. dated as of December 1, 2017, relating to the Series 2017A Bonds and Series 2017B Bonds, between the Sarasota County Health Facilities Authority and the Obligor.

"Master Indenture" means the Master Trust Indenture, dated as of November 1, 2016, between the Obligor and the Master Trustee, including any supplements or amendments thereto and modifications thereof, including without limitation as supplemented by the Supplemental Indenture.

"Master Trustee" means The Bank of New York Mellon Trust Company, N.A., as successor trustee under the Master Indenture, and its successors as trustee thereunder.

"Maximum Annual Debt Service" means an amount equal to the maximum principal and interest requirements (taking into account all mandatory sinking fund payments) due in any calendar year on the Series 2019 Bonds, the Series 2017A Bonds, the Series 2017B Bonds or the Series 2016 Bonds, as applicable or the aggregate of such series in any particular year, as applicable; provided, however, that principal of the Series 2019 Bonds, the Series 2017A Bonds, the Series 2017B Bonds or the Series 2016 Bonds, as applicable, in its respective final year shall be excluded from the determination of Maximum Annual Debt Service to the extent of the moneys on deposit as of the date of calculation in the Reserve Fund.

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

"Mortgage" means the Mortgage and Security Agreement dated as of November 1, 2016, as supplemented and amended, from the Obligor to the Master Trustee, including as supplemented by the Mortgage Supplement.

"Mortgage Supplement" means the Second Supplemental Mortgage and Notice of Future Advance, dated as of December 1, 2019, from the Obligor to the Master Trustee.

"Net Proceeds" means the proceeds of Tax Exempt Bonds reduced by amounts in a reasonably required reserve or replacement fund.

"Notes" means the Series 2019 Note and any other Obligation (as defined in the Master Indenture) payable to the Issuer issued under the Master Indenture pursuant to this Agreement.

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

"Obligated Group Representative" means (i) Southwest Florida Retirement Center, Inc. d/b/a Village on the Isle, a nonprofit corporation incorporated under the laws of the State, (ii) any surviving, resulting or transferee corporation of Southwest Florida Retirement Center, Inc., or (iii) any other entity or organization appointed as the Obligated Group Representative under the Master Trust Indenture.

"Obligor" means Southwest Florida Retirement Center, Inc. d/b/a Village on the Isle, a Florida nonprofit corporation, and any and all successors thereto in accordance with the Indenture.

"Obligor Documents" means this Agreement, the Master Indenture, the Mortgage, the Supplemental Indenture, the Series 2019 Note, the Continuing Disclosure Certificate and the Tax Agreement and any other agreements entered into by the Obligor related to the issuance of the Bonds.

"Opinion of Bond Counsel" shall mean an opinion in writing signed and delivered by Bond Counsel.

"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" has the meaning assigned to such term in the Master Indenture.

"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.

"Premium Security" means any Permitted Investment purchased or to be purchased at a premium from funds in the Construction Fund.

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

"Project" means any "health care facility" or portion thereof permitted by the Act to be financed or refinanced by Bonds. Each Project shall, upon completion, be deemed to be part of the Facility.

"2019 Project" means that portion of the Series 2019 Project that is being financed (or reimbursed) with proceeds of the Series 2019 Bonds, as described on Exhibit B attached hereto.

"Qualified Project Costs" means Costs of a Project which constitute costs for property which is to be owned by the Obligor or another a member of the Obligated Group and will not be used in an "unrelated trade or business" (as such term is used in Section 513(a) of the Code) of the Obligor (or any other organization described in Section 501(c)(3) of the Code) or in the trade or business of a person who is neither a governmental unit nor an organization described in Section 501(c)(3) of the Code. Issuance Costs are not Qualified Project Costs and any fees paid to banks for letters of credit, for municipal bond insurance premiums or other guaranty fees and any capitalized interest on the Bonds shall be allocated between Qualified Project Costs to be paid or reimbursed from proceeds of the Tax Exempt Bonds and Costs other than Qualified Project Costs to be paid or reimbursed from the proceeds of the Tax Exempt Bonds. Qualified Project Costs shall not include costs or expenses paid more than sixty (60) days prior to the adoption by the Obligor or another member of the Obligated Group of a reimbursement resolution unless those expenditures qualify as "preliminary expenditures" within the meaning of the Regulations.

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

"Rebate Amount" means the excess of the future value, as of a computation date, of all receipts on non-purpose investments (as defined in Section 1.148-3 of the Income Tax Regulations) over the future value, as of that date, of all payments on nonpurpose investments, all as provided by the Regulations implementing Section 148 of the Code.

"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 Series 2019 Bonds the last day of the month preceding each regularly scheduled interest payment date therefor, and for Additional Bonds shall be the day established by the supplement to the Bond Indenture relating to such Additional Bonds.

"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, as such regulations may be amended or supplemented from time to time.

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

"Reserve Fund Obligations" means cash and Permitted Investments.

"Reserve Fund Requirement" means, with respect to (a) the Series 2019 Bonds, an amount equal to the difference between the (i) Maximum Annual Debt Service on the Series 2019 Bonds, the Series 2017A Bonds and the Series 2016 Bonds, and (ii) the aggregate of (1) the 2016 Reserve Requirement for the Series 2016 Bonds or the debt service reserve fund requirement for any series of bonds or other indebtedness that refunds that Series 2016 Bonds and (2) the 2017 Reserve Requirement for the Series 2017A Bonds or the debt service reserve fund requirement for any series of bonds or other indebtedness that refunds that Series 2016 Bonds that refunds the Series 2017A Bonds; provided, however, that the Reserve Fund Requirement for the Series 2019 Bonds shall not be less than zero, and (b) any Additional Bonds, the amount specified in the supplemental indenture pursuant to which such Additional Bonds are issued; provided, however, the Reserve Fund Requirement for the Series 2019 Bonds shall not exceed the lesser of (i) 125% of the average annual debt service requirement for the Series 2019 Bonds, (ii) 10%

of the aggregate stated original principal amount of the Series 2019 Bonds, or (iii) the Maximum Annual Debt Service on the Series 2019 Bonds.

"2016 Reserve Requirement" means the Reserve Fund Requirement as defined in the 2016 Loan Agreement.

"2017 Reserve Requirement" means the Reserve Fund Requirement as defined in the 2017 Loan Agreement.

"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, New York, New York, and any successor thereto as permitted by the Bond Indenture.

"Series 2016 Bonds" means the Sarasota County Health Facilities Authority Retirement Facility Revenue Refunding and Improvement Bonds (Village on the Isle Project), Series 2016 issued pursuant to the 2016 Bond Indenture.

"Series 2017 Bonds" means the Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village on the Isle Project), Series 2017 issued pursuant to the 2017 Bond Indenture.

"Series 2017A Bonds" means the Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village on the Isle Project), Series 2017A issued pursuant to the 2017 Bond Indenture.

"Series 2017B Bonds" means the Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village on the Isle Project), Series 2017B issued pursuant to the 2017 Bond Indenture.

"Series 2019 Bonds" means the City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 issued pursuant to the Bond Indenture.

"Series 2019 Note" means the Note issued by the Obligor pursuant to the Supplemental Indenture relating to the Series 2019 Bonds.

"Short Term" means, as to any investment, maturing within one year from the date of such investment and not renewable by the Obligor 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 Series 2019 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 and for Additional Bonds shall be the day established by the supplement to the Bond Indenture relating to such Additional Bonds.

"Standard & Poor's" shall mean S&P Global Ratings, or any successor thereto maintaining a rating on Bonds.

"State" means the State of Florida.

"Substantially All" means ninety-five percent (95%) or more, unless an Opinion of Bond Counsel is rendered indicating that such term, as used herein, shall have a different meaning.

"Supplemental Indenture" means Supplemental Indenture Number 4, dated as of December 1, 2019, by the Obligor executed and delivered to the Master Trustee, supplemental to the Master Indenture, providing for the issuance of the Series 2019 Note and certain other obligations.

"Surplus Construction Fund Moneys" means all moneys (including moneys earned pursuant to the provisions of Article VI of the Bond Indenture) remaining in the Construction Fund after completion or termination of a Project (as evidenced by a Completion Certificate) and payment of all other costs then due and payable from the Construction Fund.

"Tax Agreement" means the Tax Exemption Agreement and Certificate, dated December __, 2019, between the Issuer and the Obligor.

"Tax Exempt Additional Bonds" means any Additional Bonds, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes.

"Tax Exempt Bonds" means the Series 2019 Bonds and any Tax Exempt Additional Bonds.

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

Certain additional terms are defined in Section 4.9 and Section 7.5 hereof.

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ARTICLE II
REPRESENTATIONS

SECTION 2.1. REPRESENTATIONS BY THE ISSUER. The Issuer represents that:

(a) The Issuer is a municipal corporation duly organized and validly existing under the laws of the State 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 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 Series 2019 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 Series 2019 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 finance and refinance (including through reimbursement) the 2019 Project, to fund necessary reserves for the Series 2019 Bonds, and to pay a portion of the Cost of Issuance, the Issuer proposes to issue the Series 2019 Bonds. The Series 2019 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 Series 2019 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 2019 Note, and the revenues and receipts derived by the Issuer from the Series 2019 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 respective series of Series 2019 Bonds.

(e) The Obligor has represented to the Issuer that the Facility constitutes a "health care facility" and a "project" within the meaning of the Act.

(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.

(g) After reasonable public notice given by publication in the Sarasota Herald-Tribune, a newspaper published and of general circulation in the City of Venice, Florida on November 1, 2019, the Issuer held a public hearing on November 12, 2019 concerning the issuance of the Series 2019 Bonds, the nature of the financing and refinancing and the location of the Facility that is being financed and refinanced.

(h) After such hearing, the City Council of the City of Venice, Florida, the elected legislative body of the Issuer, approved the issuance of the Series 2019 Bonds by duly adopting a Resolution on November 12, 2019. The City Council of the City of Venice, Florida has jurisdiction over the entire area in which the Facility is located.

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 and the other Obligor Documents, and by proper corporate action has duly authorized the execution and delivery of this Agreement and the other Obligor Documents.

(b) Neither the execution and delivery of any of the Obligor Documents, the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions of the Obligor Documents, 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) 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 Indenture, has occurred.

(d) The Obligor (i) is an organization described in Section 501(c)(3) of the Code and is not a "private foundation," as such term is defined under Section 509(a) of the Code, (ii) has received a letter or other notification from the Internal Revenue Service to that effect and such letter or other notification has not been modified, limited or revoked, (iii) is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification, it being expressly represented that the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist, and (iv) is exempt from federal income taxes under Section 501(a) of the Code.

(e) As of the date of delivery hereof, the Obligor is an organization (i) organized and operated exclusively for charitable purposes and not for pecuniary profit, and (ii) no part of the net earnings of which inures to the benefit of any Person, private stockholder or

individual, all within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, respectively.

(f) The 2019 Project consist or will consist entirely of property that is owned by the Obligor. The 2019 Project has not and will not be used in an "unrelated trade or business" (as such term is used in Section 513(a) of the Code) of the Obligor (or any other organization that is exempt from federal income tax under Section 501(c)(3) of the Code that may rent or use any portion of the 2019 Project) or for any private business use (other than by an organization that is exempt from federal income tax under Section 501(c)(3) of the Code) within the meaning and contemplation of Section 141(b) of the Code.

(g) The Tax Agreement executed and delivered by the Obligor concurrently with the issuance and delivery of the Series 2019 Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered.

(h) The average maturity of the Series 2019 Bonds does not exceed one hundred twenty percent (120%) of the average reasonably expected remaining economic life of the assets being financed and refinanced with the proceeds of the Series 2019 Bonds, with the average reasonably expected economic life of each asset being measured from the later of the date of issuance of the tax exempt bonds that originally financed such asset or the date such asset was reasonably expected to be placed in service and by taking into account the respective cost of each asset being financed or refinanced. The information furnished by the Obligor and used by the Issuer to verify the average reasonably expected economic life of each asset of the Facility being financed with the proceeds of the Series 2019 Bonds is true, accurate and complete.

(i) (i) The payment of principal or interest with respect to the Series 2019 Bonds will not be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof); (ii) less than five percent (5%) of the proceeds of the Series 2019 Bonds will be (A) used in making loans the payment of principal and interest with respect to which are to be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof), or (B) invested (directly or indirectly) in federally insured deposits or accounts as defined in Section 149(b) of the Code; and (iii) the payment of principal or interest on the Series 2019 Bonds will not otherwise be indirectly guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof).

The foregoing provisions of this subsection shall not apply to proceeds of the Series 2019 Bonds being (u) invested for an initial temporary period until such proceeds are needed for the purpose for which such issue was issued; (v) held in a bona fide debt service fund; (w) held in a debt service reserve fund that meets the requirements of Section 148(d) of the Code with respect to reasonably required reserve or replacement funds; (x) invested in obligations issued by the United States Treasury; (y) held in a refunding escrow (i.e., a fund containing proceeds of a refunding bond issue established to provide for the payment of principal or interest on one or more prior bond issues); or (z) invested in other

investments permitted under Regulations promulgated pursuant to Section 149(b)(3)(B) of the Code.

(j) Any information that has been or will be supplied by the Obligor that has been or will be relied upon by the Issuer, the Bond Trustee and Bond Counsel with respect to the exclusion from gross income for federal income tax purposes of interest on the Series 2019 Bonds is true and correct in all material respects.

(k) The Obligor is duly authorized to operate the Facility under the laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof.

(l) The Facility, which is being financed (including by reimbursement) through the issuance of the Series 2019 Bonds, is a "project," a "health facility" and a "health care facility" within the meaning of the Act. All proceeds of the Series 2019 Bonds will be used to pay a "cost" within the meaning of the Act.

(m) Based on current facts, estimates and circumstances, it is currently expected that the 2019 Project will not be sold or disposed of in a manner producing sale proceeds which, together with accumulated proceeds of the Series 2019 Bonds or earnings thereon, would be sufficient to enable the Obligor to retire substantially all of the Series 2019 Bonds prior to the maturity of the Series 2019 Bonds.

(n) The Obligor shall perform or cause to be performed all of the Obligor's obligations under the Obligor Documents.

(o) Neither the execution and delivery of any of the Obligor Documents and the other documents contemplated thereby to which the Obligor is a party or the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions of any of the Obligor Documents and the other documents contemplated thereby, will conflict with or result in a breach of or constitute a default by the Obligor under any of the terms, conditions or provisions of any law or ordinance of the State or any applicable political subdivision thereof or of the Obligor's Articles of Incorporation or Bylaws, or any corporate restriction or any agreement or instrument to which the Obligor is a party or by which it is bound, or result in the creation or imposition of any lien of any nature upon any of the property of the Obligor under the terms of any such law, ordinance, articles of incorporation or bylaws, restriction, agreement or instrument except for Permitted Encumbrances, as defined in the Master Indenture.

(p) The Facility conforms, and the 2019 Project will conform, with all applicable zoning, planning, building and environmental laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Facility and such Project, as the case may be.

(q) Each of the Obligor Documents and the other documents contemplated thereby to which the Obligor is a party constitutes a legal, valid and binding obligation of the Obligor enforceable against the Obligor in accordance with its terms.

(r) The Obligor agrees that it (i) shall not perform any act or enter into any agreement which would adversely affect its federal income tax status and shall conduct its operations in the manner which conforms to the standards necessary to qualify the Obligor as a charitable organization within the meaning of Section 501(c)(3) of the Code or any successor provisions of federal income tax law, (ii) shall not perform any act, enter into any agreement or use or permit the 2019 Project or any Project financed with Tax Exempt Additional Bonds, or any portion thereof, to be used in any manner, or for any trade or business or other non-exempt use related to the purposes of the Obligor, which would adversely affect the exclusion of interest on the Tax Exempt Bonds from federal gross income pursuant to Section 103 of the Code, and (iii) shall not do or fail to do any act or undertaking which may give rise to unrelated trade or business income with respect to its operations at the 2019 Project or any Project financed with Tax Exempt Additional Bonds, except as otherwise provided for in the Tax Agreement.

(s) The Obligor agrees that neither it nor any related party to the Obligor (as defined in Treas. Reg. § 1.150-1(b)) will purchase any of the Tax Exempt Bonds in an amount related to the obligation represented by this Agreement, as described in Section 1.148-1(b) of the Code without having first received a favorable opinion from Bond Counsel.

(t) The Obligor will use due diligence to cause the Facility to be operated in accordance with the laws, rulings, regulations and ordinances of the State and the departments, agencies and political subdivisions thereof, including, without limitation, the CCRC Law. The Obligor has obtained or will cause to be obtained all requisite approvals of the State and of other federal, state, regional and local governmental bodies for the Facility and for any Project.

(u) The Obligor has obtained (i) a certificate of need for all portions of the Facility for which a certificate of need is required under State law and has and/or will comply with all conditions and requirements of those certificates and (ii) a Certificate of Authority from the Department in accordance with the CCRC Law and has or will obtain in due course all other necessary consents, permits, approvals and authorizations for ownership and operation of the Facility.

(v) None of the proceeds of the issuance of the Tax Exempt Bonds will be used to provide, or to refinance, an airplane, skybox or other private luxury box, health club facility (other than any health club facility that is used by the Obligor for a use that is directly related to its exempt purposes under Section 501(c)(3) of the Code), any facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises, or land to be used for farming purposes.

(w) Substantially All of the proceeds of the Series 2019 Bonds and any Tax Exempt Additional Bonds, including earnings from the investment thereof, will be used, to pay Qualified Project Costs.

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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.

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ARTICLE IV
ISSUANCE OF THE BONDS AND APPLICATION OF PROCEEDS

SECTION 4.1. AGREEMENT TO ISSUE BONDS, APPLICATION OF BOND PROCEEDS.

(a) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2019 Bonds and will deliver the net proceeds thereof to the Bond Trustee for disposal as follows:

(i) Deposit into the Series 2019 Reserve Account in the Reserve Fund the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(e) of the Bond Indenture.

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

(iii) Deposit to the Construction Fund the balance of the proceeds of the Series 2019 Bonds.

(b) Additional Bonds may be issued upon the terms and conditions provided herein and in Sections 2.09 and 2.10 of the Bond Indenture to provide funds (i) to pay the Costs of financing and refinancing Expansions, (ii) to pay the Cost of financing, refinancing, acquiring, providing, constructing, enlarging, remodeling, renovating, improving, furnishing or equipping and refinancing the acquiring, constructing, equipping or completing any Project, (iii) to the extent permitted by law, to refund any Bonds theretofore issued and then Outstanding under the Bond Indenture or (iv) for any combination of such purposes. In the event of the issuance of Additional Bonds for any such purposes, the amount of Additional Bonds issued may include the costs of the issuance and sale of the Additional Bonds, capitalized interest for such period allowed by law, reserve funds and such other costs reasonably related to the financing as shall be agreed upon by the Obligor and the Issuer.

(c) If the Obligor is not in default hereunder, the Issuer agrees, on request of the Obligor, from time to time, to consider the issuance of the amount of Additional Bonds specified by the Obligor; provided that the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds thereof are to be disbursed shall have been approved in writing by the Obligor, and provided further that (1) the Obligor and the Issuer shall have entered into an amendment to this Agreement to provide, among other things, for additional loan payments in an amount at least sufficient to pay the principal of, premium, if any, and interest on the Additional Bonds when due, and for a deposit into the Reserve Fund (including an account or accounts therein) of additional Reserve Fund Obligations which will equal the Reserve Fund Requirement on such

Additional Bonds, and (2) the Obligor and the Master Trustee shall have entered into a supplement to the Master Indenture whereby the Obligor issues a Note securing payment of the principal of, premium, if any, and interest on the Additional Bonds. The Issuer agrees to comply with Sections 2.09 and 2.10 of the Bond Indenture with respect to the issuance of Additional Bonds.

SECTION 4.2. AGREEMENT TO CONSTRUCT PROJECT; COMPLETION CERTIFICATE.

(a) The Obligor shall cause the 2019 Project to be financed and refinanced (including through reimbursement) with proceeds of the Series 2019 Bonds and each Project to be acquired, constructed, and improved with the proceeds of the Series 2019 Bonds or Additional Bonds to proceed with due diligence and pursuant to the requirements of the applicable laws of the State in all material respects.

(b) The Obligor shall deliver to the Bond Trustee within 90 days after the final completion or termination of a Project financed with proceeds of any Additional Bonds a certificate (the "Completion Certificate") of the Obligor to the effect that:

(i) such Project has been completed substantially in accordance with the plans and specifications, as then amended, and the date of completion;

(ii) the Cost of such Project has been fully paid for and no claim or claims exist against the Obligor or against the Series 2019 Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing statement any claim or claims out of which a lien exists or might ripen in the event that the Obligor intends to contest such claim or claims in accordance with this Loan Agreement, in which event such claim or claims shall be described; provided, further, that it shall be stated that moneys are on deposit in the Project Fund sufficient to make payment of the full amount that might in any event be payable in order to satisfy such claim or claims; provided, further, that there may also be excepted from the foregoing statement any claim that has been insured over pursuant to an endorsement to any title insurance; and

(iii) all permits, certificates and licenses necessary for the occupancy and use of such Project have been obtained and are in full force and effect.

SECTION 4.3. COST OF CONSTRUCTION. The Obligor represents and warrants that it will use its best efforts to construct or cause the construction of each Project financed with proceeds of the Series 2019 Bonds and any Additional Bonds at a price which will permit completion of such Project within the amount of the funds to be deposited in the Construction Fund and within the amount of other available funds of the Obligor.

SECTION 4.4. PLANS; MODIFICATIONS OF THE PROJECTS. The Obligor hereby covenants and agrees that no changes or modifications, or substitutions, deletions, or additions shall be made with respect to a Project financed with proceeds of the Series 2019 Bonds or any Additional Bonds if such change disqualifies such Project as a "project" under the Act.

SECTION 4.5. COMPLIANCE WITH REGULATORY REQUIREMENTS. The Obligor agrees that each Project financed with proceeds of the Series 2019 Bonds or any Additional Bonds shall be constructed strictly in accordance with all applicable ordinances and statutes, and in accordance with the requirements of all regulatory authorities in all material respects, and any rating or inspection organization, bureau, association, or office having jurisdiction, and it will furnish to the Issuer all information necessary for the Issuer to comply with all of the foregoing and all laws, regulations, orders and other governmental requirements.

The Obligor shall at no expense to the Issuer, promptly comply in all material respects or cause compliance in all material respects with all laws, ordinances, orders, rules, regulations and requirements of duly constituted public authorities which may be applicable to the Obligor or to its Facilities and operations, including without limitation, Chapter 651, Florida Statutes.

SECTION 4.6. REQUESTS FOR DISBURSEMENTS.

(a) The Obligor shall be entitled to disbursements of moneys in the Construction Fund to pay the Costs related to a Project financed with proceeds of the Series 2019 Bonds or any Additional Bonds on the Delivery Date with respect to the 2019 Project and the form of requisition required in connection with any Additional Bonds as set forth in the supplemental indenture related thereto.

(b) The Obligor shall be entitled to disbursement of moneys in the Cost of Issuance Fund to pay the Cost of Issuance of the Series 2019 Bonds and any Additional Bonds. The Obligor shall request disbursements from the Cost of Issuance Fund substantially in 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 written request for disbursement signed by the Obligor, but in no event more often than four times a month.

(c) Notwithstanding the foregoing, the Obligor shall make no request for disbursement of moneys from the Construction Fund for payment of Costs of Issuance of Additional Bonds.

SECTION 4.7. INTENTIONALLY OMITTED.

SECTION 4.8. MODIFICATION OF DISBURSEMENTS. The making of any disbursement or any part of a disbursement shall not be deemed an approval or acceptance by the Bond Trustee of the work theretofore done. Upon prior notice to the Obligor and in order to satisfy requirements specified in the Master Indenture, the Bond Trustee may deduct from any disbursement to be made under this Agreement any amount necessary for the payment of fees and expenses required to be paid under this Agreement and any insurance premiums, taxes, assessments, water rates, sewer rents and other charges, liens and encumbrances upon the facilities, whether before or after the making of this Agreement, and any amounts necessary for the discharge of mechanic's liens, and apply such amounts in payment of such fees, expenses, premiums, taxes, assessments, charges, liens and encumbrances. All such sums so applied shall be deemed disbursements under this Agreement.

SECTION 4.9. COVENANTS AS TO USE OF BOND PROCEEDS AND OTHER MATTERS, PAYBACK PROVISIONS. The Obligor covenants and agrees that:

(a) Substantially All of the Net Proceeds received from the sale of Tax Exempt Additional Bonds actually disbursed from the Construction Fund in connection with a Project, and investment earnings thereon, will be used for payment of Qualified Project Costs;

(b) the Obligor will not submit to the Bond Trustee any requisition for a disbursement from the Construction Fund if, after the expenditure of such disbursement, less than Substantially All of the Net Proceeds of the Tax Exempt Additional Bonds and investment earnings thereon actually disbursed to that time would have been used to pay Qualified Project Cost;

(c) the Obligor will not submit to the Bond Trustee any requisition for a disbursement from the Costs of Issuance Fund if, after the expenditure of such disbursement, more than two percent (2%) of the proceeds of the applicable Series of Tax Exempt Bonds would have been or will be used to pay Costs of Issuance;

(d) in the event a disbursement is made which results in the covenants in paragraphs (a), (b) or (c) above being violated, the Obligor will promptly repay to the Bond Trustee for deposit in the applicable Fund such amount as may be necessary for the Obligor to again be in compliance with paragraphs (a), (b) and (c) above; and

(e) none of the proceeds from the issuance of the Tax Exempt Bonds shall be used to provide, any airplane, skybox or other private luxury box, health club facility (other than any health club facility that is used by the Obligor for a use that is directly related to its exempt purposes under Section 501(c)(3) of the Code), any

facility primarily used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

SECTION 4.10. NON-PROFIT STATUS. The Obligor agrees that it shall not perform any acts, enter into any agreements, carry on or permit to be carried on at the Facility, or any other Facilities, or permit the Facility or such Facilities to be used in or for any trade or business, which shall adversely affect the basis for the Obligor's exemption from federal income taxation pursuant to Sections 501(c)(3) of the Code.

SECTION 4.11. DISPOSITION OF FACILITY. Except as provided in Section 8.1 hereof, the Obligor covenants that the property constituting the Facility will not be sold, leased or otherwise disposed in a transaction resulting in the receipt by the Obligor of cash or other compensation, unless the Obligor obtains an Opinion of Bond Counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds.

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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 Series 2019 Bonds and the proceeds of any Additional Bonds issued under the Bond Indenture to finance Projects and the other costs permitted hereunder and under the Bond Indenture. 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. The Obligor agrees to pay to the Bond Trustee for the account of the Issuer all payments when due on the Series 2019 Note. If for any reason the amounts paid to the Bond Trustee by the Obligor on the Series 2019 Note, together with any other amounts available in the Bond Fund, are not sufficient to pay principal of, premium, if any, and interest on the Bonds when due, the Obligor agrees to pay the amount required to make up such deficiency.

SECTION 5.3. CREDITS. Any amount in either account of the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding any payment date on the Notes in excess of the aggregate amount then required to be contained in such account of the Bond Fund pursuant to Section 5.2 hereof shall be credited pro rata against the payments due by the Obligor on such next succeeding principal or Interest Payment Date on the Notes.

In the event that all of the Bonds then Outstanding are called for redemption, any amounts contained in the Accounts in the 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 applicable Series of Notes, as provided below.

The principal amount of any Series 2019 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 related Series 2019 Note as described in the Supplemental Indenture.

The cancellation by the Bond Trustee of any Series 2019 Bonds purchased by the Obligor or of any Series 2019 Bonds redeemed or purchased by the Issuer through funds other than funds received on the Series 2019 Note shall constitute payment of a principal amount of the related Series 2019 Note equal to the principal amount of the applicable Series 2019 Bonds so cancelled. Upon receipt of written notice from the Bond Trustee of such cancellation, the Master Trustee shall at the written request of the Obligor endorse on the applicable Series 2019 Note such payment of such principal amount thereof.

SECTION 5.4. NOTES. Concurrently with the sale and delivery by the Issuer of the Series 2019 Bonds, the Obligor shall execute and deliver the Series 2019 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 Indenture shall be supplemented to reflect the issuance of the additional Notes 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 Notes payable to the Bond Trustee for the account of the Issuer in substantially the form set forth in the Master Indenture. The additional Notes 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 indenture) which are required in respect of the related Additional Bonds, and

(b) require each payment on the Notes 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, costs and expenses) 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. RESERVE FUND.

(a) In the event any moneys in any Account in the Reserve Fund are transferred to 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 Bonds of a related series, the Obligor agrees to deposit additional funds or Reserve Fund Obligations in an amount sufficient to satisfy the Reserve Fund Requirement for such Account, such amount to be deposited in accordance with Section 6.03 of the Bond Indenture.

(b) In the event the value of the Reserve Fund Obligations (as determined pursuant to the statement of the Bond Trustee furnished in accordance with Section 6.03 of the Bond Indenture and for reasons other than those described in paragraph (a) above) on deposit in any Account in the Reserve Fund is less than the Reserve Fund Requirement, the Obligor agrees to deposit additional funds on Reserve Fund Obligations in the applicable Accounts in the Reserve Fund in an amount sufficient to satisfy the Reserve Fund Requirement for the Series 2019 Reserve Account, such amount to be deposited in accordance with Section 6.03 of the Bond Indenture.

SECTION 5.7. PAYMENT OF ADMINISTRATION EXPENSES. In consideration of the agreement of the Issuer to issue Bonds and loan the proceeds thereof to the Obligor, the Obligor hereby agrees to pay the Administration Expenses, including, without limitation, the issuance fees of the Issuer and any and all costs paid or incurred by the Issuer in connection with the issuance of Bonds, 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 issuance of the Bonds. The Administration Expenses will be due and payable immediately upon submission by the Issuer to the Obligor of an invoice therefor.

SECTION 5.8. PAYEES OF PAYMENTS. The payments on the Notes 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 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 Facility or any Project, 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.

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ARTICLE VI
MAINTENANCE AND INSURANCE

SECTION 6.1. MAINTENANCE AND MODIFICATIONS BY OBLIGOR. The Obligor may, at its own expense, cause to be made from time to time any additions, modifications or improvements to the Facility or any Project provided such additions, modifications or improvements do not impair the character of the Facility and/or such Project as a "health facility," a "health care facility" and a "project" within the meaning of the Act or impair the extent of the exemption of interest on the Tax Exempt Bonds from Federal income taxation.

SECTION 6.2. 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 Facility in accordance with the terms of the Master Indenture.

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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 Facility or any Project or that the Facility or any Project 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 loan pursuant to this Agreement (i) the Issuer makes NO WARRANTY OF MERCHANTABILITY and (ii) THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION CONTAINED HEREIN.

SECTION 7.2. RIGHT OF ACCESS TO FACILITY. 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 Facility and any Project 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 Facility and any Project.

SECTION 7.3. NONSECTARIAN USE. The Obligor agrees that no proceeds of the Bonds will be used to finance the construction, acquisition or installation of any portion of the Facility or any Project which is intended to be used or which are being used for sectarian purposes.

SECTION 7.4. 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 7.5. INDEMNIFICATION. (a) THE OBLIGOR AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD HARMLESS EACH OF THE INDEMNIFIED PARTIES AGAINST ANY AND ALL LOSSES OR CLAIMS, INCLUDING LOSSES AS A RESULT OF THE NEGLIGENT ACTS OR OMISSIONS OF ANY INDEMNIFIED PARTY, OTHER THAN LOSSES RESULTING FROM FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE INDEMNIFIED PARTY CLAIMING INDEMNIFICATION. THE OBLIGOR ALSO SHALL INDEMNIFY THE BOND TRUSTEE FOR, AND DEFEND AND HOLD IT HARMLESS AGAINST, ANY LOSS, LIABILITY, CLAIMS OR DEMANDS OR EXPENSES (INCLUDING ATTORNEYS FEES, COSTS AND EXPENSES) INCURRED WITHOUT NEGLIGENCE OR WILLFUL MISCONDUCT ON ITS PART, ARISING OUT OF OR IN CONNECTION WITH THE ACCEPTANCE OR ADMINISTRATION OF THE TRUST CREATED UNDER THE BOND INDENTURE OR THE PERFORMANCE OF ITS DUTIES

UNDER THE BOND INDENTURE, INCLUDING THE COSTS AND EXPENSES OF DEFENDING ITSELF AGAINST ANY CLAIM OR LIABILITY IN CONNECTION WITH THE EXERCISE OR PERFORMANCE OF ANY OF ITS POWERS OR DUTIES UNDER THE BOND INDENTURE. THE BOND TRUSTEE MAY ENFORCE ITS RIGHTS UNDER THE PRECEDING SENTENCE AS A THIRD PARTY BENEFICIARY OF THIS AGREEMENT.

