

NEW ISSUE

NOT RATED

In the opinion of Squire Sanders (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2014 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2014 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see "TAX MATTERS" herein.



\$189,885,000*
PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS

\$120,885,000*
(SINAI RESIDENCES OF
BOCA RATON PROJECT)
SERIES 2014A

\$14,000,000*
ENTRANCE FEE
PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF
BOCA RATON PROJECT)
SERIES 2014B

\$55,000,000*
ENTRANCE FEE
PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF
BOCA RATON PROJECT)
SERIES 2014C

Dates, Interest Rates, Principal Amounts, Prices, Yields and CUSIP Numbers Shown on the Inside Cover

The Series 2014 Bonds (as defined herein) are issuable only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry only system maintained by DTC, only through brokers and dealers who are, or act through, DTC Participants. Purchases by Beneficial Owners will be made in book-entry only form in denominations of \$5,000 or any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the Series 2014 Bonds. Interest on the Series 2014 Bonds accrues from their date of delivery and is payable on each June 1 and December 1 of each year, commencing December 1, 2014 until maturity or prior redemption. So long as Cede & Co. is the registered owner of the Series 2014 Bonds, payments of principal of, premium, if any, and interest on the Series 2014 Bonds are required to be made to Beneficial Owners by DTC through its participants. See "BOOK-ENTRY ONLY SYSTEM" herein.

The proceeds of the sale of the Series 2014 Bonds will be loaned to Federation CCRC Operations Corp., a Florida not-for-profit corporation (the "Corporation" or the "Obligated Group Representative") and used, together with other available money, to (i) pay or reimburse the Corporation for the payment of the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land on the campus (the "Federation Campus") of the Jewish Federation of South Palm Beach County, Inc. (the "Federation") in Palm Beach County, Florida to be known as Sinai Residences of Boca Raton (the "Project"); (ii) currently refund all or a portion of the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project) (collectively, the "Refunded Notes"), which Refunded Notes were issued to finance pre-development costs of the Project, including, but not limited to, the architectural design, marketing, sales, preliminary construction planning, legal and accounting costs; (iii) fund a debt service reserve fund for the benefit of the holders of the Series 2014 Bonds; (iv) pay capitalized interest on the Series 2014 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds.

The Series 2014 Bonds are being issued by the Palm Beach County Health Facilities Authority (the "Authority"), a public body corporate and politic duly created and existing under the provisions of Chapter 154, Part III and Chapter 159, Part II, Florida Statutes, as amended (the "Act"), and a Bond Trust Indenture dated as of June 1, 2014 (the "Bond Indenture"), between the Authority and U.S. Bank National Association, as bond trustee (the "Bond Trustee").

THE SERIES 2014 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE AUTHORITY, THE STATE OF FLORIDA (THE "STATE"), PALM BEACH COUNTY, FLORIDA (THE "COUNTY") OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE SERIES 2014 BONDS SHALL BE A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE INCOME, REVENUES, AND RECEIPTS DERIVED FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2014 BONDS OR TO THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO MAKE ANY APPROPRIATION TO PAY THE PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS. THE SERIES 2014 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, THE COUNTY, OR THE AUTHORITY OR TAXING POWERS OF THE STATE OR THE COUNTY.

THE SERIES 2014 BONDS ARE NOT RATED. AN INVESTMENT IN THE SERIES 2014 BONDS INVOLVES RISKS RELATED TO, AMONG OTHER THINGS, THE NATURE OF THE CORPORATION'S BUSINESS, THE REGULATORY ENVIRONMENT, AND THE PROVISIONS OF THE PRINCIPAL DOCUMENTS. A PROSPECTIVE SERIES 2014 BONDHOLDER IS ADVISED TO READ "SECURITY FOR THE SERIES 2014 BONDS" AND "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2014 BONDS.

The Series 2014 Bonds offered by this Official Statement are offered when, as and if issued and accepted by Herbert J. Sims & Co., Inc. (the "Underwriter"), subject to prior sale, withdrawal or modification of the offer without notice, subject to the approving opinion of Squire Sanders (US) LLP, Miami, Florida, Bond Counsel. Certain legal matters will be passed upon for the Authority by its counsel Haile Shaw & Pfaffenberger, P.A., North Palm Beach, Florida; for the Corporation by its counsel, Squire Sanders (US) LLP, Cleveland, Ohio; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia. It is expected that the Series 2014 Bonds will be available for delivery through the facilities of DTC, against payment therefor, on or about _____, 2014.



Dated: _____, 2014

* Preliminary, subject to change

This Preliminary Official Statement and information contained herein are subject to change, completion or amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$189,885,000*
PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS

\$120,885,000*
(Sinai Residences of Boca Raton Project)
Series 2014A

\$14,000,000*
Entrance Fee
Principal Redemption BondsSM
(Sinai Residences of Boca Raton Project)
Series 2014B

\$55,000,000*
Entrance Fee
Principal Redemption BondsSM
(Sinai Residences of Boca Raton Project)
Series 2014C

\$120,885,000* Series 2014A Bonds

\$5,930,000* ____% Series 2014A Term Bonds Due June 1, 2024 @ ____ to Yield ____% CUSIP ©‡ _____

\$20,715,000* ____% Series 2014A Term Bonds Due June 1, 2034 @ ____ to Yield ____% CUSIP©‡ _____

\$94,240,000* ____% Series 2014A Term Bonds Due June 1, 2049 @ ____ to Yield ____% CUSIP©‡ _____

\$14,000,000* Series 2014B Bonds

\$14,000,000* ____% Series 2014B Term Bonds Due June 1, 2023 @ ____ to Yield ____% CUSIP©‡ _____

\$55,000,000* Series 2014C Bonds

\$55,000,000* ____% Series 2014C Term Bonds Due June 1, 2021 @ ____ to Yield ____% CUSIP ©‡ _____

All Series 2014 Bonds are dated the date of their issuance and delivery

PRELIMINARY NOTICES

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 Corporation, the Authority, or the Underwriter. The information set forth herein concerning the Corporation has been furnished by the Corporation 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 Authority 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 Corporation since the date hereof.

In making an investment decision, investors must rely on their own examination of the Series 2014 Bonds, the Corporation, the Project and the terms of the offering, including the merits and risks involved. The Series 2014 Bonds have not been recommended by any federal or state securities commission or regulatory authority.

* Preliminary, subject to change

‡ None of the Authority, the Corporation or the Underwriter takes responsibility for the accuracy of the CUSIP® numbers, which are included solely for the convenience of the purchasers of the Series 2014 Bonds. CUSIP numbers on the inside cover of this Official Statement are copyright 2009 by the American Bankers Association. CUSIP data 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 Service Bureau.

Furthermore, no such commission or regulatory authority has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their 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 Corporation, the Authority, DTC and other sources which 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 SERIES 2014 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND NEITHER THE BOND INDENTURE NOR THE MASTER INDENTURE HAS 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 SERIES 2014 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAWS OF THE STATES IN WHICH SERIES 2014 BONDS HAVE BEEN REGISTERED OR QUALIFIED 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 SERIES 2014 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

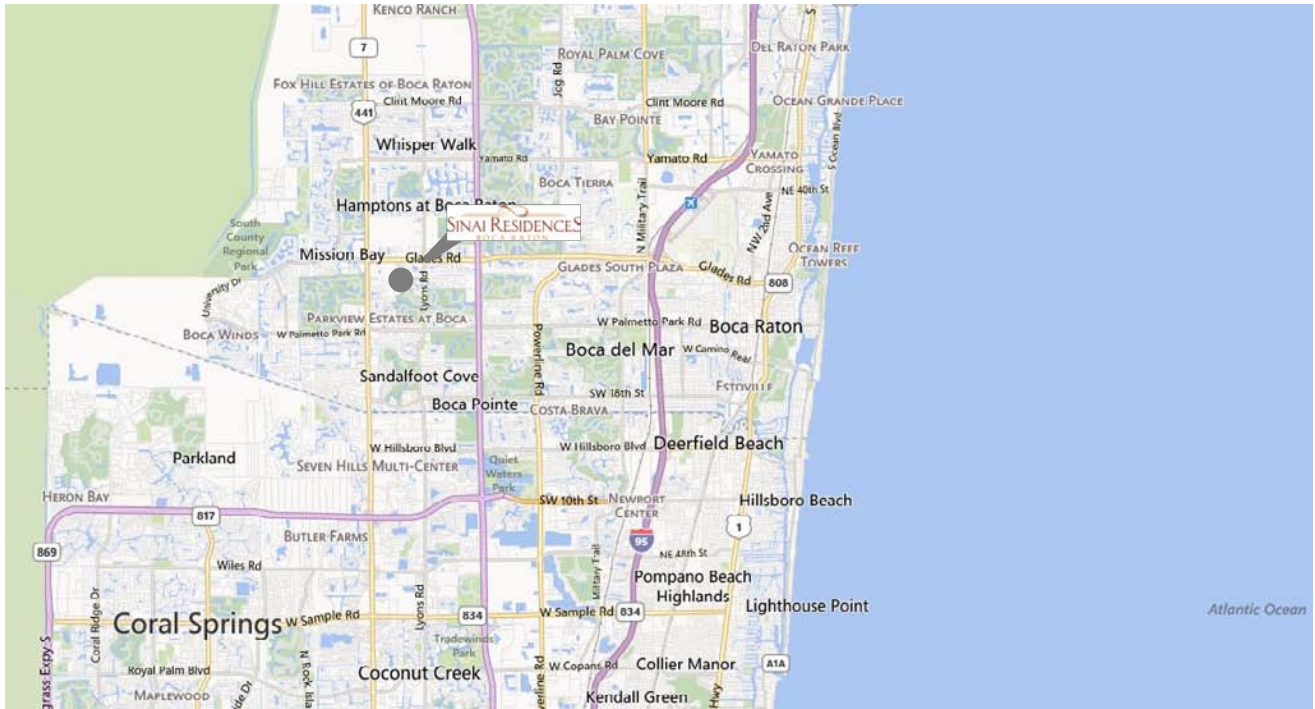
IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2014 BONDS TO CERTAIN DEALERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER. THE SERIES 2014 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE ON CERTAIN EXEMPTIONS FROM REGISTRATION.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

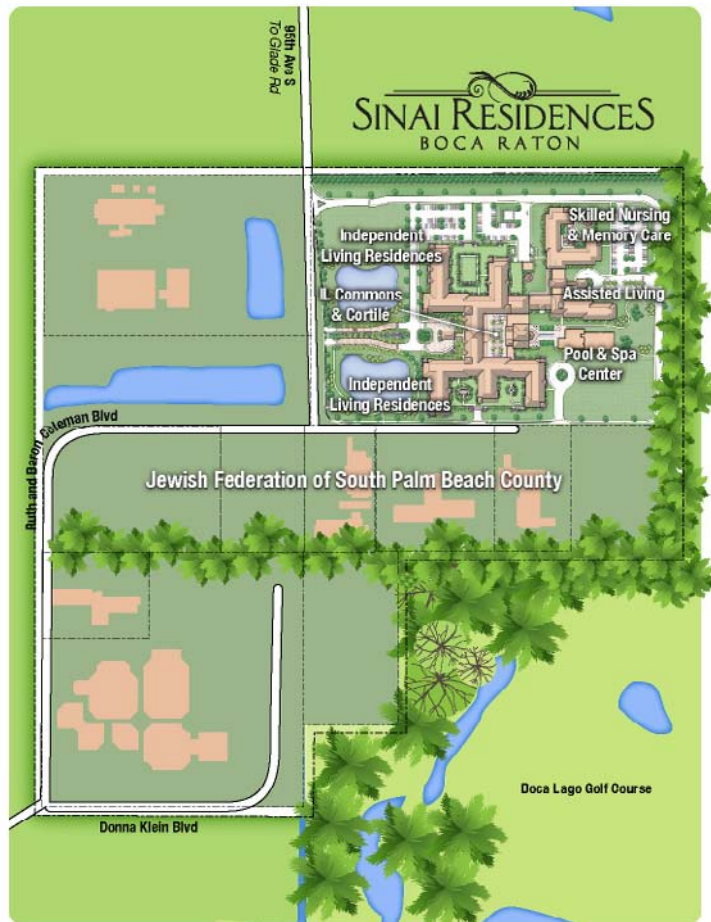
This Official Statement contains statements which should be considered “forward-looking statements,” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended, meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as “anticipate,” “believe,” “budget,” “estimate,” “expect,” “intend,” “plan,” “forecast,” or similar words.

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 CORPORATION DOES NOT EXPECT OR INTEND 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.

Site Map of Sinai Residences



Exterior View



Sinai Residences



Dining and Spa Courtyard



Cortilé

* Renderings are preliminary and subject to change.

Sinai Residences



Dining Room



Spa Center

* Renderings are preliminary and subject to change.

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

	Page
SHORT STATEMENT	i
The Authority	i
The Series 2014 Bonds	i
Description of the Series 2014 Bonds	iii
The Corporation and the Project	iv
The Federation - Background	iv
The Federation – Financial Support to the Project	v
History of the Project	vii
Marketing and Presales	viii
The Project Site	viii
Shared Services – Reciprocal Easement Agreement	ix
The Development Consultant	ix
The Management Company	x
Plan of Financing	x
Security for the Series 2014 Bonds	xiii
Working Capital Fund	xiv
Liquidity Support Fund	xv
Debt Service Reserve Fund	xvi
Priority of Draws from Various Funds	xviii
Certain Financial and Operating Covenants of the Corporation	xviii
Financial Feasibility Study	xx
Certain Bondholders’ Risks	xxii
Continuing Disclosure	xxii
Miscellaneous	xxii
INTRODUCTION	1
Purpose of this Official Statement	1
The Authority	1
The Corporation	1
Security for the Series 2014 Bonds	2
Certain Bondholders’ Risks	3
THE AUTHORITY	3
THE CORPORATION AND THE PROJECT	4
The Corporation and the Project	4
The Federation - Background	4
The Federation – Financial Support to the Project	5
History of the Project	7
Marketing and Presales	8
The Project Site	8
Shared Services – Reciprocal Easement Agreement	9
The Development Consultant	9
The Management Company	10
PLAN OF FINANCING	10
ESTIMATED SOURCES AND USES OF FUNDS	15
THE SERIES 2014 BONDS	16
General	16
Payment of Principal and Interest	16
Transfers and Exchanges; Persons Treated as Owners	16

Redemption Prior to Maturity.....	17
BOOK-ENTRY ONLY SYSTEM	20
General.....	21
Limitation	22
Removal From the Book-Entry System.....	23
DEBT SERVICE SCHEDULE	25
SECURITY FOR THE SERIES 2014 BONDS.....	26
General.....	26
Limited Obligations.....	26
Loan Agreement	26
Bond Indenture	27
The Master Indenture and the Mortgage.....	27
Assignment of Contract Documents	27
Assignment of Residency Agreements	28
Incurrence of Additional Indebtedness	28
Certain Amendments to Bond Indenture and Master Indenture After an Event of Default.....	28
Funds and Accounts Held Under the Master Indenture and Bond Indenture.....	29
Financial Covenants.....	35
CERTAIN BONDHOLDERS' RISKS.....	43
General Risk Factors.....	43
Limited Obligations.....	43
Impact of Market Turmoil	43
Dependence on the Development Consultant and the Manager	43
Limited Resources of the Corporation.....	44
Additions to the Obligated Group.....	44
Series 2014D Bonds are Draw-Down Bonds.....	44
Uncertainty of Revenues.....	45
Financial Forecast.....	45
Construction Risks.....	45
Construction Draws	46
Redemption of the Series 2014C Bonds, the Series 2014D-2 Bonds and the Series 2014B Bonds from Initial Entrance Fees.....	46
Failure to Achieve or Maintain Occupancy or Turnover	46
Sale of Homes.....	47
Nature of Income of the Elderly	47
Licensing Delay.....	47
Competition	48
Professional Liability Claims and Losses	48
Health Care Reform.....	48
Third-Party Payments	48
Other Federal Tax Matters.....	52
Regulation of Residency Agreements.....	53
Certain Other State Regulations.....	54
Natural Disasters.....	54
Bankruptcy.....	54
Additional Indebtedness	55
Certain Amendments to Bond Indenture and Master Indenture	56
Certain Matters Relating to Enforceability of the Master Indenture.....	56
Limitation on Security Interest in Gross Revenues.....	57
Limited Use Facility	58
Lien for Clean-up of Hazardous Materials	58
Uncertainty of Investment Income.....	58
Market for Bonds; Absence of Rating	58

Other Possible Risk Factors	59
FLORIDA REGULATION OF CONTINUING CARE FACILITIES	59
Certificate of Authority; Initial Entrance Fees.....	60
Required Reserves	60
Continuing Care Agreements and Residents' Rights.....	61
Examinations and Delinquency Proceedings.....	61
Florida Licensure.....	62
Florida Regulations.....	63
FINANCIAL REPORTING AND CONTINUING DISCLOSURE	63
Financial Reporting	63
Continuing Disclosure	66
LITIGATION	66
The Authority	66
The Corporation.....	66
LEGAL MATTERS	66
TAX MATTERS	66
Risk of Future Legislative Changes and/or Court Decisions	68
Original Issue Discount and Original Issue Premium.....	68
DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS.....	69
FINANCIAL FEASIBILITY STUDY	69
UNDERWRITING	70
MISCELLANEOUS.....	70
APPENDIX A – SINAI RESIDENCES OF BOCA RATON	
APPENDIX B – FINANCIAL FEASIBILITY STUDY	
APPENDIX C – FORMS OF PRINCIPAL FINANCING DOCUMENTS	
APPENDIX D – PROPOSED FORM OF BOND COUNSEL OPINION	
APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE	

[THIS PAGE INTENTIONALLY LEFT BLANK]

SHORT STATEMENT

The information set forth in this short statement is subject in all respects to more complete information set forth elsewhere in this Official Statement, which should be read in its entirety including the assumptions, methodology and rationale underlying the Financial Feasibility Study appearing as Appendix B to this Official Statement. The Financial Feasibility Study included as Appendix B hereto should be read in its entirety.

The offering of the Series 2014 Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this short statement from this Official Statement or otherwise to use it without this entire Official Statement. For the definitions of certain words and terms used in this short statement, see “FORMS OF PRINCIPAL FINANCING DOCUMENTS” in Appendix C hereto.

The Authority

The Palm Beach County Health Facilities Authority (the “Authority”), a public body corporate and politic duly created and existing under the provisions of Chapter 154, Part III and Chapter 159, Part II, Florida Statutes, as amended (the “Act”), is authorized pursuant to the Act to issue its revenue bonds to finance and refinance the acquisition, construction, renovation and equipping of projects, within the meaning of the Act, within the jurisdiction of Palm Beach County, Florida (the “County”). See “THE AUTHORITY” herein.

The Series 2014 Bonds

The Authority proposes to issue \$189,885,000* aggregate principal amount of its Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014 (collectively, the “Series 2014 Bonds”), consisting of three series as follows:

- \$120,885,000* principal amount of Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A (the “Series 2014A Bonds”);
- \$14,000,000* principal amount of Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B (the “Series 2014B Bonds”); and
- \$55,000,000* principal amount of Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (the “Series 2014C Bonds”)

The Series 2014 Bonds are being issued pursuant to the Act, a resolution of the Authority to be adopted by the governing body of the Authority, and an Indenture of Trust dated as of June 1, 2014 (the “Bond Indenture”), between the Authority and U.S. Bank National Association, as bond trustee (the “Bond Trustee”), to, together with other available money, (i) pay or reimburse the Corporation for the payment of the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land on the campus (the “Federation Campus”) of the Jewish Federation of South Palm Beach County, Inc. (the “Federation”) in Palm Beach County, Florida to be known as Sinai Residences of Boca Raton (the “Project”); (ii) currently refund all or a portion of the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project) (collectively, the “Refunded Notes”), which Refunded Notes were issued to finance pre-development costs of the Project, including, but not limited to, the architectural design, marketing, sales, preliminary construction planning, legal and accounting costs; (iii) fund a debt service reserve fund for the benefit of the holders of the Series 2014 Bonds; (iv) pay capitalized interest on the Series 2014 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds. Pursuant to a Loan Agreement dated as of June 1, 2014 (the “Loan Agreement”), between the Authority and Federation CCRC Operations Corp., a Florida not-for-profit corporation (the “Corporation” or the

* Preliminary, subject to change

“Obligated Group Representative”), the Authority will lend the proceeds of the Series 2014 Bonds to the Corporation and the Corporation will agree to make loan payments at times and in amounts sufficient to pay principal, premium (if any) and interest on the Series 2014 Bonds. See “THE SERIES 2014 BONDS” herein.

Series 2014D Bonds. Concurrently with the issuance of the Series 2014 Bonds, the Authority will issue its (i) not to exceed \$3,000,000* Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 (the “Series 2014D-1 Bonds”) and (ii) not to exceed \$21,000,000* Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-2 (the “Series 2014D-2 Bonds” and collectively with the Series 2014D-1 Bonds, the “Series 2014D Bonds”). The Series 2014D Bonds are issued pursuant to the Act, a resolution of the Authority to be adopted by the governing body of the Authority and a separate Indenture of Trust dated as of June 1, 2014 (the “Series 2014D Bond Indenture”) between the Authority and U.S. Bank National Association, as bond trustee for the Series 2014D Bonds (the “Series 2014D Bond Trustee”). Pursuant to a Loan Agreement dated as of June 1, 2014 (the “Series 2014D Loan Agreement”), the Authority will lend the proceeds of the Series 2014D Bonds to the Corporation and the Corporation will agree to make loan payments at times sufficient to pay principal, premium (if any) and interest on the Series 2014D Bonds. The Series 2014D Bonds are secured by a promissory note (the “Series 2014D Obligation”) issued pursuant to the Master Indenture on a parity with all of the Series 2014 Obligations. The sale of the Series 2014 Bonds is contingent upon the sale of the Series 2014D Bonds. **The Series 2014D Bonds are not being offered pursuant to this Official Statement.**

The Series 2014D Bonds are being issued on a draw-down basis. Hamlin Capital Management, LLC (the “Series 2014D Bondholder Representative”) is serving as the representative of the Holders of the Series 2014D Bonds. The Series 2014D Bondholder Representative has purchased draw down bonds in an aggregate amount of approximately \$230 million for six other senior living projects, with one issue as large as \$82 million to construct another start up continuing care retirement community. The purchase price of the Series 2014D Bonds will be paid through periodic advances of the proceeds of the Series 2014D Bonds (“Series 2014D Bond Proceeds Advances”) in accordance with the Series 2014D Bond Indenture and a Bond Purchase Agreement among the Authority, the Corporation, Herbert J. Sims & Co., Inc. and Cross Point Capital, LLC (the “Series 2014D Bond Purchase Agreement”) dated the date of this Official Statement. Except as otherwise provided in the Series 2014D Bond Indenture, the principal amount of Series 2014D Bonds outstanding and due shall only be the aggregate amount as has been drawn down and interest shall only accrue on such principal amount of Series 2014D Bonds as has actually been drawn. See “CERTAIN BONDHOLDERS’ RISKS – Series 2014D Bonds are Draw-Down Bonds.”

To secure its obligation to fund properly requested Series 2014D Bond Proceeds Advances, the Series 2014D Bondholder Representative will cause Deutsche Bank AG, New York Branch (“Deutsche Bank”) to issue an irrevocable letter of credit (the “Deutsche Bank Letter of Credit”) in favor of the Series 2014D Bond Trustee guaranteeing the prompt advances of Series 2014D Bond Proceeds Advances in the event that the Series 2014D Bondholder Representative does not or is unable to honor a proper request for an advance of Series 2014D Bond Proceeds Advances. Deutsche Bank reports that it has total assets of \$2.3 trillion serving approximately 30 million clients in over 70 countries. The senior debt ratings of Deutsche Bank are A2 (Moody’s Investor Service), A (Standard & Poor’s) and A+ (Fitch Ratings). In the event that the Series 2014D Bondholder Representative does not honor or fund a properly presented request for Advances of Series 2014D Bond Proceeds, the Series 2014D Bond Trustee will draw on the Deutsche Bank Letter of Credit and such proceeds will be used to honor a proper request for a Series 2014D Bond Proceeds Advance. The initial term of the Deutsche Bank Letter of Credit is for one year and Deutsche Bank has the option to renew for another year. If the Deutsche Bank Letter of Credit is not renewed beyond its initial term, the Series 2014D Bond Trustee is directed to draw on the Deutsche Bank Letter of Credit and use the proceeds of the drawing to purchase the Series 2014D Bond Proceeds Advances, if necessary.

Each advance of Series 2014D Bonds (an “Advance”) will include a deposit to the Project Account of the Construction Fund, the Funded Interest Account of the Construction Fund and the Cost of Issuance Fund, each such fund created and existing pursuant to the Series 2014D Bond Indenture. The initial Advance of each respective subseries of Series 2014D Bonds shall include a deposit to the corresponding account of a debt service reserve fund created under the Series 2014D Bond Indenture (the “Series 2014D Debt Service Reserve Fund”). Advances, other than the initial Advance, shall be funded on any Business Day requested by the Corporation but in no event more

* Preliminary, subject to change

frequently than once per calendar quarter and shall be made in accordance with the Disbursement Agreement (as hereinafter defined).

The Series 2014D-2 Bonds are expected to be drawn quarterly, commencing on the date of issuance of the Series 2014 Bonds, in equal installments of \$3,000,000. The Series 2014D-1 Bonds are expected to be drawn in connection with the final advance of Series 2014D-2 Bond Proceeds Advances.

The Series 2014D Bond Trustee shall authenticate and deliver additional Series 2014D Bonds representing subsequent Advances of the respective series of Series 2014D Bonds upon its receipt of certain deliverables required under the Series 2014D Bond Indenture. The Series 2014D-1 Bonds are subject to optional redemption prior to maturity by the Authority at the written direction of the Corporation in whole or in part on any date on and after June 1, 20__, at a redemption price equal to the principal amount of such Series 2014D-1 Bonds to be redeemed, together with accrued interest to the redemption date. The Series 2014D-2 Bonds are payable from the release of Initial Entrance Fees in accordance with the operation of the Entrance Fee Fund prior to the use of such Entrance Fees to the redemption of payment of the Series 2014 Bonds. See “Plan of Financing – Application of Initial Entrance Fees” herein. The Series 2014D-1 Bonds are payable as shown in “DEBT SERVICE SCHEDULE” herein.

A separate Series 2014D Debt Service Reserve Fund will also be funded for the benefit of the holders of the Series 2014D Bonds. **The Series 2014D Debt Service Reserve Fund does not secure the Series 2014 Bonds and the Debt Service Reserve Fund for the Series 2014 Bonds does not secure the Series 2014D Bonds.** The Series 2014D Debt Service Reserve Fund includes two accounts, one for the Series 2014D-1 Bonds and one for the Series 2014D-2 Bonds. The Series 2014D-1 Account within the Series 2014D-1 Debt Service Reserve Fund will be funded at closing and will be approximately equal to maximum annual debt service on the Series 2014D-1 Bonds. The Series 2014D-2 Bonds are expected to bear interest at 5.25*% and the Series 2014D-2 Account within the Series 2014D Debt Service Reserve Fund is sized at one year’s of interest payments assuming an average interest rate of 5.00% on the Series 2014D-2 Bonds. In addition, the Corporation’s obligations to pay principal of and interest on the Series 2014D-2 Bonds are further secured by \$5,000,000 that is on deposit in a pooled investment account that is subject to an account control agreement in favor of the Master Trustee.

Description of the Series 2014 Bonds

Redemption. The Series 2014 Bonds are subject to redemption prior to their stated maturity. See “THE SERIES 2014 BONDS – Redemption Prior to Maturity” herein.

Denominations. The Series 2014 Bonds are issuable in the denominations of \$5,000 or any integral multiple thereof. See “THE SERIES 2014 BONDS – General” herein.

Registration, Transfers and Exchanges. The Series 2014 Bonds are issuable only as fully registered bonds in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) and will be available to ultimate purchasers (“Beneficial Owners”) under the book-entry only system maintained by DTC, only through brokers and dealers who are, or act through, DTC Participants. Beneficial Owners will not be entitled to receive physical delivery of the Series 2014 Bonds. Transfers of ownership interests in the Series 2014 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of Beneficial Owners. See “BOOK-ENTRY ONLY SYSTEM” herein.

Payments. Interest on the Series 2014 Bonds is payable on June 1 and December 1 of each year (each such date, an “Interest Payment Date”), commencing December 1, 2014. Payment of the principal of and interest on Series 2014 Bonds will be made by the Bond Trustee directly to Cede & Co., as nominee of DTC, and will subsequently be disbursed to DTC Participants and thereafter by the DTC Participants to Beneficial Owners of the Series 2014 Bonds. See “BOOK-ENTRY ONLY SYSTEM” herein.

Tax Exemption. In the opinion of Squire Sanders (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the

* Preliminary, subject to change

Series 2014 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) the Series 2014 Bonds and the income thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Interest on the Series 2014 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. See “TAX MATTERS” for further information and certain other federal tax consequences arising with respect to the Series 2014 Bonds.

The Corporation and the Project

The Corporation is a Florida not-for-profit corporation. The Corporation has been determined by the Internal Revenue Service (the “IRS”) to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Corporation received a determination letter from the IRS dated October 17, 2013 stating that the Corporation is a charitable organization as described in the Code.

The Corporation proposes to construct a continuing care retirement community to be known as “Sinai Residences of Boca Raton” to be located on approximately 21 acres of land on the Federation Campus in Boca Raton, Palm Beach County, Florida (the “Project”). The Project is planned to initially consist of 237 independent living units (the “Independent Living Units”), 48 assisted living units (the “Assisted Living Units”), 24 memory-support units (the “Memory Care Units”) and 60 skilled nursing beds (the “Skilled Nursing Beds,” and together with the Assisted Living Units and the Memory Care Units, the “Healthcare Center”) and common areas. As of February 28, 2014, 203 of the 237 available Independent Living Units (approximately 85.7%) are reserved by prospective residents. See “Marketing and Presales” below and “THE CORPORATION AND THE PROJECT – Marketing and Presales” herein.

See “SINAI RESIDENCES OF BOCA RATON” in Appendix A hereto for a description of the Corporation and the Project. See also “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

The Federation - Background

In 2009, the Jewish Federation of South Palm Beach County (the “Federation”), established the Corporation to develop and operate the Project. The Federation, a Florida not-for-profit corporation, was incorporated in November 1979 as a not-for-profit charitable organization described in Section 501(c)(3) of the Code. The Federation serves the communities of Boca Raton, Delray Beach and Highland Beach in the southern portion of Palm Beach County, Florida. A 2005 demographic study conducted for the Federation by Ira M. Sheskin, Ph.D., Associate Professor in the Department of Geography and Regional Studies at the University of Miami, concluded that the population of the region served by the Federation is approximately 41% Jewish (more than 131,000 residents). Management of the Corporation believes that the Jewish population as a percentage of the region’s population has increased since the date of the study. In 2013, the Federation raised over \$25 million that was distributed to more than 30 different Jewish agencies for programs and services. In 2013, the Federation spent over 89% of its budget on the delivery of programs and services. The Federation is consistently ranked among the top 15 Jewish agencies in the United States for fundraising.

The Federation operates an approximately 100 acre campus (the “Federation Campus”). The Federation Campus currently consists of approximately 300,000 square feet of office and community facilities, including administration and family services departments, the Donna Klein day school/early childhood center, space for cultural activities and a health and physical fitness center that includes a basketball gymnasium, tennis courts and a swimming pool. The Federation’s purpose is to further the welfare of the Jewish community in Palm Beach County, Florida, in Israel and in more than sixty countries around the world through fundraising, financial support and the delivery of philanthropic services. The Federation provides charitable services through (1) the Adolph & Rose Levis Jewish Community Center, (ii) the Donna Klein Jewish Academy, a private K-12 school, (iii) the Jewish Association for Residential Care and (iv) the Ruth Rales Jewish Family Services. In addition, the Federation provides programs and services through (1) the Jewish Community Foundation, which provides opportunities to support the continuity of Jewish life in south Palm Beach County, Florida, (2) the Jewish Community Relations Council, the public-policy and social-action arm of the Federation that works to unite the organized Jewish

community and (3) the Jewish Education Commission which provides Jewish learning opportunities for people of all ages. Finally, the Federation works with a variety of affiliated-member and beneficiary-member agencies and organizations such as local temples and synagogues, as well as the American Jewish Committee, the Anti-Defamation League, Community Kollel, Hillel Day School, the Solomon Schechter Day School of Palm Beach County and the Torah Academy of Palm Beach County Weinbaum Yeshiva High School.