(b) NONE OF THE INDEMNIFIED PERSONS SHALL BE LIABLE TO THE OBLIGOR FOR, AND THE OBLIGOR HEREBY RELEASES EACH OF THEM FROM, ALL LIABILITY TO THE OBLIGOR FOR, ALL INJURIES, DAMAGES OR DESTRUCTION TO ALL OR ANY PART OF ANY PROPERTY OWNED OR CLAIMED BY THE OBLIGOR THAT DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO THE DESIGN, CONSTRUCTION, OPERATION, USE, OCCUPANCY, MAINTENANCE OR OWNERSHIP OF ANY PROJECT OR ANY PART THEREOF, EVEN IF SUCH INJURIES, DAMAGES OR DESTRUCTION DIRECTLY OR INDIRECTLY RESULT FROM, ARISE OUT OF OR RELATE TO, IN WHOLE OR IN PART, ONE OR MORE ACTS OR OMISSIONS, INCLUDING ACTS OR OMISSIONS CONSTITUTING NEGLIGENCE ON THE PART OF ANY INDEMNIFIED PARTY (BUT NOT INCLUDING ACTS OR OMISSIONS CONSTITUTING FRAUD, WILLFUL MISCONDUCT OR THEFT ON THE PART OF THE INDEMNIFIED PARTY CLAIMING RELEASE) IN CONNECTION WITH THE ISSUANCE OF ANY SERIES OF THE BONDS OR IN CONNECTION WITH ANY PROJECT.

(c) Each Indemnified Person, as appropriate, shall reimburse the Obligor for payments made by the Obligor pursuant to this Section to the extent of any proceeds, net of all expenses of collection, actually received by it from any other source (but not from the proceeds of any claim against any other Indemnified Person) with respect to any Loss to the extent necessary to prevent a recovery of more than the Loss by such Indemnified Person with respect to such Loss. At the written request and expense of the Obligor, each Indemnified Person shall claim or prosecute any such rights of recovery from other sources (other than any claim against another Indemnified Person) and such Indemnified Person shall assign its rights to such rights of recovery from other sources (other than any claim against another Indemnified Person), to the extent of such required reimbursement, to the Obligor.

(d) In case any Claim shall be brought or, to the knowledge of any Indemnified Person, threatened against any Indemnified Person in respect of which indemnity may be sought against the Obligor, such Indemnified Person promptly shall notify the Obligor in writing; provided, however, that any failure so to notify shall not relieve the Obligor of its obligations under this Section.

(e) The Obligor shall have the right to assume the investigation and defense of all Claims, including the employment of counsel and the payment of all expenses. Each Indemnified Person shall have the right to employ separate counsel in any such action and participate in the investigation and defense thereof, but the fees and expenses of such counsel shall be paid by such Indemnified Person unless (i) the employment of such counsel has been specifically authorized by the Obligor, in writing, (ii) the Obligor has failed after receipt of notice of such Claim to assume the defense and to employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both an Indemnified Person and the Obligor, and the Indemnified Person shall have been advised by counsel that there may be one or more legal defenses available to it which are different from or additional to those available to the Obligor (in which case, if such Indemnified Person notifies the Obligor in writing that it elects to employ separate counsel at the Obligor's expense, the Obligor shall not have the right to assume the defense of the action on behalf of such Indemnified Person; provided, however, that the Obligor shall not, in connection with any one action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegation or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Indemnified Parties, which firm shall be designated in writing by the Indemnified Parties).

(f) Each Indemnified Person shall cooperate with the Obligor, and the Obligor shall cooperate with each Indemnified Person, in the defense of any action or Claim. The Obligor shall not be liable for any settlement of any action or Claim without the Obligor's consent but, if any such action or Claim is settled with the consent of the Obligor or there be final judgment for the plaintiff in any such action or with respect to any such Claim, the Obligor shall indemnify and hold harmless the Indemnified Person from and against any Loss by reason of such settlement or judgment to the extent provided in Subsection (a).

(g) The provisions of this Section and the indemnification provided in Section 7.13 hereof shall survive the termination of this Agreement or the sooner resignation or removal of the Bond Trustee and shall inure to the benefit of the Bond Trustee's successors and assigns, and the obligations of the Obligor hereunder shall apply to Losses or Claims under Subsection (a) whether asserted prior to or after the termination of this Loan Agreement. In the event of failure by the Obligor to observe the covenants, conditions and agreements contained in this Section, any Indemnified Person may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Obligor under this Section. The obligations of the Obligor under this Section shall not be affected by any assignment or other transfer by the Issuer of its rights, titles or interests under this Loan Agreement to the Bond Trustee pursuant to the Bond Indenture and will continue to inure to the benefit of the Indemnified Parties after any such transfer. The provisions of this Section shall be cumulative with and in addition to any other agreement by the Obligor to indemnify any Indemnified Person.

(h) The following terms have the meanings assigned to them below whenever they are used in this Agreement:

"Claims" shall mean all claims, lawsuits, causes of action and other legal actions and any audits, investigations, or proceedings of whatever nature brought against (whether by way of direct action, counter claim, cross action or impleader) any Indemnified Person, even if groundless, false, or fraudulent, so long as the claim, lawsuit, cause of action or other legal action or proceeding is alleged or determined, directly or indirectly, to arise out of, to result from, to relate to or to be based upon, in whole or in part: (a) the issuance of the Bonds, (b) the duties, activities, acts or omissions (EVEN IF NEGLIGENT) of any Person in connection with the issuance of the Bonds, or the obligations of the various parties arising under the Bond Indenture, this Agreement or the Master Indenture, or (c) the duties, activities, acts or omissions (EVEN IF NEGLIGENT) of any Person in connection with the design, construction, installation, operation, use, occupancy, maintenance or ownership of the Projects or any part thereof.

"Indemnified Party" shall mean one or more of the Issuer and any of its officers, directors, commissioners, members, officials, consultants, agents, servants and employees, and any successor to any of such Persons.

"Indemnified Persons" means the Indemnified Parties and the Bond Trustee.

"Losses" means losses, costs, damages, expenses, judgments, and liabilities of whatever nature (including, but not limited to, reasonable attorney's, accountant's and other professional's fees, costs and expenses, litigation and court costs and expenses, amounts paid in settlement and amounts paid to discharge judgments and amounts payable by an Indemnified Persons to any other Person under any arrangement providing for indemnification of that Person) directly or indirectly resulting from arising out of or relating to one or more Claims.

SECTION 7.6. 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 7.7. 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 7.8. 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, commissioner, member, trustee, agent, employee or official of the Issuer, the Bond Trustee or the Obligor, in his or her individual capacity, and neither the governing body of the Obligor, the Bond Trustee nor any official of the Issuer shall be liable personally thereon or be subject to any personal liability or accountability with respect thereto, whether by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise.

SECTION 7.9. 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, (ii) all out of pocket expenses and Cost of Issuance (including reasonable fees and expenses of attorneys employed by the Issuer, including, without limitation, fees of the City Attorney and Bond Counsel) 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, including, without limitation, fees of the City Attorney and Bond Counsel) 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.

SECTION 7.10 MINIMUM LIQUID RESERVE AND OPERATING RESERVE AMOUNT. The Obligor covenants and agrees that it is in compliance with the provisions of the CCRC Law applicable to the Facility, and has and shall maintain, so long as legally mandated, the minimum liquid reserve requirements and operating reserve requirements of Section 651.035(1) and (2), as prescribed in Section 651.033, Florida Statutes, as amended (and any successor provisions). The Obligor may adjust the amount on deposit in the Reserve Fund to the extent permitted under Section 651.035(2)(a) and (b), Florida Statutes, as amended. The Obligor shall maintain an operating expense escrow in the amount required by Section 651.035(1)(c) and (4), Florida Statutes, as amended. Moneys in or to be deposited to such operating expense escrow shall be maintained solely for the benefit of residents of the Facility and shall not be encumbered or subject to any liens or charges by the escrow agent holding the same, or judgments, garnishments or creditors' claims against the Obligor or the Facility or other encumbrances, including (without limitation) the lien on the Gross Revenue created by the Master Indenture and the Mortgage. The Obligor shall maintain a renewal and replacement reserve escrow in the

amount required by Section 651.035(1)(d) and (4), Florida Statutes, as amended. Moneys in or to be deposited to such renewal and replacement reserve escrow shall not be subject to any charges by the escrow agent, except escrow agent fees associated with administering the account, or subject to any liens, judgments, garnishments, creditor's claims, or other encumbrances against the Obligor or the Facility, including (without limitation) the lien on the Gross Revenues created by the Master Indenture and the Mortgage.

SECTION 7.11 NON-DISCRIMINATION. The Obligor will not discriminate against the residents of the Facility on the basis of race, religion, sex or national origin.

SECTION 7.12 ARBITRAGE; PRESERVATION OF TAX-EXEMPTION. The Issuer covenants and agrees to take no action that would cause any Bond that is a Tax Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, as implemented by such proposed, temporary and final Regulations as have been or may hereafter be adopted by the United States Treasury Department thereunder. The Obligor agrees and covenants that neither the proceeds of the Bonds that are Tax Exempt Bonds nor the funds held by the Bond Trustee under the Bond Indenture will be used in such manner as to cause any Bond that is a Tax Exempt Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code, as implemented by such proposed, temporary and final Regulations as have been or may hereafter be adopted by the United States Treasury Department thereunder. (The parties hereto recognize that only the Obligor can direct the Bond Trustee as to the expenditure of proceeds and investment of funds under the Bond Indenture.) The Obligor further agrees and covenants not to take any action, including any change in the Facility, the result of which would cause or be likely to cause the interest payable with respect to the Bonds that are Tax Exempt Bonds not to be excluded from gross income for federal income tax purposes. The Obligor will comply with the applicable requirements of Section 103 and Part IV of Subchapter B of Chapter 1 of Subtitle A of the Code to the extent necessary to preserve the exclusion of interest on the Bonds that are Tax Exempt Bonds from gross income of the Bondholders thereof for federal income tax purposes.

SECTION 7.13 CERTAIN COVENANTS WITH RESPECT TO COMPLIANCE WITH ARBITRAGE REQUIREMENTS FOR INVESTMENTS IN NONPURPOSE INVESTMENTS AND REBATE TO THE UNITED STATES OF AMERICA. Section 148(f) of the Code, as implemented by Section 1.148-1 to 1.148-11 of the Regulations (the "Rebate Provisions"), requires that, with certain exceptions, the Issuer pay to the United States of America the Rebate Amount. The Obligor hereby assumes and agrees to make all payments for deposit into the Rebate Fund, in accordance with the terms of Section 3.16 of the Bond Indenture, to pay the Rebate Amount, consents to the payment of the Rebate Amount by the Bond Trustee in accordance with the terms and provisions of Section 3.16 of the Bond Indenture, and agrees to pay any amounts in addition to the Rebate Amount, including all interest and penalties, if any, related thereto

to the extent that funds available therefor held by the Bond Trustee under the Bond Indenture are not sufficient for such purpose with respect to the Tax Exempt Bonds. The Obligor agrees to indemnify, protect and hold harmless the Issuer and the Bond Trustee with respect to any nonpayment of the Rebate Amount and such interest and penalties, and the Bond Trustee with respect to the unavailability or insufficiency of funds with which to make such payments and with respect to any expenses or costs incurred by the Bond Trustee in complying with the terms of Section 3.16 of the Bond Indenture. The Obligor hereby agrees to fully and timely comply with the requirements of Section 3.16 of the Bond Indenture.

SECTION 7.14 OBLIGATIONS UNDER INDENTURE. The Obligor agrees to perform all obligations imposed upon it by the express terms of the Bond Indenture.

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ARTICLE VIII
ASSIGNMENT AND LEASING

SECTION 8.1. ASSIGNMENT AND LEASING BY OBLIGOR. This Agreement may be assigned, and all or any portion of the Facility and/or any Project may be leased by the Obligor without the consent of either the Issuer or the Bond Trustee, provided that each of the following conditions is complied with:

(a) No assignment or leasing shall relieve the Obligor from primary liability for any of its obligations hereunder, and in the event of any such assignment or leasing the Obligor shall continue to remain primarily liable for payment of the loan payments and other payments specified in Article V hereof and for performance and observance of the other covenants and agreements contained herein; provided that if the Obligor withdraws from the Obligated Group (as defined in the Master Indenture) and is released from its obligations on the Notes by the Master Trustee pursuant to the Master Indenture, the Obligor shall, with the written consent of the Issuer, also be released from its liability for its obligations hereunder, including payment of the loan payments and other payments specified in Article V hereof and the performance and observance of the other covenants and agreements contained herein.

(b) The assignee or lessee shall assume in writing the obligations of the Obligor hereunder to the extent of the interest assigned or leased, provided that the provisions of this subsection shall not apply to a lease of a portion of the Facility or an operating contract for the performance by others of Obligor or medical services on or in connection with the Facility, or any part thereof.

(c) The Obligor shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Issuer and the Bond Trustee a true and complete copy of each such assumption of obligations and assignment or lease of the Facility or any Project, as the case may be.

SECTION 8.2. ASSIGNMENT AND PLEDGE BY ISSUER. Solely pursuant to the Bond Indenture, the Issuer may assign its interest in and pledge any moneys receivable under the Notes and this Agreement (except in respect of certain rights to indemnification and for Administration Expenses, indemnification and payment of attorneys' fees and expenses pursuant to Sections 5.7, 7.5 and 9.5 hereof and the right to receive notices) to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds. The Obligor consents to such assignment and pledge.

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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 30 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) If the Bond Trustee has declared the Bonds immediately due and payable pursuant to the terms of the Bond Indenture, by written notice to the Obligor, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Bond Indenture) or otherwise, to be immediately due and payable as liquidated damages under this Agreement and not as a penalty, whereupon the same shall become immediately due and payable;

(b) 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

(c) 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

(d) 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

(e) 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 holders of the Bonds, subject to the Bond Indenture.

SECTION 9.5. AGREEMENT TO PAY ATTORNEYS' FEES, COSTS AND EXPENSES. In the event the Issuer or the Bond Trustee should employ attorneys or incur other costs or 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 fees, costs and expenses of such attorneys and such other reasonable costs and 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 either party and thereafter waived by the other party, 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.

[Remainder of page intentionally left blank]

ARTICLE X
PREPAYMENT OF NOTES

SECTION 10.1. GENERAL OPTION TO PREPAY NOTES. 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 any or all of the Notes by depositing with the Bond Trustee for payment into the Bond Fund or any bond fund created with respect to any series of Additional Bonds 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 all the Notes 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.

SECTION 10.2. CONDITIONS TO EXERCISE OF OPTION. To exercise the option granted in Section 10.1 hereof, the Obligor shall give written notice to the Issuer and the Bond Trustee which shall specify therein the date of such redemption, which date shall be not less than 45 days from the date the notice is mailed.

[Remainder of page intentionally left blank]

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 either party to the other party at the addresses shown below upon any of the following dates:

(a) The date of notice by telefax, telecopy, or similar telecommunications or an email as an attached scanned PDF document, which is confirmed promptly by hard copy;

(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:

City of Venice, Florida
401 West Venice Avenue
Venice, Florida 34285
Attention: City Manager
Telephone: (941) 882-7398
Email: elavallee@venicegov.com

Obligor:

Southwest Florida Retirement Center, Inc.
920 Tamiami Trail South
Venice, Florida 34285
Attention: Chief Executive Officer
Telephone: (941) 486-5491
Email: janderson@villageontheisle.com

Bond Trustee:

The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway North, 2nd FL
Jacksonville, Florida 32256
Attention: Corporate Trust – Global Client Services
Telephone: (904) 998-4741
Email: Barbara.denton@bnymellon.com

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 Sections 8.1, 8.2 and 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, the Reserve Fund and any Construction Fund upon expiration or sooner termination of this Agreement, after payment in full of all 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, 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 prior written consent of the Bond Trustee, or to the extent of a change in the rights of the Issuer, the Issuer, including, without limitation, amendments with respect to indemnification and payment of Administrative Expenses and attorney fees.

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 Notes 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 without regard to conflict of law principles.

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. SURVIVAL OF COVENANTS. All covenants, agreements, representations and warranties made by the Obligor in this Agreement, the Bond Indenture, the Notes 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 Notes and shall continue in full force and effect until the Bonds and the Notes are paid in full and all of the Obligor's other payment obligations (including without limitation the indemnification obligation under Section 7.5 and the obligations under Sections 5.5, 5.7 and 9.5 hereof) under this Agreement, the Bond Indenture, the Notes and the Bonds are satisfied. All such covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Obligor.

[Remainder of page intentionally left blank]

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.

CITY OF VENICE, FLORIDA

_____
John W. Holic, Mayor

ATTEST:

_____
Lori Stelzer, MMC, City Clerk

SOUTHWEST FLORIDA RETIREMENT CENTER, INC.

By:_____
Chief Executive Officer

EXHIBIT A

FORM FOR COST OF ISSUANCE DISBURSEMENT

NO. _____

The Bank of New York Mellon Trust Company, N.A., as Bond Trustee
10161 Centurion Parkway North, 2nd Floor
Jacksonville, Florida 32256
Attention: Corporate Trust

Re: City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019

Gentlemen:

This request for disbursement is submitted to you pursuant to Section 4.6 of the Loan Agreement (the "Loan Agreement") dated as of December 1, 2019, between City of Venice, Florida and Southwest Florida Retirement Center, Inc. d/b/a Village on the Isle (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.

1. (List payments to be made)
2.
3.

Date:_____ SOUTHWEST FLORIDA RETIREMENT CENTER, INC., as Obligor

By:_____
Authorized Officer

EXHIBIT B

SERIES 2019 PROJECT DESCRIPTION

(i) finance (including reimbursement for prior related capital expenditures) all or a portion of the costs relating to the acquisition, construction and equipping of various capital improvements to the Borrower's existing continuing care retirement facility located at 920 South Tamiami Trail, Venice, Florida 34285, including but not limited to, renovations to its assisted living facilities, independent living apartments, recreational facilities, greenhouse and other common areas and the acquisition of various furniture, fixtures and other equipment related to heating and cooling, emergency power generation, security, computer network, maintenance, healthcare and other uses related to the retirement facility, (ii) fund necessary reserve for the Series 2019 Bonds, and (iii) pay certain costs of issuance related to the Bonds.

EXHIBIT C

FORM OF REQUISITION

$_____
City of Venice, Florida
Retirement Community Revenue Improvement Bonds
(Village on the Isle Project),
Series 2019

REQUISITION NO. _____

Amount Requested:

Total Disbursements to Date:

1. Each obligation for which a disbursement is hereby requested is described in reasonable detail in Exhibit A hereto together with the name and address of the person, firm or corporation to whom payment is due.

2. The bills, invoices or statements of account for each obligation referenced in Exhibit A are on file with the Obligated Group Representative.

3. The Obligated Group Representative hereby certifies that:

(a) each obligation mentioned in Exhibit A has been properly incurred, is a proper charge against the Construction Fund and has not been the basis of any previous disbursement;

(b) no part of the disbursement requested hereby will be used to pay for materials not yet incorporated into the Series 2019 Project or for services not yet performed in connection therewith;

(c) no Event of Default under the Bond Indenture has occurred and is continuing and there exists no event or condition which, with the giving of notice or the passage of time would constitute an Event of Default under the Bond Indenture; and

(d) no item in Exhibit A represents any portion of an obligation which the Obligor is, as of the date hereof, entitled to retain under any retained percentage agreement;

(e) all sums previously advanced by the Bond Trustee have been used solely for purposes permitted by the Bond Indenture and the specific items which are the subject of this requisition will be so used;

(f) there has not been served upon the Obligor any lien, notice of any lien, right to lien or attachment upon or claim affecting the right to receive payment of, any moneys payable to any of the persons or firms named in this requisition, which has not been released or will not be released simultaneously with the payment of such obligation;

(g) after payment of such disbursement, sufficient amounts will remain in the Construction Fund, taking into account investment earnings thereon, to pay all remaining unpaid costs of the Series 2019 Project;

This _____ day of _____, 20____.

SOUTHWEST FLORIDA RETIREMENT CENTER, INC. d/b/a VILLAGE ON THE ISLE, as Obligated Group Representative

By:_____
Obligated Group Representative

EXHIBIT C

FORM OF INDENTURE OF TRUST

CITY OF VENICE, FLORIDA

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS BOND TRUSTEE

INDENTURE OF TRUST

DATED AS OF DECEMBER 1, 2019

CITY OF VENICE, FLORIDA
RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS
(VILLAGE ON THE ISLE PROJECT),
SERIES 2019

TABLE OF CONTENTS

Page

ARTICLE I
DEFINITIONS

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

ARTICLE III
REVENUES AND FUNDS

ARTICLE VIII
DEFAULTS AND REMEDIES

ARTICLE IX
CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

ARTICLE X
SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE AGREEMENT

ARTICLE XI
MISCELLANEOUS

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of December 1, 2019, between the **CITY OF VENICE, FLORIDA**, a municipal corporation of the State of Florida (the "Issuer"), and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association with trust powers having an office in Jacksonville, Florida as Bond Trustee (the "Bond Trustee"), being authorized to accept and execute trusts of the character herein set out,

WITNESSETH:

WHEREAS, the Issuer is a municipal corporation of the State of Florida (the "State") and a public agency under the constitution and laws of the State, particularly Chapter 159, Part II, Florida Statutes, Chapter 166, Florida Statutes; and other applicable provisions of law (collectively, the "Act"), to sell and deliver its bonds for the purpose of financing or refinancing the cost of a "health care facility" and a "project," as such terms are defined in the Act; and

WHEREAS, the Issuer is further authorized by the Act to make a loan of the proceeds of its bonds in the amount of all or part of the cost of the health facility, health care facility or project for which such bonds have been authorized and, at the option of the Issuer, for the deposit to a reserve fund or reserve funds for such bonds; and

WHEREAS, the execution and delivery of this Indenture of Trust (hereinafter sometimes referred to as the "Bond Indenture"), and the issuance of the bonds hereinafter authorized under this Bond Indenture, pursuant to the provisions of the Act, have been in all respects duly and validly authorized by a resolution duly adopted and approved by the Issuer; 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 bonds, to be known as "City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project)," be issued in one or more series (all bonds from time to time outstanding under the terms of this Bond Indenture being hereinafter referred to as the "Bonds"); and

WHEREAS, the proceeds of the Bonds shall be loaned to Southwest Florida Retirement Center, Inc., d/b/a Village on the Isle (the "Obligor") pursuant to a Loan Agreement dated as of December 1, 2019 (the "Agreement") between the Issuer and the Obligor; and

WHEREAS, to secure the payment of the principal of the Bonds, premium, if any, and the 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 Issuer has determined to issue an initial series of Bonds hereunder, designated "City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019" (the "Series 2019 Bonds") in the Aggregate Principal Amount of $_____ for the purpose of financing and refinancing (including through reimbursement) a Project (as defined in the Agreement), funding necessary reserves and paying the cost of issuance; and

WHEREAS, the Series 2019 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 SERIES 2019 BOND)

CITY OF VENICE, FLORIDA
RETIREMENT COMMUNITY REVENUE IMPROVEMENT BONDS
(VILLAGE ON THE ISLE PROJECT),
SERIES 2019

No. R-____ $_____

Interest Rate	**Maturity Date**	**Delivery Date**	**CUSIP No.**
_____%	January 1, 20__	December __, 2019	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

CITY OF VENICE, FLORIDA, a municipal corporation of the State of Florida (the "Issuer"), for value received, hereby 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 January 1 and July 1 of each year, commencing July 1, 2019, at the interest rate 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.

THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO

PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2019 BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE SERIES 2019 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE ISSUER'S INTEREST IN THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE BOND INDENTURE AND ANY OTHER AGREEMENTS SECURING THE SERIES 2019 BONDS.

This Bond is one of a duly authorized issue of bonds of the Issuer dated December __, 2019, known as "City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019" (the "Series 2019 Bonds") and issued in an Aggregate Principal Amount (as defined in the hereinafter defined Agreement) of $_____ for the purpose of providing funds to be loaned to Southwest Florida Retirement Center, Inc. d/b/a Village on the Isle, a Florida nonprofit corporation (the "Obligor"), to be used to finance and refinance (including through reimbursement) the 2019 Project (as defined in the Agreement), to fund a debt service reserve fund and to pay the costs of issuance.

This Bond and the series of Bonds of which it is a part have been issued under and pursuant to the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Florida Statutes and other applicable provisions of law (the "Act"). This Bond is a limited obligation of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged to its payment and not from any other revenues, funds or assets of the Issuer. No owner of any Bonds has the right to compel the Issuer to pay the principal of, interest or redemption premium, if any, on the Bonds.

The principal of and premium, if any, on this Bond are payable upon the presentation and surrender hereof at the East Syracuse, New York corporate trust office of The Bank of New York Mellon Trust Company, N.A., as trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of December 1, 2019 (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 last 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 to such wire transfer address within the continental United States of America as the Registered Owner shall have furnished to the Bond Trustee in writing on or prior to the Regular Record Date and upon compliance with the reasonable requirements of the Bond Trustee. 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 ten 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 without deduction for the services of the Bond Trustee. Capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Bond Indenture unless the context otherwise requires.

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.

To provide for its loan repayment obligations, the Obligor has entered into a Loan Agreement dated as of December 1, 2019, between the Issuer and the Obligor (the "Agreement") and issued its Series 2019 Note (the "Series 2019 Note"). The Series 2019 Note is issued pursuant to a Master Trust Indenture dated as of November 1, 2016, between the Obligor and Wells Fargo Bank, N.A., as succeeded by The Bank of New York Mellon Trust Company, N.A., as master trustee (the "Master Trustee") and a Supplemental Indenture Number 4, dated as of December 1, 2019 between the Obligor and the Master Trustee (collectively, the "Master Indenture"). Pursuant to the Master Indenture and a Mortgage and Security Agreement dated as of November 1, 2016, as supplemented, from the Obligor to the Master Trustee including, particularly as supplemented by the Mortgage Supplement (collectively, the "Mortgage"), the Obligor has pledged and granted a security interest in, among other things, the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2019 Note.

Additional obligations on a parity with the Series 2019 Note and the other parity notes may be issued pursuant to the Master 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 other security.

This Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the Agreement. The Series 2019 Bonds are issued under and are equally and ratably secured 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, incorporators, 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.

Additional series of Bonds may be issued by the Issuer in accordance with the limitations and conditions of the Bond Indenture, which Bonds shall be in all respects on a parity with the Series 2019 Bonds. Such additional Bonds may be issued at different times, in various principal amounts and denominations, may mature at different times, may bear interest at different rates, may be redeemable at different prices and may otherwise vary as provided in the Bond Indenture. The Series 2019 Bonds and such additional Bonds are herein collectively called the "Bonds." Reference is hereby made to the Bond Indenture and all indentures supplemental thereto and the Master 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.

[OPTIONAL REDEMPTION]

The Series 2019 Bonds are subject to optional redemption prior to maturity by the Issuer, at the written direction of the Obligor, on or after January 1, 20__, at any time as a

whole or in part by lot (subject to the requirements of the Bond Indenture with respect to partial redemptions), at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Price
January 1, 20__ through December 31, 20__	103%
January 1, 20__ through December 31, 20__	102%
January 1, 20__ through December 31, 20__	101%
January 1, 20__ and thereafter	100%

[MANDATORY SINKING FUND REDEMPTION]

The Series 2019 Bonds maturing on January 1, 20__ are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2019 Bonds Maturing on January 1, 20__

Redemption Date (January 1 of the year)	Principal Amount

*

*Maturity.

The Series 2019 Bonds maturing on January 1, 20__ are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2019 Bonds Maturing on January 1, 20__	
Redemption Date (January 1 of the year)	Principal Amount
*	

*Maturity.

The deposits described above shall be reduced (i) by the amount of Series 2019 Bonds acquired and delivered in the open market at a price not exceeding the redemption price in accordance with the provisions of the Bond Indenture in satisfaction of such bond sinking fund requirements and (ii) in connection with a partial redemption of Series 2019 Bonds if the Obligor elects to reduce mandatory bond sinking fund redemptions for the Series 2019 Bonds in the manner provided in the Bond Indenture.

At the option of the Obligor to be exercised by delivery of a written certificate to the Bond Trustee on or before the forty-fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Series 2019 Bonds or portions thereof of the same maturity, in an Aggregate Principal Amount desired by the Obligor, or (ii) specify a principal amount of Series 2019 Bonds or portions thereof of the same maturity, which prior to said date have been redeemed (otherwise than through the operation of mandatory bond sinking fund redemptions) 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 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 interest from the most recent interest payment date 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 (as defined in the Master 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

(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.

If less than all Series 2019 Bonds are to be optionally redeemed, the Obligor may select the maturities eligible for redemption which are to be redeemed. If less than all Series 2019 Bonds (or any series or subseries) 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 Series 2019 Bond to be redeemed as shown on the registration records kept by the Bond Trustee, as provided in the Bond Indenture. All Series 2019 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.

The Series 2019 Bonds are issuable as fully registered Bonds in denominations of $**[**5,000**]** and any integral multiple of $5,000 in excess thereof and are exchangeable for an equal Aggregate Principal Amount of fully registered Series 2019 Bonds of the same maturity 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 office of the Bond Trustee upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2019 Bond of authorized denomination or denominations for the same Aggregate Principal Amount, maturity and series 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 2019 Bond after the mailing of notice calling such Series 2019 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.

The Issuer and the Bond Trustee may deem and treat the person in whose name this Series 2019 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 Series 2019 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.

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.

This Bond is and has all the qualities and incidents of a negotiable instrument under the law merchant act and the Uniform Commercial Code – Investment Securities Law of the State of Florida.

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.

IN WITNESS WHEREOF, City of Venice, Florida has caused this Bond to be executed with the manual or facsimile signatures of its Mayor and attested by the manual or facsimile signature of the City Clerk of the City of Venice, Florida, and a facsimile of its seal to be hereto affixed or printed, all as of the date set forth above.

_____
John W. Holic, Mayor

ATTEST:

_____
Lori Stelzer, MMC, City Clerk

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2019 Bonds referred to in the within mentioned Bond Indenture.

Date of Authentication:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Bond Trustee

_____

By:_____
Authorized Signatory

[END OF FORM OF 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").

* * * [END OF SERIES 2019 BOND FORM] * * *

WHEREAS, all things necessary to make the Series 2019 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 INDENTURE OF TRUST WITNESSETH:

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2019 Bonds by the owners thereof and for other good and valuable consideration, the receipt and sufficiency of which are 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 Bank of New York Mellon Trust Company, N.A., as 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 any Note delivered by the Obligor to the Issuer pursuant to 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, 7.5, and 9.5 of 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, Reserve Fund and Construction 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 any 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 (except amounts held in the Rebate Fund); 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:

[Remainder of page intentionally left blank]

ARTICLE I
DEFINITIONS

SECTION 1.01. DEFINITIONS. All defined words and phrases used in this Bond Indenture shall have the meanings given and ascribed to such words and phrases in Article I of the Agreement or in the Master Indenture.

SECTION 1.02. RECITAL INCORPORATION. The recitals set forth in the beginning of this Indenture are hereby incorporated herein.

[Remainder of page intentionally left blank]

ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

SECTION 2.01. AUTHORIZED AMOUNT OF SERIES 2019 BONDS. No Series 2019 Bonds may be issued under this Bond Indenture except in accordance with this Article. The total original principal amount of Series 2019 Bonds that may be issued hereunder is hereby expressly limited to $_____, 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 SERIES 2019 BONDS.

(a) Series 2019 Bonds. There is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as the "City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019." The Series 2019 Bonds shall be numbered consecutively upward from R-1.

The Series 2019 Bonds shall bear interest from the most recent interest payment date for which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2019 Bond. The Series 2019 Bonds shall bear interest on the basis of a 360 day year composed of twelve 30 day months payable each January 1 and each July 1, beginning July 1, 2020, at the rates per annum and shall mature on January 1 in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate

$_____, _____% Series 2019 Term Bonds due January 1, 20__

$_____, _____% Series 2019 Term Bonds due January 1, 20__

$_____, _____% Series 2019 Term Bonds due January 1, 20__

(b) Provisions Applicable to All Bonds. The Series 2019 Bonds shall be issued in Authorized Denominations and shall be dated the Delivery Date.

The Series 2019 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.

The principal of and premium, if any, on the Series 2019 Bonds shall be payable at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, upon presentation and surrender of the Series 2019 Bonds. Payment of interest on any Series 2019 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 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 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 to such wire transfer address within the continental United States of America as the Registered Owner shall have furnished to the Bond Trustee in writing on or prior to the Regular Record Date and upon compliance with the reasonable requirements of the Bond Trustee. The CUSIP number and appropriate dollar amounts for each CUSIP number shall accompany all payments of principal, premium, if any, and interest on the Series 2019 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 Series 2019 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 Series 2019 Bonds not less than ten (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 Series 2019 Bonds and the Bond Trustee. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal of and interest on any Bonds that are subject to the book entry system as provided in Article II of this Bond Indenture 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 the manual or facsimile signature of its Mayor and its seal, or a facsimile thereof, shall be thereunto affixed or imprinted and

attested by the City Clerk. 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 of the Issuer for the Series 2019 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 for a like principal amount and maturity. Prior to any transfer of the Series 2019 Bonds outside of the book entry system (including, but not limited to, the initial transfer outside the book entry system) the transferor shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Trustee shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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 fifteen 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 except for Bondholders of $1,000,000 or more in aggregate principal amount of the Series 2019 Bonds.