Services provided by the Federation include:

- Federation Transportation Service that provides nearly 80,000 one-way trips annually to a thousand elderly and disabled adults for medical appointments, grocery shopping, social services and other life sustaining activities.
- The Adolph and Rose Levis Jewish Community Center on the Federation Campus serves more than 30,000 participants in its various programs, including education, childcare, summer camps, special needs services, sports and wellness, cultural arts and adult services.
- The Ruth Rales Jewish Family Service that provides a wide range of services to over 35,000 people annually for people of all ages, including crisis intervention services and therapeutic counseling programs, and delivers over 10,000 kosher food packages per year to needy Jewish families and individuals.
- The Jewish Association of Residential Care, that provides housing and job-training programs for adults with developmental disabilities. Its' nearly 4 million hours of programming per year, including 24 hour care for its residents and vocational programs including culinary training, mailroom functions, environmental services and computer education.
- Four local Jewish day schools teaching over 1,000 students and providing nearly \$800,000 in financial aid for the students;
- Feeding nearly 600 individuals and families who receive food from its local food pantry.

The Federation has a history of providing care and housing for seniors. The Harry & Jeanette Weinberg House and the Shirley H. Gould House located on the Federation Campus are rental housing communities for low income seniors and handicapped individuals. These communities are both fully occupied and have an approximately three year waiting list. Each community received a score of 100 in their most recent HUD REAC inspection. In addition, the Federation provides adult day care and memory care services at the Adolph and Rose Levis Adult Day Care Center.

The Federation – Financial Support to the Project

Pre-Finance Capital Investment. The Federation is advancing approximately \$2,000,000 for initial site work at the Project Site and has also advanced approximately \$1,700,000 for various pursuit costs relating to the Project.

Sale of Project Site. In addition, the Federation (the “Project Site Seller”) will sell the Project Site to the Corporation for \$14,000,000. See “The Project Site” in this Short Statement. The Project Site Seller will use the cash proceeds from the sale of the Project Site as follows: (i) \$2,000,000 will be loaned to the Corporation (the “Deferred Portion”), (ii) \$11,000,000 will be used to provide liquidity support for the Project and (iii) the Project Site Seller will deposit \$1,000,000 to be used for its own charitable purposes. See “Liquidity Support” below and “THE CORPORATION AND THE PROJECT – Liquidity Support” herein.

Development Services. Pursuant to a Development Services Agreement, the Corporation has agreed to pay the Federation a development fee in the amount of \$1,000,000 (the “Federation Fee”) in consideration of past and future support staff and services provided by the Federation to the Corporation. Under the Development Services Agreement, the Federation will continue to provide support staff and services to the Corporation until Sinai Residences opens for residents. The Federation Fee will not be paid at the closing of the Series 2014 Bonds and will be deferred as described in “Federation Subordinated Obligation” below.

Federation Subordinated Obligation. The Federation Fee and the Deferred Portion will be paid pursuant to a subordinate, promissory note (the “Federation Subordinated Obligation”) initially in the amount of \$3,000,000 issued at issuance of the Series 2014 Bonds. Any amounts advanced by the Federation pursuant to the Liquidity Support Agreement will be added to the principal amount of the Federation Subordinated Obligation. See “Liquidity Support” below. The Federation Subordinated Obligation will accrue interest at 4.0% per annum on the outstanding principal balance of the Federation Subordinated Obligation and the amount of unpaid accrued interest will not exceed the then outstanding proposed balance of the Federation Subordinated Obligation. No payment of principal or interest shall be made on the Federation Subordinated Obligation unless the following conditions have been satisfied: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the average Debt Service Coverage Ratio is not less than 1.35 for the preceding twelve months, and the Debt Service Coverage Ratio will not be less than 1.20 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio on the basis of the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (iii) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (iv) after the proposed payment, the Days’ Cash on Hand will not be less than 200, based on the written statement of the Accountant calculating the Days’ Cash on Hand required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project, collectively, have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing under the Master Indenture.

Liquidity Support. The Corporation, the Federation and the Master Trustee will enter into a Liquidity Support Agreement (the “Liquidity Support Agreement”) upon the issuance of the Series 2014 Bonds, for the Federation to provide liquidity support to the Corporation in the initial aggregate amount of \$11,000,000. The Federation has agreed to cause the financial institution holding such funds to execute an account control agreement (the “Control Agreement”) in a form reasonably acceptable to the Master Trustee sufficient to provide the Master Trustee with a perfected security interest in such funds. Any amounts advanced by the Federation will be added to the principal amount of the Federation Subordinated Obligation.

Pursuant to the Liquidity Support Agreement, at issuance of the Series 2014 Bonds, the Federation will deposit \$6,000,000 (the “Initial Deposit Amount”) with the Master Trustee to be held in the Liquidity Support Fund. Monies from the Liquidity Support Fund may be disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven days of receipt by the Master Trustee of an Officer’s Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations. See “SECURITY FOR THE SERIES 2014 BONDS – Funds and Accounts Held Under the Master Indenture and Bond Indenture – Liquidity Support” in the Official Statement. See also “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture” in Appendix C to the Official Statement.

The Initial Deposit Amount will be reduced to zero, and any balance in the Liquidity Support Fund will be paid to the Federation upon satisfaction of the following conditions: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days’ Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels, (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under the Master Indenture, the applicable Bond Indenture and the applicable Loan Agreement. If all tests other than (iii) above have been satisfied for eight

consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed.

The Liquidity Support Agreement will also provide for additional funding from the Federation (the “Liquidity Advances”) up to a maximum amount of \$5,000,000 (the “Maximum Amount”). The Maximum Amount will be reduced to \$2,000,000 upon repayment of the Series 2014D-2 Bonds and Series 2014C Bonds and upon the satisfaction of the following conditions: (i) the Entrances Fees held in escrow pursuant to Chapter 651, *Florida Statutes* have been released from escrow in accordance with the statute, (ii) there is no Event of Default under the Series 2014 Bond documents and (iii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents. The Maximum Amount will be further reduced to \$0, and the funding obligation under the Liquidity Support Agreement will be terminated, upon repayment of the Series 2014B Bonds, so long as (i) there is no Event of Default under the Series 2014 Bond documents and (ii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents.

During such time as the Series 2014D-2 Bonds are outstanding, Liquidity Advances may be drawn by the Master Trustee solely for the payment of interest on and principal of the Series 2014D-2 Bonds and only when the Corporation has no other funds available to make such payments (excluding the Debt Service Reserve Fund for the Series 2014D-2 Bonds), including during bankruptcy proceedings initiated by the Corporation.

Once the Series 2014D-2 Bonds have been repaid in full, Liquidity Advances may be requested by the Master Trustee and disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven days of receipt by the Master Trustee of an Officer’s Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

All amounts advanced from the Liquidity Support Fund and under the Liquidity Support Agreement shall constitute additional advances under the Federation Subordinated Obligation and will accrue interest at 4.0% per annum and the amount of unpaid accrued interest will not exceed the then outstanding proposed balance of the Federation Subordinated Obligation.

THE FEDERATION IS NOT LIABLE FOR PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2014A BONDS, SERIES 2014B BONDS, SERIES 2014C BONDS OR THE SERIES 2014D BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. THE FEDERATION HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF THE PROJECT AND HAS NO OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT.

See “SINAI RESIDENCES OF BOCA RATON” in Appendix A hereto for a description of the Corporation, the Federation and the Project. See also “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

History of the Project

In 2007, the Federation identified a need for the construction of a continuing care retirement community to service the medical, residential and other care needs of an aging population in south Palm Beach County, Florida. From 2007 to 2009, the Federation evaluated a number of alternatives for development of the Project and assembled a project team experienced in the development and financing of continuing care retirement communities. In connection with its pursuit of the Project, the Corporation caused the issuance of Refunded Notes, which were issued to finance pre-development costs of the Project, including, but not limited to, the architectural design, marketing, sales, preliminary construction planning, legal and accounting costs. The Corporation will retire the Refunded Notes in connection with the issuance of the Series 2014 Bonds.

The Project has been marketed to prospective residents through a phased marketing program, which included a mail survey and lead generation program, a “Friends Program,” a “Priority Program” and a reservation program. The Corporation caused a direct mail survey to be completed by Zillner Marketing Communications, Inc., which generated approximately 1,350 responses. The next step in the marketing program was to conduct the Friends Program, whereby qualified seniors, including those who expressed interest in their survey responses, were invited to information seminars to obtain high-level information on the Project. Attendees had the opportunity to register as “Friends of the Project” to indicate their interest in obtaining additional information. Following receipt of the Provisional Certificate of Authority (“PCOA”) from the Florida Office of Insurance Regulation (“OIR”), which allowed Operations Corporation to accept deposits in marketing the Project, the Corporation concluded the Friends Program and initiated a “Priority Program,” whereby Friends Program members could convert to Priority Members by placing nominal, fully refundable deposits of \$100. Becoming a Priority Member granted participants certain benefits through the “Charter Resident Program,” including discounted pricing, first selection of units and other benefits. The Charter Resident Program will only be available to a limited number of prospective residents.

In April 2012, the Corporation began accepting sales deposits (equal to 10% of the entrance fee) from Priority Members, who were introduced to the details of the Project in individual meetings with the Project’s sales counselors. To accept a reservation for a unit, prospective members are required to provide the 10% sales deposit for a specific unit and entrance fee plan and execute a Reservation Agreement (as defined below).

The marketing program is administered by a qualified, on-site marketing director who oversees the daily activities of the sales team as well as participating in sales activities. The Development Consultant (hereinafter defined) trains and manages the sales staff, coordinates and manages the marketing program, coordinated the design and construction of a sales information center, and provides support for the processing of resident applications and other aspects of the sales and marketing process.

See “SINAI RESIDENCES OF BOCA RATON” in Appendix A hereto.

Marketing and Presales

The Corporation began collecting 10% deposits for reservation of the Independent Living Units (the “Entrance Fee Deposits”) in April 2012. As of February 28, 2014, 203 of the 237 available Independent Living Units (approximately 85.7%) are reserved by prospective residents who have executed a reservation agreement (the “Reservation Agreement”), provided a self-disclosure of his or her health and finances and place a deposit equal to 10 percent of the Entrance Fee (the “Reservation Deposit”) on the selected Independent Living Unit. The remaining 90 of the Entrance Fee is due on or before the occupancy date (the “Occupancy Date”) of the Independent Living Unit. The Reservation Agreement reserves the right of the prospective resident to choose the selected Independent Living Unit and indicate his or her intent to execute a residence and care agreement (the “Residency Agreement”).

In connection with the Financial Feasibility Study, the depositors as of the date of the Financial Feasibility Study reported a median net worth of approximately \$2,405,000 and median annual income of approximately \$129,300. The average age of all depositors is approximately 83 years of age. Prospective residents terminating the Residency Agreement prior to occupancy will receive a refund of their Entrance Fee Deposit in full with interest, less any costs associated with optional amenities. See “SINAI RESIDENCES OF BOCA RATON - RESERVATIONS” in Appendix A hereto.

The Project Site

The Corporation will construct the Project on the on approximately 21 acres of land on the Federation Campus (the “Project Site”) currently owned by the Project Site Seller. The Corporation will acquire the Project Site upon the issuance of the Series 2014 Bonds and will pay \$14,000,000 for the Project Site (the “Project Site Purchase Price”). CBRE, Inc., Miami, Florida, prepared an appraisal for the Project Site dated as of November 24, 2013 (the “Appraisal”). The Appraisal concluded that the Project Site has an “as-is” value of \$14,000,000. The Corporation expects to receive an update of the Appraisal prior to the pricing of the Series 2014 Bonds. During the period of the offering of the Series 2014 Bonds, a copy of the Appraisal is available from the Underwriter, upon request.

The Project Site Seller will use the cash proceeds from the sale of the Project Site as follows: (i) \$2,000,000 will be loaned to the Corporation, (ii) \$11,000,000 will be used to provide liquidity support for the Project and (iii)

the Project Site Seller will deposit \$1,000,000 to be used for its own charitable purposes. See “The Federation – Financial Support to the Project” in this Short Statement.

The Project is anticipated to function independently of any other services or agencies located on the Federation campus, with the exception of shared access roads, security services and the provision of kosher meals (as may be requested by residents of the Project). However, entities affiliated with the Corporation will provide certain services to the Project. See “SINAI RESIDENCES OF BOCA RATON - Shared Services – Reciprocal Easement Agreement” in Appendix A hereto. The Project Site is approximately one-half mile east of U.S. Highway 441 (“US 441”) which provides access north to West Palm Beach, Florida or south to Miami, Florida. Interstate 95 runs parallel to US-441, and can be accessed approximately six miles northeast of the Project. Palm Tran provides bus service throughout the County via 34 bus routes and a paratransit service for the disabled. The nearest bus stop is located approximately a quarter of a mile west of the Project. The Project Site is located approximately 31 miles from both Ft. Lauderdale International Airport and Palm Beach International Airport. West Boca Medical Center is a 195 bed acute care hospital that is located approximately 0.2 miles from the Project. Boca Raton Community Hospital, a 366 bed acute care hospital, and Delray Medical Center, a 465 bed acute care hospital, are each located within 11 miles of the Project Site. Several synagogues are located within three miles of the Project Site. The Project Site is located approximately five miles west of Town Center Mall at Boca Raton which offers 25 restaurants and 220 stores, including Macy’s, Nordstrom, Bloomingdale’s, Saks Fifth Avenue and Neiman Marcus. There are several cultural and recreational activities within close proximity to the Project Site including the Boca Raton Museum of Art, the iPic Theater, Red Reef Park (which is a 67 acre ocean front park) and several public and private golf clubs.

The Corporation has defined the Primary Market Area (the “PMA”) for the Project to be a 14 zip code area surrounding the Project, spanning approximately 17 miles from the north to south and 12 miles from east to west. The total population within the PMA is 366,729 and the total population within the PMA that is 75 or over is estimated to be 75,553. According to the United States Department of Housing and Urban Development, the median household income for Palm Beach County is \$52,951, compared with \$47,827 for the State and \$40,816 for the United States. For more information on the PMA, see “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

Shared Services – Reciprocal Easement Agreement

The Corporation, together with the Jewish Community Facilities Corporation (“Facilities Corporation”) and other affiliates of the Federation, will be a party to a Reciprocal Easement and Cost Sharing Agreement (the “Easement Agreement”). The Easement Agreement will provide vehicle and pedestrian access to the Project Site across the Federation Campus. In addition, the Easement Agreement will provide that the Project benefit from a number of services provided by Facilities Corporation and the Federation for the Federation Campus. These services include security services, maintenance of the roads on the Federation Campus, storm water management services, perimeter landscaping, fencing, signage and other amenities located on the Federation Campus. As a party to the Easement Agreement, the Corporation will be obligated to pay its share of the costs for the services provided by Facilities Corporation. Expenses incurred under the Easement Agreement are allocated primarily based upon the acreage owned by the parties that is subject to the Easement Agreement. Management of the Corporation has included its estimate of the Project’s share of the expenses under the Easement Agreement in the forecasts provided in the Financial Feasibility Study.

The Development Consultant

The Corporation and Greenbrier Development, LLC (the “Development Consultant”) have entered into a Development Consulting Services Agreement dated as of January 15, 2011 (the “Original Greenbrier Development Consultant Agreement”), as amended by the Amendment to the Development Consulting Services Agreement dated as of June 1, 2013 (the “Amendment to Greenbrier Development Consultant Agreement” and collectively with the Original Greenbrier Development Consultant Agreement, the “Development Consultant Agreement”) pursuant to which the Development Consultant is providing development, consulting and other services related to the Project.

The Development Consultant is a privately-owned limited liability company organized and existing under the laws of the State of Delaware. The Development Consultant specializes in providing planning, development, marketing and strategic consulting services related to all areas critical to the senior housing and services business.

The Development Consultant currently has a staff of approximately 24 persons, and senior management has more than 150 years of combined experience in senior housing development. The Development Consultant is currently responsible for the development and/or marketing of approximately thirteen (13) senior living community development and expansion projects. The Development Consultant has provided strategic consulting services to more than 50 senior living communities and providers since 2006.

As compensation for services rendered pursuant to the Development Consultant Agreement, the Development Consultant is to be paid a base development consulting fee and a marketing fee. See “SINAI RESIDENCES OF BOCA RATON - DEVELOPMENT, MANAGEMENT AND MARKETING OF THE PROJECT – The Development Consultant, Greenbrier Development Consulting Services Agreement” in Appendix A hereto.