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 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 (including attorney's fees, costs and expenses, if any) 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 SERIES 2019 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 Series 2019 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 Series 2019 Bonds there shall be filed with and delivered to the Bond Trustee at least:

(a) A certified copy of a Resolution of the Issuer authorizing the execution and delivery of the Agreement and this Bond Indenture and the issuance of the Series 2019 Bonds.

(b) Original executed counterparts of the Agreement, this Bond Indenture, the Mortgage Supplement, the Tax Agreement, the Continuing Disclosure Certificate and the Supplemental Indenture.

(c) The Series 2019 Note, duly executed and authenticated and duly assigned and payable to the Bond Trustee.

(d) Executed copies of the Master Indenture and the Mortgage.

(e) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its Mayor to authenticate and deliver the Series 2019 Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer, together with instructions (which may be in the form of a separate certificate) as to the disposition of the proceeds of the Series 2019 Bonds.

(f) An Opinion of Bond Counsel to the effect that the Series 2019 Bonds have been duly and validly authorized, issued and delivered and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms and that the interest payable on the Series 2019 Bonds is excludable from gross income for federal income tax purposes.

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. ISSUANCE OF ADDITIONAL BONDS. Additional Bonds are hereby authorized to be issued hereunder for the purposes set forth in Section 4.1 of the Agreement. If the Obligor requests the issuance of any Additional Bonds, it shall file with the Issuer and the Bond Trustee a certificate specifying the amount of Additional Bonds to be issued and the purpose for such issuance.

Thereupon, the Issuer may request the authentication and delivery of such Additional Bonds; provided that the Obligor and the Issuer shall have entered into an amendment to the Agreement to provide, among other things, that the Project shall include the additional facilities, if any, being financed by the Additional Bonds, for delivery of a Note or Notes entitled to the benefit and security of the Master Indenture in

an amount at least sufficient to pay principal of, premium, if any, and interest on the Additional Bonds when due, for a deposit into a separate account in the Reserve Fund relating to such Additional Bonds of additional Reserve Fund Obligations which, together with amounts then contained in the other accounts in the Reserve Fund will equal the Reserve Fund Requirement on all Bonds Outstanding at the date of issuance of such series of Additional Bonds and for such additional covenants and conditions as the Issuer and the Obligor deem desirable. All Additional Bonds shall be secured in the same manner as and rank on a parity with the Series 2019 Bonds, but shall bear such date or dates, bear such interest rate or rates, have such maturity dates, redemption dates, options and premiums, and be issued at such prices as shall be approved in writing by the Issuer and the Obligor. Upon the execution and delivery of appropriate supplements to this Bond Indenture and the Master Indenture and amendments to the Agreement, the Issuer may execute and deliver to the Bond Trustee, and the Bond Trustee shall authenticate, such Additional Bonds and deliver them to the initial purchasers thereof as directed by the Issuer.

SECTION 2.10. REQUIREMENTS FOR AUTHENTICATION AND DELIVERY OF ADDITIONAL BONDS. Whenever requesting the authentication and delivery under this Article II of any Additional Bonds the Issuer shall furnish the Bond Trustee the following:

(a) Obligor's Certificate. A certificate of the Obligor stating (i) that no default exists under the Agreement, the Master Indenture or this Bond Indenture, (ii) that the Obligor approves the issuance and delivery of such Additional Bonds and (iii) any other matters to be approved by the Obligor pursuant to Section 4.1 of the Agreement and this Section 2.10.

(b) Certified Resolution. A certified copy of a Resolution of the Issuer authorizing the issuance of the Additional Bonds and the execution and delivery of the amendment to the Agreement and a supplement to this Bond Indenture.

(c) Amendment to the Agreement. An original executed counterpart of the amendment to the Agreement.

(d) Supplemental Bond Indenture. An indenture supplemental hereto, designating the new series to be created and prescribing expressly or by reference with respect to the Bonds of such series:

(1) the principal amount of the Bonds of such series,

(2) the text of the Bonds of such series,

(3) the maturity date or dates thereof,

(4) the place or places where principal, premium, if any, and interest are to be paid and where the Bonds are to be registerable, transferable, or exchangeable.

(5) the rate or rates of interest and the date from which, and the date or dates on which, interest is payable,

(6) provisions as to redemption,

(7) provisions (if any) as to exchangeability,

(8) any other provisions necessary to describe and define such series within the provisions and limitations of this Bond Indenture, and

(9) any other provisions and agreements in respect thereof provided, or not prohibited, by this Bond Indenture.

(e) Supplement to Master Indenture. Original executed counterparts of a supplement to the Master Indenture authorizing the execution and delivery of an additional Note or Notes.

(f) Additional Notes. A Note or Notes executed by the Obligor which shall:

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

(2) require each payment on the Note to be made on the due date for the corresponding payment to be made on the related bonds of the Issuer.

(g) Reserve Fund. For deposit into a separate account in the Reserve Fund relating to such Additional Bonds, Reserve Fund Obligations which, together with the amounts then on deposit in the other accounts in the Reserve Fund, will equal the Reserve Fund Requirement on Bonds to be Outstanding upon the issuance of the Additional Bonds.

(h) Opinion as to Instruments Furnished Bond Trustee, Etc. Opinion or Opinions of Counsel acceptable to the Bond Trustee that:

(1) all instruments furnished the Bond Trustee conform to the requirements of this Bond Indenture and constitute sufficient authority hereunder for the Bond Trustee to authenticate and deliver the Additional Bonds then applied for,

(2) all laws and requirements with respect to the form and execution by the Issuer of the supplement to the Bond Indenture, the amendment to the Agreement, and the execution and delivery by the Issuer of the Additional Bonds then applied for have been complied with,

(3) the Issuer has power to issue such Additional Bonds and has taken all necessary action for that purpose,

(4) the Additional Bonds are valid and binding in accordance with their terms and are secured by the lien of this Bond Indenture, equally and ratably with all other Bonds theretofore issued and then Outstanding hereunder,

(5) the extent to which the interest on the Outstanding Bonds is excludable from the gross income of the recipients thereof under the Code will not be impaired by the issuance of the Additional Bonds then applied for, and

(6) the additional Note referred to in paragraph (f) of this Section and the supplement to the Master Indenture are valid and binding in accordance with their terms and the additional Note is entitled to the benefits of the Master Indenture.

SECTION 2.11. 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. In the event of destruction of the Bonds by the Bond Trustee, a certificate of destruction evidencing such destruction shall be furnished by the Bond Trustee to the Issuer and the Obligor upon written request.

SECTION 2.12. BOOK ENTRY ONLY SYSTEM. The Bonds shall be initially issued in the form of a single fully registered Bond for each maturity of each series of Bonds registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.13 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 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 respective 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 an 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 2.13. 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 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) Upon the written consent of 100% 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 2.14. 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.

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ARTICLE III
REVENUES AND FUNDS

SECTION 3.01. APPLICATION OF PROCEEDS OF SERIES 2019 BONDS.

(a) The Issuer will sell and cause to be delivered to the initial purchasers thereto the Series 2019 Bonds and will deliver the net proceeds thereof to the Bond Trustee for disposal as follows:

(i) Deposit, into the Series 2019 Reserve Account established in the Reserve Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(e).

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

(iii) Deposit to the Construction Fund the balance of the proceeds of the Series 2019 Bonds.

(b) The Issuer agrees to authorize the issuance of Additional Bonds upon satisfaction of the terms and conditions provided herein and in Sections 2.09 and 2.10. Additional Bonds may be issued to provide funds (i) to pay the Costs of financing and refinancing Expansions, (ii) to pay the Cost of financing, refinancing, acquiring, providing, constructing, enlarging, remodeling, renovating, improving, furnishing or equipping and refinancing the acquiring, constructing, equipping or completing any Project, (iii) to the extent permitted by law, to refund any Bonds theretofore issued and then Outstanding under the Bond Indenture or (iv) for any combination of such purposes. In the event of the issuance of Additional Bonds for any such purposes, the amount of Additional Bonds issued may include the costs of the issuance and sale of the Additional Bonds, capitalized interest for such period allowed by law, reserve funds and such other costs reasonably related to the financing as shall be agreed upon by the Obligor and the Issuer.

(c) If the Obligor is not in default hereunder, the Issuer agrees, on request of the Obligor, from time to time, to use its reasonable efforts to issue the amount of Additional Bonds specified by the Obligor; provided that the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds thereof are to be disbursed shall have been approved in writing by the Obligor, and provided further that (1) the Obligor and the Issuer shall have entered into an amendment to this Agreement to provide, among other things, that

the Project shall include the facilities, if any, being financed by the Additional Bonds, for additional loan payments in an amount at least sufficient to pay principal of, premium, if any, and interest on the Additional Bonds when due, and for a deposit into the Reserve Fund of additional Reserve Fund Obligations which, together with amounts at that time contained in the Reserve Fund, will equal the Maximum Annual Debt Service on all Bonds Outstanding at the date of issuance of such series of Additional Bonds, and (2) the Obligor and the Master Trustee shall have entered into a supplement to the Master Indenture whereby the Obligor shall issue a Note securing payment of the principal of, premium, if any, and interest on the Additional Bonds. The Issuer agrees to comply with Sections 2.09 and 2.10 with respect to the issuance of Additional Bonds.

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 "City of Venice, Florida Retirement Community Revenue Bonds (Village on the Isle Project) Bond Fund" (the "Bond Fund"). There are hereby created by the Issuer and ordered established with the Bond Trustee separate accounts within the Bond Fund to be designated as the Principal Account and the Interest Account, respectively. Moneys on deposit in the Principal Account shall be used to pay the principal of and premium, if any, on the Bonds, when due and payable. Moneys on deposit in the Interest Account shall be used to pay the interest on the Bonds.

SECTION 3.03. PAYMENTS INTO THE BOND FUND. There shall be deposited into the Interest Account all accrued interest received from the sale of the Bonds to the initial purchasers thereof. In addition, there shall also be deposited into the Principal Account or the Interest Account, as and when received, (i) all payments on the Notes, (ii) all moneys transferred to the Bond Fund from the 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 written directions that such moneys are to be paid into the Principal Account or the Interest Account. There also shall be retained or deposited in the Principal Account or the Interest Account 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 Principal Account or the Interest Account 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 as the same become due and payable.

SECTION 3.04. USE OF MONEYS IN THE PRINCIPAL ACCOUNT AND THE INTEREST ACCOUNT. The amounts deposited into the Interest Account pursuant to Section 3.01 hereof shall be used to pay accrued interest on the appropriate series of Bonds on the first Interest Payment Date. Except as provided in Sections 3.15

and 8.05 hereof, moneys in the Principal Account or the Interest Account shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds on a pro rata basis.

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 Account or the Interest Account of the Bond Fund to pay the principal of, premium, if any, and interest on the Bonds as the same come due and payable, which authorization and direction the Bond Trustee hereby accepts.

SECTION 3.06. CONSTRUCTION FUND.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the "City of Venice, Florida Retirement Community Revenue Bonds (Village on the Isle Project) Construction Fund" (the "Construction Fund"). Moneys shall be deposited in the Construction Fund or the accounts therein for that portion of the Proceeds of the Series 2019 Bonds used to pay (or reimburse) costs of the Series 2019 Project in accordance with Section 3.01 and thereafter only in the event that Additional Bonds are issued hereunder to finance a Project or Projects. Moneys in the Construction Fund shall be used to pay (or reimburse) Costs of a Project or as hereinafter provided. Under no circumstances shall moneys in the Construction Fund be used to pay Cost of Issuance.

(b) The Bond Trustee shall disburse moneys in the Construction Fund as provided herein and in Article IV of the Agreement. All Surplus Construction Fund Money remaining in the Construction Fund after the Completion Certificate is filed with the Bond Trustee and payment of all other costs then due and payable shall be transferred to the Bond Fund and shall be used to pay debt service on the Bonds or such other purpose as permitted in an Opinion of Bond Counsel.

(c) Payments from the Construction Fund shall be made in accordance with this Article III and Article IV of the Agreement. Upon receipt of the required requisition, the Bond Trustee shall pay the amount requested to the extent that the Obligor is entitled to payment pursuant to the Agreement.

(d) If an Event of Default occurs under this Bond Indenture, and the Bond Trustee declares the principal of all Bonds and the interest accrued thereon to be due and payable, no moneys may be paid out of the Construction Fund by the Bond Trustee during the continuance of such an Event of Default; provided, however, that if such an Event of Default shall be waived and such declaration shall be rescinded by the Bond Trustee or the holders and owners of the Bonds pursuant to the terms of this Bond Indenture, the full amount of any such remaining moneys in the Construction Fund may

again be disbursed by the Bond Trustee in accordance with the provisions of the Loan Agreement and this Bond Indenture.

SECTION 3.07. COMPLETION CERTIFICATE. At such time as the Obligor determines that construction of a Project has been completed in substantial compliance with the final plans and specifications for the Project or has determined to terminate any further construction of such Project, it shall deliver the Completion Certificate to the Bond Trustee.

SECTION 3.08. CREATION OF THE RESERVE FUND.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the "City of Venice, Florida Retirement Community Revenue Bonds (Village on the Isle Project) Debt Service Reserve Fund" (the "Reserve Fund"). Within the Reserve Fund there is hereby created and established the Series 2019 Reserve Account.

(b) Moneys on deposit in the Series 2019 Reserve Account in the Reserve Fund shall be used to provide a reserve for the payment of the principal of and interest on the Series 2019 Bonds and no other series of Bonds shall be secured therewith.

SECTION 3.09. PAYMENTS INTO THE RESERVE FUND. In addition to the deposits required by Section 3.01 hereof, there shall be deposited into the appropriate Account in the Reserve Fund any Reserve Fund Obligations delivered by the Obligor to the Bond Trustee pursuant to Section 5.6 of the Loan Agreement. In addition, there shall be deposited into the appropriate Account in the 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 directions that such moneys are to be paid into the appropriate Account in the Reserve Fund. There shall also be retained in the Reserve Fund all interest and other income received on investments of Reserve Fund moneys to the extent provided in Section 6.02 hereof.

SECTION 3.10. USE OF MONEYS IN THE RESERVE FUND.

(a) Except as provided herein and in Section 3.15 hereof, moneys in each Account in the Reserve Fund shall be used solely for the payment of the principal of and interest on the related series of the 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 provided that moneys on deposit in each Account in the Reserve Fund shall be used only to make such payments with respect to the related series of Bonds.

(b) 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 Reserve Fund Obligations in the Reserve Fund shall, subject to the provisions of Sections 3.10(e) and 3.16 hereof, be transferred by the Bond Trustee to the Principal Account and applied in accordance with Section 8.05 hereof.

(c) On the final maturity date of any series of Bonds, any Reserve Fund Obligations in the related Accounts in the Reserve Fund in excess of the Reserve Fund Requirement for each Account after giving effect to such maturity may, upon the written direction of the Obligor, be used to pay the principal of and interest on such series of Bonds on such final maturity date.

(d) In the event of the redemption of a portion of any series of Bonds, any Reserve Fund Obligations on deposit in the applicable Account in the Reserve Fund in excess of the Reserve Fund Requirement for such series immediately after such redemption may, subject to the provisions of Section 3.16 hereof, be transferred to the Principal Account and applied to the payment of the principal of the series of Bonds to be redeemed. On January 1 and July 1 in each year, any earnings on the Reserve Fund Obligations on deposit in the Reserve Fund that are in excess of the Reserve Fund Requirement shall be transferred during the construction period for any Project into any Funded Interest Account created in the Construction Fund in connection with the issuance of Bonds for such Project or, if after the completion of such construction period, into the Interest Account of the Bond Fund. If at any time moneys in an Account in the Reserve Fund are sufficient to pay the principal or redemption price of all Bonds of the related series, the Bond Trustee may use the moneys on deposit in such Account in the Reserve Fund to pay such principal or redemption price of the related series of Bonds.

(e) Except as described below or as otherwise allowed under Chapter 651, Florida Statutes, no withdrawal of monies from the Reserve Fund (other than transfers of amounts in excess of the Reserve Fund Requirement) shall be permitted without the prior written consent of the Florida Office of Insurance Regulation. Not less than sixty (60) days prior to any proposed withdrawal of monies from the Reserve Fund (other than transfers of amounts in excess of the Reserve Fund Requirement), notice of the intent to withdraw from the Reserve Fund shall be given by the Trustee or the Obligated Group Representative by telephone (850-413-3140) (promptly confirmed in writing) or facsimile (850-488-7061) to the Florida Office of Insurance Regulation, Specialty Product Administration, the Larson Building, 200 East Gaines Street, Tallahassee, Florida 32399-0331 (the "Office of Insurance"), provided that such notice by telephone, by facsimile or in writing may be given to the Office of Insurance at other telephone numbers or other addresses if required by the Office of Insurance to be used in lieu of the foregoing. The Trustee shall provide the Office of Insurance with any information concerning the Reserve Fund upon request of the Office of Insurance or the Obligated Group Representative.

SECTION 3.11. CUSTODY OF THE RESERVE FUND. The Reserve 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 transfer sufficient moneys from the applicable Account in the 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 Account or the Interest Account on any payment date for any series of Bonds, the Bond Trustee shall promptly make up such deficiency from the applicable Account in the 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 his 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, upon request in writing by the Obligor, 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 either 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 attorneys' fees, costs and expenses) 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. Any amounts remaining in the Bond Fund, Reserve Fund or Construction Fund after payment in full of the Bonds (or after making provision for such payment), the fees, costs and expenses of the Bond Trustee and the Paying Agents (including attorneys' fees, costs and expenses, if any), the Administration Expenses, and all other amounts required to be paid hereunder and under the Agreement shall be paid to the Obligor upon the termination of the Agreement.

SECTION 3.16. CREATION OF REBATE FUND; DUTIES OF BOND TRUSTEE; AMOUNTS HELD IN REBATE FUND.

(a) There is hereby created and established with the Bond Trustee a trust fund to be held in trust to be designated "City of Venice, Florida Retirement Community Revenue Bonds (Village on the Isle Project) Rebate Fund."

(b) Section 148(f) of the Code, as implemented by Sections 1.148-1 to 1.148-11 of the Income Tax Regulations (the "Rebate Provisions") requires that, among other requirements and with certain exceptions, the Issuer pay to the United States of America the Rebate Amount. The Issuer hereby covenants that it will make payments of the Rebate Amount as directed by the Obligor (but only from moneys provided to the Issuer by or on behalf of the Obligor for such purposes), if any, required to be made to the United States pursuant to the Code in order to establish or maintain the exclusion of the interest on the Tax Exempt Bonds from gross income for federal income tax purposes. The Obligor shall timely make or cause to be made all necessary calculations of the Rebate Amount as required to comply with the Rebate Provisions and shall deposit or cause the Bond Trustee to deposit into the Rebate Fund from investment earnings on moneys deposited in the other funds and accounts created hereunder, or from any other funds held by the Bond Trustee and available for such purpose, or from other moneys paid by the Obligor to the Bond Trustee for such purpose, the amount necessary to increase the balance in the Rebate Fund to the Rebate Amount. The Obligor shall certify in writing the Rebate Amount, if any (and if none is due, that none is due), and the calculations determining the same to the Bond Trustee, and shall instruct the Bond Trustee in writing to make from the Rebate Fund (or to the extent necessary, from other funds of the Obligor delivered to the Bond Trustee) all required payments to the United States of America of the Rebate Amount as shall be required to satisfy the Rebate Provisions, and to the extent the funds held by the Bond Trustee in the Rebate Fund are

not sufficient to make payments of such Rebate Amount, the Obligor shall pay to the Bond Trustee an amount necessary to make up such deficiency. In complying with the foregoing, the Obligor may rely upon any instructions from and any opinions of Bond Counsel, including, without limitation, a letter to be delivered by Bond Counsel to the Issuer, the Obligor and the Bond Trustee on the date of issuance of the Series 2019 Bonds, and upon any certificates, opinions or calculations prepared by certified public accountants or other consultants reasonably selected by the Obligor.

The Bond Trustee shall cooperate with the Obligor in complying with the requirements of this Section and shall promptly provide to the Obligor, upon its written request, any information in the possession of the Bond Trustee concerning the investment of Gross Proceeds of the Bonds and all other information in the possession of the Bond Trustee of benefit to the Obligor in complying with the requirements of this Section. "Gross Proceeds" as to any series of Tax Exempt Bonds, for purposes of this Section include (a) proceeds of such Bonds, (b) amounts received from the Obligor pursuant to the Agreement with respect to such Bonds, (c) all funds in accounts subject to the lien of this Bond Indenture allocable to the Bonds, and (d) other amounts that the Issuer may advise the Bond Trustee in writing to treat as Gross Proceeds, and investment earnings on all of the foregoing.

Prior to making any distribution from the Rebate Fund held under this Bond Indenture, the Bond Trustee shall determine, from written calculations provided hereunder by the Obligor, whether funds remaining therein subject to the terms of this Indenture shall be sufficient to pay the Rebate Amount when due and shall advise the Obligor of the deficiency, if any, which the Obligor shall promptly pay to the Bond Trustee. Payments to be made to the United States of America as required hereunder may be made directly by the Bond Trustee from the Rebate Fund, or any other fund or account held under this Indenture, or from funds provided by the Obligor upon, and in such amounts as provided in written instruction from the Obligor to the Bond Trustee, notwithstanding any other provisions herein to the contrary.

If any amount allocable to the Bonds shall remain in the Rebate Fund after payment in full of all Tax Exempt Bonds issued hereunder and after payment in full to the United States of the Rebate Amount with respect to the Tax Exempt Bonds in accordance with the terms hereof, the Bond Trustee shall, upon the written request of the Obligor, distribute such amount to the Obligor.

Notwithstanding any other provisions of this Indenture, including in particular Article VII of this Bond Indenture, the obligation to pay the Rebate Amount to the United States and to comply with all other requirements of this Section 3.16 shall survive the defeasance or payment in full of the applicable Bonds.

All funds and accounts created hereunder shall be impressed with a lien to secure prompt payment of the Rebate Amount which shall be prior to the lien created hereunder

for the benefit of the Owners and further by a lien to reimburse the Bond Trustee for any expense (including reasonable attorneys' fees, costs and expenses) incurred by it pursuant to this Section, which lien shall also be prior to the lien created hereunder for the benefit of the Owners.

Under no circumstances whatsoever shall the Bond Trustee be liable to the Issuer, the Obligor or any Owner for any loss of the status of interest on the Bonds as excludable from gross income for federal income tax purposes, or any claims, demands, damages, liabilities, losses, costs or expenses resulting therefrom or in any way connected therewith, resulting from a failure to comply with Section 148(f) of the Code so long as the Bond Trustee has, pursuant to the terms of this Section 3.16, in good faith acted in accordance with the written directions of the Obligor.

(c) Notwithstanding any provision of this Indenture to the contrary, the Bond Trustee shall not be liable or responsible for any calculation or determination which may be required in connection with or for the purpose of complying with the Rebate Provisions, including, without limitation, the calculation of amounts required to be paid to the United States under the provisions of the Rebate Provisions and the fair market value of any investment made hereunder, it being understood and agreed that the sole obligation of the Bond Trustee with respect to investments of funds hereunder shall be to invest the moneys received by the Bond Trustee pursuant to the instructions of the Obligor given in accordance with Section 6.01 hereof. The Bond Trustee shall have no responsibility for determining whether or not the investment made pursuant to the direction of the Obligor or any of the instructions received by the Bond Trustee under this Section 3.16 comply with the requirements of the Rebate Provisions and shall have no responsibility for monitoring the obligations of the Obligor or the Issuer for compliance with the provisions of the Indenture with respect to the Rebate Provisions.

(d) Any moneys remaining in the Rebate Fund after redemption and payment of all of the Tax Exempt Bonds and payment and satisfaction of any rebatable arbitrage and all amounts owing by the Obligor under the Agreement shall be withdrawn and paid to the Obligor upon its written request.

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.

SECTION 3.17. COST OF ISSUANCE FUND. There is hereby created and established with the Bond Trustee a trust fund designated as the "City of Venice, Florida Retirement Community Revenue Bonds (Village on the Isle 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 Article IV 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) the 180th day following the Delivery Date, any moneys remaining in the Cost of Issuance Fund shall be transferred to the Project Account of the Construction Fund, and thereafter no such moneys shall be used to pay Cost of Issuance. The Cost of Issuance Fund shall then be closed.

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ARTICLE IV
COVENANTS OF THE ISSUER

SECTION 4.01. PERFORMANCE OF COVENANTS: AUTHORITY. 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 covenants that it is duly authorized under the laws of the State of Florida, including particularly and without limitation the Act, to issue the Series 2019 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 2019 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 Series 2019 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 Series 2019 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 Notes, 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: RECORDATION OF BOND INDENTURE AND SUPPLEMENTAL INDENTURES. 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. Notwithstanding anything to the contrary contained herein, the Bond Trustee shall not be responsible for any initial filings of any financing statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy or sufficiency of any description of collateral in such initial filings or for filing any modifications or amendments to the initial filings required by any amendments to Article 9 of the Uniform Commercial Code. In addition, unless the Bond Trustee shall have been notified in writing by the Issuer or the Obligor that any such initial filing or description of collateral was or has become defective, the Bond Trustee shall be fully protected in (i) conclusively relying on such initial filing and descriptions in filing any financing or continuation statements or modifications thereto and (ii) filing any continuation statements in the same filing offices as the initial filings were made. The Bond Trustee shall cause to be filed a continuation statement with respect to each Uniform Commercial Code financing statement relating to the Bonds that was filed at the time of the issuance thereof, in such manner and in such places as the initial filings were made, provided that a copy of the filed original financing statement is timely delivered to the Bond Trustee. The Obligor shall be responsible for the reasonable costs incurred by the Bond Trustee in the preparation and filing of all continuation statements hereunder (including attorney's fees, costs and expenses, if any).

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 VIII 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 except in accordance with Sections 2.09 and 2.10 of this Bond Indenture.

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, 7.5 and 9.5 thereof) 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. The Issuer (to the extent within its power or direction) shall not knowingly and intentionally use or permit the use of any proceeds of Tax Exempt Bonds or any other funds of the Issuer, directly or indirectly, in any manner, and shall not knowingly and intentionally take or permit to be taken, or fail to take, any other action or actions, which would adversely affect the exclusion of the interest on any Tax Exempt Bond from gross income for federal income tax purposes.The Bond Trustee agrees to comply with the provisions of any statute, regulation or ruling that may apply to it as Bond Trustee hereunder and relating to reporting requirements or other requirements necessary to preserve the exclusion from federal gross income of the interest on the Tax Exempt Bonds. If the Obligor shall fail to perform its obligations as described in Section 3.16, the Bond Trustee from time to time may, but shall not be obligated to, cause a firm of attorneys, consultants or independent accountants or an investment banking firm to supply the Bond Trustee, on behalf of the Issuer and the Obligor, with such information as the Bond Trustee, on behalf of the Issuer, may reasonably request in order to determine in a manner reasonably satisfactory to the Bond Trustee, on behalf of the Issuer, all matters relating to (a) the actuarial yields on the Tax Exempt Bonds as the same may relate to any data or conclusions necessary to verify that the Tax Exempt Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Code, and (b) compliance with the rebate requirements of Section 148(f) of the Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Obligor.

Notwithstanding any provision of this Section, if the Obligor provides to the Bond Trustee and the Issuer an Opinion of Bond Counsel to the effect that any action required under this Section is no longer required, or to the effect that some further action is required, to maintain the exclusion of interest on the Tax Exempt Bonds from federal gross income, the Bond Trustee and the Issuer may conclusively rely on such opinion in complying with the provisions of this Bond Indenture, and the covenants under this Bond Indenture may be deemed to be modified to that extent.

Notwithstanding any other provision of this Bond Indenture, so long as is necessary to maintain the exclusion of the interest on the Tax Exempt Bonds from gross income for federal income tax purposes, the covenants in this Section shall survive the payment of the Tax Exempt Bonds, including the defeasance thereof.

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 any issue of the Tax Exempt 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 in writing 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.

(a) Optional Redemption of Series 2019 Bonds. The Series 2019 Bonds are subject to optional redemption prior to maturity by the Issuer, at the written direction of the Obligor, on or after January 1, 20__, at any time as a whole or in part by lot (subject to the requirements of Section 5.03 hereof with respect to partial redemptions), at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Price
January 1, 20__ through December 31, 20__	103%
January 1, 20__ through December 31, 20__	102%
January 1, 20__ through December 31, 20__	101%
January 1, 20__ and thereafter	100%

(b) Bonds other than the Series 2019 Bonds shall be subject to optional redemption prior to maturity as provided in the Supplemental Indenture authorizing such Bonds.

SECTION 5.02. SINKING FUND REDEMPTION. The Series 2019 Bonds in this Section are subject to mandatory bond sinking fund redemption are referred to herein as the "Series 2019 Term Bonds."

The Series 2019 Bonds maturing on January 1, 20__ are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2019 Bonds Maturing on January 1, 20__

Redemption Date (January 1 of the year)	Principal Amount

*

*Maturity.

The Series 2019 Bonds maturing on January 1, 20__ are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2019 Bonds Maturing on January 1, 20__

Redemption Date (January 1 of the year)	Principal Amount

*

*Maturity.

The Series 2019 Bonds maturing on January 1, 20__ are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Series 2019 Bonds Maturing on January 1, 20__

Redemption Date (January 1 of the year)	Principal Amount

*

*Maturity.

The deposits described above shall be reduced (i) by the amount of Series 2019 Bonds acquired and delivered in the open market at a price not exceeding the redemption price in accordance with the provisions of the Bond Indenture in satisfaction of such bond sinking fund requirements and (ii) in connection with a partial redemption of Series 2019 Bonds if the Obligor elects to reduce mandatory bond sinking fund redemptions for the Series 2019 Bonds in the manner provided in the Bond Indenture.

On or before the thirtieth 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 Series 2019 Term Bonds Outstanding, a principal amount of such Series 2019 Bonds equal to the Aggregate Principal Amount of such Series 2019 Term Bonds redeemable with the required sinking fund payment, and shall call such Series 2019 Term Bonds or portions thereof ($5,000 or any integral multiple of $5,000 in excess thereof) for redemption from the sinking fund on the next January 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 forty-fifth day next preceding any sinking fund redemption date, it may (i) deliver to the Bond Trustee for cancellation Series 2019 Bonds or portions of Series 2019 Term Bonds, as the case may be, in an Aggregate Principal Amount desired by the Obligor, or (ii) specify a principal amount of Series 2019 Bonds or portions of Series 2019 Term Bonds, as the case may be, 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% of the principal amount thereof against the obligation of the Issuer to redeem Series 2019 Term Bonds on such sinking fund redemption date. Any excess shall be credited against the next sinking fund redemption obligation to redeem Series 2019 Term Bonds. 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 Series 2019 Term Bonds or portions thereof to be canceled.

SECTION 5.03. METHOD OF SELECTION OF BONDS IN CASE OF PARTIAL REDEMPTION.

(a) In the event that less than all of the Outstanding Series 2019 Bonds or portions thereof of a particular series are to be redeemed as provided in Sections 5.01 or 5.08 hereof, the Obligor may select the particular maturities of such series (or subseries) to be redeemed. If less than all Series 2019 Bonds (or any series or subseries) or portions thereof of a single maturity 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 Series 2019 Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Series 2019 Bond may be redeemed, but Series 2019 Bonds shall be redeemed only in the principal amount of an Authorized Denomination and no Series 2019 Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

(c) Selection of Additional Bonds for redemption shall be made as provided in the Supplemental Indenture authorizing such Bonds.

SECTION 5.04. NOTICE OF REDEMPTION.

(a) Series 2019 Bonds shall be called for redemption by the Bond Trustee as herein provided upon receipt by the Bond Trustee at least 45 days (or such shorter time as agreed to by the Bond Trustee) prior to the redemption date of a certificate of the Obligor specifying the principal amount of Series 2019 Bonds to be called for redemption, the applicable redemption price or prices and the provision or provisions of this Bond Indenture pursuant to which such Series 2019 Bonds are to be called for redemption. The provisions of the preceding sentence shall not apply to the redemption of Series 2019 Bonds pursuant to the sinking fund provided in Section 5.02 hereof, and such Series 2019 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 (except those related to the Sinking Fund), the Bond Trustee shall cause notice of such redemption to be given electronically or by mailing by first class mail, postage prepaid, a copy of the redemption notice to the owners of the Series 2019 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, 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 to any owner of $1,000,000 or more in principal amount of Series 2019 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 2019 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date; provided, however, the failure to give such aforementioned notice shall not affect the validity of any proceedings for the redemption of such Series 2019 Bonds if notice is given in accordance with the prior sentence.

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 Series 2019 Bonds and the CUSIP number (and in the case of partial redemption, certificate number and the respective principal amounts, interest rates and maturity dates) of the Series 2019 Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Series 2019 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 Series 2019 Bonds, including the place where such Series 2019 Bonds are to

be surrendered for payment of the redemption price and the name and phone number of a contact person at such address.