The Management Company

The Corporation and Life Care Services LLC, d/b/a Life Care ServicesTM, an Iowa limited liability company (“LCS”) entered into a Management Agreement dated as of October 15, 2012 (the “Management Agreement”) pursuant to which LCS will serve as the manager of the Project, and in connection therewith, to recommend and regularly evaluate policies and goals of the Corporation, implement the policies, budgets, directives and goals for the Project established by the Corporation, manage the day to day operations of the Project in accordance with the Corporation’s policies, directives and goals, provide the Corporation with relevant information as to past operations, and make recommendations as to the future operation of the Project.

LCS is a wholly-owned subsidiary of Life Care Companies LLC (“LCS”), an Iowa limited liability company. LCS is a nationally recognized leader in development and management of quality senior living communities, and has been instrumental in the planning, developing, and managing of senior living communities throughout the United States since 1971. The Manager and an affiliated company currently manage 110 retirement communities serving over 32,000 residents in 29 states and the District of Columbia. Life Care Services provides management services from its home office in Des Moines, Iowa and regional offices in Charlotte, North Carolina; Old Saybrook, Connecticut; Greenwood, Indiana; Delray Beach, Florida; San Diego, California; St. Louis, Missouri; Brooklyn Park, Minnesota; Hilton Head Island, South Carolina; Memphis, Tennessee; Argyle, Texas; and Austin, Texas.

See “SINAI RESIDENCES OF BOCA RATON - DEVELOPMENT, MANAGEMENT AND MARKETING OF THE PROJECT- Management, - Management Agreement” in Appendix A hereto.

Plan of Financing

Application of Series 2014 Bond Proceeds. The proceeds of the Series 2014 Bonds will be loaned by the Authority to the Corporation and will be used, together with other available money, to (i) pay or reimburse the Corporation for a portion of the costs of the Project; (ii) currently refund the Refunded Notes; (iii) fund a debt service reserve fund for the benefit of the holders of the Series 2014 Bonds; (iv) pay capitalized interest on the Series 2014 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds. See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Application of Series 2014D Bond Proceeds. The proceeds of the Series 2014 Bonds will be loaned by the Authority to the Corporation and will be used, together with other available money, to (i) pay or reimburse the Corporation for a portion of the costs of the Project; (ii) fund a debt service reserve fund for the benefit of the holders of the Series 2014D Bonds; (iv) pay capitalized interest on the Series 2014D Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014D Bonds. See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Application of Initial Entrance Fees. The Master Trustee will establish and maintain a separate fund to be known as the Entrance Fee Fund. All moneys received by the Master Trustee and held in the Entrance Fee Fund will be trust funds under the terms of the Master Indenture for the benefit of all of the Outstanding Obligations (except as otherwise provided). Such moneys will be held in trust and applied in accordance with the provisions of the Master Indenture.

(a) The Members of the Obligated Group agree that each portion of an Initial Entrance Fee received by the Members of the Obligated Group shall be transferred to the Master Trustee within five Business Days of the receipt thereof as follows:

(i) prior to the release described in subsection (c) below, each transfer shall also be accompanied by (A) a copy of the related entrance fee receipt forwarded to the Chapter 651 Entrance Fee Escrow Agent (an “Entrance Fee Receipt”), and (B) written directions from the Obligated Group Representative to the Master Trustee indicating the amount of such Initial Entrance Fee that is to be deposited to the Entrance Fee Fund (the “Discretionary Amount”) and the amount of such Initial Entrance Fee that is to be transferred to the Chapter 651 Entrance Fee Escrow Agent for deposit to the Entrance Fee Escrow Account (the “Escrowed Amount”), such Discretionary Amount shall be deposited and applied by the Master Trustee in accordance with subsection (b) below;

(ii) upon the release described in subsection (c) below, the Initial Entrance Fees so released and received by the Master Trustee shall be deposited and applied in accordance with subsection (c) below; and

(iii) After the release described in subsection (c) below, the Initial Entrance Fees received by the Master Trustee shall be deposited and applied in accordance with subsection (d) below.

The Master Trustee shall be entitled to conclusively rely on the determination of the Obligated Group Representative as to the allocation of the Initial Entrance Fee between the amounts to be deposited to the Entrance Fee Fund and the Entrance Fee Escrow Account and shall have no duty or obligation to review or verify any of the information or calculations set forth in the Entrance Fee Receipt, except to confirm receipt of the amount set forth therein.

(b) The Discretionary Amount shall be deposited to the Entrance Fee Fund and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer’s Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund and Entrance Fee Escrow Account. The Obligated Group Representative shall also provide a copy of such Officer’s Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, to the Working Capital Fund until the amount transferred to the Working Capital Fund, including all prior transfers, equals \$21,000,000.

THIRD: On each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an “Entrance Fee Transfer Date”) an amount not to exceed \$3,000,000 in the aggregate shall be transferred to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD above have been made, at the written request of the Obligated Group Representative, if any of the moneys have been withdrawn from the Working Capital Fund, to make an additional deposit to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000;

(c) Once the Escrowed Amount, together with any other amount on deposit in the Entrance Fee Escrow Account, is released pursuant to the terms of the Entrance Fee Escrow Agreement, the Obligated Group Representative shall direct the Chapter 651 Entrance Fee Escrow Agent to use such released moneys to fund the Minimum Liquid Reserve Accounts to their required level and then direct the Chapter 651 Entrance Fee Escrow Agent to transfer the remaining amount to the Master Trustee for deposit to the Entrance Fee Fund (such directions

to be provided in writing to the Chapter 651 Entrance Fee Escrow Agent with a copy to the Master Trustee) and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, while any Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, amounts shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

THIRD: To the Working Capital Fund, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD of this subsection (c) above have been made, while any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, the amount remaining shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

After the transfers described above have been made, thereafter the Master Trustee shall review the amount on deposit in the Entrance Fee Fund in accordance with subsection (d) below.

(d) After the release of Initial Entrance Fees by the Chapter 651 Entrance Fee Escrow Agent as described in subsection (c) above, all Initial Entrance Fees received by the Master Trustee will be deposited to the Entrance Fee Fund and on the first Business Day of each month thereafter (each, a "Review Date") the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall apply moneys on deposit therein in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH and (c) THIRD above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

THIRD: While any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each an Entrance Fee Transfer Date, the amount remaining shall be transferred to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

(e) Notwithstanding anything in the Master Indenture to the contrary, on each Entrance Fee Transfer Date the Master Trustee shall transfer Initial Entrance Fees first to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture until all of the Series 2014D-2 Bonds are paid in full and then to the Entrance Fee Redemption Account established under the Bond Indenture to be applied as set forth therein, it being understood that redemption of the Series 2014B Bonds from funds in the Entrance Fee Redemption Account established under the Bond Indenture shall not begin until the Series 2014C Bonds are paid in full.

(f) After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been redeemed or otherwise paid in full (as established by an Officer's Certificate of the Obligated Group Representative delivered to the Master Trustee) and no Event of Default has occurred and is continuing, the Members of the Obligated Group need not deposit any Entrance Fees into the Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Obligated Group Representative and the Entrance Fee Fund shall be closed.

Security for the Series 2014 Bonds

Loan Agreement. Pursuant to the Loan Agreement, the Corporation will agree to make loan payments to the Bond Trustee in such amounts as will pay, when due, the principal or redemption price of and interest on the Series 2014 Bonds. The Corporation's payment obligations with respect to the Series 2014 Bonds under the Loan Agreement will be a general obligation of the Corporation. Pursuant to the Bond Indenture, the Authority has assigned to the Bond Trustee all of its right, title and interest in and to, and remedies under, the Loan Agreement, except for certain reserved rights, including rights to reimbursement of expenses and indemnification.

Master Indenture. The obligation of the Corporation to repay the loan of the proceeds of the Series 2014 Bonds from the Authority will be evidenced by promissory notes of the Corporation (the "Series 2014 Obligations"), issued under and entitled to the benefit and security of a Master Trust Indenture dated as of June 1, 2014 (the "Original Master Indenture"), between the Corporation and the Master Trustee, as supplemented by Supplemental Indenture Number 1 dated as of June 1, 2014 (the "Supplemental Indenture" and together with the Original Master Indenture, the "Master Indenture"), between the Corporation, as Obligated Group Representative, and the Master Trustee. See "SECURITY FOR THE SERIES 2014 BONDS - The Master Indenture and the Mortgage" herein. See also "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture" in Appendix C hereto. The Corporation will initially be the only member of the Obligated Group under the Master Indenture, but additional Obligated Group Members may be admitted to the Obligated Group. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture - Admission of Obligated Group Members" in Appendix C hereto. The Series 2014 Obligations will constitute joint and several general obligations of the Obligated Group Members to pay amounts sufficient to pay principal, premium, if any, and interest on the Series 2014 Bonds. The Series 2014 Obligations will be secured on a parity basis with any other Obligations hereafter issued under the Master Indenture, except Subordinated Obligations, by a security interest in the Gross Revenues of the Obligated Group (including Entrance Fees and accounts receivable) and the funds established under the Master Indenture. 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, each Obligated Group Member is required to deposit with the Master Trustee for deposit into the Revenue Fund created under the Master Indenture all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrance) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no payment default under the Master Indenture then exists. See "SECURITY FOR THE SERIES 2014 BONDS - Funds and Accounts Held Under the Master Indenture and Bond Indenture - Revenue Fund" herein. See also "RISK FACTORS - Certain Matters Relating to the Enforceability of the Master Indenture."

Mortgage. The Series 2014 Obligations will also be secured on a parity basis with any other Obligations hereafter issued under the Master Indenture, except Subordinated Obligations, by a Mortgage and Security Agreement dated as of June 1, 2014 (the "Mortgage") from the Corporation to the Master Trustee granting a first lien and security interest in the Project Site. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Mortgage" in Appendix C hereto. The lien and security interests created by the Master Indenture and the Mortgage may become subject to additional Permitted Encumbrances, as defined in the Master Indenture. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS" in Appendix C hereto. Subordinated Obligations will be secured by the lien and security interests created by the Master Indenture, but payment of Subordinated Obligations will be subordinated to payment of all other Obligations issued under the Master Indenture, including the Series 2014

Obligations. The Mortgage includes an assignment to the Master Trustee of all leases and rents of, from or pertaining to the Project.

Security Interest in Gross Revenues. Pursuant to the Master Indenture, each member of the Obligated Group has granted a security interest in its Gross Revenues as security for the payment of the Series 2014 Obligations and all other Obligations issued under the Master Indenture. See “SECURITY FOR THE SERIES 2014 BONDS” and “RISK FACTORS – Certain Matters Relating to the Enforceability of the Master Indenture” herein.

“Gross Revenues” means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use of payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) all deposits made pursuant to Residency Agreements to be held in escrow until construction of the Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

Limited, Special Obligations. THE SERIES 2014 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE AUTHORITY, THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE SERIES 2014 BONDS SHALL BE A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE INCOME, REVENUES, AND RECEIPTS DERIVED FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2014 BONDS OR TO THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO MAKE ANY APPROPRIATION TO PAY THE PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS. THE SERIES 2014 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, THE COUNTY, OR THE AUTHORITY OR TAXING POWERS OF THE STATE OR THE COUNTY.

Working Capital Fund

The Master Trustee will establish a Working Capital Fund under the Master Indenture, which is expected to be funded initially in the amount of \$21,000,000 with Initial Entrance Fees deposited in the Entrance Fee Fund transferred to the Working Capital Fund as described above under “Plan of Financing – Application of Initial Entrance Fees.” Pursuant to the operation of the Entrance Fee Fund, at the written request of the Corporation, if any moneys have been withdrawn from the Working Capital Fund, an additional deposit can be made to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000.

Money in the Working Capital Fund will be available to pay (a) costs of completing the Project, (b) operating expenses of the Project, including any development and marketing fees, (c) the costs of needed repairs to

the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreement pursuant to which such Entrance Fees were received or (g) amounts due on any indebtedness of the Obligated Group, but not to reimburse amounts disbursed from the Liquidity Support Fund or advanced under the Liquidity Support Agreement. After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full and no Event of Default has occurred and is continuing, any amount on deposit in the Working Capital Fund will be remitted to the Obligated Group Representative and the Working Capital Fund will be closed.

Liquidity Support Fund

The Master Trustee will establish a Liquidity Support Fund under the Master Indenture with an initial deposit of \$6,000,000 (the "Initial Deposit") from the Federation simultaneously with the issuance of the Series 2014 Bonds. Pursuant to a Liquidity Support Agreement dated as of June 1, 2014 (the "Liquidity Support Agreement") between the Corporation, the Federation and the Master Trustee, the Federation agrees to deposit up to an additional \$5,000,000 (the "Support Obligation") to the Liquidity Support Fund. The Federation has agreed to cause the financial institution holding such funds to execute an account control agreement (the "Control Agreement") in a form reasonably acceptable to the Master Trustee sufficient to provide the Master Trustee with a perfected security interest in such funds. Any amounts advanced by the Federation will be added to the principal amount of the Federation Subordinated Obligation. Prior to the Reduction Date (as defined below), if at any time the Corporation needs money for the payment of interest on or principal of Series 2014D-2 Bonds, and no other funds are available to the Corporation to make such payments, the Corporation may direct the Master Trustee to make written demand for payment directing the Federation to transfer cash to the Corporation in the amount necessary to fund such payment on the Series 2014D-2 Bonds. Prior to the Reduction Date, advances of the Support Obligation may only be used to pay interest on or principal of the Series 2014D-2 Bonds. Prior to the Reduction Date, immediately upon any filing of a petition seeking reorganization or arrangement of the Corporation under the Federal Bankruptcy Code or any other similar applicable Federal or state law, the Master Trustee upon request of the Corporation will make written demand for payment directing Federation to transfer to the Master Trustee cash up to the then current unfunded balance of the Unfunded Obligation up to the outstanding interest on and principal balance of the Series 2014D-2 Bonds. After the Reduction Date, if the Corporation needs money for payment of working capital expenses, capital costs other than Project costs or operating expenses, and no moneys are on deposit in the Working Capital Fund or the Liquidity Support Fund held under the Master Indenture (other than amounts on deposit therein previously committed to pay such costs and expenses), the Master Trustee may make written demand for payment directing Federation to transfer cash to the Corporation in the amount necessary to pay such expenses. Amounts advanced may be used for any purpose permitted under the Master Indenture for monies that had been on deposit in the Liquidity Support Fund.

The Support Obligation will be reduced to \$2,000,000 (the "Reduction Date") when (i) the Series 2014D-2 Bonds and the Series 2014C Bonds have been paid in full and (ii) the Corporation delivers to the Master Trustee a certificate of a duly authorized officer of the Corporation certifying that: (A) the Entrance Fees held in escrow pursuant to Chapter 651, Florida Statutes have been released from escrow in accordance with the statute, (b) there is no Event of Default under the Master Indenture, the applicable Bonds Indenture and the Loan Agreement, and (c) the Corporation is compliance with the all of the covenants in the Master Indenture, Loan Agreement and Mortgage. The Support Obligation will be further reduced to \$0 when (i) the Series 2014C Bonds and Series 2014B Bonds have been repaid in full, and (ii) the Corporation delivers to the Master Trustee a certificate of a duly authorized officer of the Corporation stating that: (A) there is no Event of Default outstanding and continuing under the Master Indenture, the applicable Bond Indenture and the Mortgage and (B) the Corporation is in compliance with all of the covenants in the Master Indenture, the applicable Loan Agreement and Mortgage. If no moneys are available in the Working Capital Fund, the Corporation may withdraw moneys from the Liquidity Support Fund to the extent necessary to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

Pursuant to the Master Indenture, upon meeting the following conditions, the moneys remaining in the Liquidity Support Fund will be disbursed and the Liquidity Support Fund will be closed:: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an

average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days' Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels, (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under the Master Indenture, the applicable Bond Indenture and the applicable Loan Agreement. If all tests other than (iii) above have been satisfied for eight consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed.

Debt Service Reserve Fund

A Debt Service Reserve Fund will be established under the Bond Indenture (the "Debt Service Reserve Fund") and funded with the proceeds of the Series 2014 Bonds. There will be created three accounts within the Debt Service Reserve Fund: (i) a Series 2014A Account, (ii) a Series 2014B Account and (iii) a Series 2014C Account. Each account within the Debt Service Reserve Fund will be funded on the date of issuance of the Series 2014 Bonds (1) in the case of the Series 2014A Bonds, in the amount equal to the lesser of (a) the Maximum Annual Debt Service on the Series 2014A Bonds outstanding (which is defined to exclude the final year preceding final maturity of the Series 2014A Bonds), (b) 125% of the average annual debt service on the Series 2014A Bonds, and (c) 10% of the aggregate principal amount of Series 2014A Bonds, calculated on the basis of each Bond Year and (2) in the case of the Series 2014B Bonds and the Series 2014C Bonds, in an amount equal to one year's maximum interest thereon of the Series 2014B Bonds and the Series 2014C Bonds, respectively. The Debt Service Reserve Fund is available to pay the principal of and interest on the Series 2014 Bonds if payments by the Corporation are insufficient therefor. The monies in the Series 2014A Account are only available to pay debt service on the Series 2014A Bonds, the monies in the Series 2014B Account are only available to pay debt service on the Series 2014B Bonds and the monies in the Series 2014C Account are only available to pay debt service on the Series 2014C Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" and "SECURITY FOR THE SERIES 2014 BONDS – Funds and Accounts Held Under the Master Indenture and Bond Indenture - Debt Service Reserve Fund" herein.

A separate Series 2014D Debt Service Reserve Fund will also be funded for the benefit of the holders of the Series 2014D Bonds. **The Series 2014D Debt Service Reserve Fund does not secure the Series 2014 Bonds and the Debt Service Reserve Fund for the Series 2014 Bonds does not secure the Series 2014D Bonds.** The Series 2014D Debt Service Reserve Fund includes two accounts, one for the Series 2014D-1 Bonds and one for the Series 2014D-2 Bonds. The Series 2014D-1 Account within the Series 2014D-1 Debt Service Reserve Fund will be funded at closing and will be approximately equal to maximum annual debt service on the Series 2014D-1 Bonds. The Series 2014D-2 Bonds are expected to bear interest at 5.25^{*}% and the Series 2014D-2 Account within the Series 2014D Debt Service Reserve Fund is sized at one year's of interest payments assuming an average interest rate of 5.00% on the Series 2014D-2 Bonds. The Corporation may only withdraw monies from the Series 2014D Debt Service Reserve Fund with the consent of the Series 2014D Bondholder Representative. In addition, the Corporation's obligations to pay principal of and interest on the Series 2014D-2 Bonds are further secured by \$5,000,000 that is on deposit in a pooled investment account that is subject to an account control agreement in favor of the Series 2014D Bond Trustee and the Series 2014D Bondholder Representative.

Application of Initial Entrance Fees

For a visual presentation of the application of the Initial Entrance Fees, please see the diagram on the following page.

* Preliminary, subject to change

Prior to Escrow Release

The Corporation receives Initial Entrance Fees (“IEF”) and transfers them to the Master Trustee, who will apply the IEFs pursuant to the instructions of the Corporation. Total IEFs equal approximately \$141,784,408 at 100% occupancy and approximately \$134,590,000 at 95% occupancy.

Escrowed Amount

75% of each IEF, inclusive of the initial deposit, up to 70% ILU occupancy will be deposited into the Entrance Fee Escrow Account held by the Chapter 651 Escrow Agent for a total of approximately \$74,436,814.

Discretionary Amount

25% of each IEF before 70% ILU occupancy will be deposited into the Entrance Fee Fund for a total of \$24,812,271.

Refunds will be paid as needed.

The first \$21,000,000 collected in the Entrance Fee Fund will be deposited into the Working Capital Fund.

Upon release, the \$74,436,814 balance in the Entrance Fee Escrow Account will be used to fund the following estimated amounts:
 \$1,600,000 into the Debt Reserve Escrow Account,
 \$2,000,000 into the Operating Reserve Escrow Account, and
 \$1,400,000 into the Renewal and Replacement Escrow Account (collectively, the “Chapter 651 Required Reserves”), with the remaining \$69,436,814 (estimated) transferred to the Master Trustee.

The next \$3,000,000 in the Entrance Fee Fund will be transferred to the Entrance Fee Redemption Account and will be used to redeem Series 2014D-2 Bonds after the Escrow Release.

After Escrow Release

As they are received, the Corporation transfers 100% of collected IEFs to the Master Trustee to be deposited into the Entrance Fee Fund

If the Corporation has additional working capital needs, up to \$5,000,000 of any remaining Discretionary Amounts may be transferred to the Working Capital Fund, to not to exceed a balance of \$21,000,000.

Estimated cumulative Percentage of Initial Entrance Fees at Each Milestone

70% ↔

An amount is transferred to the Entrance Fee Redemption Account to make the total cumulative transfers to the Entrance Fee Redemption Account equal to \$71,375,000 to redeem Series 2014C Bonds and Series 2014D-2 Bonds.
 The amount transferred to the Entrance Fee Redemption Account does not equal the par value of the bond series being redeemed due to the Debt Service Reserve Fund for each series of bonds also being used as a source for redemption.

72.5% ↔

If the Corporation has additional working capital needs, an amount can be transferred to the Working Capital Fund sufficient to make the cumulative transfers to the Working Capital Fund equal to \$26,000,000.

81.5% ↔

An amount is transferred to the Entrance Fee Redemption Account equal to \$12,985,000 to redeem the Series 2014B Bonds. If the Corporation does not request an additional \$5,000,000 of working capital, then such monies could be applied to redeem Series 2014B Bond at approximately 79% occupancy.

Once the preceding items are satisfied, all future IEFs may be used by the Corporation as unrestricted cash. \$26,424,408 at 100% occupancy; \$19,230,000 at 95% occupancy

Priority of Draws from Various Funds

The following diagram shows the funds that are expected to be drawn on to fund working capital deficits, debt service, and costs of the Project.

Working Capital Fund

Expected deposit of \$21,000,000 with Initial Entrance Fees. Drawn down until depleted. After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full and no Event of Default has occurred and is continuing, any amount on deposit in the Working Capital Fund will be remitted to the Obligated Group Representative and the Working Capital Fund will be closed.

Can be used to pay (a) costs of completing the Project, (b) operating expenses of the Project, including, but not limited to, any development and marketing fees, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations, but not to reimburse amounts disbursed from the Liquidity Support Fund.

Liquidity Support Fund

Initial deposit of \$6,000,000. Under certain circumstances, the amounts remaining in the Liquidity Support Fund can be disbursed and the Liquidity Support Fund closed. See “SECURITY FOR THE SERIES 2014 BONDS – Funds and Accounts Held Under the Master Indenture and the Bond Indenture – Liquidity Support Fund” herein.

Can be used to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

Debt Service Reserve Fund

Series 2014A Account	\$11,065,112*
Series 2014B Account	\$1,015,000*
Series 2014C Account	\$3,575,000*

To be drawn on only if money in the Funded Interest Account of the Construction Fund, the Bond Fund, the Working Capital Fund and the Liquidity Support Fund is insufficient.

To be used only to pay debt service on the Series 2014 Bonds.

Certain Financial and Operating Covenants of the Corporation

Cumulative Cash Operating Loss Covenant. The Obligated Group covenants (the “Cumulative Cash Operating Loss Covenant”) that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Project (the “Initial Occupancy Date”) if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter immediately preceding Stable Occupancy (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash

* Preliminary, subject to change

Operating Loss not less than the amount set forth in the Master Indenture. See “SECURITY FOR THE SERIES 2014 BONDS Financial Covenants – Cumulative Cash Operating Loss Covenant” herein for a further description.

Debt Service Coverage Ratio Covenant. The Master Indenture requires the Obligated Group to calculate the Debt Service Coverage Ratio, commencing the earlier of (i) for each fiscal quarter, commencing with the earlier of (1) the first fiscal quarter following Stable Occupancy or (2) the fiscal quarter ending August 31, 2020, based on unaudited financial statements for the four consecutive fiscal quarters ending with such fiscal quarter (provided that for the first three fiscal quarters that the Debt Service Coverage Ratio is required to be computed, the Debt Service Coverage Ratio may be calculated, at the option of the Obligated Group Representative, on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed), and (ii) for each Fiscal Year, based on audited financial statements, commencing with the first Fiscal Year during which the Debt Service Coverage Ratio is required to be computed for each fiscal quarter. The required Debt Service Coverage Ratio is 1.20; provided, however, that for the first fiscal year in which the Debt Service Coverage Ratio is to be calculated, the Debt Service Coverage Ratio is 1.10. If the Obligated Group fails to achieve a Debt Service Coverage Ratio of at least 1.00, such failure shall constitute an Event of Default under the Master Indenture. See “SECURITY FOR THE SERIES 2014 BONDS - Financial Covenants - Debt Service Coverage Ratio Covenant” herein for a further description, including a description of the computation of the Debt Service Coverage Ratio and the actions required to be taken if such covenant is not met.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days’ Cash on Hand of the Obligated Group as of February 28 (or February 29 in a leap year) and August 31 of each Fiscal Year, commencing with the first such date after Stable Occupancy (each such date being a “Testing Date”).

“Days’ Cash on Hand” means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing Expenses (including interest on Indebtedness but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the trailing twelve months for the periods ending February 28 (or February 29 in a leap year) and August 31, as derived from the quarterly financial statements required to be delivered pursuant to the Master Indenture, by 365. Cash and Investments is defined as the sum of cash, cash equivalents, marketable securities of the Obligated Group Members, including without limitation board-designated assets, and any amounts, if any, on deposit in the Working Capital Fund, the Liquidity Support Fund and the Minimum Liquid Reserve Accounts, but excluding (a) trustee-held funds other than those described above, (b) donor-restricted funds and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 180 Days’ Cash on Hand (the “Liquidity Requirement”). Notwithstanding any other provision of the Master Indenture to the contrary, failure of the Obligated Group to achieve the required Liquidity Requirement for any Fiscal Year shall 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 retaining a Consultant and follows each recommendation contained in such Consultant’s 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 “SECURITY FOR THE SERIES 2014 BONDS – Financial Covenants - Liquidity Covenant” herein for a further description, including a description of the actions required to be taken if such covenant is not met on a Testing Date.

Marketing and Occupancy Requirements. Beginning with the first full fiscal quarter following the fiscal quarter in which the Series 2014 Bonds are issued, and ending with the first full fiscal quarter following Stable Occupancy, the Master Indenture requires the Obligated Group to use its best efforts to maintain the percentage of Independent Living Units that are part of the Project that are reserved with 10% deposits, or for which all related Entrance Fees have been paid, so as to meet certain Marketing Requirements. Commencing with the first fiscal quarter that ends not less than 60 days following the issuance of the first certificate of occupancy for the first building that is part of the Project containing Independent Living Units, and ending with the first full fiscal quarter following Stable Occupancy (each an “Occupancy Quarter”), the Obligated Group is required to use its best efforts to have occupied (i.e. all related Entrance Fees have been paid) the percentage of the total number of all Independent Living Units, so as to be in compliance with certain Occupancy Requirements. See “SECURITY FOR THE SERIES 2014 BONDS – Financial Covenants - Marketing Covenant” and “– Occupancy Covenant” herein for a further description, including actions required to be taken if such covenants are not met.

Management Company and Marketing Consultant. The Obligated Group is required to engage a Manager and a Marketing Consultant (which may be the same firm) at all times so long as any Obligation remains outstanding. Subject to satisfaction of certain conditions in the Master Indenture, the Manager and the Marketing Consultant may be related to the Members of the Obligated Group or an Affiliate of the Members of the Obligated Group. Under certain circumstances, the Members of the Obligated Group are required to retain a new Manager or Marketing Consultant or both. See “SECURITY FOR THE SERIES 2014 BONDS – Financial Covenants - Management Company and Marketing Consultant” herein.

Rating Solicitation Covenant. Under the Master Indenture, the Corporation has covenanted that it will seek a rating of the Series 2014 Bonds from any Rating Agency each year after a determination is made by the Corporation in consultation with the Underwriter that an investment grade rating is reasonably obtainable, until achievement of an investment grade rating, provided that if during any such year the Corporation receives a preliminary indication from any Rating Agency that the Series 2014 Bonds will not be assigned an investment grade rating, the Corporation is required to withdraw any request for such year to have such Rating Agency assign a rating to the Series 2014 Bonds.

Transfer of Cash to the Federation/Affiliate Payments. Pursuant to the Master Indenture, the Obligated Group may not make any payments, other than for the Federation Subordinated Obligation, or other transfer of cash to the Federation unless (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the average Debt Service Coverage Ratio of the Obligated Group for the preceding twelve months was not less than 1.30; (iii) there is no deficiency in any Debt Service Reserve Fund or the Minimum Liquid Reserve Accounts; (iv) the average Days’ Cash on Hand for the preceding twelve months was not less than 200; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing under the Master Indenture. If the Obligated Group is in compliance with requirements of the preceding sentence, the Obligated Group can transfer 50% of the cash reserves greater than 300 Days’ Cash on Hand and 100% of the amount greater than 375 Days’ Cash on Hand or the lesser of the most recently published BBB median ratio for either Fitch or Standard & Poor’s to the Federation or an Affiliate.

Consultant’s Report. Whenever a Consultant is required to be engaged under the Master Indenture the Consultant (including the specific individuals) the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and beneficial owners of the Series 2014 Bonds will be given independent access to the Consultant. Within 21 days after a Consultant is required to be retained, the Corporation will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Corporation, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Corporation. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Trustee and to each Required Information Recipient as soon as practicable but in no event later than 60 days after the date on which a Consultant is required to be retained. The Corporation shall follow the recommendations of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Incurrence of Indebtedness. Pursuant to the Master Indenture, the Obligated Group agrees to restrictions on the incurrence of additional indebtedness, as more fully described under the captions “SECURITY FOR THE SERIES 2014 BONDS – Additional Indebtedness” herein and “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture” in Appendix C hereto. To the extent that the conditions provided in the Master Indenture are met, such indebtedness may be secured on a parity basis with the Series 2014 Obligations.

Financial Feasibility Study

Dixon Hughes Goodman LLP, independent certified public accountants, has prepared the Financial Feasibility Study dated February 28, 2014 (the “Financial Feasibility Study”), included as Appendix B hereto. The Financial Feasibility Study includes management’s financial forecast for the seven years ending August 31, 2020. As stated in the Financial Feasibility Study, forecasted results usually differ from actual results because events and

circumstances frequently do not occur as expected, and those differences may be material. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein. See Appendix B hereto. The table on the following page shows the forecasted Debt Service Coverage Ratio for the fiscal year ending August 31, 2020 and the forecasted Days' Cash on Hand as of the end of such period. The information on the table below has been extracted from the Financial Feasibility Study included in Appendix B hereto.

Forecasted Financial Ratios
For the Year Ending August 31
(In Thousands, Except for Ratios)

Long-Term Debt Service Coverage Ratio	2020
Increase in net deficit	\$ (5,652)
Deduct:	
Entrance fee amortization	(2,129)
Add:	
Depreciation	4,334
Amortization	720
Interest expense	10,388
Entrance fees received - attrition (non-refundable)	1,721
Entrance fees received - attrition (refundable)	15,486
Entrance fees refunded	(9,078)
Income Available for Debt Service	\$ 15,790
Maximum Annual Debt Service ^(a)	\$ 11,320
Maximum Annual Debt Service Coverage Ratio	1.39x
<hr/>	
Days Cash on Hand	2020
Cash and cash equivalents	\$ 1,413
Investments	31,184
Statutory Debt Service Reserve Fund	1,524
Statutory Operating Reserve Fund	2,462
Statutory Renewal and Replacement Fund	2,462
Cash on hand	\$ 39,045
<hr/>	
Total expenses	34,163
Less:	
Depreciation	(4,334)
Amortization	(720)
Total expenses less depreciation and amortization	29,109
Daily operating expenses ^(b)	80
Days cash on hand	488
<hr/>	
Cash to Indebtedness Ratio ^(c)	2020
Cash and cash equivalents	\$ 1,413
Investments	31,184
Statutory Debt Service Reserve Fund	1,524
Statutory Operating Reserve Fund	2,462
Statutory Renewal and Replacement Fund	2,462
Series 2014A Debt Service Reserve Fund	11,065
Series 2014D Debt Service Reserve Fund	248
Funds Available for Debt Service	\$ 50,358
Long-Term Indebtedness Outstanding	\$ 121,750
Cash to Debt Ratio	41%

- (a) Maximum Annual Debt Service is equal to the greatest debt service requirements in the then current or any future fiscal year, other than the debt service requirements on the Series 2014B, Series 2014C and Series 2014D-2 Bonds.
- (b) Daily operating expenses are equal to total operating expenses less depreciation, and amortization divided by 365 days.
- (c) The Cash to Indebtedness Ratio is provided for informational purposes only. For purposes of the forecast Management and the Underwriter have assumed that Long-Term Indebtedness Outstanding includes the Series 2014 Senior and Subordinate Bonds only.