Provided, however, any defect in such notice, shall not affect the validity of any proceedings for the redemption of such Series 2019 Bonds.

(b) Notice of redemption of Additional Bonds shall be given in accordance with the terms of the Supplemental Indenture pursuant to which such Bonds have been issued.

(c) Notwithstanding the foregoing or any other provision hereof, notice of optional redemption pursuant to this Section 5.04 may, upon written direction of the Obligor to the Issuer, be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer upon written direction of the Obligor to the Trustee if expressly set forth in such notice.

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 Series 2019 Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Bond Trustee. On the redemption date the principal amount of each Series 2019 Bond to be redeemed, together with the accrued 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 Series 2019 Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Series 2019 Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Series 2019 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 2.11 hereof.

SECTION 5.07. PARTIAL REDEMPTION OF FULLY REGISTERED BONDS. Upon surrender of any fully registered Bond 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 series and of the same maturity of Authorized Denominations in an Aggregate Principal Amount equal to the unredeemed portion of the Bond surrendered.

SECTION 5.08. EXTRAORDINARY OPTIONAL REDEMPTION. (a) The Bonds shall be subject to optional redemption by the Issuer at the written direction of the Obligor prior to their scheduled maturities, in whole or in part by lot (subject to the requirements of Section 5.03 hereof with respect to partial redemptions) at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date 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 (as defined in the Master 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

(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.

ARTICLE VI
INVESTMENTS

SECTION 6.01. INVESTMENT OF BOND FUND, CONSTRUCTION FUND AND RESERVE FUND MONEYS. Any moneys held as part of the Bond Fund, Construction Fund or 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 conclusively 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 may make any and all investments permitted by the provisions of this Section through its trust department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such investments. In order to comply with the directions of the Obligor, the Bond Trustee may sell, at the best price obtainable, 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. In order to avoid loss in the event of any need for funds, the Obligor may instruct the Bond Trustee in writing, 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. Notwithstanding anything to the contrary in this Section 6.01, (i) the Obligor shall not direct the Bond Trustee to purchase any Premium Security unless the written instructions of the Obligor to make such purchase set forth the amount of premium on such Premium Security, and (ii) the Obligor shall not direct the Bond Trustee to sell any Premium Security, unless prior to such sale, the Obligor has directed the Trustee as to the amount of realized premium on such Premium Security to be transferred to the account in which such Premium Security was held. The Bond Trustee shall conclusively rely upon the Obligor's written instructions as to both the suitability and legality of all directed investments. Ratings of investments shall be determined at the time of purchase of such investments and without regard to ratings subcategories. The Bond Trustee shall have no responsibility to monitor the ratings of investments after the initial purchase of such investments. In the absence of written investment instructions from the Obligor, the Bond Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested. Although the Issuer and the Obligor each recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Issuer and the Obligor hereby agree that broker confirmations of investments are

not required to be issued by the Bond Trustee for each month in which a monthly statement is rendered or made available by the Bond Trustee.

SECTION 6.02. ALLOCATION AND TRANSFERS OF INVESTMENT INCOME. Any investments in any Fund shall be held by or under the control of the Bond Trustee and shall be deemed at all times a part of the Fund from which the investment was made. Any loss resulting from such investments shall be charged to such Fund. The Bond Trustee shall not be liable for any loss or penalty resulting from any such investment made in accordance with any direction by a Obligor or for the Tax Exempt Bonds becoming "arbitrage bonds" by reason of any such investment. Any interest or other gain from any fund 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 Construction Fund shall be credited to the Interest Account of the Bond Fund.

(b) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Principal Account and the Interest Account of the Bond Fund shall be credited at least semiannually to the Interest Account unless a deficiency exists in the Series 2019 Reserve Account in the Reserve Fund, in which case such interest or other gain shall be paid into the Series 2019 Reserve Account in the Reserve Fund forthwith.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Series 2019 Reserve Account in the Reserve Fund shall be credited to the Series 2019 Reserve Account in the Reserve Fund if a deficiency exists therein at that time. If a deficiency does not exist in the Series 2019 Reserve Account in the Reserve Fund at that time, such interest or other gain on other amounts paid into the Series 2019 Reserve Account shall be paid during the construction period for any Project for deposit into the Construction Fund created in connection with the issuance of Bonds for such Project or at the option of the Obligor to the Fund of Interest Account or if after the completion of such construction period, for deposit into the Interest Account of the Bond Fund, in each case at least semiannually.

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 or make available 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 or make available on December 31 and June 30 of each year a statement of the assets contained in each Fund and Account. Assets will be valued at market value as of December 31 and June 30, respectively, by the Bond Trustee in such statement in accordance with the normal valuation procedures of the Bond Trustee, provided, however, in the event monies are withdrawn from the Series 2019 Reserve Account in the Reserve Fund for a deficiency in the Principal Account or Interest Account pursuant to Section 3.10(b) hereof, assets in the Reserve Fund shall also be valued as of the first Business Day after such transfer is made (such date and each December 31 and June 30 referred to as a "Valuation Date").

(c) If on any Valuation Date, the amount on deposit in the Series 2019 Reserve Account in the Reserve Fund is less than the applicable Reserve Fund Requirement, for such Account, as a result of a decline in the market value of investments on deposit in such Account, the Obligor shall deposit with the Bond Trustee an amount necessary to restore such Account in the Reserve Fund to the Reserve Fund Requirement for such Account within 120 days following the date on which the Obligor receives notice of such deficiency.

(d) If at any time, the amount on deposit in the Series 2019 Reserve Account in the Reserve Fund is less than the applicable Reserve Fund Requirement as a result of a draw on such Account, the Obligor shall deposit with the Bond Trustee an amount necessary to restore such Account to the related Reserve Fund Requirement for such Account in not more than 12 substantially equal monthly installments beginning on the first day of the seventh month after the month in which such draw occurred.

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ARTICLE VII
DISCHARGE OF BOND INDENTURE

SECTION 7.01. DISCHARGE OF THE 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, costs 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, Reserve Fund and Construction 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 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 subclause (ii) above has been made with the Bond Trustee (or another depository) 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.

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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 Indenture that the principal of, and accrued 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 on 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% in principal amount of the Bonds Outstanding; provided that such failure is the result of the failure of the Obligor to perform its obligations under the Agreement.

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 interest on any 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 interest accrued thereon to be immediately due and payable and said principal, redemption premium that would be owing under Section 5.01 hereof, if any, 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 Notes 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 interest on, the Notes and the Bonds has been declared due and payable immediately, the declaration of the acceleration

of the Notes shall be annulled in accordance with the provisions of the Master 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 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, 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.

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 in writing by the owners of at least 25% 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, in its sole discretion, may determine what action, if any, shall be taken.

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 and provided, further, that notwithstanding anything to the contrary in this Bond Indenture, the Issuer shall have the sole ability to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of Section 4.10 of the Loan Agreement. 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 names, nor unless they have also offered 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 offer 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, the expenses, liabilities, and advances incurred or made by the Bond Trustee and the then outstanding fees of 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, costs and expenses of the Bond Trustee) be applied as follows:

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

First: 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

Second: 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 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 any Account of the Bond Fund from any Account in the Reserve Fund shall be (i) held by the Bond Trustee separate and apart from any other moneys in such Account of the Bond Fund, and (ii) applied solely to payment of principal of and interest on the series of Bonds related to such Reserve Account.

(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 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 the 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.

No provision of this Bond Indenture empowers the Bond Trustee to authorize, consent to, accept or adopt on behalf of any Bondholder any plan or reorganization, arrangement, adjustment or composition affecting any of the rights of any Bondholders, or authorizes the Bond Trustee to vote in respect of the claim in any proceeding described in this Section.

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, 7.5, and 9.5 thereof) and the Notes 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 owners of Bonds to enforce each and every right granted to the Issuer under the Agreement and under the Notes. 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 Notes 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 (which may be based on advice of counsel), would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to owners of Notes.

SECTION 8.11. UNDERTAKING FOR COSTS. All parties to this Indenture agree, and each Holder of any Bond by his 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% in principal amount of the 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 may in its discretion waive any Event of Default hereunder and its consequences, and shall do so 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) 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 4.10 of the Loan Agreement.

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ARTICLE IX
CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

SECTION 9.01. DUTIES OF THE BOND TRUSTEE. The Bond Trustee hereby accepts the trusts 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, duties 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 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. In case an Event of Default has occurred (which has not been cured) 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 consult with counsel with respect to any question relating to its duties or responsibilities hereunder or otherwise in connection herewith and shall not be liable for any action taken, suffered or omitted by the Bond Trustee in good faith upon the advice of such counsel. 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 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. 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 official statement, official statement or similar document prepared and distributed in connection with the sale of the Bonds and shall have no responsibility for compliance with any State or federal securities laws

in connection with 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 conclusively rely upon and be fully protected in acting upon any notice, request, consent, certificate, order, 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 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 conclusively rely and shall be fully protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Obligor by the Issuer Representative or Obligor or such other person as may be designated for such purpose by a Resolution of the Issuer 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 expressly 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 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 an Officer's Certificate 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 any Project, including all books, papers, and records of the Issuer and the Obligor pertaining to any 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, if it shall have grounds for believing that repayment of such funds or indemnity satisfactory against such risk or liability is not assured to it.

(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 attorneys' fees, costs and expenses) 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) In the event the Bond Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Bond Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) 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.

(r) The Bond Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bond Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(s) The Bond Trustee shall have the right to accept and act upon directions or instructions given pursuant to this Indenture, the Loan Agreement or any other document reasonably relating to the Bonds and delivered using Electronic Means (defined below); provided, however, that the Issuer or the Obligor, as the case may be, shall provide to the Bond Trustee an incumbency certificate listing authorized officers with the authority to provide such directions or instructions (each an "Authorized Officer") and containing

specimen signatures of such Authorized Officers, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer or the Obligor elects to give the Bond Trustee directions or instructions using Electronic Means and the Bond Trustee's in its discretion elects to act upon such directions or instructions, the Bond Trustees' understanding of such directions or instructions shall be deemed controlling. The Issuer and the Obligor each understands and agrees that the Bond Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Bond Trustee shall conclusively presume that directions or instructions 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 the Obligor, as the case may be, shall each be responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Bond Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. 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 directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. Each of the Issuer and the Obligor agree: (i) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized directions or 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 directions or instructions to the Bond Trustee and that there may be more secure methods of transmitting directions or instructions; (iii) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it 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. "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

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 attorneys' fees, costs and expenses) 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 willful misconduct of the Bond Trustee.

As security for the performance of the obligations of the Issuer under this Section, the Bond Trustee shall be secured under this Bond Indenture by a lien subject and subordinate to the Bonds, in the case of money held for the credit of the Construction Fund or the Reserve Fund, and otherwise prior to the Bonds, and for the payment of the expenses and reimbursements due 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 Construction Fund or the Reserve 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 thirty days' notice of such resignation. Such resignation shall not be effective until such time as a successor Bond Trustee shall have accepted its appointment. The present or any future Bond Trustee may be removed (a) upon 30 days' notice by an instrument in writing executed by the owners of at least a majority in Aggregate Principal Amount of Bonds Outstanding or (b) if an Event of Default hereunder has not occurred and is continuing, upon 30 days' notice by an instrument in writing executed by the Obligor. Such 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 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 Issuer, 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 superceded by a successor appointed in the manner above provided by the owners of at least a majority in Aggregate Principal Amount of the Bonds Outstanding. In the event that the Issuer does not so act within thirty 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. The instruments evidencing the resignation or removal of the Bond Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section shall be filed and/or recorded by the successor Bond Trustee in each recording office where this Bond Indenture shall have been filed and/or recorded.

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 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 applicable series of 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 thirty 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 Bond Trustee 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.

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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, in the judgment of the Bond Trustee, 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 set forth the terms and conditions of Additional Bonds issued pursuant to Sections 2.09 and 2.10 hereof.

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

(g) To maintain the extent to which the interest on the Tax Exempt 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 of all series then Outstanding affected thereby, in case one or more but less than all series of Bonds then Outstanding hereunder are so affected, 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 deprivation of the owner of any Bond then Outstanding of the lien created by this Bond Indenture (other than as originally permitted hereby).

(c) A privilege or priority of any Bond or Bonds, over any other Bond.

(d) A reduction in the Aggregate Principal Amount of the Bonds required for consent to any supplemental indenture.

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 in writing 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 attorneys' fees, costs and expenses), 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 office of the Bond Trustee for inspection by all Bondholders. If, within sixty 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 be entitled to 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 may in its discretion determine whether or not in accordance with such provision the Bondholders would be affected by modification or amendment of this Bond Indenture, and any such determination shall be binding and conclusive upon the Issuer, the Obligor, and Bondholders. The Bond Trustee may 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.

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 in writing 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 office of the Bond Trustee for inspection by all Bondholders.

In executing any amendment, change or modification of the Agreement, the Bond Trustee shall be entitled to receive, and shall be fully protected in conclusively 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 may in its discretion determine whether or not in accordance with such provision the Bond Trustee or the Bondholders would be prejudiced by such amendment, change, modification. Any such determination shall be binding and conclusive on the Issuer, the Obligor, and the Bondholders. The Bond Trustee may 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.

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ARTICLE XI
MISCELLANEOUS

SECTION 11.01. EVIDENCE OF SIGNATURE OF BONDHOLDERS AND OWNERSHIP OF BONDS. Any request, consent, or other instrument which the 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 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. NO PERSONAL LIABILITY. No recourse under or upon any obligation, covenant or agreement contained in this Bond Indenture, or in any Bond hereby secured, or under any judgment obtained against the Issuer, or by the enforcement of any assessment or by any legal or equitable preceding by virtue of any constitution or statute or otherwise or under any circumstances, under or independent of this Bond Indenture, shall be had against any officer, director, agent or employee, as such, past, present or future, of any of the Issuer or the Bond Trustee, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to the holder of any Bond issued hereunder or otherwise of any sum that may be due and unpaid by the Issuer upon any such Bond. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such person 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 or for or to the holder of any Bond issued hereunder or otherwise, of any sum that may remain due and unpaid upon the Bonds hereby secured or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture and the issue of such Bonds.

SECTION 11.03. LIMITED OBLIGATION. Neither the State of Florida, nor any political subdivision thereof, shall in any event be liable for the payment of the principal of, premium, if any, or interest on any of the Bonds issued hereunder. The Bonds are limited obligations of the Issuer payable solely from the revenues, receipts and resources of the Issuer pledged to their payment and not from any other revenues, funds or assets of the Issuer. None of the Bonds of the Issuer issued hereunder shall be construed or constitute an indebtedness of the Issuer or an indebtedness or obligation (special, moral or general) of the State of Florida or any political subdivision thereof within the meaning of any constitutional or statutory provision whatsoever.

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, the Paying Agents, 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 without regard to conflict of law principles.

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 Agreement shall be given in writing and shall be deemed to have been given by either party to the other party at the addresses shown below upon any of the following dates:

(a) The date of notice by telefax, telecopy, or similar telecommunications or an email as an attached scanned PDF document, which is confirmed promptly by hard copy;

(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:

City of Venice, Florida
401 West Venice Avenue
Venice, Florida 34285
Attention: City Manager
Telephone: (941) 882-7398
Email: elavallee@venicegov.com

Obligor:

Southwest Florida Retirement Center, Inc.
920 Tamiami Trail South
Venice, Florida 34285
Attention: Chief Executive Officer
Telephone: (941) 486-5491
Email: janderson@villageontheisle.com

Bond Trustee:

The Bank of New York Mellon Trust Company, N.A.
10161 Centurion Parkway North, 2nd FL
Jacksonville, Florida 32256
Attention: Corporate Trust – Global Client Services
Telephone: (904) 998-4741
Email: Barbara.denton@bnymellon.com

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 the city in which the office of the Bond Trustee from which this Bond Indenture is administered is located, 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.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Bond Indenture to be executed by its duly authorized officers, all as of the date first above written.

CITY OF VENICE, FLORIDA

_____
John W. Holic, Mayor

ATTEST:

_____
Lori Stelzer, MMC, City Clerk

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

RATING: Fitch (BBB-)
(See "RATINGS" herein)

BOOK ENTRY ONLY

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax. Such interest also may be subject to other federal income tax consequences referred to herein under "TAX MATTERS." See "TAX MATTERS " herein for a general discussion of Bond Counsel's opinion and other tax considerations.

$_____*

CITY OF VENICE, FLORIDA
Retirement Community Revenue Improvement Bonds
(Village On The Isle Project),
Series 2019

Amounts, Maturities, Interest Rates, Yields, Prices and Initial CUSIP Numbers Are Shown on the Inside of the Front Cover

The City of Venice, Florida (the "Issuer") is issuing its Retirement Community Revenue Improvement Bonds (Village On The Isle Project), Series 2019 (the "Bonds"), initially issuable in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book entry only form, as more fully described in APPENDIX E herein.

The Issuer will use the proceeds of the sale of the Bonds to provide funds to (i) reimburse Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Obligor"), for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor as more particularly described herein, (ii) fund a debt service reserve for the Bonds, and (iii) pay the cost of issuing the Bonds.

The Obligor is a Florida not-for-profit corporation that owns and operates a continuing care retirement community known as "Village On The Isle" (the "Community") located in Venice, Florida. The Community currently operates 247 independent living units, 64 assisted living units and 60 skilled nursing beds, together with a variety of related common areas.

The Bonds are being issued pursuant to Chapter 166, Florida Statutes, Chapter 159, Part II, Florida Statutes, Resolution No. 2019-27 of the Issuer, and other applicable provisions of law (the "Act"), in conformity with the provisions, restrictions and limitations thereof. Additionally, the Bonds are being issued pursuant to the Indenture of Trust (the "Bond Indenture") described herein,

between the Issuer and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Bond Trustee").

Except as described in this Official Statement, the Bonds and the interest payable thereon are limited obligations of the Issuer and 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 2019 Note (as defined herein) issued by the Obligor under a Master Trust Indenture, dated as of November 1, 2016, as supplemented, and particularly as supplemented by Supplemental Indenture Number 4, dated as of December 1, 2019 (collectively, the "Master Indenture"), each between The Bank of New York Mellon Trust Company, N.A., successor in interest to Wells Fargo Bank, N.A., as master trustee (the "Master Trustee"), and the Obligor. The sources of payment of, and security for, the Bonds are more fully described in this Official Statement.

The Bonds are subject to acceleration of maturity, optional, extraordinary optional and mandatory redemption, in whole or in part, prior to maturity at the prices and under the circumstances described herein.

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

An investment in the 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 BONDS" and "RISK FACTORS" herein for a discussion of certain risk factors that should be considered in connection with an investment in the Bonds.

THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE OF FLORIDA (THE "STATE") NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2019 BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE SERIES 2019 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE ISSUER'S INTEREST IN THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND

PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE BOND INDENTURE AND ANY OTHER AGREEMENTS SECURING THE SERIES 2019 BONDS.

The 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 the Underwriter subject to the approving opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the Issuer by the Office of the City Attorney; for the Obligor by its co-counsel, Butler Snow LLP, Atlanta, Georgia and Graham Legal Group PLLC, Orlando, Florida; and for the Underwriter by its counsel, Holland & Knight LLP, Lakeland, Florida. Larson Consulting Services, LLC, Orlando, Florida, is serving as Financial Advisor to the Issuer. It is expected that the Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about December __, 2019.

[INSERT ZIEGLER LOGO]

Official Statement dated December__, 2019

_____

*Preliminary, subject to change.

THE SERIES 2019 BONDS

Dated: Date of Delivery **Due: As shown below**

The Series 2019 Bonds will be issuable in fully registered form without coupons in minimum denominations of $5,000 and any integral multiple of $5,000 in excess thereof. Interest on the Series 2019 Bonds will be payable on each January 1 and July 1 of each year, commencing on July 1, 2020. The Series 2019 Bonds will be subject to redemption prior to maturity, as more fully described herein.

$_____ Serial Bonds

Maturity Date (January 1)	Principal Amount $	Interest Rate %	Yield %	Price	CUSIP No.

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

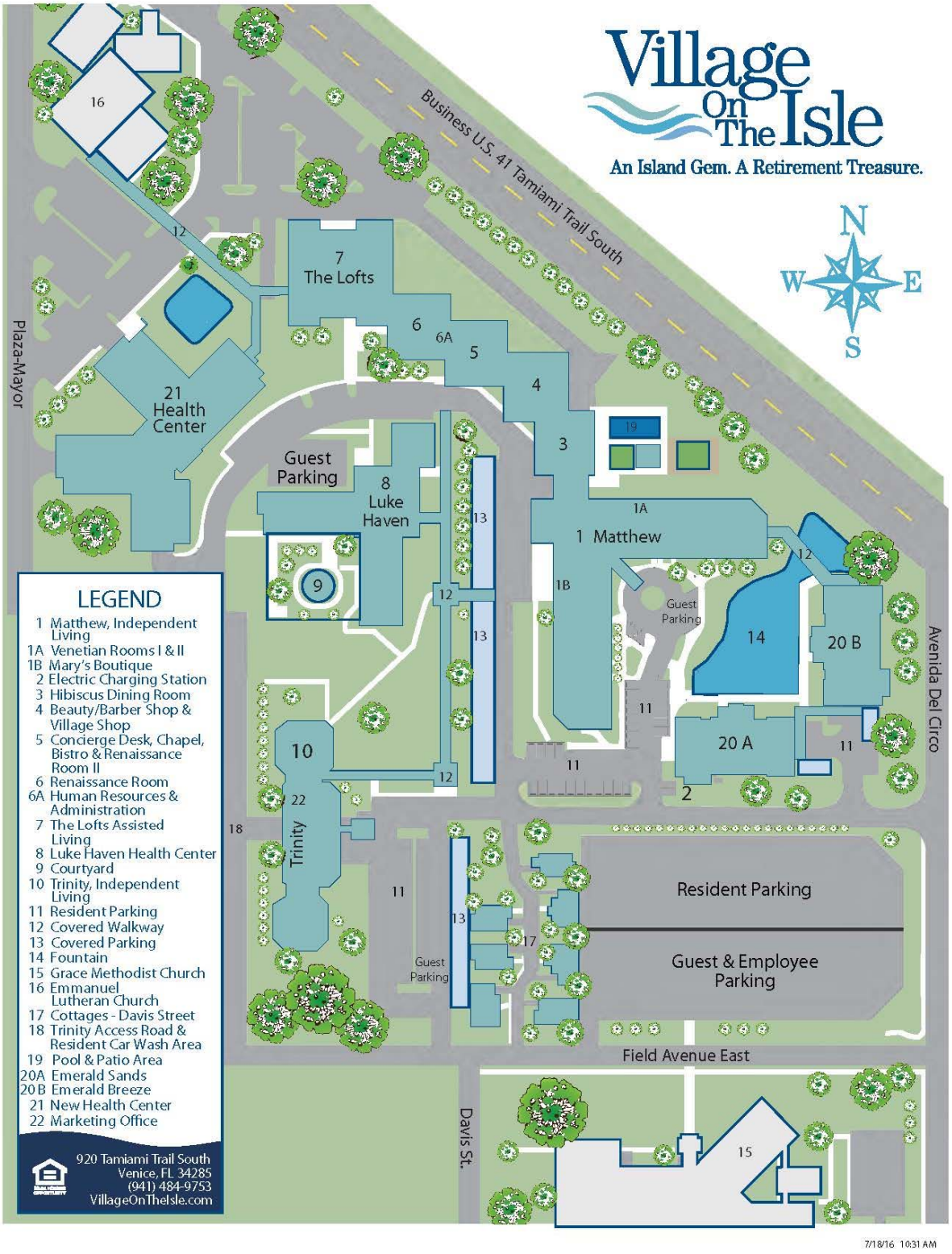
$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

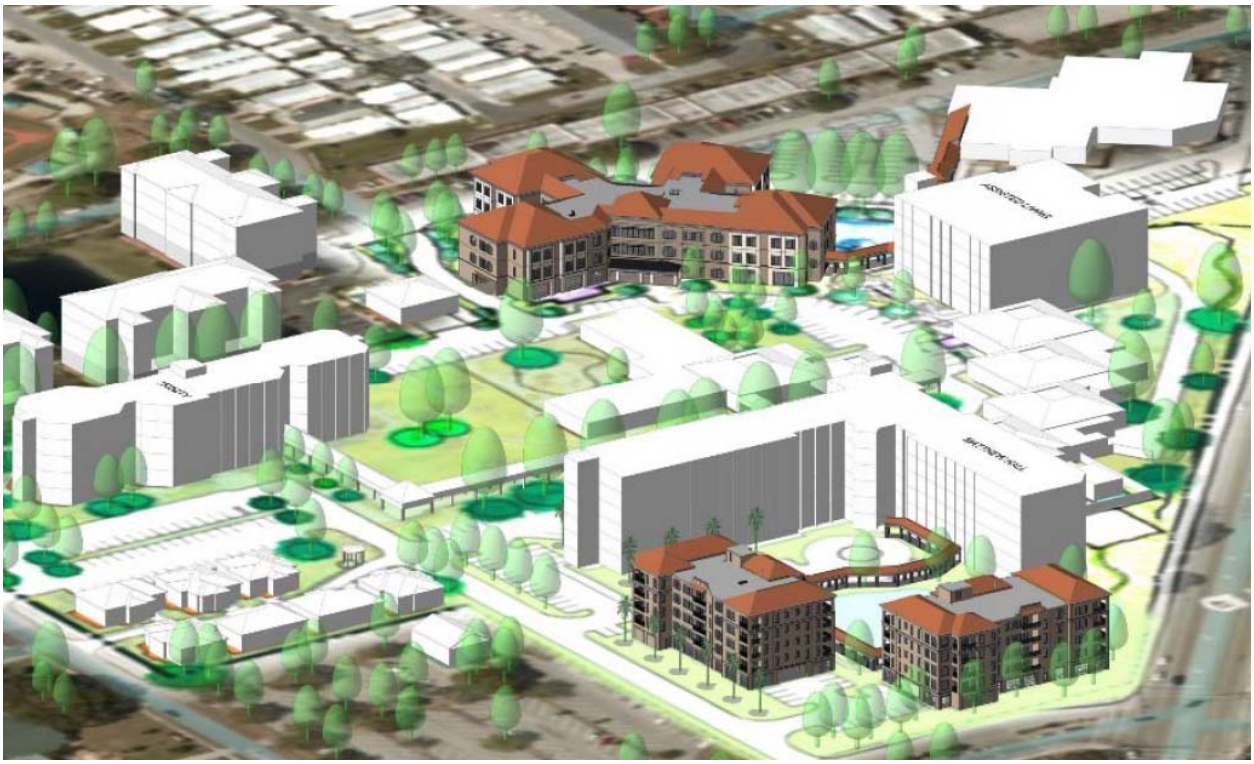
$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

$_____, _.___% Series 2019 Term Bonds due January 1, 20__; Priced at _____; Yield _.___% CUSIP No. _____[†]

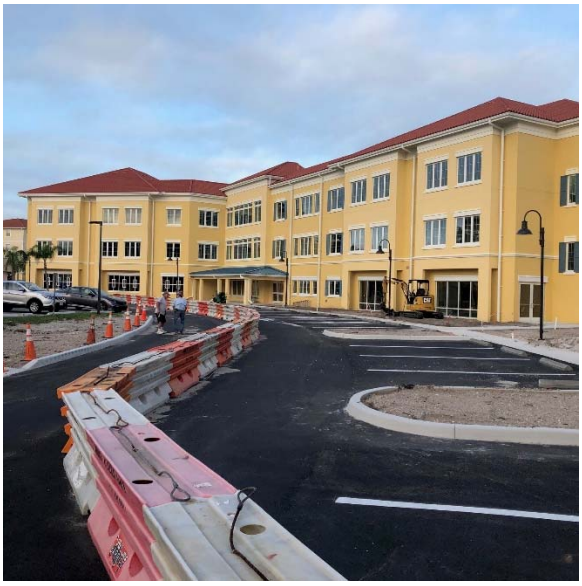
[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data contained herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP data is provided for convenience of reference only. The Issuer, the Obligor and the Underwriter take no responsibility for the accuracy of such numbers.

Campus Map

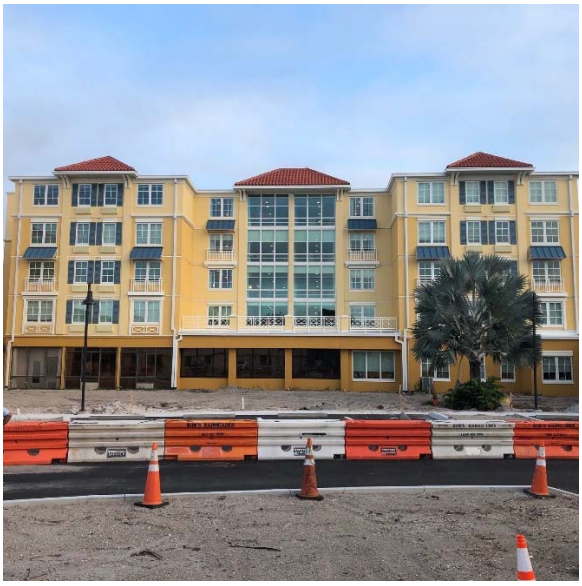

Village On The Isle
An Island Gem. A Retirement Treasure.
Business U.S. 41 Tamiami Trail South
Plaza-Mayor
Avenida Del Circo
Field Avenue East
Davis St.
Trinity
Guest Parking
Resident Parking
Guest & Employee Parking
7 The Lofts
21 Health Center
8 Luke Haven
1 Matthew
14
20 B
20 A
15
16
N
W
E
S
LEGEND
1 Matthew, Independent Living
1A Venetian Rooms I & II
1B Mary's Boutique
2 Electric Charging Station
3 Hibiscus Dining Room
4 Beauty/Barber Shop & Village Shop
5 Concierge Desk, Chapel, Bistro & Renaissance Room II
6 Renaissance Room
6A Human Resources & Administration
7 The Lofts Assisted Living
8 Luke Haven Health Center
9 Courtyard
10 Trinity, Independent Living
11 Resident Parking
12 Covered Walkway
13 Covered Parking
14 Fountain
15 Grace Methodist Church
16 Emmanuel Lutheran Church
17 Cottages - Davis Street
18 Trinity Access Road & Resident Car Wash Area
19 Pool & Patio Area
20A Emerald Sands
20B Emerald Breeze
21 New Health Center
22 Marketing Office
920 Tamiami Trail South
Venice, FL 34285
(941) 484-9753
VillageOnTheIsle.com
7/18/16 10:31 AM



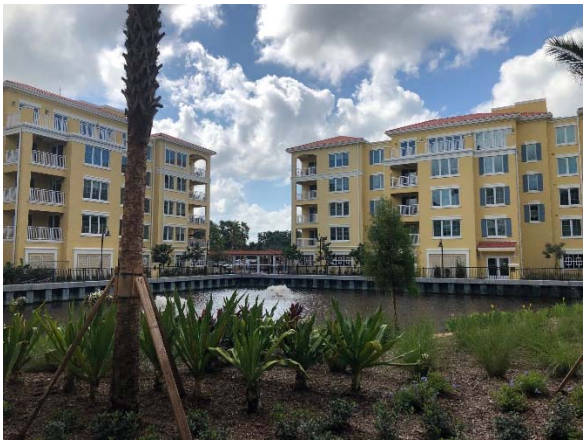
Campus Rendering



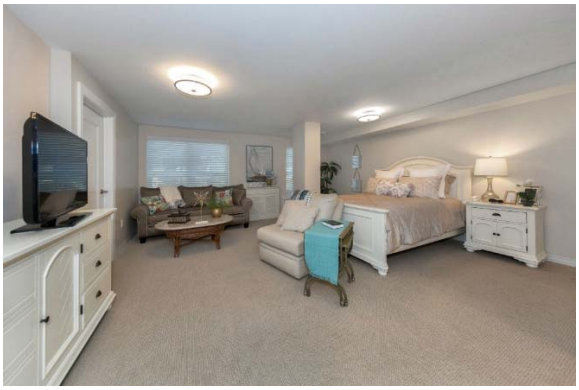
New Health Care Center (under construction)



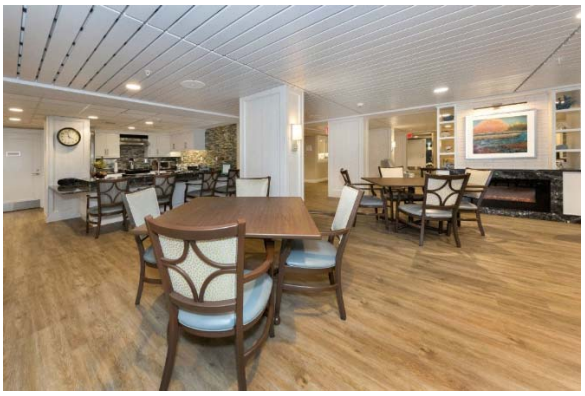
The Lofts (new façade under construction)



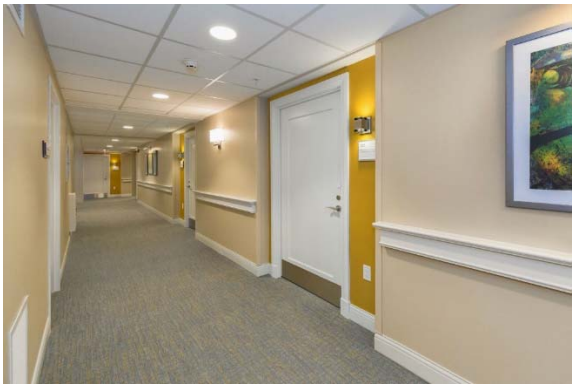
The Terraces



Studio (the Lofts Assisted Living)



The Lofts (interior Household)



The Lofts (Residential Corridor)

No dealer, 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 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.