The above table should be considered in conjunction with the entire Financial Feasibility Study, included herein as Appendix B, to understand the Corporation's financial requirements and the assumptions upon which the Financial Feasibility Study is based. The realization of any financial forecast depends on future events the

occurrence of which cannot be assured. Therefore, the actual results realized may vary from the Financial Feasibility Study. Such variation could be material. See Appendix B hereto.

Certain Bondholders' Risks

AN INVESTMENT IN THE SERIES 2014 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE BONDHOLDER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, BEFORE MAKING AN INVESTMENT DECISION TO PURCHASE SERIES 2014 BONDS. SPECIAL REFERENCE IS MADE TO THE SECTIONS "SECURITY FOR THE SERIES 2014 BONDS" AND "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2014 BONDS. Careful consideration should be given to these risks and other risks described elsewhere in this Official Statement. Among other things, because the Series 2014 Bonds are payable solely from the revenues and assets of the Corporation and other money pledged to such payment, careful evaluation should be made of the assumptions and the rationale of the management of the Corporation described in the Financial Feasibility Study, and certain factors (including, but not limited to, the ability of the Corporation to attract residents and enter into Residency Agreements and manage the Project in a manner that maintains high occupancy levels), that may adversely affect the ability of the Corporation to generate sufficient revenues to pay its expenses of operation, including the principal, premium, if any, and interest on the Series 2014 Bonds.

Continuing Disclosure

Upon the issuance of the Series 2014 Bonds, the Corporation will execute and deliver a Continuing Disclosure Certificate for the benefit of the Holders of the Series 2014 Bonds. Pursuant to the Continuing Disclosure Certificate, the Corporation has agreed to provide certain operating and financial information annually and to provide notice of certain listed events. See "FINANCIAL REPORTING AND CONTINUING DISCLOSURE" herein and "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in Appendix E hereto.

Miscellaneous

No dealer, broker, salesman or other person has been authorized by the Authority, the Corporation, or the Underwriter to give any information or to make any representations with respect to this offering, other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2014 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinions contained 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 Authority or the Corporation since the date hereof.

This Official Statement contains a general description of the Series 2014 Bonds, the Authority, the Corporation, the Project and the plan of financing and sets forth certain provisions of the Bond Indenture, the Loan Agreement, the Master Indenture and the Mortgage. The description and summaries herein do not purport to be complete. The Authority has furnished only the information included herein under the section entitled "SHORT STATEMENT – The Authority" and "INTRODUCTION – The Authority," "THE AUTHORITY," and "LITIGATION – The Authority" herein. The Authority assumes no responsibility for the accuracy or completeness of any other information in this Official Statement. Persons interested in purchasing the Series 2014 Bonds should review carefully the Appendices attached hereto as well as copies of such documents, which prior to the issuance of the Series 2014 Bonds may be obtained from the Underwriter and, following the issuance of the Series 2014 Bonds, will be held by the Bond Trustee at its designated corporate trust office.

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 importance, and this Official Statement, including the Appendices, must be considered in its entirety.

**OFFICIAL STATEMENT
RELATING TO:**

\$189,885,000*
**PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS**

\$120,885,000*
**(Sinai Residences of
Boca Raton Project)
Series 2014A**

\$14,000,000*
**Entrance Fee
Principal Redemption BondsSM
(Sinai Residences of
Boca Raton Project)
Series 2014B**

\$55,000,000*
**Entrance Fee
Principal Redemption BondsSM
(Sinai Residences of
Boca Raton Project)
Series 2014C**

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 Palm Beach County Health Facilities Authority (the "Authority") of its \$120,885,000* Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A (the "Series 2014A Bonds"), \$14,000,000* Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B (the "Series 2014B Bonds") and \$55,000,000* Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C (the "Series 2014C Bonds" and, together with the Series 2014A Bonds and the Series 2014B Bonds, the "Series 2014 Bonds"). The Series 2014 Bonds are being issued pursuant to the laws of the State of Florida (the "State") under the provisions of Chapter 154, Part III and Chapter 159, Part II, Florida Statutes, as amended (the "Act"), and pursuant to an Indenture of Trust dated as of June 1, 2014 (the "Bond Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Bond Trustee"). Certain capitalized terms used herein are defined in "FORMS OF PRINCIPAL FINANCING DOCUMENTS" in Appendix C hereto.

All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the hereinafter defined Master Indenture, Loan Agreement, Bond Indenture and the Mortgage. 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 Authority

The Authority is a unit of government and a body corporate and politic of the State, established and validly existing under the Act. See "THE AUTHORITY" herein.

The Corporation

Federation CCRC Operations Corp., a Florida not-for-profit corporation (the "Corporation" or the "Obligated Group Representative") proposes to construct a continuing care retirement community to be known as "Sinai Residences of Boca Raton" to be located on approximately 21 acres of land on the Federation Campus in Boca Raton, Palm Beach County, Florida (the "Project"). The Project is planned to initially consist of 237 independent living units (the "Independent Living Units"), 48 assisted living units (the "Assisted Living Units"), 24 memory-support units (the "Memory Care Units") and 60 skilled nursing beds (the "Skilled Nursing Beds," and together with the Assisted Living Units and the Memory Care Units, the "Healthcare Center") and common areas. The Corporation is a Florida not-for-profit corporation. The Corporation has been determined by the Internal Revenue Service (the "IRS") to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation received a

* Preliminary, subject to change

determination letter from the IRS dated October 17, 2013 stating that the Corporation is a charitable organization as described in the Code.

Security for the Series 2014 Bonds

Pursuant to the Loan Agreement, the Corporation will agree to make loan payments to the Bond Trustee in such amounts as will pay, when due, the principal, premium, if any, and interest on the Series 2014 Bonds. The Corporation's payment obligations under the Loan Agreement will be a general obligation of the Corporation. Pursuant to the Bond Indenture, the Authority has assigned to the Bond Trustee all of its right, title and interest in and to, and remedies under, the Loan Agreement, except for certain reserved rights, including rights to reimbursement of expenses and indemnification.

The obligation of the Corporation to repay the loan from the Authority will be evidenced by promissory notes of the Corporation (the "Series 2014 Obligations") issued under and entitled to the benefit and security of a Master Trust Indenture, dated as of June 1, 2014 (the "Original Master Indenture"), between the Corporation and the Master Trustee, as supplemented by Supplemental Indenture Number 1 dated as of June 1, 2014 (the "Supplemental Indenture" and together with the Original Master Indenture, the "Master Indenture"), between the Corporation and the Master Trustee. See "SECURITY FOR THE SERIES 2014 BONDS - The Master Indenture and the Mortgage." See also "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture" in Appendix C hereto. The Corporation will initially be the only member of the Obligated Group under the Master Indenture, but additional Obligated Group Members may be admitted to the Obligated Group (see "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture – Admission of Obligated Group Members" in Appendix C hereto). The Series 2014 Obligations will constitute joint and several, general obligations of the Obligated Group to pay amounts sufficient to pay principal or redemption price of and interest on the Series 2014 Bonds. The Series 2014 Obligations will be secured on a parity basis with any other Obligations hereafter issued under the Master Indenture, except Subordinated Obligations, by a security interest in the Gross Revenues of the Obligated Group (including Entrance Fees and accounts receivable) and the Funds established under the Master Indenture.

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use of payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) all deposits made pursuant to Residency Agreements to be held in escrow until construction of the Facilities is completed, a certificate of occupancy has been issued and appropriate licenses, if required, have been issued, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

The Series 2014 Obligations will also be secured on a parity basis with any other Obligations hereafter issued under the Master Indenture, except Subordinated Obligations, by a Mortgage and Security Agreement dated as of June 1, 2014 (the "Mortgage") from the Corporation to the Master Trustee granting a first lien and security interest in the Project Site. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Mortgage" in Appendix C hereto. Subordinated Obligations will be secured by the lien and security interests created by the Master Indenture, but payment of Subordinated Obligations will be subordinated to payment of all other Obligations issued under the Master Indenture, including the Series 2014 Obligations.

The lien and security interests created by the Master Indenture and the Mortgage may become subject to additional Permitted Encumbrances, as defined in the Master Indenture. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS" in Appendix C hereto.

THE SERIES 2014 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE AUTHORITY, THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE SERIES 2014 BONDS SHALL BE A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE INCOME, REVENUES, AND RECEIPTS DERIVED FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2014 BONDS OR TO THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO MAKE ANY APPROPRIATION TO PAY THE PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS. THE SERIES 2014 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, THE COUNTY, OR THE AUTHORITY OR TAXING POWERS OF THE STATE OR THE COUNTY.

Certain Bondholders' Risks

AN INVESTMENT IN THE SERIES 2014 BONDS INVOLVES A SIGNIFICANT DEGREE OF RISK. A PROSPECTIVE BONDHOLDER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, BEFORE MAKING AN INVESTMENT DECISION TO PURCHASE SERIES 2014 BONDS. SPECIAL REFERENCE IS MADE TO THE SECTIONS "SECURITY FOR THE SERIES 2014 BONDS" AND "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2014 BONDS.

THE AUTHORITY

The Authority is a public body corporate and politic and was created by resolutions adopted by the Board of County Commissioners of Palm Beach County, Florida on April 12 and April 19, 1977 pursuant to the Act in response to a need for assistance in the development and maintenance of not-for-profit health care facilities within the County. The Authority has no taxing power, and neither the State, the County, nor any political subdivision of the State is any way liable for any payment of principal, interest or redemption premium on bonds or notes issued by the Authority. Members of the Authority receive no compensation, but are reimbursed for necessary expenses.

Pursuant to the Act, the Board of County Commissioners appointed five residents of the County as members of the Authority. Upon expiration of their terms, the Board of County Commissioners is to appoint successors for terms of four years each. Members are eligible for reappointment. The members of the Authority are:

<u>Member</u>	<u>Occupation</u>
Gerald N. Robinson, M.D.	Physician and Group Practice Administrator
James T. Howell, M.D.	Physician and University Professor
Tenna Wiles	Executive Director of County Medical Society
Jean E. Roude	Retired Businesswoman
Keysha L. Bryant	Pharmacist and University Professor

No member of the Authority is affiliated with the Corporation. The Authority has issued and has outstanding other issues of revenue bonds. None of such issues are payable from the revenues or secured by the security of the Series 2014 Bonds. The Authority may continue to issue other series of bonds for the purpose of financing projects for other health care facilities, which other series of bonds will be secured by and payable from the revenues of such other health care facilities.

THE CORPORATION AND THE PROJECT

The Corporation and the Project

The Corporation is a Florida not-for-profit corporation. The Corporation has been determined by the Internal Revenue Service (the “IRS”) to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The Corporation received a determination letter from the IRS dated October 17, 2013 stating that the Corporation is a charitable organization as described in the Code.

The Corporation proposes to construct a continuing care retirement community to be known as “Sinai Residences of Boca Raton” to be located on approximately 21 acres of land on the Federation Campus in Boca Raton, Palm Beach County, Florida (the “Project”). The Project is planned to initially consist of 237 independent living units (the “Independent Living Units”), 48 assisted living units (the “Assisted Living Units”), 24 memory-support units (the “Memory Care Units”) and 60 skilled nursing beds (the “Skilled Nursing Beds,” and together with the Assisted Living Units and the Memory Care Units, the “Healthcare Center”) and common areas. As of February 28, 2014, 203 of the 237 available Independent Living Units (approximately 85.7%) are reserved by prospective residents. See “Marketing and Presales” below.

See “SINAI RESIDENCES OF BOCA RATON” in Appendix A hereto for a description of the Corporation and the Project. See also “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

The Federation - Background

In 2009, the Jewish Federation of South Palm Beach County (the “Federation”), established the Corporation to develop and operate the Project. The Federation, a Florida not-for-profit corporation, was incorporated in November 1979 as a not-for-profit charitable organization described in Section 501(c)(3) of the Code. The Federation serves the communities of Boca Raton, Delray Beach and Highland Beach in the southern portion of Palm Beach County, Florida. A 2005 demographic study conducted for the Federation by Ira M. Sheskin, Ph.D., Associate Professor in the Department of Geography and Regional Studies at the University of Miami, concluded that the population of the region served by the Federation is approximately 41% Jewish (more than 131,000 residents). Management of the Corporation believes that the Jewish population as a percentage of the region’s population has increased since the date of the study. In 2013, the Federation raised over \$25 million that was distributed to more than 30 different Jewish agencies for programs and services. In 2013, the Federation spent over 89% of its budget on the delivery of programs and services. The Federation is consistently ranked among the top 15 Jewish agencies in the United States for fundraising.

The Federation operates an approximately 100 acre campus (the “Federation Campus”). The Federation Campus currently consists of approximately 300,000 square feet of office and community facilities, including administration and family services departments, the Donna Klein day school/early childhood center, space for cultural activities and a health and physical fitness center that includes a basketball gymnasium, tennis courts and a swimming pool. The Federation’s purpose is to further the welfare of the Jewish community in Palm Beach County, Florida, in Israel and in more than sixty countries around the world through fundraising, financial support and the delivery of philanthropic services. The Federation provides charitable services through (1) the Adolph & Rose Levis Jewish Community Center, (ii) the Donna Klein Jewish Academy, a private K-12 school, (iii) the Jewish Association for Residential Care and (iv) the Ruth Rales Jewish Family Services. In addition, the Federation provides programs and services through (1) the Jewish Community Foundation, which provides opportunities to support the continuity of Jewish life in south Palm Beach County, Florida, (2) the Jewish Community Relations Council, the public-policy and social-action arm of the Federation that works to unite the organized Jewish community and (3) the Jewish Education Commission which provides Jewish learning opportunities for people of all ages. Finally, the Federation works with a variety of affiliated-member and beneficiary-member agencies and organizations such as local temples and synagogues, as well as the American Jewish Committee, the Anti-Defamation League, Community Kollel, Hillel Day School, the Solomon Schechter Day School of Palm Beach County and the Torah Academy of Palm Beach County Weinbaum Yeshiva High School.

Services provided by the Federation include:

- Federation Transportation Service that provides nearly 80,000 one-way trips annually to a thousand elderly and disabled adults for medical appointments, grocery shopping, social services and other life sustaining activities.
- The Adolph and Rose Levis Jewish Community Center on the Federation Campus serves more than 30,000 participants in its various programs, including education, childcare, summer camps, special needs services, sports and wellness, cultural arts and adult services.
- The Ruth Rales Jewish Family Service that provides a wide range of services to over 35,000 people annually for people of all ages, including crisis intervention services and therapeutic counseling programs, and delivers over 10,000 kosher food packages per year to needy Jewish families and individuals.
- The Jewish Association of Residential Care, that provides housing and job-training programs for adults with developmental disabilities. Its' nearly 4 million hours of programming per year, including 24 hour care for its residents and vocational programs including culinary training, mailroom functions, environmental services and computer education.
- Four local Jewish day schools teaching over 1,000 students and providing nearly \$800,000 in financial aid for the students;
- Feeding nearly 600 individuals and families who receive food from its local food pantry.

The Federation has a history of providing care and housing for seniors. The Harry & Jeanette Weinberg House and the Shirley H. Gould House located on the Federation Campus are rental housing communities for low income seniors and handicapped individuals. These communities are both fully occupied and have an approximately three year waiting list. Each community received a score of 100 in their most recent HUD REAC inspection. In addition, the Federation provides adult day care and memory care services at the Adolph and Rose Levis Adult Day Care Center.

The Federation – Financial Support to the Project

Pre-Finance Capital Investment. The Federation is advancing approximately \$2,000,000 for initial site work at the Project Site and has also advanced approximately \$1,700,000 for various pursuit costs relating to the Project.

Sale of Project Site. In addition, the Federation (the “Project Site Seller”) will sell the Project Site to the Corporation for \$14,000,000. See “The Project Site” in this Short Statement. The Project Site Seller will use the cash proceeds from the sale of the Project Site as follows: (i) \$2,000,000 will be loaned to the Corporation (the “Deferred Portion”), (ii) \$11,000,000 will be used to provide liquidity support for the Project and (iii) the Project Site Seller will deposit \$1,000,000 to be used for its own charitable purposes. See “Liquidity Support” below and “THE CORPORATION AND THE PROJECT – Liquidity Support” herein.

Development Services. Pursuant to a Development Services Agreement, the Corporation has agreed to pay the Federation a development fee in the amount of \$1,000,000 (the “Federation Fee”) in consideration of past and future support staff and services provided by the Federation to the Corporation. Under the Development Services Agreement, the Federation will continue to provide support staff and services to the Corporation until Sinai Residences opens for residents. The Federation Fee will be not be paid at the closing of the Series 2014 Bonds and will be deferred as described in “Federation Subordinated Obligation” below.

Federation Subordinated Obligation. The Federation Fee and the Deferred Portion will be paid pursuant to a subordinate, promissory note (the “Federation Subordinated Obligation”) initially in the amount of \$3,000,000 issued at issuance of the Series 2014 Bonds. Any amounts advanced by the Federation pursuant to the Liquidity Support Agreement will be added to the principal amount of the Federation Subordinated Obligation. See “Liquidity Support” below. The Federation Subordinated Obligation will accrue interest at 4.0% per annum on the outstanding principal balance of the Federation Subordinated Obligation and the amount of unpaid accrued interest will not

exceed the then outstanding proposed balance of the Federation Subordinated Obligation. No payment of principal or interest shall be made on the Federation Subordinated Obligation unless the following conditions have been satisfied: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the average Debt Service Coverage Ratio is not less than 1.35 for the preceding twelve months, and the Debt Service Coverage Ratio will not be less than 1.20 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio on the basis of the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (iii) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (iv) after the proposed payment, the Days' Cash on Hand will not be less than 200, based on the written statement of the Accountant calculating the Days' Cash on Hand required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project, collectively, have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing under the Master Indenture.

Liquidity Support. The Corporation, the Federation and the Master Trustee will enter into a Liquidity Support Agreement (the "Liquidity Support Agreement") upon the issuance of the Series 2014 Bonds, for the Federation to provide liquidity support to the Corporation in the initial aggregate amount of \$11,000,000. The Federation has agreed to cause the financial institution holding such funds to execute an account control agreement (the "Control Agreement") in a form reasonably acceptable to the Master Trustee sufficient to provide the Master Trustee with a perfected security interest in such funds. Any amounts advanced by the Federation will be added to the principal amount of the Federation Subordinated Obligation.

Pursuant to the Liquidity Support Agreement, at issuance of the Series 2014 Bonds, the Federation will deposit \$6,000,000 (the "Initial Deposit Amount") with the Master Trustee to be held in the Liquidity Support Fund. Monies from the Liquidity Support Fund may be disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven days of receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations. See "SECURITY FOR THE SERIES 2014 BONDS – Funds and Accounts Held Under the Master Indenture and Bond Indenture – Liquidity Support" in the Official Statement. See also "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture" in Appendix C to the Official Statement.

The Initial Deposit Amount will be reduced to zero, and any balance in the Liquidity Support Fund will be paid to the Federation upon satisfaction of the following conditions: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days' Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels, (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under the Master Indenture, the applicable Bond Indenture and the applicable Loan Agreement. If all tests other than (iii) above have been satisfied for eight consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed.

The Liquidity Support Agreement will also provide for additional funding from the Federation (the "Liquidity Advances") up to a maximum amount of \$5,000,000 (the "Maximum Amount"). The Maximum Amount

will be reduced to \$2,000,000 upon repayment of the Series 2014D-2 Bonds and Series 2014C Bonds and upon the satisfaction of the following conditions: (i) the Entrances Fees held in escrow pursuant to Chapter 651, *Florida Statutes* have been released from escrow in accordance with the statute, (ii) there is no Event of Default under the Series 2014 Bond documents and (iii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents. The Maximum Amount will be further reduced to \$0, and the funding obligation under the Liquidity Support Agreement will be terminated, upon repayment of the Series 2014B Bonds, so long as (i) there is no Event of Default under the Series 2014 Bond documents and (ii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents.

During such time as the Series 2014D-2 Bonds are outstanding, Liquidity Advances may be drawn by the Master Trustee solely for the payment of interest on and principal of the Series 2014D-2 Bonds and only when the Corporation has no other funds available to make such payments (excluding the Debt Service Reserve Fund for the Series 2014D-2 Bonds), including during bankruptcy proceedings initiated by the Corporation.

Once the Series 2014D-2 Bonds have been repaid in full, Liquidity Advances may be requested by the Master Trustee and disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven days of receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

All amounts advanced from the Liquidity Support Fund and under the Liquidity Support Agreement shall constitute additional advances under the Federation Subordinated Obligation and will accrue interest at 4.0% per annum and the amount of unpaid accrued interest will not exceed the outstanding proposed balance of the Federation Subordinated Obligation.

THE FEDERATION IS NOT LIABLE FOR PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2014A BONDS, SERIES 2014B BONDS, SERIES 2014C BONDS OR THE SERIES 2014D BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. THE FEDERATION HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF THE PROJECT AND HAS NO OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT.

See "SINAI RESIDENCES OF BOCA RATON" in Appendix A hereto for a description of the Corporation, the Federation and the Project. See also "FINANCIAL FEASIBILITY STUDY" in Appendix B hereto.

History of the Project

In 2007, the Federation identified a need for the construction of a continuing care retirement community to service the medical, residential and other care needs of an aging population in south Palm Beach County, Florida. From 2007 to 2009, the Federation evaluated a number of alternatives for development of the Project and assembled a project team experienced in the development and financing of continuing care retirement communities. In connection with its pursuit of the Project, the Corporation caused the issuance of Refunded Notes, which were issued to finance pre-development costs of the Project, including, but not limited to, the architectural design, marketing, sales, preliminary construction planning, legal and accounting costs. The Corporation will retire the Refunded Notes in connection with the issuance of the Series 2014 Bonds.

The Project has been marketed to prospective residents through a phased marketing program, which included a mail survey and lead generation program, a "Friends Program," a "Priority Program" and a reservation program. The Corporation caused a direct mail survey to be completed by Zillner Marketing Communications, Inc., which generated approximately 1,350 responses. The next step in the marketing program was to conduct the Friends Program, whereby qualified seniors, including those who expressed interest in their survey responses, were invited to information seminars to obtain high-level information on the Project. Attendees had the opportunity to register as "Friends of the Project" to indicate their interest in obtaining additional information. Following receipt of the

Provisional Certificate of Authority (“PCOA”) from the Florida Office of Insurance Regulation (“OIR”), which allowed Operations Corporation to accept deposits in marketing the Project, the Corporation concluded the Friends Program and initiated a “Priority Program,” whereby Friends Program members could convert to Priority Members by placing nominal, fully refundable deposits of \$100. Becoming a Priority Member granted participants certain benefits through the “Charter Resident Program,” including discounted pricing, first selection of units and other benefits. The Charter Resident Program will only be available to a limited number of prospective residents.

In April 2012, the Corporation began accepting sales deposits (equal to 10% of the entrance fee) from Priority Members, who were introduced to the details of the Project in individual meetings with the Project’s sales counselors. To accept a reservation for a unit, prospective members are required to provide the 10% sales deposit for a specific unit and entrance fee plan and execute a Reservation Agreement (as defined below).

The marketing program is administered by a qualified, on-site marketing director who oversees the daily activities of the sales team as well as participating in sales activities. The Development Consultant (hereinafter defined) trains and manages the sales staff, coordinates and manages the marketing program, coordinated the design and construction of a sales information center, and provides support for the processing of resident applications and other aspects of the sales and marketing process.

See “SINAI RESIDENCES OF BOCA RATON” in Appendix A hereto.

Marketing and Presales

The Corporation began collecting 10% deposits for reservation of the Independent Living Units (the “Entrance Fee Deposits”) in April 2012. As of February 28, 2014, 203 of the 237 available Independent Living Units (approximately 85.7%) are reserved by prospective residents who have executed a reservation agreement (the “Reservation Agreement”), provided a self-disclosure of his or her health and finances and place a deposit equal to 10 percent of the Entrance Fee (the “Reservation Deposit”) on the selected Independent Living Unit. The remaining 90 of the Entrance Fee is due on or before the occupancy date (the “Occupancy Date”) of the Independent Living Unit. The Reservation Agreement reserves the right of the prospective resident to choose the selected Independent Living Unit and indicate his or her intent to execute a residence and care agreement (the “Residency Agreement”).

In connection with the Financial Feasibility Study, the depositors as of the date of the Financial Feasibility Study reported a median net worth of approximately \$2,405,000 and median annual income of approximately \$129,300. The average age of all depositors is approximately 83 years of age. Prospective residents terminating the Residency Agreement prior to occupancy will receive a refund of their Entrance Fee Deposit in full with interest, less any costs associated with optional amenities. See “SINAI RESIDENCES OF BOCA RATON - RESERVATIONS” in Appendix A hereto.

The Project Site

The Corporation will construct the Project on the on approximately 21 acres of land on the Federation Campus (the “Project Site”) owned by the Federation (the “Project Site Seller”). The Corporation will acquire the Project Site upon the issuance of the Series 2014 Bonds and will pay \$14,000,000 for the Project Site (the “Project Site Purchase Price”). CBRE, Inc., Miami, Florida, prepared an appraisal for the Project Site dated as of November 24, 2013 (the “Appraisal”). The Appraisal concluded that the Project Site has an “as-is” value of \$14,000,000. The Corporation expects to receive an update of the Appraisal prior to the pricing of the Series 2014 Bonds. During the period of the offering of the Series 2014 Bonds, a copy of the Appraisal is available from the Underwriter, upon request.

The Project Site Seller will use the cash proceeds from the sale of the Project Site as follows: (i) \$2,000,000 will be loaned to the Corporation, (ii) \$11,000,000 will be used to provide liquidity support for the Project and (iii) the Project Site Seller will deposit \$1,000,000 to be used for its own charitable purposes.

The Project is anticipated to function independent of any other services or agencies located on the Federation campus, with the exception of shared access roads, security services and the provision of kosher meals (as may be requested by residents of the Project). However, entities affiliated with the Corporation will provide certain services to the Project. See “SINAI RESIDENCES OF BOCA RATON - Shared Services – Reciprocal

Easement Agreement” in Appendix A hereto. The Project Site is approximately one-half mile east of U.S. Highway 441 (“US 441”) which provides access north to West Palm Beach, Florida or south to Miami, Florida. Interstate 95 runs parallel to US-441, and can be accessed approximately six miles northeast of the Project. Palm Tran provides bus service throughout the County via 34 bus routes and a paratransit service for the disabled. The nearest bus stop is located approximately a quarter of a mile west of the Project. The Project Site is located approximately 31 miles from both Ft. Lauderdale International Airport and Palm Beach International Airport. West Boca Medical Center is a 195 bed acute care hospital that is located approximately 0.2 miles from the Project. Boca Raton Community Hospital, a 366 bed acute care hospital, and Delray Medical Center, a 465 bed acute care hospital, are each located within 11 miles of the Project Site. Several synagogues are located within three miles of the Project Site. The Project Site is located approximately five miles west of Town Center Mall at Boca Raton which offers 25 restaurants and 220 stores, including Macy’s, Nordstrom, Bloomingdale’s, Saks Fifth Avenue and Neiman Marcus. There are several cultural and recreational activities within close proximity to the Project Site including the Boca Raton Museum of Art, the iPic Theater, Red Reef Park (which is a 67 acre ocean front park) and several public and private golf clubs.

The Corporation has defined the Primary Market Area (the “PMA”) for the Project to be a 14 zip code area surrounding the Project, spanning approximately 17 miles from the north to south and 12 miles from east to west. The total population within the PMA is 366,729 and the total population within the PMA that is 75 or over is estimated to be 75,553. According to the United States Department of Housing and Urban Development, the median household income for Palm Beach County is \$52,951, compared with \$47,827 for the State and \$40,816 for the United States. For more information on the PMA, see “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

Shared Services – Reciprocal Easement Agreement

The Corporation, together with the Jewish Community Facilities Corporation (“Facilities Corporation”) and other affiliates of the Federation, will be a party to a Reciprocal Easement and Cost Sharing Agreement (the “Easement Agreement”). The Easement Agreement will provide vehicle and pedestrian access to the Project Site across the Federation Campus. In addition, the Easement Agreement will provide that the Project benefit from a number of services provided by Facilities Corporation and the Federation for the Federation Campus. These services include security services, maintenance of the roads on the Federation Campus, storm water management services, perimeter landscaping, fencing, signage and other amenities located on the Federation Campus. As a party to the Easement Agreement, the Corporation will be obligated to pay its share of the costs for the services provided by Facilities Corporation. Expenses incurred under the Easement Agreement are allocated primarily based upon the acreage owned by the parties that is subject to the Easement Agreement. Management of the Corporation has included its estimate of the Project’s share of the expenses under the Easement Agreement in the forecasts provided in the Financial Feasibility Study.

The Development Consultant

The Corporation and Greenbrier Development, LLC (the “Development Consultant”) have entered into a Development Consulting Services Agreement dated as of January 15, 2011 (the “Original Greenbrier Development Consultant Agreement”), as amended by the Amendment to the Development Consulting Services Agreement dated as of June 1, 2013 (the “Amendment to Greenbrier Development Consultant Agreement” and collectively with the Original Greenbrier Development Consultant Agreement, the “Development Consultant Agreement”) pursuant to which the Development Consultant is providing development, consulting and other services related to the Project.

The Development Consultant is a privately-owned limited liability company organized and existing under the laws of the State of Delaware. The Development Consultant specializes in providing planning, development, marketing and strategic consulting services related to all areas critical to the senior housing and services business. The Development Consultant currently has a staff of approximately 24 persons, and senior management has more than 150 years of combined experience in senior housing development. The Development Consultant is currently responsible for the development and/or marketing of approximately thirteen (13) senior living community development and expansion projects. The Development Consultant has provided strategic consulting services to more than 50 senior living communities and providers since 2006.

As compensation for services rendered pursuant to the Development Consultant Agreement, the Development Consultant is to be paid a base development consulting fee and a marketing fee. See “SINAI RESIDENCES OF BOCA RATON - DEVELOPMENT, MANAGEMENT AND MARKETING OF THE PROJECT – The Development Consultant, Greenbrier Development Consulting Services Agreement” in Appendix A hereto.

The Management Company

The Corporation and Life Care Services LLC, d/b/a Life Care ServicesTM, an Iowa limited liability company (“LCS”) entered into a Management Agreement dated as of October 15, 2012 (the “Management Agreement”) pursuant to which LCS will serve as the manager of the Project, and in connection therewith, to recommend and regularly evaluate policies and goals of the Corporation, implement the policies, budgets, directives and goals for the Project established by the Corporation, manage the day to day operations of the Project in accordance with the Corporation’s policies, directives and goals, provide the Corporation with relevant information as to past operations, and make recommendations as to the future operation of the Project.

LCS is a wholly-owned subsidiary of Life Care Companies LLC (“LCS”), an Iowa limited liability company. LCS is a nationally recognized leader in development and management of quality senior living communities, and has been instrumental in the planning, developing, and managing of senior living communities throughout the United States since 1971. The Manager and an affiliated company currently manage 110 retirement communities serving over 32,000 residents in 29 states and the District of Columbia. Life Care Services provides management services from its home office in Des Moines, Iowa and regional offices in Charlotte, North Carolina; Old Saybrook, Connecticut; Greenwood, Indiana; Delray Beach, Florida; San Diego, California; St. Louis, Missouri; Brooklyn Park, Minnesota; Hilton Head Island, South Carolina; Memphis, Tennessee; Argyle, Texas; and Austin, Texas.

See “SINAI RESIDENCES OF BOCA RATON - DEVELOPMENT, MANAGEMENT AND MARKETING OF THE PROJECT- Management, - Management Agreement” in Appendix A hereto.