The Bank of New York Mellon Trust Company, N.A., in each of its capacities, including, but not limited to, Bond Trustee, Master Trustee, bond registrar, and paying agent, has not participated in the preparation of this Official Statement and assumes no responsibility for its content.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND THE BOND INDENTURE AND THE MASTER INDENTURE HAVE NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT NOTICE.

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 to this Official Statement.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS 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 ANY 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 WEBSITES: WWW.MUNIOS.COM AND WWW.EMMA.MSRB.ORG. 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 WEBSITES.

TABLE OF CONTENTS

Page

OFFICIAL STATEMENT

relating to the

**$_____*
CITY OF VENICE, FLORIDA
Retirement Community Revenue Improvement Bonds
(Village On The Isle Project),
Series 2019**

INTRODUCTION

Purpose of this Official Statement. This Official Statement, including the cover page and Appendices hereto, is provided to furnish information with respect to the issuance, sale and delivery by City of Venice, Florida (the "Issuer") of its Retirement Community Revenue Improvement Bonds (Village On The Isle Project), Series 2019 (the "Bonds").

The Bonds are being issued pursuant to Chapter 166, Florida Statutes, Chapter 159, Part II, Florida Statutes, Resolution No. 2019-27 of the Issuer, and other applicable provisions of law (the "Act"). Additionally, the Bonds are being issued pursuant to an Indenture of Trust dated as of December 1, 2019 (the "Bond Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., as bond trustee (the "Bond Trustee"). Except as otherwise set forth herein, capitalized terms used but no defined in this Official Statement shall have the meanings assigned to them in the Bond Indenture.

Certain capitalized terms used herein are defined in "DEFINITIONS OF CERTAIN TERMS" 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 order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or relative importance, and this Official Statement, including the cover page and Appendices, must be considered in its entirety. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Purpose of the Bonds. The proceeds of the Bonds will be loaned to Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Obligor" or the "Obligated Group Representative") pursuant to a Loan Agreement dated as of December 1, 2019, between the Issuer and the Obligor, and will be used, together with other available moneys described herein, to (i) reimburse the Obligor for the costs of acquisition, construction and equipping of certain capital improvements to the housing and health care facilities of the Obligor as more particularly described herein (the "2019 Project"), (ii) fund a debt service reserve for the Bonds, and (iii) pay the costs of issuing the Bonds, see "2019 Project" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Risk Factors. Certain risks are inherent in the successful operation of facilities such as the Community on a basis such that sufficient cash will be available to pay interest on and to retire indebtedness. See "RISK FACTORS" below for a discussion of certain of these risks.

Security for the Bonds.

General. The Bonds will be issued under and will be equally and ratably secured under the Bond Indenture, pursuant to which the Issuer will assign and pledge to the Bond Trustee, (1) the hereinafter described Series 2019 Note relating to the Bonds, (2) certain rights of the Issuer under the hereinafter described Loan Agreement, (3) the funds and accounts (excluding the Rebate Fund), including the money and investments in them, 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 which may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2019 Note.

Loan Agreement. Pursuant to the Loan Agreement, the Obligor has agreed to make loan payments sufficient, among other things, to pay in full when due all principal of, premium, if any, and interest on the Bonds and the reasonable and necessary administrative fees of the Bond Trustee, and, to make payments as required to restore any deficiencies in the debt service reserve fund. See "SECURITY FOR THE BONDS - The Loan Agreement." See also "EXCERPTS FROM LOAN AGREEMENT" in APPENDIX C hereto.

Master Indenture. The obligation of the Obligor to repay the loan from the Issuer will be evidenced by the promissory note of the Obligor (collectively, the "Series 2019 Note"), issued under and entitled to the benefit and security of a Master Trust Indenture, dated as of November 1, 2016, as supplemented and particularly as supplemented by Supplemental Indenture Number 4, dated as of December 1, 2019, each between The Bank of New York Mellon Trust Company, N.A., successor in interest to Wells Fargo Bank, N.A., as master trustee (the "Master Trustee") and the Obligor (collectively, the "Master Indenture"). See "SECURITY FOR THE BONDS - The Master Indenture." See also "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C hereto. The Series 2019 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.

Currently, only the Obligor and the Master Trustee are parties to the Master Indenture, and the Obligor is the only Obligated Group Member. The Obligor and each Obligated Group Member 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. The Series 2019 Note is issued on, and is payable on, a parity with:

- The [$58,385,000] outstanding principal amount Series 2017A Note (the "Series 2017A Note") issued by the Obligated Group on December 21, 2017, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village On The Isle Project), Series 2017A (the "Series 2017A Bonds");

- The [$2,990,000] outstanding principal amount Series 2017B Note (the "Series 2017B Note" and together with the Series 2017A Note, the "Series 2017 Notes") issued by the Obligated Group on December 21, 2017, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village On The Isle Project), Series 2017B-1 and Series 2017B-2 (the "Series 2017B-1 Bonds" and "Series 2017B-2 Bonds," respectively, and collectively with the "Series 2017A Bonds," the "Series 2017 Bonds"); and

- The [$29,740,000] outstanding principal amount Series 2016 Note (the "Series 2016 Note") issued by the Obligated Group on November 2, 2016, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Refunding and Improvement Bonds (Village On The Isle Project), Series 2016 (the "Series 2016 Bonds").

Upon the issuance of the Bonds, the Series 2019 Note will constitute __%* of the outstanding Indebtedness of the Obligated Group, the Series 2017 Notes will constitute __%* of the outstanding Indebtedness of the Obligated Group and the Series 2016 Note will constitute __%* of the outstanding Indebtedness of the Obligated Group. See "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein.

Mortgage and Security Agreement. The Series 2019 Note will be secured on a parity basis with any other Obligations heretofore and hereafter issued under the Master Indenture (collectively, the "Parity Obligations"), by a lien on and security interest in the Mortgaged Property granted to the Master Trustee pursuant to a Mortgage and Security Agreement, dated as of November 1, 2016, executed by the Obligor and delivered to the Master Trustee (as supplemented, amended and modified, the "Mortgage") and a security interest in the Gross Revenues of the Obligated Group and the Funds established under the Master Indenture. See "SECURITY FOR THE BONDS – The Mortgage" herein and "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C.

Pledge of Gross Revenues**.** In order to secure the payment of the principal of, premium, if any, and interest on the Series 2019 Note and other Outstanding Parity Obligations, the Obligated Group Members have pledged, assigned, confirmed and granted 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. See "SECURITY FOR THE BONDS - Revenue Fund" herein. As further described below under "SECURITY FOR THE BONDS - The Master Indenture Outstanding Parity Obligation," there are currently three other Outstanding Parity Obligations consisting of the Series 2016 Note, the Series 2017A Note and the Series 2017B Note.

Debt Service Reserve Fund**.** As additional security for the Bonds, a debt service reserve fund (the "Reserve Fund") will be established pursuant to the Bond Indenture and will be funded from the proceeds of the Bonds. The Reserve Fund will be funded in an amount equal to the Reserve Fund Requirement for the Bonds secured thereby. See "SECURITY FOR THE BONDS –

* Preliminary; subject to change.

Debt Service Reserve Fund for the Bonds." See also "EXCERPTS FROM INDENTURE OF TRUST" in APPENDIX C hereto. [Pursuant to applicable law, the Office of Insurance Regulation of the State of Florida (the "OIR") is required to consent to any withdrawals from the Debt Service Reserve Fund. See "FLORIDA REGULATION OF CONTINUING CARE FACILITIES" herein.]

THE ISSUER

The Issuer is a municipal corporation of the State of Florida (the "State") created pursuant to and operating under the laws and Constitution of the State of Florida. The Issuer is authorized by the Act to issue its revenue bonds to finance and to refinance a variety of health care facility projects, which bonds are payable solely from the revenues derived from the sale, operation or leasing of such health care facility project or projects. The 2019 Project (as described herein) constitutes, a "project" and a "health care facility" within the meaning of the Act. The Issuer adopted a resolution on November 12, 2019, authorizing the issuance of the Bonds.

The Issuer has not undertaken to review this Official Statement nor has it assumed any responsibility for the matters contained herein except solely as to matters relating to the Issuer. All findings and determinations by the Issuer have been made for its own internal uses and purposes in performing its duties under the Act. Notwithstanding its approval of the Bonds for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Issuer does not endorse or in any manner, directly or indirectly, guarantee or promise to pay the Bonds from any source of funds or guarantee, warrant or endorse the creditworthiness or credit standing of the Obligor or in any manner guarantee, warrant or endorse the investment quality or value of the Bonds. The Bonds are payable solely as described in this Official Statement and are not in any manner payable wholly or partially from any funds or properties otherwise belonging to the Issuer. By its issuance of the Bonds, the Issuer does not in any manner, directly or indirectly, guarantee, warrant or endorse the creditworthiness of the Obligor or the investment quality or value of the Bonds.

The Issuer has not participated in the preparation of this Official Statement and makes no representation with respect to the accuracy or completeness of any of the material contained in this Official Statement other than in this section and the sections entitled "LITIGATION – Issuer" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the Issuer). The Issuer is not responsible for providing any purchaser of the Bonds with any information relating to the Bonds or any of the parties or transactions referred to in this Official Statement or for the accuracy or completeness of any such information obtained by any purchaser.

THE OBLIGOR AND THE COMMUNITY

The Obligor is a Florida non-profit corporation formed in Venice, Florida. The Obligor has obtained a letter from the Internal Revenue Service ("IRS") dated September 12, 2001 confirming that it is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code") by virtue of its status as an organization described in Section 501(c)(3) of the Code. The Obligor is the sole member of the Obligated Group and is the Obligated Group Representative.

The Obligor owns and operates a continuing care retirement community known as "Village On The Isle" (the "Community") located on a 16-acre campus in Venice, Florida. The Community currently operates 247 independent living units, 64 assisted living units and 60 skilled nursing beds, together with a variety of related common areas. The Obligor and the Community are affiliated with the Evangelical Lutheran Church in America Florida Bahamas Synod (the "Synod"). The Synod has no financial responsibility for the Obligor or the Community and will have no liability with respect to the obligations of the Obligor relating to the Bonds.

The Village On The Isle Foundation, Inc. (the "Foundation") is a not-for-profit corporation related to the Obligor by common board membership and is organized to raise funds for and to support the programs of the Community and its residents. The Obligor has the authority to direct the distribution of the Foundation's assets. The Foundation is not currently a member of the Obligated Group and is not obligated in any respect for repayment of the Bonds.

For more information regarding the Obligor and the Community, see APPENDIX A hereto.

2019 PROJECT

A portion of the proceeds of the Bonds will be deposited in the Construction Fund to reimburse the Obligor for prior expenditures related to the 2019 Project, which consists of the acquisition, construction and equipping of additions to and capital improvements for the Community, including but not limited to renovations to its assisted living facilities, independent living apartments, recreational facilities, greenhouse and other common areas, and the acquisition of various furniture, fixtures and other equipment related to heating and cooling, emergency power generation, security, computer network, maintenance, healthcare and other uses related to the retirement facility.

ESTIMATED SOURCES AND USES OF FUNDS*

The estimated sources and uses of funds in connection with the issuance of the Bonds are as follows:

SOURCES OF FUNDS	
Series 2019 Bonds	$
[Net**]** Original Issue **[**Premium/Discount**]**	
Total Bond Proceeds	$
Total Sources of Funds	$
USES OF FUNDS	
Deposit to Construction Fund[(1)]	$
Deposit to Debt Service Reserve Fund[(2)]	
Deposit to Cost of Issuance Fund[(3)]	
Total Uses of Funds	$

* Preliminary; subject to change.

(1) To reimburse the Obligor for prior capital expenditures related to the 2019 Project.
(2) See "SECURITY FOR THE BONDS – Debt Service Reserve Fund for the Bonds."
(3) Management estimates, based on information provided by the Underwriter, that bond issuance costs would approximate this amount and would include legal fees, accounting fees, underwriter's fee and other costs associated with the issuance of the Bonds.

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth the estimated amounts required for (i) the payment of principal of the Bonds, the outstanding Series 2017 Bonds, and the outstanding Series 2016 Bonds at maturity or by mandatory sinking fund redemption, and (ii) the payment of interest on the Bonds, the Series 2017 Bonds and the Series 2016 Bonds for each Bond Year ending January 1. In addition, pursuant to the relevant provisions of the Master Indenture, the Obligor anticipates prepaying a portion of the Series 2017B-1 Bonds from Entrance Fees (as defined in the Master Indenture) prior to their stated maturity. The actual timing of the prepayment of such Series 2017B-1 Bonds may differ from the assumptions below because of timing differences in the actual receipt of such Entrance Fees. All of the outstanding Series 2017B-2 Bonds have been prepaid and redeemed.

[Remainder of page intentionally left blank]

Estimated Annual Debt Service Requirements

Bond Year Ending January 1	Series 2019 Bonds		Outstanding Series 2017 Bonds		Outstanding Series 2016 Bonds	
	Principal*	Interest	Principal	Interest	Principal	Principal
2019	$	**$**	$	$	**$**	$
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
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2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
Total	$	$	$	$	$	$

Totals may not add due to rounding.

* Preliminary; subject to change.

THE BONDS

Specific information about the Bonds is contained below. Information about security for the Bonds is contained in "SECURITY FOR THE BONDS."

General; Book-Entry-Only System. The Bonds provide that no recourse under 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, will be had against any past, present or future director, incorporator, agent, representative, member, officer or employee of the Issuer, as such, either directly or through the Issuer, for the payment for or to the Issuer or for or to the Registered Owner of any Bond, 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 by the acceptance of the Bonds and, as a material part of the consideration for the issue of the Bonds, expressly waived and released.

So long as DTC acts as securities depository for the Bonds, as described in APPENDIX E hereto, all references herein to "Owner," or "owner" of any Bonds or to "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 Bonds are registered in the name of Cede & Co., as nominee of DTC, principal of, premium, if any, and interest on the 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.

The 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 Bonds will be dated their date of issuance and will accrue interest from the date of delivery, except as otherwise provided in the Bond Indenture. The 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 January 1 and July 1 each year, commencing July 1, 2020 (each, an "Interest Payment Date"), and mature on the dates set forth on the inside cover page hereof.

Payment of Principal and Interest. The principal of and premium, if any, on the Bonds are required to 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. Payment of interest on each Bond will be made to the person who is the Registered Owner thereof at the close of business on the last day of the month preceding each regularly scheduled Interest Payment Date (each, a "Regular Record Date") and are required to be paid (i) by check mailed by the Bond Trustee to such Registered Owner on the applicable Interest Payment Date at such owner's address as it appears on the registration records kept by the Bond Trustee or at such other address as is furnished to the Bond Trustee in writing by the Regular Record Date by such owner or (ii) as to any Registered Owner of $1,000,000 or more in aggregate principal amount of Bonds who so elects, by wire transfer of funds to such wire transfer address within the continental United States of America as the Registered Owner shall have furnished to

the Bond Trustee in writing on or prior to the Regular Record Date and upon compliance with the reasonable requirements of the Bond Trustee. In the Event of Default in the payment of interest due on such Interest Payment Date, defaulted interest will be payable to the Registered Owner at the close of business on a Special Record Date (as defined in APPENDIX C hereto) for the payment of such defaulted interest established by notice mailed by the Bond Trustee to the Registered Owners of Bonds not less than ten days preceding such Special Record Date.

Transfers and Exchanges; Persons Treated as Owners. The Bonds are exchangeable for an equal Aggregate Principal Amount of fully registered Bonds of the same maturity of other authorized denominations at the Payment 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.

The 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 principal 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 Bond of authorized denomination or denominations for the same Aggregate Principal Amount, maturity and series will be issued to the transferee in exchange therefore, all upon payment of the charges and subject to the terms and conditions set forth in the Bond Indenture. Prior to any transfer of the Bonds outside of the book entry system, the transferor must provide or cause to be provided to the Bond Trustee, all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code.

The Bond Trustee will 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 except for Bondholders of $1,000,000 or more in aggregate principal amount of the Bonds.

The Issuer and the Bond Trustee may deem and treat the person in whose name the 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. The principal of, premium, if any, and interest on the Bonds will be paid free from and without regard to any equities between the Obligor and the original or any intermediate owner thereof, or any setoffs or counterclaims.

REDEMPTION PROVISIONS FOR THE BONDS

Mandatory Sinking Fund Redemption of the Bonds.

The Bonds maturing on January 1, 20__ and bearing interest at _.___% per annum are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Year	Amount
	$
*	

*Maturity.

The Bonds maturing on January 1, 20__ and bearing interest at _.___% per annum are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

Year	Amount
	$
*	

*Maturity.

The Bonds maturing on January 1, 20__ and bearing interest at _.___% per annum are subject to mandatory bond sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date, without premium, as follows:

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 of the Bonds or portions thereof of the same maturity, in an Aggregate Principal Amount desired by the Obligor, or (ii) specify a principal amount of the Bonds or portions thereof of the same maturity, 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.

Optional Redemption of the Bonds.

The Bonds are subject to optional redemption prior to maturity by the Issuer, at the written direction of the Obligor, on or after January 1, 20__, at any time as a whole or in part by lot (subject to the requirements of the Bond Indenture with respect to partial redemptions), at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), plus accrued interest to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Price
January 1, 20__ through December 31, 20__	103%
January 1, 20__ through December 31, 20__	102
January 1, 20__ through December 31, 20__	101
January 1, 20__ and thereafter	100

Extraordinary Optional Redemption

The Bonds will be subject to extraordinary optional redemption by the Issuer at the written direction of the Obligor prior to their scheduled maturities, in whole or in part by lot (subject to the requirements of the Bond Indenture with regards to partial redemption as described in the subsection titled "*Partial Redemption*" below) at a redemption price equal to the principal amount thereof plus accrued 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 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 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.

Partial Redemption

In the event that less than all of the Outstanding Bonds or portions thereof of a particular series are to be redeemed pursuant to the optional redemption or extraordinary optional redemption provisions of the Bond Indenture, the Obligor may select the particular maturities of such series (or subseries) to be redeemed. If less than all Bonds (or any series or subseries) or portions thereof of a single maturity are to be redeemed, they will be selected by DTC or by lot by the Bond Trustee in such manner as the Bond Trustee may determine.

If a Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Bond may be redeemed, but Bonds will 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.

Notice of Redemption

In case of every redemption (except those related to the sinking fund), the Bond Trustee will cause notice of such redemption to be given electronically or 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 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, 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 to any owner of $1,000,000 or more in principal amount of 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 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date; provided, however, that any defect in such notice will not affect the validity of any proceedings for the redemption of such Bonds. 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.

Notwithstanding the foregoing, notice of optional redemption may, upon direction of the Obligor to the Issuer, be conditioned upon the occurrence or non-occurrence of such event or events as shall be specified in such notice of optional redemption and may also be subject to rescission by the Issuer upon written direction of the Obligor to the Bond Trustee if expressly set forth in such notice.

SECURITY FOR THE BONDS

General

The Bonds will be issued under and will be equally and ratably secured under the Bond Indenture, pursuant to which the Issuer will assign and pledge to the Bond Trustee (1) the Series 2019 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 which may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2019 Note.

The proceeds of the Bonds will be loaned to the Obligor, and the obligation of the Obligor to repay that loan will be evidenced by a promissory note of the Obligor issued pursuant to, and entitled to the benefit and security of, the Master Indenture.

Limited Obligations

The Bonds and the interest thereon are limited obligations of the Issuer, payable solely from and secured exclusively by certain payments to be made by the Obligor under the Loan Agreement and certain other funds held by the Bond Trustee under the Bond Indenture and not from any other fund or source of the Issuer.

THE ISSUANCE OF THE SERIES 2019 BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH SERIES 2019 BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE SERIES 2019 BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE ISSUER'S INTEREST IN THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE BOND INDENTURE AND ANY OTHER AGREEMENTS SECURING THE SERIES 2019 BONDS.

Debt Service Reserve Fund for the Bonds

The Bond Indenture creates and establishes with the Bond Trustee a Debt Service Reserve Fund and therein a Series 2019 Reserve Account (the "Reserve Fund") with respect to the Bonds. Moneys on deposit in the Reserve Fund will be used solely to provide a reserve for the payment of the principal of and interest on the Bonds. See "EXCERPTS FROM INDENTURE OF TRUST" in APPENDIX C hereto.

Amounts currently deposited in the existing debt service reserve funds created in connection with the issuance of the Series 2016 Bonds and the Series 2017 Bonds are pledged solely to secure the repayment of the outstanding Series 2016 Bonds and Series 2017 Bonds, respectively, and cannot be used to pay debt service on the Bonds.

Payments into the Reserve Fund. Pursuant to the Bond Indenture and the Loan Agreement, the Reserve Fund is required to be funded in an amount equal to the Reserve Fund Requirement. "Reserve Fund Requirement" means, with respect to:

(a) the Bonds, an amount equal to the difference between the (i) Maximum Annual Debt Service on the Bonds, the Series 2017A Bonds, the Series 2017B Bonds and the Series 2016 Bonds, and (ii) the aggregate of (A) the 2016 Reserve Requirement for the Series 2016 Bonds or the debt service reserve fund requirement for any series of bonds or other indebtedness that refunds that Series 2016 Bonds and (B) the 2017 Reserve Requirement for the Series 2017A Bonds and the Series 2017B Bonds [that refunds the Series 2017A Bonds or Series 2017B Bonds, as applicable]; provided, however, that the Reserve Fund Requirement for the Bonds shall not be less than zero; and

(b) any Additional Bonds, the amount specified in the supplemental indenture pursuant to which such Additional Bonds are issued; provided, however, the Reserve Fund Requirement for the Bonds shall not exceed the lesser of (i) 125% of the average annual debt service requirement for the Bonds, (ii) 10% of the aggregate stated original principal amount of the Bonds, or (iii) the Maximum Annual Debt Service on the Bonds.

In addition to the deposits required by the Bond Indenture, there will be deposited into the Reserve Fund any Reserve Fund Obligations delivered by the Obligor to the Bond Trustee pursuant to the Loan Agreement. In addition, there will be deposited into the 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 written directions that such moneys are to be paid into in the Reserve Fund. There will also be retained in the Reserve Fund all interest and other income received on investments of Reserve Fund moneys in the Reserve Fund to the extent provided in the Bond Indenture.

Use of Moneys in the Reserve Fund. Except as provided in the Bond Indenture, moneys in the Reserve Fund will be used solely for the payment of the principal of and interest on the 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. [**Pursuant to applicable law, OIR is required to consent to any withdrawals from the Reserve Fund. Not less than sixty (60) days prior to any proposed withdrawal of monies from the Reserve Fund (other than transfers of amounts in excess of the Reserve Fund Requirement), notice of the intent to withdraw from the Reserve Fund shall be given by the Trustee or the Obligated Group Representative to the OIR.** See "FLORIDA REGULATION OF CONTINUING CARE FACILITIES" herein.]

Effect of Event of Default. Upon the occurrence of an Event of Default of which the Bond Trustee is deemed to have notice under the Bond Indenture and the election by the Bond Trustee to accelerate the Bonds as specified in the Bond Indenture, any Reserve Fund Obligations in the Reserve Fund will, subject to the provisions of the Bond Indenture, be transferred by the Bond Trustee to the Principal Account and applied in accordance with the provisions of the Bond Indenture.

Excess Funds. In the event of the redemption of a portion of any series of Bonds, any Reserve Fund Obligations on deposit in the Reserve Fund in excess of the Reserve Fund Requirement for such series immediately after such redemption may, subject to the provisions of the Bond Indenture, be transferred to the Principal Account and applied to the payment of the principal of the series of Bonds to be redeemed. On January 1 and July 1 in each year, any earnings on the Reserve Fund Obligations on deposit in the Reserve Fund that are in excess of the Reserve Fund Requirement will be transferred during the construction period for any Project into any Funded Interest Account created in the Construction Fund in connection with the issuance of Bonds for such Project or, if after the completion of such construction period, into the Interest Account of the Bond Fund. On the final maturity date or redemption date of the Bonds, any Reserve Fund Obligations in the Reserve Fund in excess of the Reserve Fund Requirement after giving effect to such maturity may, upon the written direction of the Obligor, be used to pay the principal of, premium, if any, and interest on such final maturity date. If at any time moneys in the Reserve Fund are sufficient to pay the principal or redemption price of all Bonds of the related

series, the Bond Trustee may use the moneys on deposit in the Reserve Fund to pay such principal or redemption price of the related series of Bonds.

The Loan Agreement

Under the Loan Agreement, the Obligor is required to duly and punctually to pay the principal of, premium, if any, and interest on the Bonds when due, and to make payments to the Bond Trustee to maintain the Reserve Fund at the required amount and to make certain other payments. See "EXCERPTS FROM LOAN AGREEMENT" in APPENDIX C hereto.

The Master Indenture

General. The Obligor has entered into the Master Indenture with the Master Trustee. The Master Indenture provides for the creation of a group of entities called the Obligated Group, which are jointly and severally liable for the payment of all Obligations issued under the Master Indenture. The Master Indenture is intended to provide assurance for the repayment of Obligations entitled to its benefits by imposing financial and operating covenants which restrict the Obligor and any other future Obligated Group Members and by the appointment of the Master Trustee to enforce such covenants for the benefit of the Holders of such Obligations.

Simultaneously with the issuance of the Bonds, the Obligor will execute the Series 2019 Note as an Obligation issued under and secured by the Master Indenture. The Master Note will obligate the Obligor to make payments directly to the Bond Trustee for the Issuer's account in amounts and at times calculated to be sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds. Stated aggregate payments on the Series 2019 Note will be sufficient to pay the principal, premium, if any, and interest on the Bonds as they become due and payable.

The Holders of all Obligations entitled to the benefit of the Master Indenture will be on a parity with respect to the benefits of the Master Indenture. See "SECURITY FOR THE BONDS - The Master Indenture - Outstanding Parity Obligation" herein. Pursuant to the Master Indenture, the Obligor and any future Obligated Group Members have 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 accounts or deposits in any fund or account 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. Pursuant to the Mortgage, the Obligor has pledged and granted to the Master Trustee a lien on the Mortgaged Property and a security interest in all property owned or hereafter acquired by the Obligor. See "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C.

The Series 2019 Note will constitute joint and several obligations of each Obligated Group Member, and the Series 2019 Note will be secured on a parity basis with any other Obligations before or hereafter issued under the Master Indenture by a lien on the trust estate pledged thereunder, which includes the 2019 Project and the Gross Revenues of the Obligated Group.

Outstanding Parity Obligations. The Series 2019 Note is issued on, and is payable on, a parity with:

- The [$58,385,000] outstanding principal amount Series 2017A Note (the "Series 2017A Note") issued by the Obligated Group on December 21, 2017, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village On The Isle Project), Series 2017A (the "Series 2017A Bonds");

- The [$2,990,000] outstanding principal amount Series 2017B Note (the "Series 2017B Note" and together with the Series 2017A Note, the "Series 2017 Notes") issued by the Obligated Group on December 21, 2017, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Improvement Bonds (Village On The Isle Project), Series 2017B-1 and Series 2017B-2 (the "Series 2017B-1 Bonds" and "Series 2017B-2 Bonds," respectively, and collectively with the "Series 2017A Bonds," the "Series 2017 Bonds"); and

- The [$29,740,000] outstanding principal amount Series 2016 Note (the "Series 2016 Note") issued by the Obligated Group on November 2, 2016, to secure the repayment of the outstanding Sarasota County Health Facilities Authority Retirement Facility Revenue Refunding and Improvement Bonds (Village On The Isle Project), Series 2016 (the "Series 2016 Bonds").

Upon the issuance of the Bonds, the Series 2019 Note will constitute __%* of the outstanding Indebtedness of the Obligated Group, the Series 2017 Notes will constitute __%* of the outstanding Indebtedness of the Obligated Group and the Series 2016 Note will constitute __%* of the outstanding Indebtedness of the Obligated Group. See "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein.

Additional Indebtedness. The Master Indenture permits the Obligor to incur Additional Indebtedness which may be equally and ratably secured without preference, priority or distinction with the Series 2019 Note, the Series 2017 Notes and the Series 2016 Note. Any such additional parity indebtedness would be entitled to share ratably with the Holders of the Series 2019 Note, the Series 2017 Notes and the Series 2016 Note and any other Outstanding Parity Obligations in any moneys realized from the exercise of remedies in the event of a default under the Master Indenture. The issuance of Additional Indebtedness could reduce the Maximum Annual Debt Service Coverage Ratio and could impair the ability of the Obligor to maintain its compliance with certain covenants described in "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C hereto. There is no assurance that, despite compliance with the conditions upon which Additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligor to make the necessary payments to repay the Series 2019 Note, the Series 2017 Notes and the Series 2016 Note and any other Outstanding Parity Obligations may not be materially adversely affected upon the incurrence of such Additional Indebtedness.

Admission of Obligated Group Members. Currently, only the Obligor and the Master Trustee are parties to the Master Indenture, and the Obligor is the only Obligated Group Member. The Obligor and each Obligated Group Member that may be admitted in the future will be jointly

* Preliminary; subject to change.

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 "EXCERPTS FROM MASTER TRUST INDENTURE – Admission of Obligated Group Members" and " - Withdrawal of Obligated Group Members" in APPENDIX C for a description of the limitations on admission and release of Obligated Group Members.

Certain Covenants of the Obligor and any Future Members of the Obligated Group

In addition to the covenants described below, the Master Indenture contains additional covenants relating to, among others, the maintenance of the Obligated Group Member's property, corporate existence, the maintenance of certain levels of insurance coverage, the incurrence of additional debt, the sale or lease of certain property, and permitted liens. For a full description of these and other covenants, see "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C hereto.

Rate Covenant. Pursuant to the Master Indenture, the Obligated Group has covenanted to operate all of its Facilities on a revenue-producing basis (if applicable to the nature of the Obligated Group Member's facilities), 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 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 Obligated Group 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. The Obligated Group Members have also agreed that the Obligor will calculate the Historical Debt Service Coverage Ratio of the Obligated Group for each Fiscal Year, and deliver a copy of such calculation to the Required Information Recipients.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20:1, the Obligated Group Representative, at the Obligated Group's expense, will select a Consultant and notify the Master Trustee of the selection within 30 days following the calculation described in the Master Indenture, and will engage a Consultant in accordance with the Master Indenture to make recommendations with respect to the rates, fees and charges of the Members 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 for the following Fiscal Year.

Within 60 days of the actual engagement of any such Consultant, the Obligated Group Representative is required to cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and each Required Information Recipient (as defined in the Master Indenture). Each Member is required to follow each recommendation of the Consultant applicable to it to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law. The Master Indenture does not prohibit any Member from serving indigent residents to the extent required for such Member to continue its qualifications as a Tax-Exempt Organization or from serving any other class or classes of

residents without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of the Master Indenture.

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 Master Trustee will not be obligated to require the Obligated Group to select a Consultant to make such recommendations if: (i) there is filed with the Master Trustee (who will provide a copy to each Required Information Recipient) a written report addressed to them of a Consultant which contains an opinion of such Consultant that applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the requirements set forth above, and such report is accompanied by a concurring opinion of Independent Counsel as to any conclusions of law supporting the opinion of such Consultant; (ii) the report of such Consultant indicates that the rates charged by the Obligated Group are such that, in the opinion of the Consultant, the Obligated Group has generated the maximum amount of Revenues reasonably practicable given such laws or regulations; and (iii) the Historical Debt Service Coverage Ratio of the Obligated Group for such Fiscal Year was at least 1.00:1. The Obligated Group will not be required to cause the Consultant's report referred to in the preceding sentence to be prepared more frequently than once every two Fiscal Years if at the end of the first of such two Fiscal Years the Obligated Group provides to the Master Trustee (who will provide a copy to each Related Bond Trustee) an opinion of Independent Counsel to the effect that the applicable laws and regulations underlying the Consultant's report delivered in respect of the previous Fiscal Year have not changed in any material way.

Notwithstanding any other provisions of the Master Indenture, an Event of Default thereunder arising with respect to the failure to achieve the required Historical Debt Service Coverage Ratio will only occur if one or more of the following conditions applies:

(i) the Obligated Group (A) fails to achieve a Historical Debt Service Coverage Ratio of at least 1.20:1 for any Fiscal Year, and (B) fails to take all necessary action to comply with the procedures described under this Section for preparing a report, adopting a plan, and following all recommendations contained in such report or plan to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law; or

(ii) the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for any Fiscal Year and the Days' Cash on Hand of the Obligated Group as of the last day of such Fiscal Year is less than 210; or

(iii) the Obligated Group fails to achieve a Historical Debt Service Coverage Ratio of at least 1.00:1 for two consecutive Fiscal Years.

Under certain circumstances, if applicable laws or regulations have prevented the Obligated Group from generating Income Available for Debt Service during such Fiscal Year sufficient to meet the requirements summarized above, the Obligated Group will be relieved of that requirement if the report of the Consultant indicates the rates charged by the Obligated Group are such that the Obligated Group has generated the maximum amount of revenues reasonably practicable given such laws or regulations, and the Historical Debt Service Coverage Ratio of the

Obligated Group for such Fiscal Year was at least 1.00:1. See "EXCERPTS FROM MASTER TRUST INDENTURE – Rates and Charges" in APPENDIX C hereto.

In the event that any Member of the Obligated Group incurs any Additional Indebtedness for any Capital Addition, such as the 2019 Project, the Debt Service Requirements on such Additional Indebtedness and the Revenues and Expenses relating to the project or projects financed with the proceeds of such Additional Indebtedness will be excluded from the calculation of the Historical Debt Service Coverage Ratio of the Obligated Group until the first full Fiscal Year following the later of (i) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness provided that such completion occurs no later than six months following the completion date for such project set forth in the Consultant's report described in (A) below, or (ii) the first full Fiscal Year in which Stable Occupancy is achieved in the case of construction, renovation or replacement of senior living facilities or nursing facilities financed with the proceeds of such Additional Indebtedness, which Stable Occupancy will be projected in the report of the Consultant referred to in paragraph (A) below to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, or (iii) the end of the fifth full Fiscal Year after the incurrence of such Additional Indebtedness, if the following conditions are met:

(i) there is delivered to the Master Trustee a report or opinion of a Consultant to the effect that the Projected Debt Service Coverage Ratio for the first full Fiscal Year following the later of (A) the estimated completion of the Capital Addition being paid for with the proceeds of such Additional Indebtedness, or (B) the first full Fiscal Year following the year in which Stable Occupancy is achieved in the case of construction, renovation or replacement of senior living facilities or nursing facilities being financed with the proceeds of such Additional Indebtedness, which Stable Occupancy will be projected to occur no later than during the fifth full Fiscal Year following the incurrence of such Additional Indebtedness, will be not less than 1.25:1 after giving effect to the incurrence of such Additional Indebtedness and the application of the proceeds thereof; provided, however, that in the event that a Consultant will deliver a report to the Master Trustee to the effect that state or federal laws or regulations or administrative interpretations of such laws or regulations then in existence do not permit or by their application make it impracticable for Members to produce the required ratio, then such ratio will be reduced to the highest practicable ratio then permitted by such laws or regulations but in no event less than 1.00:1: provided, however, that in the event a Consultant's report is not required to incur such Additional Indebtedness, the Obligated Group may deliver an Officer's Certificate to the Master Trustee in lieu of the Consultant's report described in this subparagraph (i); and

(ii) there is delivered to the Master Trustee an Officer's Certificate on the date on which financial statements are required to be delivered to the Master Trustee pursuant to the Master Indenture until the first Fiscal Year in which the exclusion from the calculation of the Historical Debt Service Coverage Ratio no longer applies, calculating the Historical Debt Service Coverage Ratio of the Obligated Group at the end of each Fiscal Year, and demonstrating that such Historical Debt Service Coverage Ratio is not less than 1.00:1, such Historical Debt Service Coverage Ratio to be computed without taking into account (A) the Additional Indebtedness to be incurred if (1) the interest on such Additional

Indebtedness during such period is funded from proceeds thereof or other funds of the Member then on hand and available therefor and (2) no principal of such Additional Indebtedness is payable during such period, and (B) the Revenues to be derived from the project to be financed from the proceeds of such Additional Indebtedness. See "EXCERPTS FROM MASTER TRUST INDENTURE – Rates and Charges" in APPENDIX C hereto.

For specific information regarding the process under the Master Indenture for selection of Consultants, see "SECURITY FOR THE BONDS – Approval of Consultants" and APPENDIX C – "EXCERPTS FROM MASTER TRUST INDENTURE – Approval of Consultants."

Liquidity Covenant. The Master Indenture requires that the Obligated Group maintain Days Cash on Hand of at least 150 (the "Liquidity Requirement") as of June 30 and December 31 of each Fiscal Year (each a "Testing Date"). The Obligated Group is required to deliver an Officer's Certificate setting forth such calculation for each Testing Date in the manner prescribed in the Master Indenture. The Days Cash on Hand may be less than such number at times other than the Testing Date.

If the Days Cash on Hand as of any Testing Date is less than the Liquidity Requirement, the Obligated Group Representative is required, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate approved by a resolution of the Governing Body of the Obligated Group Representative 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 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 in the preceding paragraph, the Obligated Group Representative will, within 30 days after receipt of the Officer's Certificate disclosing such deficiency, select a Consultant in accordance with the Master Indenture 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, will be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is actually engaged. Each Member of the Obligated Group is required to follow each recommendation 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.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the required liquidity covenant for any Fiscal Year will not constitute 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 preparing a report and adopting a plan and follows each recommendation 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.

See "EXCERPTS FROM MASTER TRUST INDENTURE - Liquidity Covenant" in APPENDIX C hereto.

Approval of Consultants

The Master Indenture provides that if at any time the members of the Obligated Group are required to engage a Consultant under the provisions of the Master Indenture with respect to the Rate Covenant or Liquidity Covenant, such Consultant will be engaged in the manner as set forth below in this section.

Upon selecting a Consultant as required under the provisions of the Master Indenture, the Obligated Group Representative will notify the Master Trustee of such selection. The Master Trustee is required to, as soon as practicable but in no case longer than five Business Days after receipt of notice, notify the Holders of all Obligations outstanding under the Master Indenture of such selection. Such notice (which shall be provided 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 (iii) state that the Holder of the 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 selected Consultant in writing (in a manner acceptable to the Master Trustee) 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 of the number of 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 selection 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 33.4% or more in aggregate principal amount of the Holders of the Obligations Outstanding have objected to the Consultant selected, the Obligated Group Representative will 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 Holders to object to the selection of a Consultant, see APPENDIX C – "EXCERPTS FROM MASTER TRUST INDENTURE – Approval of Consultants."

Revenue Fund

If an Event of Default under the Master Indenture occurs due to failure to pay any debt service on any Obligations when due and continues for a period of five days, the Master Trustee is required to establish a fund to be known as the "Revenue Fund" and each Obligated Group Member is required to deposit with the Master Trustee for deposit into the Revenue Fund all Gross Revenues and Federal Subsidy Payments of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any mortgage, lien, charge, encumbrance, pledge or other security interest granted, created, assumed, incurred or existing in accordance with the provisions of the Master Indenture) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no payment default under the Master Indenture or in the payment of any other Obligations then exists.

On the fifth Business Day preceding the end of each month in which any Obligated Group Member has made payments to the Master Trustee for deposit into the Revenue Fund, the Master Trustee will withdraw and pay or deposit from the amounts on deposit in the Revenue Fund the following amounts in the order indicated:

FIRST, to the payment of all amounts due to the Master Trustee under the Master Indenture;

SECOND, to an operating account designated by the Obligated Group Representative (which will be subject to the lien of the Master Indenture), the amount necessary to pay the Expenses due or expected to become due in the month in which such transfer is made, all as set forth in the then-current Annual Budget;

THIRD, to the payment of the amounts then due and unpaid upon the Obligations, other than Obligations constituting Subordinated Indebtedness, for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Obligations for principal (and premium, if any) and interest, respectively, and payments of Regularly Scheduled Payments due under any Interest Rate Agreement;

FOURTH, to restore any deficiency in a Related Bonds Debt Service Reserve Fund or Minimum Liquid Reserve Account;

FIFTH, to the payment of the amounts then due and unpaid upon the Obligations constituting Subordinated Indebtedness for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Obligations for principal (and premium, if any) and interest, respectively;

SIXTH, to the payment of all other amounts due under any Interest Rate Agreement that are not Regularly Scheduled Payments; and

SEVENTH, to the Obligated Group Representative for the benefit of the Obligated Group.

Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee is required to promptly invest and reinvest such amounts in accordance with the Master Indenture in investments with a maturity not greater than 91 days from date of purchase.

The Mortgage

As additional security for the Obligated Group's obligations under the Master Indenture, including, without limitation, the payment of the Series 2019 Note, the Obligor has entered into the Mortgage, pursuant to which the Obligor has granted to the Master Trustee a security interest in, among other things, all real property and improvements of the Community, all personal property used in connection with or arising out of the operation of the Community, all Gross Revenues of the Obligated Group Members, and all of the right, title and interest of the Obligated Group Members to any and all other personal property, including all accounts, documents and

instruments, subject to Permitted Encumbrances (such property subjected to the lien of the Mortgage are referred to herein as the "Mortgaged Property").

[Notwithstanding anything to the contrary in the Mortgage, the Master Trustee agrees in the Mortgage that the rights of a resident of the Mortgaged Property under a continuing care contract governed by Chapter 651, Florida Statutes, will be honored and will not be disturbed by a foreclosure or a conveyance in lieu of foreclosure as long as the resident (1) is current in the payment of all monetary obligations required by such continuing care contract; (2) is in compliance and continues to comply with all provisions of the resident's continuing care contract; and (3) has asserted no claim inconsistent with the rights of the Master Trustee.][1]

See "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C hereto and "FLORIDA REGULATION OF CONTINUING CARE FACILITIES - Examinations and Delinquency Proceedings" herein.

RISK FACTORS

General Risk Factors

The 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 Obligor under the Master Indenture.

A BONDHOLDER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND SPECIAL REFERENCE IS MADE TO THE SECTION "SECURITY FOR THE BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE BONDS.

As described herein under the caption "SECURITY FOR THE BONDS," except to the extent that the principal of, premium, if any, and interest on the 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 (currently consisting solely of the Obligor) under the Master Indenture.

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 Obligor 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 Bonds in the amounts and at the times required to pay debt service on the 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

[1] Should this be added to the Mortgage?

all of these risk factors are discussed in this section below; these risk factors should be considered by investors considering any purchase of the Bonds.

Limited Obligations

THE ISSUANCE OF THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL OF, PURCHASE PRICE, PREMIUM, IF ANY, OR INTEREST ON SUCH BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE ISSUER OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE ISSUER'S INTEREST IN THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED THEREFOR UNDER AND AS PROVIDED IN THE BOND INDENTURE AND ANY OTHER AGREEMENTS SECURING THE BONDS.

Uncertainty of Revenues and Accounting Changes

The Obligor has no assets other than the Mortgaged Property and is not expected to have any revenues except those derived from operations of the Community in the near term. As noted elsewhere, except to the extent that the Bondholders receive under certain circumstances, proceeds of insurance, sale or condemnation awards, the Bonds will be payable solely from payments or prepayments to be made by the Obligor under the Loan Agreement and by the Obligor and any other future Obligated Group Members on the Series 2019 Note. The ability of the Obligor to make payments under the Loan Agreement and the ability of the Obligor and any other future Obligated Group Members to make payments on the Series 2019 Note is dependent upon the generation by the Obligor of revenues in the amounts necessary for the Obligor to pay the principal, premium, if any, and interest on the Bonds, as well as other operating and capital expenses. The realization of future revenues and expenses are subject to, among other things, the capabilities of the management of the Obligor, government regulation and future economic and other conditions that are unpredictable and that may affect revenues and payment of principal of and interest on the Bonds. No representation or assurance can be made that revenues will be realized by the Obligor in amounts sufficient to make the required payments with respect to debt service on the Bonds.

The financial feasibility of the Community and payment, when due, of the Bonds is dependent on the continuing ability of the Obligated Group to 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" ("Entrance Fees"), (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 below). This depends to some extent on factors outside the Obligor'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 and real estate 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 Bonds and any other outstanding bonds and obligations. In addition, the economic feasibility of the Community very much depends on the Obligor's ability to remarket certain units and collect another Entrance Fee when an independent living unit becomes available when a resident dies, withdraws, or is permanently transferred to a healthcare facility or any other facility.

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 are substantially less than anticipated by the Obligor, or if market conditions or market changes prevent an increase in the amount of the resident entry fees payable by new residents of the Community or the monthly fees payable by residents of the Facilities under Residency Agreements between a Member and such residents (the "Monthly Service Fees"), the receipt of additional Entrance Fees and/or Monthly Service Fees would be curtailed or limited, with a consequent impairment of the Obligor's revenues. Such impairment would also result if the Obligor 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.

It is assumed that regular increases in both Entrance Fees and Monthly Service Fees will be necessary to offset increased operating costs due primarily to inflation. There can be no assurance that such increases can or will be made or that increases in expenses will not be greater than assumed. 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 fee increases can be paid by residents or that such increases will not adversely affect the occupancy of the Community. 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 Obligor. As a charitable tax-exempt organization, the Obligor may be unable or unwilling to require residents who lack adequate financial resources to leave the Community. In the future, the Obligor could possibly be required to accept residents unable to pay all 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. As set forth therein, the Obligor 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 Obligor could be less than required. 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 entry fees to potential future residents may decrease. If this should happen, the Obligor may be forced to alter its method of charging for elderly housing services and could encounter a significant cash flow problem.

Additionally, from time to time, accounting policies and procedures change based upon mandatory authoritative guidance updates to generally accepted accounting principles in the

United States of America ("GAAP"). Such changes may cause a variation in the presentation of the financial information of the Obligor. The Obligor is currently aware of one significant mandatory authoritative guidance update to GAAP and is currently in the process of evaluating the impacts on the Obligor's financial information. Effective as of January 1, 2019, the Obligor was required to adopt changes pursuant to FASB ASU No. 2014-19, Revenue from Contracts with Customers (Topic 606). In 2018, the Obligor elected to adopt the ASU No. 2014-19 changes early. The American Institute of Certified Public Accountants' Health Care Entities Revenue Recognition Task Force (www.aicpa.org) has identified ten specific implementation issues for which the Task Force is developing authoritative guidance. At present, guidance has been finalized on seven of the ten specific implementation issues.

The adoption of ASU No.2014-19 did not have a material impact on the financial statements of the Obligor but resulted in enhanced disclosures. The Master Indenture provides that the character or amount of any asset, liability or item of income or expense required to be determined or any consolidation, combination or other accounting computation required to be made for the purposes of the Master Indenture, shall be determined or made in accordance with GAAP in effect on the date of the Master Indenture, or at the option of the Obligated Group Representative, at the time in effect (provided that such GAAP are applied consistently with the requirements existing either on the date of the Master Indenture or at the time in effect) except where such principles are inconsistent with the requirements of the Master Indenture. Furthermore, the Master Indenture permits the Obligor and the Master Trustee to amend the Master Indenture to permit the financial statements required by the Master Indenture to more accurately reflect the financial position and operations of the Obligated Group or to comply with the requirements of GAAP.

Occupancy and Utilization Demand

The continued economic feasibility of Obligor's Facilities depends in large part upon the ability of the Obligor to attract sufficient numbers of residents to maintain substantial occupancy throughout the term of the Bonds. This depends to some extent on factors outside management's control, such as the residents' right to terminate their residency agreements, subject to the conditions provided in the residency agreements. If the Obligor fails to maintain substantial occupancy in the Obligor's Facilities, the Obligor may not generate sufficient funds to satisfy its repayment obligations with respect to the loan of the proceeds of the Bonds. If market changes require a reduction in the amount of fees payable by residents, there would be a consequent reduction in the revenues of the Obligor. Such reduction would also result if the Obligor is unable to fill vacancies becoming available when residents die, relocate, withdraw or are permanently transferred to any other facility. In addition, other factors may reduce the need for services and facilities such as those offered by the Obligor, 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 that eliminate the need for certain types of institutional or outpatient health care services; (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 area of the Obligor; and (iv) increased or more effective competition from other retirement and health care communities and long-term care facilities now or hereafter located in the service area of the facility. For more information regarding occupancy of the Facilities owned by the Obligor, see APPENDIX A hereto.

Competition

The Community provides services in areas where other competitive facilities exist and may face additional competition in the future as a result of the construction or renovation of competitive facilities in the primary or secondary market area of the Community. There may also arise in the future competition from other continuing care facilities, some of which may offer similar facilities, but not necessarily similar services, at lower prices. See APPENDIX A hereto for information about certain competitive facilities in the market area.

Regulation of Residency Agreements

As described herein under "FLORIDA REGULATION OF CONTINUING CARE FACILITIES," Chapter 651, Florida Statutes, as amended ("Chapter 651") requires every continuing care facility to maintain a certificate of authority from the Office of Insurance Regulation in order to operate. The Obligor has received a final certificate of authority for the Community. If the Obligor fails to comply with the requirements of Chapter 651, it would be subject to sanctions including the possible revocation of the certificate of authority for the 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 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.

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 based on certain conditions as provided in such resident's Residency Agreement and as may be required by Chapter 651. In some cases, refunds may be owed and payable prior to the Obligor's receipt of a corresponding replacement Entrance Fee with respect to the applicable unit. Accordingly, the payment of such refunds could adversely affect the Obligated Group's ability to make payments required by the Loan Agreement, the Bonds, the Series 2019 Note and any other Outstanding Parity Obligations. See "THE COMMUNITY – Residency & Services Agreements" in APPENDIX A hereto.

Discounting of Entrance Fees

The Obligor may feel compelled to offer discounts to Entrance Fees in the future to achieve desired levels of occupancy of the Community. Discounting of Entrance Fees could significantly affect the cash flow of the Obligor and have a material adverse effect on the ability of the Obligor to make debt service payments on the Bonds.

Financial Assistance and Obligation to Residents

The Obligor only intends to enter into Residency Agreements with residents who it judges to be creditworthy. The Obligor intends to provide, but does not guarantee, financial assistance to residents unable to pay Monthly Service Fees by reasons of circumstances beyond their control. The Institution, as an organization described in Section 501(c)(3) of the Code (an "Exempt Organization"), is required by applicable laws relating to its status as an Exempt Organization to maintain a policy of generally not requiring residents to leave its facilities because of the inability to pay, and the Obligor has stated that it expects to maintain such a policy. Such requirement and policy may require the Obligor in the future to provide increased financial assistance or absorb greater operating losses. There may be circumstances, however, under which the requirements for greater financial assistance may have a material adverse effect on the financial condition of the Obligor and any future Members of the Obligated Group that qualify as Exempt Organizations. See "THE COMMUNITY – Change in Financial Status" in APPENDIX A hereto.

The Nature of the Income of the Elderly

A percentage of the monthly income of certain residents of the Community may be fixed income derived from pensions and social security. In addition, some residents may have to liquidate assets in order to pay the fees and other charges for occupancy of the Community. If, due to inflation or otherwise, rates substantially increase due to the Obligor's escalating costs or decreasing reimbursements, fixed-income residents may have difficulty paying or may be unable to pay such increased rates. Furthermore, residents' investment income may be adversely affected by market and stock price fluctuations which may also result in payment difficulties.

Sale of Homes

It is anticipated that many future residents of the Community will relocate from a personal residence and many will sell their homes to effectuate such relocation. If local or national economic conditions affect the sale of residential real estate, such prospective residents may be delayed in relocating which could have an adverse impact on the revenues of the of the Obligated Group and the ability of the Obligated Group to pay debt service requirements on the Bonds.

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, community acceptance of the Community, increased competition from other senior living facilities, changes in the costs of operation, difficulties or restrictions in the Obligor's ability to raise fees charged, damage caused by adverse weather 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 portion thereof becomes 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 Bonds. 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 in the event of a sale or foreclosure of the Community. Certain other factors that cannot be determined at this time also may adversely affect the operation of the Community.

General Risks of Long-Term Care Facilities

There are many diverse factors not within the Obligor's control that have a substantial bearing on the risks generally incident to the operation of its facilities. These factors include regulatory imposed fiscal policies, adverse use of adjacent or neighboring real estate, the ability to maintain the facilities, community acceptance of the facilities, changes in demand for the facilities, changes in the number of competing facilities, changes in the costs of operation of the facilities, changes in the laws of the State affecting long-term care programs, the limited income of the elderly, changes in the long-term care and health care industries, difficulties in or restrictions on the Obligor's ability to raise rates charged, general economic conditions and the availability of working capital. In recent years, a number of long-term care facilities throughout the United States have defaulted on various financing obligations or otherwise have failed to perform as originally expected. There can be no assurance that the Obligor will not experience one or more of the adverse factors that caused other facilities to struggle or fail. Certain other factors that cannot be determined at this time also may adversely affect the operation of facilities like the Obligor's facilities.

New and changing methods of care delivery, such as web-based home monitoring, telemedicine, mobile health, and smartphone technology will likely change the way in which providers of health services to the elderly deliver home health, hospice and other community-based services. These developments will further the ability of the home health and hospice industry to care for patients in their homes. The proliferation and availability of technological changes are expected to increase the ability of the elderly to remain in their homes longer into their lives than has historically been feasible, which could result in significantly reduced demand for communities such as the Obligor's Community. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies. These changes may allow other companies, including hospitals and other healthcare organizations that are not currently proving home health and hospice care, to expand their services to include home health services, hospice care or similar services. The Obligor may encounter increased competition in the future that could negatively impact patient referrals to it, limit its ability to maintain or increase its market position and adversely affect the Obligors' profitability.

Nursing Staff Shortage

Recently both the state and national health care industries have experienced a shortage of nursing staff, which has resulted in increased costs for health care providers due to the need to hire agency nursing personnel at higher rates. Both the federal and state governments have implemented, or are considering implementing, legislative efforts to combat the health care

industry's workforce shortages, including those in nursing. If the nursing shortage continues, it could adversely affect the Obligor's operations or financial condition.

Personnel

Management of the Obligor believes that its salary and benefits package is competitive with other comparable institutions in the respective areas in which the Obligor operates and that its employee relations are satisfactory. The health care industry has, at times, experienced a shortage of qualified nursing and other health care personnel. In addition, at times, markets for other staffing, such as housekeepers and maintenance staff can be competitive and result in staffing scarcity or increases compensation and benefits expense. The Obligor competes with other health care providers and with non-health care providers for both professional and nonprofessional employees. While the Obligor has been able to retain the services of an adequate number of qualified personnel to staff its Community appropriately and maintain its standards of quality care, there can be no assurance that personnel shortages will not in the future affect its ability to attract and maintain an adequate staff of qualified health care personnel and could force the Obligor to employ temporary staff through employment agencies. A lack of qualified personnel could result in significant increases in labor costs or otherwise adversely affect its operating results.

Organized Resident Activity

The Obligor 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 Obligor 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 Obligor will be able satisfactorily to meet the needs of such resident groups.

Labor Union Activity

Employees at the Community 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, and if so established, such collective bargaining agreements could result in significantly increased labor costs to the Obligor and have an adverse effect on the financial condition of the Obligor.

Factors Affecting Real Estate Taxes

In recent years, various state and local legislative, regulatory and judicial bodies have reviewed the exemption of various not-for-profit corporations from real estate taxes and in some instances have sought to overturn all or parts of such exemptions of property on the grounds that a portion of the property was not being used to further the organization's charitable purposes. Determinations in several of these disputes have favored the taxing authorities or have resulted in settlements.

A portion of the Obligor's facilities are currently exempt from payment of ad valorem property taxes under Florida law. In the event that a property appraiser determines that such

facilities no longer qualify for a partial exemption from ad valorem taxes or in the event that such exemption is removed due to property tax changes enacted by the Florida legislature, such facilities could become subject to real estate taxes. The imposition of such taxes may cause the Obligor to charge higher rents or occupancy fees to its residents, which might affect the competitive position of such facilities in their respective service areas.

Malpractice Claims and Losses

The Obligor has covenanted in the Master Indenture to maintain professional liability insurance with commercial insurance carriers unless the Obligor provides a certificate of an insurance consultant complying with the terms of the Master Indenture. The operations of the Obligor 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. Malpractice lawsuits may also 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 Obligor or the premiums at which such coverage can be obtained, however, such lawsuits have not historically affected the Obligor's operations or financial position and the Obligor does not expect this to occur in the future.

Liquidation of Security 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 Bonds in accordance with their terms. The Bondholders are dependent upon the success of the 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 Bonds. **The Obligor has not made any representations to Bondholders regarding the current market value of its facilities and has not secured an appraisal in connection with the issuance of the Bonds.** In the event of a default, the value of the Mortgaged Property may be less than the aggregate amount of the outstanding Bonds and any other Obligations then outstanding under the Master Indenture, since the Community exists for the narrow use as a continuing care retirement community. In addition, even without consideration of the special purpose nature of the Community, the sale of property at a foreclosure sale may not result in the full value of such property being obtained. The special design features of a continuing care facility and the continuing rights of residents under continuing care and lease agreements may make it difficult to convert the facilities to other uses, which may have the effect of reducing their attractiveness to potential purchasers. In the event of a default and subsequent foreclosure and sale of the Mortgaged Property, Bondholders have no assurance that the value of the Mortgaged Property would be sufficient to pay the outstanding principal and interest due under the terms of the Bonds and other Outstanding Parity Obligations then outstanding under the Master Indenture. Accordingly, in the event of foreclosure and sale of the Mortgaged Property, Bondholders may not receive all principal and interest due under the terms of the Bonds.

Licensure, Certification and Accreditation

Healthcare facility operations are subject to numerous federal, state and local regulations relating to the adequacy of medical care, equipment, personnel, operating policies and procedures, maintenance of adequate records, fire prevention, rate-setting and compliance with building codes and environmental protection laws. Facilities are subject to periodic inspection by governmental and other authorities to assure continued compliance with the various standards necessary for licensing and accreditation. The requirements for licensure, certification and accreditation are subject to change and, in order to remain qualified, it may become necessary for the Obligor to make changes in the Obligor's facilities, equipment, personnel and services. The requirements for licensure also may include notification or approval in the event of the transfer or change of ownership. Failure to obtain the necessary state approval in these circumstances can result in the inability to complete an acquisition or change of ownership.

Regulation and Health Care Reform

General. The operations of the Community, like other health care facilities throughout the country, will be affected on a day-to-day basis by numerous legislative, regulatory and industry-imposed operations and financial requirements that are administered by a variety of federal and state governmental agencies as well as by self-regulatory associations and commercial medical insurance reimbursement programs. Further, President Trump and Congressional Republicans have continued to take actions to repeal and/or replace the hereinafter described Health Care Reform Act and to effectuate a substantial rollback of federal regulations across all facets of the federal government. Accordingly, it is impossible to predict the effects of any such legislative or regulatory changes on the operations or financial condition of the Obligor's Facilities.

Additionally, nursing care facilities and assisted living facilities, including those such as the Community, are subject to numerous licensing, certification, accreditation, and other governmental requirements. These include, but are not limited to, requirements relating to Medicare participation and payment, requirements relating to state licensing agencies, private payors and accreditation organizations and certificate of need approval by state agencies of certain capital expenditures. Renewal and continuance of certain of these licenses, certifications, approvals and accreditations are based upon inspections, surveys, audits, investigations or other review, some of which may require or include affirmative action or response by the Obligor. An adverse determination could result in a loss, fine or reduction in the Obligor's scope of licensure, certification or accreditation, could affect the ability to undertake certain expenditures or could reduce the payment received or require the repayment of the amounts previously remitted. The Obligor currently anticipates no difficulty in renewing or continuing currently held licenses, certifications and accreditations.

Certificate of Need. On June 26, 2019, Governor DeSantis approved House Bill 21 repealing significant portions of Florida's certificate of need ("CON") provisions. The new law eliminates the CON requirement for general hospitals, complex medical rehabilitation beds and tertiary hospital services. The CON requirement continues to be applicable to skilled nursing facilities, hospice or intensive care facilities for the developmentally disabled. Therefore, the CON requirements will still be applicable to such entities that seek to undertake certain health care related projects that are still subject to the CON requirements, such as (a) constructing or

establishing a new health care facility; (b) changing existing nursing bed complements through the addition of beds or change in bed license classification; or (c) offering a new health service. CON applications are subject to a lengthy and complicated review process, including public hearings. The CON law generally may affect the Obligor's ability to undertake other improvements to the Community necessary to attract new residents. It is impossible to predict the future of the CON program as it applies to the Obligated Group, and changes to the CON program may significantly affect the future financial condition of the Obligated Group. For example, deregulation could result in the entrance of new competitors, or the enhancement of services and facilities by existing competitors, in the market in which the Obligor competes. No CON approvals were required in connection with the 2019 Project.

Federal Health Care Reform. The "Patient Protection and Affordable Care Act" and "The Health Care and Education Affordability Reconciliation Act of 2010" (together referred to herein as the "Health Care Reform Act") were enacted in March 2010. Some of the provisions of the Health Care Reform Act took effect immediately while others will take effect over a ten-year period. Because of the complexity of the Health Care Reform Act generally, additional legislation modifying or repealing portions of the Health Care Reform Act is likely to be enacted over time. The Health Care Reform Act provides changes on how consumers pay for their own and their families' health care and how employers procure health insurance for their employees. In addition, the Health Care Reform Act requires insurers to change certain underwriting practices and benefit structures in order to cover individuals who previously would have been ineligible for health insurance coverage. As a result, since the enactment of the Health Care Reform Act, there has been a significant increase in the number of individuals eligible for health insurance coverage. Associated with increased utilization will be increased variable and fixed costs of providing health care services, which may or may not be offset by increased revenues.

Some of the specific provisions of the Health Care Reform Act that may impact the Community include the following (this listing is not, is not intended to be, nor should be considered to be comprehensive):

With varying effective dates, the annual Medicare market basket updates for many providers, including skilled nursing, would be reduced, and adjustments to payment for expected productivity gains would be implemented.

The Health Care Reform Act includes the Community Living Assistance Services and Supports (CLASS) Act, which created a national, voluntary, long-term care insurance program to supplement Medicaid and provide long-term care insurance.

With varying effective dates, the Health Care Reform Act mandates a reduction of waste, fraud and abuse in public programs by allowing provider enrollment screening, enhanced oversight periods for new providers and suppliers, and enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, and by requiring Medicare and Medicaid program providers and suppliers to establish compliance programs. The legislation requires the development of a database to capture and share healthcare provider data across federal healthcare programs and also provides for increased penalties for fraud and abuse violations, and increased funding for anti-fraud activities.

The Health Care Reform Act provides for the implementation of various demonstration programs and pilot projects to test, evaluate, encourage and expand new payment structures and methodologies to reduce health care expenditures while maintaining or improving quality of care, including bundled payments under Medicare and Medicaid, and comparative effectiveness research programs that compare the clinical effectiveness of medical treatments and develop recommendations concerning practice guidelines and coverage determinations. Other provisions encourage the creation of new health care delivery programs, such as accountable care organizations, or combinations of provider organizations, that voluntarily meet quality thresholds to share in the cost savings they achieve for the Medicare program. The Health Care Reform Act also provides funding for establishment of a national electronic health records system. The outcomes of these projects and programs, including their effect on payments to providers and financial performance, cannot be predicted.

Health Care Reform Act 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, the Health Care Reform Act 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.

Health care providers are likely to be subjected to decreased reimbursement as a result of implementation of recommendations of the Health Care Reform Act-created Independent Payment Advisory Board, whose directive is to reduce Medicare cost growth. The recommended reductions would be automatically implemented unless Congress adopts alternative legislation that meets equivalent savings targets.

It is difficult to predict the full long-term impact of the Health Care Reform Act 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. Additionally, Congressional Republicans, with the backing of President Trump, recently introduced a new health care reform bill seeking to repeal and replace all or a portion of the Health Care Reform Act. The focus of such legislation related to the individual and employer mandates, the exchanges, insurance industry regulations, the Medicaid expansion, and the taxes levied to fund the expenditures related thereto. However, efforts to enact such legislation were unsuccessful and as such, the timing of any repeal and/or replacement of the Health Care Reform Act, and whether it would be in whole or in part, remain unclear. It is also unclear how and when a replacement plan would be implemented. 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.

Third-Party Payments and Managed Care

In the environment of increasing managed care, the Obligor can expect additional challenges in maintaining its resident and patient 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. Should managed care cost reduction measures now pervasive in the health care industry continue to grow beyond what is currently expected by the Obligor, its revenues may be adversely affected in the future.

Fraud and Abuse Enforcement

Health care fraud and abuse laws were enacted at the federal and state levels to regulate both the provision of services to government program beneficiaries and the submission of claims for services rendered to such beneficiaries. Under these laws, individuals and organizations, such as the Obligor, can be punished for submitting claims for services that were not provided, not medically necessary, incorrectly coded, provided by an improper person, accompanied by an illegal inducement to utilize or refrain from utilizing a service or product, billed in a manner that does not comply with applicable government requirements, furnished in a substandard manner or other similar reasons.

Federal and state governments have a range of criminal, civil and administrative sanctions available to penalize and remediate health care fraud and abuse, including recoveries of amounts paid to the provider, imprisonment, exclusion of the provider from participation in the Medicare and Medicaid programs, civil monetary penalties and suspension of payments. Fraud and abuse cases may be prosecuted by one or more government entities and/or private individuals, and more than one of the available penalties may be imposed for each violation. The federal government has made the investigation and prosecution of health care fraud and abuse a priority and Congress has authorized significant funding of this effort. As a result, there have been a substantial number of investigations, prosecutions and civil enforcement proceedings of health care-related fraud and abuse in recent years.

Laws governing fraud and abuse apply to virtually all individuals and entities with which a health care provider does business, including hospitals, home health agencies, long-term care entities, infusion providers, pharmaceutical providers, insurers, health maintenance organizations ("HMOs"), preferred provider organizations ("PPOs"), third party administrators, physicians, physician groups, physician practice management companies, ambulatory care entities, laboratories, diagnostic testing facilities, suppliers of medical items and services and other potential referral sources. Fraud and abuse prosecutions can have a catastrophic effect on such entities and a material adverse impact on the financial condition of other entities in the health care delivery system of which that entity is a part.

Federal Criminal Fraud and Abuse Liability of Health Care Providers. Both individuals and organizations may be subject to prosecution under several federal criminal fraud and abuse statutes. Criminal conviction for an offense related to a health care provider's participation in the Medicare program may result in substantial fines and/or the provider's suspension, exclusion or debarment from all government programs, including the Medicare program. Any such fines, exclusions or debarment could have a material adverse effect on the Obligor's financial condition. Even the assertion of a violation could have an effect. The following is a brief discussion of some (but not all) of these federal criminal statutes:

Criminal False Claims Act. The criminal False Claims Act ("Criminal FCA") prohibits anyone from knowingly and willfully making a false statement or misrepresentation of a material fact in submitting a claim to a government health care program (defined as "any plan or program that provides health benefits, whether directly, through insurance, or otherwise, which is funded directly, in whole or in part, by the United States Government" other than the Federal Employees Health Benefit Program). There are numerous specific rules that a health care provider must follow with respect to the submission of claims. Violation of the Criminal FCA can result in up to five years imprisonment and a fine of up to $250,000 for an individual and $500,000 for a corporation for a felony conviction, or $100,000 for an individual and $200,000 for a corporation for a misdemeanor conviction. Violation of the Criminal FCA also results in mandatory exclusion from participation in the government health care programs. Additionally, the State of Florida has enacted its own version of the Criminal FCA to which the Obligor is also subject.

Anti-Kickback Law. The federal anti-kickback law ("Anti-Kickback Law") is a criminal statute that prohibits the offering, payment, solicitation or receipt of remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, for (1) the referral of patients or arranging for the referral of patients to receive services for which payment may be made in whole or in part under a government health care program or any state health care program; or (2) the purchase, lease, order, or arranging for the purchase, lease or order of any good, facility, service or item for which payment may be made under a government health care program. Generally, courts have taken a broad interpretation of the scope of the Anti-Kickback Law. Courts have held that the Anti-Kickback Law may be violated if merely one purpose of a financial arrangement is to induce future referrals of federal or state health care program covered items or services.

The criminal sanctions for a conviction under the Anti-Kickback Law are imprisonment for not more than five years, a fine of not more than $25,000 or both, for each incident or offense, although this fine may be increased to $250,000 for individuals and $500,000 for organizations. If a party is convicted of a criminal offense related to participation in the Medicare program or any state health care program, or is convicted of a felony relating to health care fraud, the secretary of the United States Department of Health and Human Services ("DHHS") is required to bar the party from participation in federal health care programs and to notify the appropriate state agencies to bar the individual from participation in state health care programs.

Because of the government's vigorous enforcement efforts, many health care providers may be subject to some type of government investigation for alleged Anti-Kickback Law violations involving relationships such as those between health care providers and physicians, as well as the operations of any nursing homes, home health agencies, hospices and ancillary service providers owned or operated by a health care provider. The outcome of any government efforts to enforce the Anti-Kickback Law against health care providers is difficult to predict and defense efforts can be costly. Violations of Anti-Kickback Law may also implicate civil False Claims Acts (discussed below) if the violating claim results from an illegal referral. Additionally, the State of Florida has enacted its own version of the Anti-Kickback Law to which the Obligor is also subject.

However, imposition of such penalties or exclusions may result in a significant loss of reimbursement and may have a material adverse effect on the Obligor's financial condition. Even

the assertion of a violation could have a material adverse effect on the financial condition and results of operations of the Obligor.

OIG Advisory Opinions. In the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), Congress provided for an advisory opinion process in conjunction with the Anti-Kickback Law. These advisory opinions are issued only to the requestors and cannot be relied on by any other individual or entity. The Obligor has not requested, and does not plan to request, an Office of the Inspector General ("OIG") Advisory Opinion with respect to issues or arrangements that the Obligor may have relating to Anti-Kickback Law, including compliance with the safe harbor provisions discussed below.

"Safe Harbor" Regulations. The Medicare and Medicaid Patient and Program Protection Act of 1987 required the DHHS to promulgate regulations to clarify that certain investment and payment practices in the health care industry would not violate the Anti-Fraud and Abuse Statute. In response, the DHHS has promulgated final "safe harbor" regulations that set forth requirements that, if met, will protect certain payment arrangements. The scope of these safe harbors is narrow, and the requirements are specific.

The scope of the Anti-Kickback Law is not expanded by way of the safe harbor regulations; these regulations give those who comply completely with a safe harbor the assurance that they will likely not be prosecuted under the statute. Parties to a particular venture or contemplating entering into a specific arrangement may seek an Advisory Opinion from the OIG to ascertain whether the arrangement will meet the requirements of a safe harbor or otherwise will violate the Anti-Kickback Law.

Federal Civil Fraud and Abuse Liability of Health Care Providers. Unlike criminal statutes, which require the government to prove that the health care provider intended to violate, or recklessly disregarded, the law, civil statutes may be violated simply by the provider's participation in a prohibited financial arrangement or actual or assumed knowledge that its claims procedures are not in full compliance with the law. The following is a brief discussion of some (but not all) of these federal civil fraud and abuse statutes:

Civil False Claims Act. The civil False Claims Act ("Civil FCA"), which has become one of the federal government's primary weapons against health care fraud, allows the government to recover significant damages from persons or entities that submit false or fraudulent claims for payment to a federal agency. With respect to certain types of required information, the Civil FCA and the Social Security Act may be violated by mere negligence or recklessness in the submission of information to the government even without any specific intent to defraud. New billing systems, new medical procedures and procedures for which there is not clear guidance may all result in liability. If a health care provider is found to have violated the Civil FCA, the potential liability is substantial and, for serious or repeated violations, may include significant fines and/or civil monetary penalties and exclusion from participation in the Medicare program.

The Civil FCA also provides for a private individual to initiate a civil action for a violation of the Civil FCA. These actions are referred to as Qui Tam actions. In this way, an individual, known as a whistleblower would be able to sue on behalf of the U.S. Government upon belief that a healthcare entity has violated the Civil FCA. If the government proceeds with an action brought

by this individual, then the whistleblower could receive as much as 25% of any money recovered. The potential exists that a Qui Tam action could be brought against the Obligor in the future. Additionally, the State of Florida has also enacted its own version of the criminal FCA to which the Obligor is also subject.

Stark Law. Current federal law (known as the "Stark" law provisions) prohibits providers of "designated health services" from billing Medicare when the patient is referred by a physician or an immediate family member with a financial relationship with the provider, unless the financial relationship fits into a statutory or regulatory exception. The sanctions under the Stark law include denial and refund of payments, civil monetary penalties and exclusions from the Medicare program.

The Stark law includes specific reporting requirements providing that each entity furnishing covered items or services, upon request, must provide the Secretary of DHHS with certain information concerning its ownership, investment and compensation arrangements. Failure to adhere to these reporting requirements may subject the entity to significant civil money penalties.

In light of the scarcity of case law interpreting the Stark law, there can be no assurances that the Obligor will not be found to have violated the Stark law, and if so, whether any sanction imposed would have a material adverse effect on the operations or the financial condition of the Obligor. Additionally, the State of Florida has enacted its own version of the Stark law to which the Obligor is also subject.

Civil Provisions of Anti-Kickback Law. The federal Anti-Kickback Law, discussed above, also includes civil standards and penalties for conduct that implicates this statute but falls short of the necessary level of intent and knowledge to be criminal. In the Balanced Budget Act of 1997, Congress expanded civil sanctions under the Anti-Kickback Law to include civil money penalties of $50,000 for each prohibited act and up to "three times the total amount of remuneration offered, paid, solicited, or received, without regard to whether a portion of such remuneration was offered, paid, solicited, or received for a lawful purpose."

Administrative Enforcement. As with civil laws, administrative enforcement provisions require a lower standard of proof of a violation than the criminal standard. Thus, health care providers have a risk of incurring monetary penalties as a result of an administrative enforcement action.

Civil Monetary Penalty Statute. 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, a health care provider may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare or Medicaid patients under the physician's direct care. Pursuant to the Health Care Reform Act, Congress 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 OIG 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 monetary penalties plus three times the amount claimed. The Centers for Medicare and Medicaid Services ("CMS") rules adopted to implement applicable provisions of the Health Care Reform Act also provide that assessed civil monetary penalties may be collected and placed in whole or in part into an escrow pending final disposition of the applicable administrative and judicial appeals processes. To the extent the Obligor is assessed large civil monetary penalties that are collected and placed into an escrow account pending lengthy appeals, such actions could adversely affect its results of operations.

Exclusions from Medicare Participation. The term "exclusion" means that no Medicare or state health care program reimbursement (Medicaid) will be made for any services rendered by the excluded party or for any services rendered on the order or under the supervision of an excluded physician. The Secretary of DHHS is required to exclude from federal health care program participation for not less than five years any individual or entity convicted of a criminal offense relating to the delivery of any item or service reimbursed under Medicare or a state health care program; any criminal offense relating to patient neglect or abuse in connection with the delivery of health care; a felony relating to fraud, theft, embezzlement, breach of fiduciary responsibility or other misdemeanor in connection with the delivery of health care services or with respect to any act or omission in a health care program (other than Medicare or a state health care program) operated by or financed in whole or in part by a governmental agency; or a felony offense relating to the illegal manufacture, distribution, prescription or dispensing of a controlled substance. The Secretary also has permissive authority to exclude individuals or entities under certain other circumstances, such as a misdemeanor conviction for fraud in connection with delivery of health care services or conviction for obstruction of an investigation of a health care violation. The minimum period of exclusion for certain permissive exclusions is three years. While the Obligor currently views such an occurrence as highly unlikely, any future exclusion of the Obligor could have a material impact on its ability to make payments on the Series 2019 Note.

Enforcement Activity. Enforcement activity against health care providers is increasing, and enforcement authorities are adopting more aggressive approaches. In the current regulatory climate, it is anticipated that many hospitals, physician groups and other health care providers will be subject to investigation, audit or inquiry regarding billing practices or false claims. As with other health care providers, the Obligor may be the subject of Medicare, OIG, U.S. Attorney General, Department of Justice, state attorney general investigations, audits or inquiries in the future. Because of the complexity of these laws, the instances in which an alleged violation may arise to trigger such investigations, audits or inquiries is increasing and could result in enforcement action against the Obligor.

Regardless of the merits of a particular case or cases, the Obligor could incur significant legal and settlement costs. Prolonged and publicized investigations could be damaging to the reputation, business and credit of the Obligor and certain of its affiliates, regardless of the outcome, and could have material adverse consequences on the financial condition of the Obligated Group.

Other Sources of Liability for Health Care Providers

Health care providers may be subject to criminal prosecution and civil penalties under a variety of federal laws in addition to those discussed in the previous paragraphs.

The confidentiality and security of patient medical records and other health information is subject to considerable regulation by state and federal governments. The administrative simplification provisions of HIPAA as amended by the Health Information Technology for Economic and Clinical Health Act, or the "HITECH Act," under the American Recovery and Reinvestment Act of 2009 ("ARRA") which was signed into law on February 17, 2009, established programs under Medicare and Medicaid for privacy and security of patient identifiable information, provided incentive payments for the "meaningful use" of certified electronic health records technology, and mandated that standards and requirements be adopted for the electronic transmission of certain health information. DHHS has issued a series of regulations to comport with these requirements.

The ARRA contained significant changes to HIPAA including a new requirement that covered entities must make notification in the event of a material breach of privacy, security or integrity of protected health information to individuals, DHHS, and in certain instances, depending on the number of people whose information was subject to the breach, to the media. In addition, the ARRA increased the liability of business associates of covered entities and places additional administrative responsibilities on health care providers and other covered entities regarding the privacy and security of health information. Pursuant to the ARRA, DHHS will be required to conduct periodic HIPAA compliance audits to ensure that covered entities, including health care providers, are complying with HIPAA and the new requirements created by the ARRA.

Congress also established criminal penalties for knowingly violating patient privacy. Criminal penalties include up to $50,000 and one year in prison for obtaining or disclosing protected health information; up to $100,000 and up to five years in prison for obtaining protected health information under "false pretenses"; and up to $250,000 and up to ten years in prison for obtaining or disclosing protected health information with the intent to sell, transfer or use it for commercial advantage, personal gain or malicious harm. In addition, the ARRA authorizes state attorneys general to bring civil actions seeking either an injunction or damages in response to violations of HIPAA privacy and security regulations that threaten state residents.

The Obligor has incurred and continues to incur significant costs in implementing the policies and systems required to comply with these new requirements. The Obligor is considered a covered entity under HIPAA and intends to continue operating in compliance with HIPAA. Additionally, the State of Florida has enacted the Florida Information Protection Act of 2014 that protects an even broader range of patient information and to which the Obligor is also subject.

If the Obligor is found to have violated any state or federal statute or regulation with regard to the security, confidentiality, dissemination or use of patient medical information, it could be liable for damages, or civil or criminal penalties. These standards impose very complex procedures and operational requirements with which the Obligor is required to comply. There can be no assurance that differing interpretations of existing laws and regulations or the adoption of new laws and regulations would not have a material adverse effect on the ability of the Obligor to

obtain or use health information which, in turn, could have a material adverse effect on the business of the Obligor. Similarly, because of the complexity of these regulations, there can be no assurances that the Obligor would not be reviewed, found to violate these standards and assessed penalties for such violations.

Medicare and Medicaid Programs

[UPDATE] Currently, the Obligor is licensed for both Medicare and Medicaid. For Fiscal Year 2018, approximately [__._%] of the total payor days for the skilled nursing beds at the Community were utilized by Medicare patients, and approximately [__._%] of the total payor days for the skilled nursing beds were utilized by Medicaid patients. See APPENDIX A hereto.

The Obligor is subject to highly technical regulations by a number of federal, state and local government agencies and private agencies that administer the Medicare and Medicaid programs. Changes in the structure of the Medicare system, as well as potential limitations on payments from governmental and other third party payors, could potentially have an adverse effect on the results of operations of the Obligor. Actions by governmental agencies concerning the licensure and certification of the Community or the initiation of audits and investigations concerning billing practices could also potentially have an adverse effect on the results of operations of the Obligor.

There is an expanding and increasingly complex body of law, regulation and policy (both federal and state) relating to the Medicaid and Medicare programs, 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 (see "Fraud and Abuse Enforcement" and "Administrative Enforcement" above). 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 Medicaid and Medicare programs. The determination that any of the facilities of the Obligated Group were in violation of these laws could have a material adverse effect on finances of the Obligated Group.

Medicare Reimbursement

Medicare is a federal insurance program that, among other things, provides reimbursement for skilled nursing care in Medicare-certified facilities. Generally, a resident will qualify for Medicare reimbursement only if the resident's admission to the SNF 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. The current Medicare SNF prospective payment system ("PPS") uses a resource classification system known as Resource Utilization Groups Version 4 ("RUG-IV"), which assigns a patient to a Resource Utilization Group ("RUG") to determine a daily payment rate. Each RUG consists of case mix indexes that reflect a patient's severity of illness and the services that a patient requires in the SNF. In July 2018, CMS finalized a revised case-mix index methodology called the Patient-Driven

Payment Model ("PDPM"), which will replace RUG-IV as of October 1, 2019. The new model adds a case-mix adjusted component for non-therapy ancillary services (such as drugs, supplies and respiratory services). It also divides the current single therapy component into three separate case-mix adjusted components for physical therapy, occupational therapy and speech-language pathology therapy. A Medicare value-based purchasing program was implemented in federal fiscal year 2019 (beginning October 1, 2018) and results in an adjustment to Medicare payments received by a SNF based on quality of care in a given performance period. For federal fiscal year 2019, CMS has proposed to apply a 2.4 percent market basket index increase to SNF payment rates, resulting in an estimated $850 million increase in aggregate Medicare SNF payments. Medicare payments will be reduced for SNFs that fail to submit required quality data; CMS estimates that in federal fiscal year 2019 aggregate SNF payments will be reduced by $211 million as a result non-compliance with reporting requirements.

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. 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.

Florida Medicaid

Medicaid in the State ("Florida Medicaid") is managed by the Florida Agency for Health Care Administration ("AHCA") under a state plan approved by CMS. AHCA is responsible for policies, procedures, and programs to promote access to quality acute and long-term medical, behavioral, therapeutic, and transportation services for Medicaid beneficiaries. AHCA is also responsible for the rules and federal compliance for waiver programs housed within other state agencies.

Florida Medicaid served approximately 4.2 million persons as of December 2018. Total federal and state Medicaid spending for Florida during fiscal year 2018 amounted to approximately $23.05 billion. In 2011, the Florida Legislature created Part IV of Chapter 409, Florida Statues, directing AHCA to create the Statewide Medicaid Managed Care ("SMMC") program. The SMMC program is comprised of two parts: (i) the Managed Medical Assistance ("MMA") program and (ii) the Long-Term Care ("LTC") program.

The MMA program is comprised of several types of managed care plans for health care providers, in particular, hospitals and physicians, that include the following: HMOs, Provider Service Networks ("PSNs") and Children's Medical Services Network. Most Florida Medicaid recipients must enroll in the MMA program. Choice counselors are available to assist recipients in selecting a plan that best meets their needs in one of eleven identified regions, each composed of one or more counties. Further, under the MMA program there are specific Florida Medicaid covered services including, but not limited to the following: assistive care services; nursing care; optical services and supplies; prescription drugs; and transportation to access covered services.

The LTC program is comprised of two types of health plans: HMOs and PSNs. LTC plans must offer contracts to certain providers within their regions including: nursing facilities, hospices and aging network services providers in their region. Individuals are required to be enrolled in the LTC program if they are one of the following: 65 years of age or older and need nursing facility level of care; 18 years of age or older and are eligible for Medicaid by reason of disability and need nursing facility level of care; or are individuals enrolled in various other qualified health care programs or waivers. The LTC program minimum network providers include but are not limited to the following: adult day care centers, nursing homes and assisted living facilities. The LTC program is fully implemented at this time in all eleven AHCA regions. Rates to be paid to the long-term care providers are negotiated between the providers and the long-term care plans.

There is no assurance that the Florida Medicaid program will continue servicing and operating at the current levels or in the future. Payments made to health care providers under the Florida Medicaid program are subject to changes as a result of federal or State legislative and administrative actions, including further changes in the methods of calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Such changes have occurred in the past and may continue to occur in the future, particularly in response to federal and state budgetary constraints coupled with increased costs for covered services. Significant changes have been and may be made in the Florida Medicaid program which would have a material adverse impact on the financial condition of the Obligor. Federal and state health care law and regulation changes have affected health care providers significantly. The purpose of much of the statutory and regulatory activity has been to contain the rate of increase in health care costs, particularly costs paid under the Florida Medicaid program.

The Obligor expects to be a provider to the long-term care plans in its AHCA regions under the LTC program. Presently, the Obligor does not participate in the State's assisted living Medicaid waiver program but the Obligor does accept Medicaid for the community's skilled nursing residents.

Rights of Residents

Although the Residency Agreements provide to each resident of the Community a contractual right to use space and not any ownership rights in the Mortgaged Property, in the event that the Bond Trustee or the Registered Owners of the Bonds seek to enforce any of the remedies provided by the Bond Indenture, the Loan Agreement, the Master Indenture or the Mortgage upon the occurrence of a default under any or all of such documents, it is impossible to predict the resolution that a court might make of competing claims between the Bond Trustee or the

Registered Owners of the Bonds and a resident of the Community who has fully complied with all the terms and conditions of his or her Residency Agreement.

Bankruptcy

If the Obligor were to file a petition for relief under the Federal 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 the Obligor 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 Obligor's property, including their accounts receivable and proceeds thereof, could be used for the benefit of the Obligor 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 Healthcare Bankruptcy Bill was enacted (the "Healthcare Bankruptcy Act"). The stated goal of the Healthcare Bankruptcy Act was to encourage healthcare 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 the Obligor, 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 Obligor, as debtor in possession, or a bankruptcy trustee could take action that would adversely affect the exclusion of interest on the Bonds from gross income of the Owners for federal income tax purposes.

Additional Indebtedness

The Master Indenture permits the Obligor to incur Additional Indebtedness which may be equally and ratably secured with the Series 2019 Note, the Series 2017 Notes, the Series 2016 Note

and any other Outstanding Parity Obligation. Any such additional parity indebtedness would be entitled to share ratably with the Holders of the Series 2019 Note, the Series 2017 Notes, the Series 2016 Note and any other Outstanding Parity Obligation in any moneys realized from the exercise of remedies in the event of a default under the Master Indenture. The issuance of additional parity indebtedness could reduce the Maximum Annual Debt Service Coverage Ratio and could impair the ability of the Obligor to maintain its compliance with certain covenants described in "EXCERPTS FROM MASTER TRUST INDENTURE" in APPENDIX C hereto. There is no assurance that, despite compliance with the conditions upon which Additional Indebtedness may be incurred at the time such debt is created, the ability of the Obligor to make the necessary payments to repay the Series 2019 Note, the Series 2017 Notes, the Series 2016 Note and any other Outstanding Parity Obligation may not be materially adversely affected upon the incurrence of Additional Indebtedness.

At the time of the issuance, the Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations, the Series 2017 Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations and the Series 2016 Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations. See "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein and "FINANCIAL INFORMATION - Other Indebtedness" in APPENDIX A hereto.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligor and any future Member of the Obligated Group under the Series 2019 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 Obligor 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 the Series 2019 Note pledged under the related Bond Indenture as security for the 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 the Series 2019 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.

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, Medicaid, 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) state and federal laws giving priority to certain kinds of statutory liens such as tax 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 institution 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; (ix) claims that might arise if appropriate financing or

continuation statements are not filed in accordance with the Florida Uniform Commercial Code ("UCC") as from time to time in effect or state laws dealing with fraudulent conveyances affecting assignments of revenues and assets; (x) lack of control of deposits of moneys prior to such moneys being held by the Master Trustee; and (xi) present or future prohibitions against assignment contained in any state or federal statutes or regulations.

Furthermore, the effectiveness of the pledge of the Trust Estate under the Master Indenture is limited since a security interest in money generally cannot be perfected by the filing of financing statements under the UCC. Rather, such a security interest may be perfected only by the secured party taking possession of the subject funds. To the extent that a security interest in the Trust Estate or the rights of the Obligor (or other Members of the Obligated Group) thereto can be perfected by the filing of financing statements, such action will be taken. If the security interest granted to the Master Trustee in the Trust Estate is deemed not to be perfected, such security interest may not be enforceable against third parties unless and until the Trust Estate is actually transferred to the Master Trustee or unless an exception under the UCC applies. Similar limitations exist with respect to the property and funds pledged under the Bond Indenture. Only upon the deposit of the proceeds of the Trust Estate under the Master Indenture and of the property and funds pledged under the Bond Indenture into the funds and accounts established under the Master Indenture and the Bond Indenture will the Master Trustee and the Trustee, respectively, have the right to control the expenditure of moneys deposited therein.

Pursuant to the Master Indenture, each Member of the Obligated Group who pledges its Gross Revenues under the Master Indenture covenants and agrees that, if an Event of Default involving a failure to pay any installment of interest or principal on an Obligation should occur and be continuing, it will deposit daily the proceeds of its Gross Revenues. Such deposits will continue daily until such default is cured. 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 Obligor 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 Obligor may be subject to liability for investigating and remedying 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 Obligor 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 Obligor.

Except as described below, at the present time management of the Obligor is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to the Obligor, would have a material adverse effect on its operations or financial condition. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions are initiated, the Obligor could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Community. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Master Trustee's lien on behalf of the Bondholders could attach to the Community, which would adversely affect the Master Trustee's ability to realize value from the disposition of the Community upon foreclosure. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Community under the Master Indenture, the Master Trustee would need to take into account the potential liability of any owner of the Community, including an owner by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

[UPDATE] [A Phase I Environmental Site Assessment was completed on the site on which the Community is located (the "Site") by Professional Services Industries, Inc. (the "Environmental Engineer") which issued its final report dated [October 26, 2017]. Soil borings performed by the Environmental Engineer revealed chemical contamination above the applicable regulatory residential limits likely caused by the Site's former use as a United States Army airfield in the 1940's. Accordingly, the Obligor has contracted with the Environmental Engineer to remove all of the contaminated soil from the Site thereby eliminating any recognized environmental conditions. The Obligor expects this remedial work to be fully completed by _____, 20__.]

Uncertainty of Investment Income

The investment earnings of, and accumulations in, certain funds established pursuant to the Bond Indenture have been estimated and are based on assumed interest rates as indicated. While these assumptions are believed to be reasonable in view of the rates of return presently and previously available on the types of securities in which the Bond Trustee is permitted to invest under the Bond Indenture there can be no assurance that similar interest rates will be available on such securities in the future, nor can there be any assurance that the estimated funds will actually be realized. Guaranteed investment contracts may be entered into with respect to certain of the funds held under the Bond Indenture.

Property and Casualty Insurance

Pursuant to the Master Indenture, the Obligated Group maintains insurance coverage (including one or more self-insurance or shared or pooled-insurance programs) to protect it and its Property and operations, including without limitation professional liability claims. Such insurance coverage is required to be reviewed bi-annually (annually for self-insurance programs) by an insurance consultant as required by the Master Indenture. Recent hurricane seasons and the performance of the stock markets have reduced the number and quality of providers in the insurance industry which has led to increased premiums and reduced coverage for purchasers of insurance. Management of the Obligor believes that the current coverage limits provide reasonable coverage under the circumstances to protect the Community, which coverage is consistent with the coverage generally available to similarly situated communities. Nevertheless, should losses exceed insurance coverage, it could have a material adverse effect on the financial condition of the Obligated Group. Moreover, the Obligor is unable to predict the cost or availability of any such property and casualty insurance when its current coverage expires.

Credit Ratings

There is no assurance that the credit ratings assigned to any of the Bonds at the time of issuance or at a subsequent time will not be lowered or withdrawn, the effect of which could adversely affect the market price and the market for such Bonds. The rating agency may revise the criteria under which it rates the Bonds at any time, which revisions could result in significant changes to or withdrawal of the credit rating assigned to the Bonds. In addition, in determining the initial credit rating for the Bonds, and in conducting its annual rating surveillance, the rating agency may use assumptions regarding occupancy, revenues, expenses and values related to the Community that differ materially from those used by the Obligor. Such differences could result in a lowering or withdrawal of the ratings on the Bonds, if, for example, the rating agency's calculations resulted in a failure of the Community to meet the required coverage tests for the Bonds. In addition, there is no requirement or covenant that the Obligor maintains any rating for any series of the Bonds.

Lack of Marketability for the Bonds

There is no assurance that the ratings assigned to the Bonds will not be lowered or withdrawn at any time. The effect of such revisions to the rating could adversely affect market price for and marketability of the Bonds. See "RATING" herein.

It is the present practice of the Underwriter to make a secondary market in the bond issues 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. In addition, 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. There is no guarantee or assurance that the Underwriter will always continue its present secondary marketing practices. Nevertheless, there can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Any prospective purchaser of beneficial ownership interests in the Bonds should therefore undertake an

independent investigation through its own advisors regarding the desirability and practicality of the investment in the Bonds. Any prospective purchaser should be fully aware of the long-term nature of an investment in the Bonds and should assume that it will have to bear the economic risk of its investment indefinitely. Any prospective purchaser of the Bonds that does not intend or that is not able to hold the Bonds for a substantial period of time is advised against investing in the Bonds.

Amendments to Documents

Certain amendments to the Master Indenture, the Bond Indenture, the Loan Agreement and the Mortgage may be made without notice to or the consent of the Bondholders. Such amendments could affect the security for the Bonds. Certain amendments, however, are not permitted without the consent of the Owner of each outstanding Bond affected thereby, including (1) extensions in the stated maturity of the principal, or any installment of interest on, any Bond, or (2) any reduction in the principal amount of or interest on any Bond.

At the time of the issuance, the Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations, the Series 2017 Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations and the Series 2016 Bonds will constitute approximately _____%* of the Obligated Group's Outstanding Parity Obligations. See "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein and "FINANCIAL INFORMATION - Other Indebtedness" in APPENDIX A hereto. See also "EXCERPTS FROM MASTER TRUST INDENTURE - Amendments and Waivers," "EXCERPTS FROM INDENTURE OF TRUST - Supplemental Bond Indenture," and "EXCERPTS FROM LOAN AGREEMENT - Amendments, Changes and Modifications" in APPENDIX C hereto.

Additions to the Obligated Group

Currently, the Obligor is the only Member of the Obligated Group. Upon satisfaction of certain conditions in the Master Indenture, other entities can become members of the Obligated Group. See "EXCERPTS FROM MASTER TRUST INDENTURE - Admission of Obligated Group Members" in APPENDIX C. Management of the Obligor currently has no plans to add additional members to the Obligated Group. However, if and when new members are added, the Obligated Group's financial situation and operations will likely be altered from that of the Obligor alone.

Impact of Market Turmoil

The economic turmoil of the recent years had severe negative repercussions upon the United States and global economies. This impact was particularly severe in the financial sector, prompting a number of banks and other financial institutions to seek additional capital, to merge, and, in some cases, to cease operating. While the financial markets have improved, the effects of this turmoil linger. Any similar future market turmoil could affect the market and demand for the Bonds in addition to adversely affecting the value of any investments of the Obligor or any future Member of the Obligated Group.

Federal Tax Matters

Possible Changes in the Obligor's Tax Status. The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Obligor of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Obligor and thereby the revenues of the Obligor. As an exempt organization, the Obligor is subject to a number of requirements affecting its operation. The failure of the Obligor to remain qualified as an exempt organization would affect the funds available to the Obligor for payments to be made under the Loan Agreement. Failure of the Obligor 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 with Bond proceeds, could cause interest on the Bonds to be included in the gross income of Bondholders or former Bondholders for federal income tax purposes retroactive to the date of issue of the Bonds. 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 Obligor 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% 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% of the amount of the excess benefit, subject to a maximum penalty of $10,000. A "second tier" penalty excise tax of 200% 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 Bonds may be subject to audit, from time to time, by the IRS. The Obligor believes that the 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 Bonds, as described under the heading "TAX MATTERS." No ruling with respect to the tax-exempt status of the Bonds has been or will be sought from the IRS, 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 Bonds will not adversely affect the tax-exempt status of the Bonds.

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 be considered an Exempt Organization. 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.

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 utilized at the Community come within the scope of the continuing care facility safe harbor or within the statute itself.

Provided the residency agreements utilized at the Community fall 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 Obligor has covenanted in the Loan Agreement to take all appropriate measures to maintain its tax-exempt status, compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Obligor to charge and collect revenues at the level required by the Loan Agreement, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Bonds.

Proposed Income Tax Law Changes Affecting Tax Exemption. Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. Federal legislation has previously been introduced at various times which, if enacted, would have either limited the exclusion from gross income of interest on obligations like the Bonds to some extent for certain individual taxpayers, or eliminated the federal income tax exemption for interest on new obligations like the Bonds. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

Post-Issuance Compliance. Because the existence and continuation of the excludability of the interest on the Bonds from federal gross income depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under the caption "TAX MATTERS" herein assumes the compliance by the Obligor and the Issuer with the provisions of the Code and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the Obligor or the Issuer to comply with the provisions of the Code and the regulations thereunder may cause the interest on the Bonds to become includable in gross income as of the date of issuance. For example, federal arbitrage rules require monitoring over the life of the bonds to ensure that the yield on investments acquired with proceeds of the bonds are properly restricted and whether the issuer must pay yield reduction and/or rebate payments. Given such requirements, issuers and borrowers must actively monitor compliance while the bonds are outstanding to improve their ability to identify, avoid, and/or correct noncompliance that may threaten the tax-exempt status of the bonds.

Risk of Early Redemption

There are a number of circumstances under which all or a portion of the Bonds may be redeemed prior to their stated maturity. For a description of the circumstances in which the Bonds may be redeemed and the terms of redemption, see "THE BONDS" above. The rights of Beneficial Owners to receive interest on the 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.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Obligor and any future member of the Obligated Group:

(1) 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;

(2) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;

(3) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Obligor and any future member of the Obligated Group;

(4) A decline in the population, a change in the age composition of the population or a decline in the economic conditions of the Facilities' market area;

(5) The cost and availability of energy;

(6) Increased unemployment or other adverse economic conditions in the service areas of the Obligor and any future member 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 Obligor and any future member of the Obligated Group;

(8) Inflation or other adverse economic conditions;

(9) Reinstatement or establishment of mandatory governmental wage, rent or price controls;

(10) Changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;

(11) Changes in the tax laws and regulations eliminating or adversely impairing the value of the tax exemption afforded the Bonds;

(12) 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 or funded from assets of the Obligor or any future Members of the Obligated Group;

(13) Scientific and technological advances that could reduce demand for services offered by the Obligor and any future members of the Obligated Group;

(14) The occurrence of natural disasters, including hurricanes, volcanic eruptions and typhoons, floods or earthquakes, or failures of storm water detention devices during such naturally occurring events, which may damage the Facilities and other facilities of the Obligated Group, interrupt utility service to the Facilities and such facilities, or otherwise impair the operation and generation of revenues from said facilities; or

(15) Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability, that organizations such as the Obligor and any future members of the Obligated Group generally carry.

FLORIDA REGULATION OF CONTINUING CARE FACILITIES

Continuing care facilities in Florida are regulated by the OIR under the provisions of 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 for continuing care or continuing care at home. 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 or a provisional 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 Obligor has 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 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 property taxes; (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 3-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% 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% of the facility's average operating expenses for the past three (3) 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 Fund

established with the Bond Trustee pursuant to the Bond Indenture and the escrow account established with SunTrust Bank, 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 10 days' prior written notice to the OIR, except that in an emergency the provider may petition for a waiver of such ten-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 2% of the entrance fee per month of occupancy prior to cancellation, plus a processing fee not exceeding 5% of the entrance fee, and must pay the refund within 120 days of notice of cancellation. The Resident 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 in the form of an uncashed check. The Obligor's current practice is to hold deposits in the form of uncashed checks during such period. 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 and any uncashed checks will be immediately returned to such prospective resident. Upon the expiration of the seven-day period, the provider will deposit the check. If cancellation occurs after seven days, but prior to occupancy, the entire entrance fee must be refunded, less a processing fee not exceeding 5%, 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 applicable Mortgaged Property governed by Chapter 651, Florida Statutes, under a continuing care agreement, will be honored and will 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 will 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 will 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.

Recent Legislative Changes

The Florida Legislature enacted legislation known as House Bill 1033 ("HB 1033") during its 2019 legislative session, which Florida Governor DeSantis signed into law. Most provisions of HB 1033 will become effective as of January 1, 2020.

HB 1033 provides a number of revisions to Chapter 651 that will impact the regulation of continuing care retirement communities ("CCRCs") in Florida, including the Community.

[TO COME]

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Master Indenture requires that the Obligated Group Representative provide to each Required Information Recipient the information set forth below. "Required Information Recipient" includes, among others, the Master Trustee, the Bond Trustee, the Underwriter, the Municipal Securities Rulemaking Board ("MSRB"), which currently accepts continuing disclosure submissions through its EMMA web portal, or any successor entity authorized and approved by the Securities and Exchange Commission ("SEC") from time to time to act as a recognized municipal securities repository, and all Bondholders who hold $500,000 or more in principal

amount of Bonds and request such reports in writing (which written request must include a certification as to such ownership). The information to be provided is as follows:

(i) 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 or combining statement of revenues and expenses and statement of cash flows of the Obligated Group during such period, a combined or combining balance sheet as of the end of each such fiscal quarter, and a calculation of Days Cash on Hand, Historical Debt Service Coverage Ratio and occupancy, 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 must be accompanied by a comparison to the Annual Budget and a summary of (A) occupancy by each level of care (on a units available/units occupied/percentage occupied basis), (B) payor mix in the Existing Nursing Beds and (C) presales of the Entrance Fee Units until 90% occupancy of such Entrance Fee Units is attained.

If the Historical Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.00:1 and the Days Cash on Hand of the Obligated Group is less than 150 days for any Testing Date as provided in the Master Indenture, the Obligated Group will deliver the financial information and the calculations described in the paragraph above 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 1.00:1 and the Days Cash on Hand of the Obligated Group is at least equal to 150 days.

(ii) Within 150 days of the end of each Fiscal Year, an annual audited financial report of the Obligated Group prepared by a firm of Accountants, including a combined and an unaudited combining balance sheet as of the end of such Fiscal Year, a combined and an unaudited combining statement of cash flows for such Fiscal Year, and a combined and an unaudited combining statement of revenues and expenses for such Fiscal Year, showing in each case in comparative form the financial figures for the preceding Fiscal Year, together with a separate written statement of the Accountants preparing such report (or another firm of Accountants) containing calculations of the Obligated Group's Historical Debt Service Coverage Ratio and Days Cash on Hand at the end of such Fiscal Year and a statement that such Accountants have no knowledge of any default under the Master Indenture insofar as it relates to accounting matters or to the Obligated Group's financial covenants, or if such accountants have obtained knowledge of any such default or defaults, they are required to disclose in such statement the default or defaults and the nature thereof.

(iii) On or before the date of delivery of the financial reports referred to in paragraph (ii) above, 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 the Master Indenture, the Loan Agreement and the Bond Indenture, or, if not, specifying all such defaults and the nature thereof, and (B) calculating and certifying Days Cash on Hand, the Historical Debt Service Coverage Ratio and Occupancy, if required to be calculated for such Fiscal Year by Sections 4.11 and 4.20 of the Master Indenture, as of the end of such month or Fiscal Year, as appropriate.

(iv) On or before the date of delivery of the financial reports referred to in paragraphs (i) and (ii) above, a management's discussion and analysis of results for the applicable fiscal period.

(v) Copies of (A) any board approved revisions to the summary of the annual budget provided pursuant to the Master Indenture, and (B) any correspondence to or from the IRS concerning the status of the Obligor as an organization described in Section 501(c)(3) of the Code or with respect to the tax-exempt status of the Bonds, promptly upon receipt.

(vi) To the extent that any Obligated Group Member incurs permitted Additional Indebtedness of a form for which there is not a CUSIP number (the "non-Public Debt"), the Obligated Group Representative will provide a debt service schedule showing the principal and interest associated with each series of Related Bonds then outstanding as well as the non-Public Debt and the aggregate debt service of the Obligated Group; provided, however, to the extent that the non-Public Debt is used to construct additional units at the Facilities, the Obligated Group Representative will provide monthly reports (A) regarding whether the construction of additional units is within the construction budget and if not, a brief explanation and a copy of any revised budget, and on schedule with the construction timetable and if not, a brief explanation and a copy of any revised timetable, and (B) reconciling the amount of construction contingency remaining and the uses of the contingency funds to date.

(vii) Such additional information as the Master Trustee or the Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee or the Bond Trustee to determine whether the covenants, terms and provisions of the Master Indenture have been complied with by the Members and for that purpose all pertinent books, documents and vouchers relating to the business, affairs and Property (other than patient, donor and personnel records) of the Members will, to the extent permitted by law, at all times during regular business hours be open to the inspection of such Accountant or other agent (who may make copies of all or any part thereof) as shall from time to time be designated by the Master Trustee or the Bond Trustee.

Continuing Disclosure

General. Inasmuch as the Bonds are limited obligations of the Issuer, the Issuer has determined that no financial or operating data concerning it is material to any decision to purchase, hold or sell the Bonds, and the Issuer will not provide any such information. The Obligor has undertaken all responsibilities for any continuing disclosure to Bondholders as described below, and the Issuer shall have no liability to the Bondholders or any other person with respect to such disclosures.

The Obligor has covenanted for the benefit of the Bondholders and the Beneficial Owners (as defined below), pursuant to a Continuing Disclosure Certificate (the "Disclosure Certificate") to be executed and delivered by the Obligor, to provide or cause to be provided (i) each year, certain financial information and operating data relating to the Obligated Group (the "Annual Report") by not later than the date 150 days after the last day of the fiscal year of the Obligated Group, commencing with the Annual Report for the fiscal year ended December 31, 2019; provided, however, that if the audited financial statements of the Obligated Group are not available

by such date, unaudited financial statements will be included in the Annual Report and audited financial statements will be provided when and if available; and (ii) timely notices of the occurrence of certain Notice Events (as defined below). Currently the fiscal year of the Obligated Group commences on January 1. In addition, the Obligor has agreed in the Master Indenture to provide to EMMA a copy of any information provided under the Master Indenture described above under the subcaption "Financial Reporting" (the "Additional Information"). "Beneficial Owners" means the beneficial owner of any Bond held in a book-entry only system. See "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto as APPENDIX F.

The Annual Report and the Additional Information will be filed by or on behalf of the Obligor and made available to Bondholders through EMMA (http://emma.msrb.org), the information repository of the MSRB, to comply with Rule 15c2-12 (as amended from time to time the "Rule") of the SEC. These covenants have been made in order to assist the Underwriter and registered brokers, dealers and municipal securities dealers in complying with the requirements of the Rule.

Notice of Certain Events. Upon the occurrence of any of the following events with respect to the Bonds (each a "Notice Event"), the Obligor will, in a timely manner and not more than ten (10) business days after the occurrence of such Notice Event, notify EMMA in writing of the occurrence of such Notice Event in accordance with the Rule:

(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 IRS 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 the Bondholders, 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 Obligor;

(13) The consummation of a merger, consolidation or acquisition involving the Obligor or the sale of all or substantially all of the assets of the Obligor, 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;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligor, any of which affect Bondholders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligor, any of which reflect financial difficulties.

A Notice Event described in clause (12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Obligor in a proceeding under the United States 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 Obligor, 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 of business of the Obligor.

For purposes of a Notice Event described in clauses (15) and (16) above, a "Financial Obligation" is defined as a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B).

Annual Report. The Annual Report will contain or incorporate by reference at least the audited financial statements of the Obligated Group for the fiscal year ending immediately preceding the due date of the Annual Report; provided, however, that if such audited financial statements are not available by the deadline for filing the Annual Report, they shall be provided when and if available, and unaudited financial statements shall be included in the Annual Report. The financial statements shall be audited and prepared pursuant to accounting and reporting policies conforming in all material respects to GAAP.

The Obligor may modify from time to time the specific types of information provided to the extent necessary to conform to changes in legal requirements, provided that any such modification will be done in a manner consistent with the Rule and will not materially impair the interests of the Bondholders.

Any or all of the items listed above may be included by specific reference to other documents which previously have been provided to each of the repositories described above or filed with the SEC. If the document included by reference is a final official statement, it must be

available from the Municipal Securities Rulemaking Board. The Obligor shall clearly identify each such other document as included by reference.

Failure to Comply. In the event of a failure of the Obligor to comply with any provision of the Disclosure Certificate, the Bond Trustee may (and, at the request of the Underwriter or the owners of at least 25% of the aggregate principal amount of outstanding Bonds, and upon receipt of indemnity satisfactory to it, shall), or any Bondholder may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the Obligor to comply with the obligations under the Disclosure Certificate. A failure to comply with the Disclosure Certificate shall not be deemed an Event of Default under the Bond Indenture. The sole remedy under the Disclosure Certificate in the event of any failure of the Obligor to comply with the Disclosure Certificate shall be an action to compel performance.

Amendment of the Disclosure Certificate. The Obligor may modify from time to time the specific types of information provided to the extent necessary to conform to changes in legal requirements, provided that any such modification will be done in a manner consistent with the Rule and will not materially impair the interests of the Bondholders. In the Disclosure Certificate, the Obligor reserves the right to modify from time to time the specific types of information provided in the Annual Report, or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Obligor, provided that any such modification will be effected in a manner consistent with the Rule and the purposes of the Disclosure Certificate. Furthermore, the Obligor may amend the Disclosure Certificate and any provision of the Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to the Obligor to the effect that such amendment or waiver does not materially impair the interest of the Bondholders and would not, in and of itself, cause the undertakings herein to violate or be inconsistent with 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.

Termination of Reporting Obligation. The Obligor's obligations under the Disclosure Certificate will terminate upon the defeasance, prior redemption, or payment in full of all of the Bonds. If the Obligor's obligations under the Master Indenture or the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with the Disclosure Certificate in the same manner as if it were the Obligor, and the original Obligor will have no further responsibility thereunder.

[UPDATE] [***Compliance with Prior Undertakings.*** Within the last five years and due to an administrative oversight, the Obligor previously failed to file the continuing disclosure information required by the Continuing Disclosure Certificate executed in connection with the issuance the Issuer's Series 2007 Bonds, which were previously issued for the benefit of the Obligor and which have since been refunded with the proceeds of the Series 2016 Bonds. The Obligor did however, timely file the information required under the Master Indenture during such period, incorrectly believing that was the only information it was required to file. Additionally, the Obligor previously failed to file financial statements for the quarter ended March 31, 2017. The Obligor has since made the necessary curative filings to remediate such failures and has formally adopted continuing disclosure policies and procedures to ensure ongoing and future

compliance with its continuing disclosure commitments or undertakings with respect to issued obligations, including the Bonds.]

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Pursuant to Section 517.051, Florida Statutes, as amended, no person may directly or indirectly offer or sell securities of the Issuer except by an offering circular containing full and fair disclosure of all defaults as to principal or interest on its obligations since December 31, 1975, as provided by rule of the Florida Department of Financial Services (the "Department"). Pursuant to Rule 69W-400.003, Florida Administrative Code, the Department has required the disclosure of the amounts and types of defaults, any legal proceedings resulting from such defaults, whether a trustee or receiver has been appointed over the assets of the Issuer, and certain additional financial information, unless the Issuer believes in good faith that such information would not be considered material by a reasonable investor.

As described herein, the Issuer has the power to issue bonds for the purpose of financing other projects for other borrowers that are payable from the revenues of the particular project or borrower. Revenue bonds issued by the Issuer for other projects may be in default as to principal and interest. The source of payment, however, for any such defaulted bond is separate and distinct from the source of payment of the Bonds and, therefore, any default on such bonds would not, in the judgment of the Issuer, be considered material by a potential purchaser of the Bonds.

The following disclosure is required in order to comply with Section 517.051, Florida Statutes and the related Florida Administrative Code Rule 69W-400.003.

The Obligor previously suffered a default under its revenue bonds in the aggregate principal amount of $24,000,000 issued in 1985 and revenue bonds in the aggregate principal amount of $11,895,000 issued in 1988 (the "Prior Bond Debt"). The proceeds of the Prior Bond Debt were used to finance the construction, acquisition and equipping of portions of the Community. As of December 31, 1991, the Obligor failed to comply with a debt service coverage ratio covenant included in the bond documents securing the Prior Bond Debt. On January 1, 1992, the Obligor defaulted on the payment of debt service on the Prior Bond Debt. The Obligor was unable to cure the non-compliance with the debt service coverage ratio covenant or the payment default, resulting in an ongoing and continuous event of default under the bond documents securing the Prior Bond Debt.

As a result of the defaults under the Prior Bond Debt, the Obligor filed a petition under Chapter 11 of the United States Bankruptcy Code on February 28, 1992 (United States Bankruptcy Court for the Middle District of Florida (Tampa Division), Case Number 92-2688-881). In its petition, the Obligor alleged that it was insolvent within the meaning of the United States Bankruptcy Code. The Bankruptcy Court is located at Tampa Courthouse, 801 North Florida Avenue, Tampa, Florida 33602. The indenture trustee for the Prior Bond Debt was represented by McGuire Woods, LLP (successor by merger to Mahoney, Adams & Criser) 50 North Laura Street, Suite 3300, Jacksonville, Florida 32202-3661. Certain bondholders were represented by Holland & Knight LLP, 2115 Harden Boulevard, Lakeland, Florida 33803-5918.

During the pendency of the bankruptcy case, the Obligor continued to own and operate the Community as a debtor-in-possession. In 1993, the Obligor filed a Plan of Reorganization (the "Plan"). The Plan was confirmed on December 9, 1993. Pursuant to the Plan, the Obligor refunded the Prior Bond Debt through the issuance by the Issuer of four series of revenue bonds, being the Series 1993A, 1993B, 1993C and 1993D Bonds (the "1993 Bonds"). Upon issuance of the 1993 Bonds, the Plan became effective. A final decree was subsequently entered by the Bankruptcy Court, discharging the bankruptcy case.

After the discharge of the bankruptcy case, the Obligor has not suffered any further defaults under any debt obligations.

While the Florida Office of Financial Regulation has required this disclosure as part of a public offering of the Bonds, the Obligor does not believe this matter is material to a reasonable investor's decision to purchase Bonds since the prior debt has been paid in full, the Obligor has complied with its financial covenants since the date of the reorganization and the Obligor has and continues to operate its Community in a manner that has enabled it to achieve a favorable long-term debt rating based on its financial and operational performance since the occurrence of this event.

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 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 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 would (i) adversely affect the ability of the Obligor to operate its facilities or to carry out its obligations under the Master Indenture, the Loan Agreement or the Mortgage or (ii) would have a material adverse impact on the financial position or results of operations of the Obligor.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approval of the Bond Counsel. Nabors, Giblin & Nickerson, P.A. has acted in the capacity as Bond Counsel for the purpose of rendering an opinion with respect to the authorization, issuance, delivery, legality and validity of the Bonds and for the purpose of rendering an opinion on the exclusion of the interest on the Bonds from gross income for federal income tax purposes and certain other tax matters.

The opinion of Bond Counsel, in the form attached hereto as APPENDIX D, will be furnished without charge to the purchasers of the Bonds at the time of their delivery. The actual

legal opinion to be delivered may vary from that text if necessary to reflect facts and law on the date of delivery. The opinion will speak only as of its date, and subsequent distribution of it by recirculation of this Official Statement or otherwise shall create no implication that, subsequent to the date of the opinion, Bond Counsel has reviewed or expresses any opinion concerning any of the matters referenced in the opinion. Bond Counsel's opinions are based on existing law, which is subject to change. Such opinions are further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinions to reflect any facts or circumstances, including changes in law, that may thereafter occur or become effective. Nabors, Giblin & Nickerson, P.A. 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 Obligor or its affiliates, and has not assumed responsibility for the preparation of this Official Statement, and therefore expresses no opinion as to the accuracy, completeness, fairness or sufficiency of any of the information or statements contained in this Official Statement or any appendices hereto except as to the accuracy of the information contained under the captions "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS."

Certain legal matters will be passed upon for the Issuer by the Office of the City Attorney; for the Obligor by its co-counsel, Butler Snow LLP and Graham Legal Group, PLLC, and for the Underwriter by its counsel, Holland & Knight LLP. Butler Snow LLP is presently representing the Underwriter in other matters unrelated to the issuance of the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the 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.

TAX MATTERS

Series 2019 Bonds

The Internal Revenue Code of 1986, as amended (the "Code"), includes requirements which the Issuer and the Obligor must continue to meet after the issuance of the Bonds in order that interest on the Bonds not be included in gross income for federal income tax purposes. The Issuer or the Obligor's failure to meet these requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to their date of issuance. The Issuer and the Obligor have covenanted in the Bond Indenture and the Loan Agreement to take the actions required by the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds.

In the opinion of Bond Counsel, assuming continuing compliance by the Issuer and the Obligor with the tax covenants referred to above, under existing statutes, regulations, rulings and court decisions, interest on the Bonds is excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from all present intangible personal property taxes imposed pursuant to Chapter 199, Florida Statutes. Bond Counsel is further of the opinion that the Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes, on interest, income or profits on debt obligations owned by corporations as defined therein.

As to questions of fact material to the opinion of Bond Counsel, Bond Counsel will rely upon representations and covenants made on behalf of the Issuer and the Obligor in the Bond Indenture and the Loan Agreement, certificates of appropriate officers and certificates of public officials (including certifications as to the use of proceeds of the Bonds and of the property refinanced thereby), without undertaking to verify the same by independent investigation.

Except as described above, Bond Counsel will express no opinion regarding the federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of, the Bonds. Prospective purchasers of Bonds should be aware that the ownership of Bonds may result in other collateral federal tax consequences. For example, ownership of the Bonds may result in collateral tax consequences to various types of corporations relating to (1) denial of interest deduction to purchase or carry Bonds, (2) the branch profits tax and (3) the inclusion of interest on the Bonds in passive income for certain S corporations. In addition, the interest on the Bonds may be included in gross income by recipients of certain Social Security and Railroad Retirement benefits.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

Other Tax Matters

Interest on the Bonds may be subject to state or local income taxation under applicable state or local laws in other jurisdictions. Purchasers of the Bonds should consult their tax advisors as to the income tax status of interest on the Bonds in their particular state or local jurisdictions.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain federal tax consequences resulting from the ownership of obligations that are similar to the Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of federal tax consequences may have affected the market value of obligations similar to the Bonds. From time to time, legislative proposals are pending which could have an effect on both the federal tax consequences resulting from ownership of the Bonds and their market value. For example, proposals have been discussed in connection with deficit spending reduction, job creation and other tax reform efforts, that could significantly reduce the benefit of, or otherwise effect the exclusion from gross income of, interest on obligations such as the Bonds. The further introduction or enactment of one or more of such proposals could affect the market price or marketability of the Bonds. No assurance can

be given that additional legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an original issue discount, which is the excess of the principal amount of the Discount Bonds over the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Discount Bonds of the same maturity was sold. Original issue discount represents interest which is excluded from gross income for federal income tax purposes to the same extent as interest on the Bonds. Original issue discount will accrue over the term of a Discount Bond at a constant interest rate compounded semi-annually. A purchaser who acquires a Discount Bond at the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Discount Bonds and will increase its adjusted basis in such Discount Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Discount Bonds. The federal income tax consequences of the purchase, ownership and prepayment, sale or other disposition of Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of Discount Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, prepayment or other disposition of such Discount Bonds and with respect to the state and local tax consequences of owning and disposing of such Discount Bonds.

Original Issue Premium

Certain of the Bonds (the "Premium Bonds") may be offered and sold to the public at a price in excess of the principal amount of such Premium Bond, which excess constitutes to an initial purchaser amortizable bond premium which is not deductible from gross income for Federal income tax purposes. The amount of amortizable bond premium for a taxable year is determined actuarially on a constant interest rate basis over the term of the Premium Bonds which term ends on the earlier of the maturity or call date for each Premium Bond which minimizes the yield on said Premium Bonds to the purchaser. For purposes of determining gain or loss on the sale or other disposition of a Premium Bonds, an initial purchaser who acquires such obligation in the initial offering to the public at the initial offering price is required to decrease such purchaser's adjusted basis in such Premium Bond annually by the amount of amortizable bond premium for the taxable year. The amortization of bond premium may be taken into account as a reduction in the amount of tax-exempt income for purposes of determining various other tax consequences of owning such Premium Bonds. The federal income tax consequences of the purchase, ownership and sale or other disposition of Premium Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Owners of the Premium Bonds are advised that they should consult with their own advisors with respect to the state and local tax consequences of owning such Premium Bonds.

Reference is made to the proposed form of the opinion of Bond Counsel attached hereto as "APPENDIX D - PROPOSED FORM OF BOND COUNSEL OPINION," expected to be

delivered on the delivery date of the Bonds, for the complete text thereof. See also "LEGAL MATTERS" herein.

INDEPENDENT AUDITORS

The audited consolidated financial statements of the Obligor and Subsidiary as of and for the years ended December 31, 2017 and 2018, included in this Official Statement, have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their reports appearing in APPENDIX B to this Official Statement.

RATING

At the time the Bonds are issued, Fitch Ratings ("Fitch") has assigned the Bonds a rating of ["BBB-" (negative outlook)] based on the creditworthiness of the Obligor.

The rating reflects only the view of the rating agency and is not a recommendation to buy, sell or hold the Bonds. Certain information and materials not included in this Official Statement were furnished to Fitch concerning the Bonds. Generally, rating agencies base their assumptions on such information and materials and on investigations, studies and assumptions by the rating agencies. There is no assurance that the rating mentioned above will remain for any given period of time or that such rating might not be lowered or withdrawn entirely by Fitch, if in its judgment circumstances so warrant. Except as set forth above under "FINANCIAL REPORTING AND CONTINUING DISCLOSURE," none of the Issuer, the Underwriter or the Obligor has any responsibility to bring to the attention of Bondholders any proposed revisions or withdrawal of the rating on the Bonds. Any such downward change in or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

A further explanation of the significance of the rating may be obtained from the rating agency.

UNDERWRITING

The Bonds are being purchased by B.C. Ziegler and Company as Underwriter for a purchase price of $_____.__ (representing the principal amount of the Bonds minus an underwriter's discount of $_____.__and **[**plus/minus**]** **[**net**]** original issue **[**premium/discount**]** on the Bonds of $_____.__), pursuant to a Bond Purchase Agreement, entered into by and between the Issuer and the Underwriter as approved by the Obligor (the "Contract of Purchase"). Pursuant to the Contract of Purchase, 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 Bonds to the public. The obligations of the Underwriter to accept delivery of the Bonds are subject to various conditions contained in the Contract of Purchase. The Contract of Purchase provides that the Underwriter will purchase all of the Bonds if any Bonds are purchased.

FINANCIAL ADVISOR

The Issuer has retained Larson Consulting Services, LLC, Orlando, Florida, as Financial Advisor in connection with the issuance of the Bonds. The Financial Advisor is not obligated to

undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement. The Financial Advisor did not participate in the underwriting of the Bonds.

ROLE OF BOND TRUSTEE AND MASTER TRUSTEE

The Bank of New York Mellon Trust Company, N.A. has been appointed to serve as Bond Trustee and Master Trustee under the Bond Indenture and Master Indenture, respectively. The Bond Trustee and Master Trustee are to carry out those duties it has agreed to under the Bond Indenture and Master Indenture. The Bond Trustee and Master Trustee have not reviewed or participated in the preparation of this Official Statement and assume no responsibility for the contents, accuracy, fairness or completeness of the information given in this Official Statement or for the recitals contained in the Bond Indenture and Master Indenture or for the validity, sufficiency, or legal effect of any of such documents. Furthermore, the Bond Trustee and Master Trustee have no oversight responsibility, and are not accountable, for the use or application by Issuer of the proceeds from the sale of the Bonds. The Bond Trustee and Master Trustee have no duty to, have not undertaken to evaluate, and have not evaluated, the risks, benefits, or propriety of any investment in the Bonds and makes no representation, and has reached no conclusions, regarding the investment quality of the Bonds, about all of which the Bond Trustee and Master Trustee express no opinion and expressly disclaims the expertise to evaluate.

MISCELLANEOUS

The references herein to the Act, the Bond Indenture, the Loan Agreement, the Master Indenture, the Mortgage 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, 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 Bonds, but neither the failure to print such numbers on any 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 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" and "DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS" (as it relates to the 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.

SOUTHWEST FLORIDA RETIREMENT CENTER, INC. d/b/a VILLAGE ON THE ISLE

By: _____
Chief Executive Officer

APPENDIX A

SOUTHWEST FLORIDA RETIREMENT CENTER, INC.
D/B/A VILLAGE ON THE ISLE

APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE OBLIGOR AND SUBSIDIARY FOR FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2018

APPENDIX C

DEFINITIONS OF CERTAIN TERMS AND EXCERPTS OF CERTAIN PROVISIONS OF CERTAIN PRINCIPAL DOCUMENTS

APPENDIX D

PROPOSED FORM OF BOND COUNSEL OPINION

APPENDIX E

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the 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 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 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 Bonds. The 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 certificate will be issued for each maturity of each series of the Bonds, each in the total aggregate principal amount of each 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 the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 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 the Bonds, except in the event that use of the book-entry system for the 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 the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 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 the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond Indentures or the Loan Agreements. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the 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 Bond Trustee and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 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 the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the 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 the Issuer or the Bond Trustee, on a payment 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, nor of its nominee, the Bond Trustee or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Trustee, 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 Bonds at any time by giving reasonable notice to the Issuer or the Bond Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the 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 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 Bonds. The Bonds may be exchanged for an equal aggregate principal amount of the Bonds in authorized denominations and of the same maturity and series 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 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 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 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 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 Bonds for all purposes whatsoever, including, without limitation, (i) the payment of principal of, premium, if any, and interest on the Bonds, (ii) giving notices of redemption and other matters with respect to the Bonds, (iii) registering transfers with respect to the Bonds, and (iv) the selection of Bonds for redemption.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

EXHIBIT E

AFFIDAVIT OF PUBLICATION

SARASOTA HERALD-TRIBUNE
PUBLISHED DAILY
SARASOTA, SARASOTA COUNTY, FLORIDA

STATE OF FLORIDA
COUNTY OF SARASOTA

BEFORE THE UNDERSIGNED AUTHORITY PERSONALLY APPEARED JM MITCHELL, WHO ON OATH SAID SHE IS DIRECTOR OF ADVERTISING FOR THE SARASOTA HERALD-TRIBUNE, A DAILY NEWSPAPER PUBLISHED AT SARASOTA, IN SARASOTA COUNTY FLORIDA; AND CIRCULATED IN SARASOTA COUNTY DAILY; THAT THE ATTACHED COPY OF ADVERTISEMENT BEING A NOTICE IN THE MATTER OF:

Legal description documented below:

IN THE COURT WAS PUBLISHED IN THE SARASOTA EDITION OF SAID NEWSPAPER IN THE ISSUES OF:

11/2 1x

AFFIANT FURTHER SAYS THAT THE SAID SARASOTA HERALD-TRIBUNE IS A NEWSPAPER PUBLISHED AT SARASOTA, IN SAID SARASOTA COUNTY, FLORIDA, AND THAT THE SAID NEWSPAPER HAS THERETOFORE BEEN CONTINUOUSLY PUBLISHED IN SAID SARASOTA COUNTY, FLORIDA, EACH DAY, AND HAS BEEN ENTERED AS SECOND CLASS MAIL MATTER AT THE POST OFFICE IN SARASOTA, IN SAID SARASOTA COUNTY, FLORIDA, FOR A PERIOD OF ONE YEAR NEXT PRECEDING THE FIRST PUBLICATION OF THE ATTACHED COPY OF ADVERTISEMENT; AND AFFIANT FURTHER SAYS THAT SHE HAS NEITHER PAID NOR PROMISED ANY PERSON, FIRM OR CORPORATION ANY DISCOUNT, REBATE, COMMISSION OR REFUND FOR THE PURPOSE OF SECURING THIS ADVERTISEMENT FOR PUBLICATION IN THE SAID NEWSPAPER.

SIGNED _____

SWORN OR AFFIRMED TO, AND SUBSCRIBED BEFORE ME THIS 4 DAY OF NOV., A.D., 20 19 BY JM MITCHELL WHO IS PERSONALLY KNOWN TO ME.

_____
Notary Public

DANIELLE BROWN
Notary Public - State of Florida
Commission # GG 318707
My Comm. Expires May 8, 2023
Bonded through National Notary Assn.

CITY OF VENICE, FLORIDA
NOTICE OF MEETING AND
PUBLIC HEARING

For the purposes of Section 147(f) of the Internal Revenue Code, notice is hereby given that the City Council of the City of Venice, Florida (the "City") will hold a public hearing on November 12, 2019, at 9:00 A.M., or as soon thereafter as the matter can be heard, in the City Council's meeting chambers located at City Hall, 401 West Venice Avenue, Venice, Florida 34285, receiving public comments and hearing discussion concerning the proposed issuance by the City of a not exceeding $23,000,000 aggregate principal amount of City of Venice, Florida Retirement Community Revenue Improvement Bonds (Village on the Isle Project), Series 2019 (the "Bonds"), to make a loan or loans to Southwest Florida Retirement Center, Inc. d/b/a Village On The Isle, a Florida not-for-profit corporation (the "Borrower"), for the purpose of providing funds to (1) finance and refinance a portion of the costs (including reimbursement for prior related expenditures) relating to the acquisition, construction and equipping of various capital improvements to the Borrower's existing continuing care retirement facility located at 920 South Tamiami Trail, Venice, Florida 34285 (the "Project"), (2) fund certain debt service reserve funds, (3) capitalize interest on the Bonds, and (4) pay costs of issuance related to the Bonds. The Project is owned and operated by the Borrower and the Bonds may be issued in one or more tax-exempt and taxable series.

The Bonds will be payable solely from the revenues derived by the City from a loan agreement, mortgage and security agreement and other financing documents entered into by and between the City and the Borrower prior to or contemporaneously with the issuance of the Bonds. NEITHER THE BONDS NOR THE INTEREST THEREON SHALL BE AN INDEBTEDNESS OF, OR A PLEDGE OF THE TAXING POWER OR ANY OTHER REVENUES, OF THE CITY, THE STATE OF FLORIDA, OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF BUT WILL BE SPECIAL AND LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE SOURCES IDENTIFIED ABOVE. Issuance of the Bonds shall be subject to several conditions including satisfactory documentation, the approval by bond counsel as to the tax-exempt status of the interest on all or a portion of the Bonds and receipt of necessary approvals for the financing. The aforementioned meeting shall be a public meeting and all persons who may be interested will be given an opportunity to be heard concerning the same. Written comments to be presented at the hearing may be submitted to the City Council, Attention: City Clerk, at City Hall, 401 West Venice Avenue, Venice, Florida 34285.

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

In accordance with the Americans with Disabilities Act persons needing a special accommodation to participate in this proceeding should contact the City Clerk's office no later than forty-eight (48) hours prior to the hearing at the address given in this notice or by telephone (941) 882-7390.

City Council of the City of Venice, Florida

Date of pub: November 2, 2019