PLAN OF FINANCING

Application of Series 2014 Bond Proceeds. The proceeds of the Series 2014 Bonds will be loaned by the Authority to the Corporation and will be used, together with other available money, to (i) pay or reimburse the Corporation for a portion of the costs of the Project; (ii) currently refund the Refunded Notes; (iii) fund a debt service reserve fund for the benefit of the holders of the Series 2014 Bonds; (iv) pay capitalized interest on the Series 2014 Bonds; and (v) pay certain expenses incurred in connection with the issuance of the Series 2014 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Application of Series 2014D Bond Proceeds. The proceeds of the Series 2014 Bonds will be loaned by the Authority to the Corporation and will be used, together with other available money, to (i) pay or reimburse the Corporation for the payment of portion of the costs of the Project; (ii) fund a debt service reserve fund for the benefit of the holders of the Series 2014D Bonds; (iii) pay capitalized interest on the Series 2014D Bonds; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014D Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Concurrently with the issuance of the Series 2014 Bonds, the Authority will issue its (i) not to exceed \$3,000,000* Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 (the “Series 2014D-1 Bonds”) and (ii) not to exceed \$21,000,000* Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-2 (the “Series 2014D-2 Bonds” and collectively with the Series 2014D-1 Bonds, the “Series 2014D Bonds”). The Series 2014D Bonds are issued pursuant to the Act, a resolution of the Authority to be adopted by the governing body of the Authority and a separate Indenture of Trust dated as of June 1, 2014 (the “Series 2014D Bond Indenture”) between the Authority and U.S. Bank National Association, as bond trustee for the Series 2014D Bonds (the “Series 2014D Bond Trustee”). Pursuant to a Loan Agreement dated as of June 1, 2014 (the “Series 2014D Loan Agreement”), the Authority will lend the proceeds of the Series 2014D Bonds to the

* Preliminary, subject to change

Corporation and the Corporation will agree to make loan payments at times sufficient to pay principal, premium (if any) and interest on the Series 2014D Bonds. The Series 2014D Bonds are secured by a promissory note (the “Series 2014D Obligation”) issued pursuant to the Master Indenture on a parity with all of the Series 2014 Obligations. The sale of the Series 2014 Bonds is contingent upon the sale of the Series 2014D Bonds. **The Series 2014D Bonds are not being offered pursuant to this Official Statement.**

The Series 2014D Bonds are being issued on a draw-down basis. Hamlin Capital Management, LLC (the “Series 2014D Bondholder Representative”) is serving as the representative of the Holders of the Series 2014D Bonds. The Series 2014D Bondholder Representative has purchased draw down bonds in an aggregate amount of approximately \$230 million for six other senior living projects, with one issue as large as \$82 million to construct another start up continuing care retirement community. The purchase price of the Series 2014D Bonds will be paid through periodic advances of the proceeds of the Series 2014D Bonds (“Series 2014D Bond Proceeds Advances”) in accordance with the Series 2014D Bond Indenture and a Bond Purchase Agreement among the Authority, the Corporation, Herbert J. Sims & Co., Inc. and Cross Point Capital, LLC (the “Series 2014D Bond Purchase Agreement”) dated the date of this Official Statement. Except as otherwise provided in the Series 2014D Bond Indenture, the principal amount of Series 2014D Bonds outstanding and due shall only be the aggregate amount as has been drawn down and interest shall only accrue on such principal amount of Series 2014D Bonds as has actually been drawn. See “CERTAIN BONDHOLDERS’ RISKS – Series 2014D Bonds are Draw-Down Bonds.”

To secure its obligation to fund properly requested Series 2014D Bond Proceeds Advances, the Series 2014D Bondholder Representative will cause Deutsche Bank AG, New York Branch (“Deutsche Bank”) to issue an irrevocable letter of credit (the “Deutsche Bank Letter of Credit”) in favor of the Series 2014D Bond Trustee guaranteeing the prompt advances of Series 2014D Bond Proceeds Advances in the event that the Series 2014D Bondholder Representative does not or is unable to honor a proper request for an advance of Series 2014D Bond Proceeds Advances. Deutsche Bank reports that it has total assets of \$2.3 trillion serving approximately 30 million clients in over 70 countries. The senior debt ratings of Deutsche Bank are A2 (Moody’s Investor Service), A (Standard & Poor’s) and A+ (Fitch Ratings). In the event that the Series 2014D Bondholder Representative does not honor or fund a properly presented request for Advances of Series 2014D Bond Proceeds, the Series 2014D Bond Trustee will draw on the Deutsche Bank Letter of Credit and such proceeds will be used to honor a proper request for a Series 2014D Bond Proceeds Advance. The initial term of the Deutsche Bank Letter of Credit is for one year and Deutsche Bank has the option to renew for another year. If the Deutsche Bank Letter of Credit is not renewed beyond its initial term, the Series 2014D Bond Trustee is directed to draw on the Deutsche Bank Letter of Credit and use the proceeds of the drawing to purchase the Series 2014D Bond Proceeds Advances, if necessary.

Each advance of Series 2014D Bonds (an “Advance”) will include a deposit to the Project Account of the Construction Fund, the Funded Interest Account of the Construction Fund and the Cost of Issuance Fund, each such fund created and existing pursuant to the Series 2014D Bond Indenture. The initial Advance of each respective subseries of Series 2014D Bonds shall include a deposit to the corresponding account of a debt service reserve fund created under the Series 2014D Bond Indenture (the “Series 2014D Debt Service Reserve Fund”). The Corporation may only withdraw monies from the Series 2014D Debt Service Reserve Fund with the consent of the Series 2014D Bondholder Representative. Advances, other than the initial Advance, shall be funded on any Business Day requested by the Corporation but in no event more frequently than once per calendar quarter and shall be made in accordance with the Disbursement Agreement (as hereinafter defined).

The Series 2014D-2 Bonds are expected to be drawn quarterly, commencing on the date of issuance of the Series 2014 Bonds, in equal installments of \$3,000,000. The Series 2014D-1 Bonds are expected to be drawn in connection with the final disbursement request from the Corporation during the period of the construction of the Project.

The Series 2014D Bond Trustee shall authenticate and deliver additional Series 2014D Bonds representing subsequent Advances of the respective series of Series 2014D Bonds upon its receipt of certain deliverables required under the Series 2014D Bond Indenture. The Series 2014D-1 Bonds are subject to optional redemption prior to maturity by the Authority at the written direction of the Corporation in whole or in part on any date on and after June 1, 20__, at a redemption price equal to the principal amount of such Series 2014D-1 Bonds to be redeemed, together with accrued interest to the redemption date. The Series 2014D-2 Bonds are payable from the release of Initial Entrance Fees in accordance with the operation of the Entrance Fee Fund prior to the use of such Entrance

Fees to the redemption of payment of the Series 2014 Bonds. See “Plan of Financing – Application of Initial Entrance Fees” herein. The Series 2014D-1 Bonds are payable as shown in “DEBT SERVICE SCHEDULE” herein.

A separate Series 2014D Debt Service Reserve Fund will also be funded for the benefit of the holders of the Series 2014D Bonds. **The Series 2014D Debt Service Reserve Fund does not secure the Series 2014 Bonds and the Debt Service Reserve Fund for the Series 2014 Bonds does not secure the Series 2014D Bonds.** The Series 2014D Debt Service Reserve Fund includes two accounts, one for the Series 2014D-1 Bonds and one for the Series 2014D-2 Bonds. The Series 2014D-1 Account within the Series 2014D-1 Debt Service Reserve Fund will be funded at closing and will be approximately equal to maximum annual debt service on the Series 2014D-1 Bonds. The Series 2014D-2 Bonds are expected to bear interest at 5.25*% and the Series 2014D-2 Account within the Series 2014D Debt Service Reserve Fund is sized at one year’s of interest payments assuming an average interest rate of 5.00% on the Series 2014D-2 Bonds. The Corporation may only withdraw monies from the Series 2014D Debt Service Reserve Fund with the consent of the Series 2014D Bondholder Representative. In addition, the Corporation’s obligations to pay principal of and interest on the Series 2014D-2 Bonds are further secured by \$5,000,000 that is on deposit in a pooled investment account that is subject to an account control agreement in favor of the Series 2014D Bond Trustee and the Series 2014D Bondholder Representative.

Application of Initial Entrance Fees. The Master Trustee will establish and maintain a separate fund to be known as the Entrance Fee Fund. All moneys received by the Master Trustee and held in the Entrance Fee Fund will be trust funds under the terms of the Master Indenture for the benefit of all of the Outstanding Obligations (except as otherwise provided). Such moneys will be held in trust and applied in accordance with the provisions of the Master Indenture.

(a) The Members of the Obligated Group agree that each portion of an Initial Entrance Fee received by the Members of the Obligated Group shall be transferred to the Master Trustee within five Business Days of the receipt thereof as follows:

(i) prior to the release described in subsection (c) below, each transfer shall also be accompanied by (A) a copy of the related entrance fee receipt forwarded to the Chapter 651 Entrance Fee Escrow Agent (an “Entrance Fee Receipt”), and (B) written directions from the Obligated Group Representative to the Master Trustee indicating the amount of such Initial Entrance Fee that is to be deposited to the Entrance Fee Fund (the “Discretionary Amount”) and the amount of such Initial Entrance Fee that is to be transferred to the Chapter 651 Entrance Fee Escrow Agent for deposit to the Entrance Fee Escrow Account (the “Escrowed Amount”), such Discretionary Amount shall be deposited and applied by the Master Trustee in accordance with subsection (b) below;

(ii) upon the release described in subsection (c) below, the Initial Entrance Fees so released and received by the Master Trustee shall be deposited and applied in accordance with subsection (c) below; and

(iii) After the release described in subsection (c) below, the Initial Entrance Fees received by the Master Trustee shall be deposited and applied in accordance with subsection (d) below.

The Master Trustee shall be entitled to conclusively rely on the determination of the Obligated Group Representative as to the allocation of the Initial Entrance Fee between the amounts to be deposited to the Entrance Fee Fund and the Entrance Fee Escrow Account and shall have no duty or obligation to review or verify any of the information or calculations set forth in the Entrance Fee Receipt, except to confirm receipt of the amount set forth therein.

(b) The Discretionary Amount shall be deposited to the Entrance Fee Fund and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

* Preliminary, subject to change

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund and Entrance Fee Escrow Account. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, to the Working Capital Fund until the amount transferred to the Working Capital Fund, including all prior transfers, equals \$21,000,000.

THIRD: On each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an "Entrance Fee Transfer Date") an amount not to exceed \$3,000,000 in the aggregate shall be transferred to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD above have been made, at the written request of the Obligated Group Representative, if any of the moneys have been withdrawn from the Working Capital Fund, to make an additional deposit to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000;

(c) Once the Escrowed Amount, together with any other amount on deposit in the Entrance Fee Escrow Account, is released pursuant to the terms of the Entrance Fee Escrow Agreement, the Obligated Group Representative shall direct the Chapter 651 Entrance Fee Escrow Agent to use such released moneys to fund the Minimum Liquid Reserve Accounts to their required level and then direct the Chapter 651 Entrance Fee Escrow Agent to transfer the remaining amount to the Master Trustee for deposit to the Entrance Fee Fund (such directions to be provided in writing to the Chapter 651 Entrance Fee Escrow Agent with a copy to the Master Trustee) and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, while any Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, amounts shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

THIRD: To the Working Capital Fund, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD of this subsection (c) above have been made, while any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, the amount remaining shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

After the transfers described above have been made, thereafter the Master Trustee shall review the amount on deposit in the Entrance Fee Fund in accordance with subsection (d) below.

(d) After the release of Initial Entrance Fees by the Chapter 651 Entrance Fee Escrow Agent as described in subsection (c) above, all Initial Entrance Fees received by the Master Trustee will be deposited to the Entrance Fee Fund and on the first Business Day of each month thereafter (each, a “Review Date”) the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall apply moneys on deposit therein in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer’s Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer’s Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer’s Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH and (c) THIRD above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

THIRD: While any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each an Entrance Fee Transfer Date, the amount remaining shall be transferred to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

(e) Notwithstanding anything in the Master Indenture to the contrary, on each Entrance Fee Transfer Date the Master Trustee shall transfer Initial Entrance Fees first to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture until all of the Series 2014D-2 Bonds are paid in full and then to the Entrance Fee Redemption Account established under the Bond Indenture to be applied as set forth therein, it being understood that redemption of the Series 2014B Bonds from funds in the Entrance Fee Redemption Account established under the Bond Indenture shall not begin until the Series 2014C Bonds are paid in full.

(f) After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been redeemed or otherwise paid in full (as established by an Officer’s Certificate of the Obligated Group Representative delivered to the Master Trustee) and no Event of Default has occurred and is continuing, the Members of the Obligated Group need not deposit any Entrance Fees into the Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Obligated Group Representative and the Entrance Fee Fund shall be closed.

[Remainder of page intentionally left blank]

ESTIMATED SOURCES AND USES OF FUNDS

The following is the estimated sources and uses of funds in connection with the issuance of the Series 2014 Bonds.*

Sources of Funds

Series 2014A Bonds	\$120,885,000
Series 2014B Bonds	14,000,000
Series 2014C Bonds	55,000,000
Series 2014D Bonds ¹	24,000,000
Less Net Original Issue Discount	
Federation Subordinated Obligation	3,000,000
Initial Entrance Fees	26,742,000
Expected Interest Earned on Trustee Held Funds	<u>852,000</u>
Total Sources of Funds	\$244,480,000

Uses of Funds

Direct construction costs	\$106,853,000
Design and engineering costs	5,799,000
Contingency	5,100,000
Indirect construction costs	6,300,000
Development consulting fees	8,710,000
Marketing costs	9,122,000
Return on pre-finance capital	4,142,000
Statutory Minimum Liquid Reserve Fund	4,478,000
Miscellaneous costs	5,108,000
Land	16,336,000
Capitalized Interest on Series 2014 Bonds ²	29,303,000
Debt Service Reserve Funds	16,953,000
Working Capital Fund	21,000,000
Costs of Issuance ³	<u>5,276,000</u>
Total Uses of Funds	\$244,480,000

* Preliminary, subject to change

¹ The Series 2014D Bonds are being issued on a draw-down basis. Interest will only accrue on the drawn portion of the Series 2014D Bonds.

² Interest on the Series 2014 Bonds for approximately 23 months.

³ Includes Underwriter's discount, the Authority, trustee, legal, accounting and other professional fees, printing and other miscellaneous expenses relating to the issuance and sale of the Series 2014 Bonds.

THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be issued only in fully registered form without coupons in the denominations of \$5,000 or any integral multiple thereof. The Series 2014 Bonds will be dated the date of their issuance and delivery, and will accrue interest from their date, except as otherwise provided in the Bond Indenture. The Series 2014 Bonds will bear interest (based on a 360-day year of twelve 30-day months) at the rate set forth on the inside cover page hereof, payable semiannually on June 1 and December 1 of each year, commencing December 1, 2014 (each, an “Interest Payment Date”) until maturity or prior redemption, and mature on the dates set forth on the inside cover page hereof.

The Series 2014 Bonds provide that no recourse under any obligation, covenant or agreement contained in the Bond Indenture, or in any Series 2014 Bond, or under any judgment obtained against the Authority 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, officer, agent, employee or representative of the Authority. None of the directors, incorporators, officers, agents, employees or representatives of the Authority, past, present or future, will be personally liable under the Series 2014 Bonds or the Bond Indenture, or be subject to any personal liability by reason of the issuance of the Series 2014 Bonds or the Bond Indenture, 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 released and waived as a condition of and in consideration for the execution of the Bond Indenture and the issuance of the Series 2014 Bonds.

So long as DTC acts as securities depository for the Series 2014 Bonds, as described under the “BOOK-ENTRY SYSTEM” herein, all references herein to “Owner,” “owner,” “Holder” or “holder” of any Series 2014 Bonds or to Series 2014 “Bondowner,” “Bondholder,” “bondowner” or “bondholder” are deemed to refer to Cede & Co., as nominee for DTC, and not to Participants, Indirect Participants or Beneficial Owners (as defined herein).

Payment of Principal and Interest

While the Series 2014 Bonds are in the book-entry only system, the method and place of payment will be as provided in the book-entry-only system hereinafter described under “Book-Entry Only System.” If the book-entry only system for the Series 2014 Bonds is discontinued, the method and place of payment will be as follows:

The principal or redemption price of and interest on the Series 2014 Bonds is 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 Series 2014 Bonds. Payment of interest on each Series 2014 Bond will be made to the person in whose name such Series 2014 Bond is registered on the Bond Register at the close of business on the applicable Record Date and is required to be paid (i) by check or draft mailed to such registered owner on the applicable Interest Payment Date at such owner’s address as it appears on the bond register or (ii) as to any registered owner of \$1,000,000 or more in aggregate principal amount of Series 2014 Bonds who so elects, by wire transfer of funds. In the event of default in the payment of interest due on such Interest Payment Date, defaulted interest will be payable to the person in whose name such Series 2014 Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Bond Trustee to the registered owners of Series 2014 Bonds not less than ten days preceding such Special Record Date.

Transfers and Exchanges; Persons Treated as Owners

The Series 2014 Bonds are exchangeable for an equal aggregate principal amount of fully registered Series 2014 Bonds of the same maturity and in authorized denominations at the designated 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 Series 2014 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 Series 2014 Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2014 Bond of authorized denomination or denominations for the same aggregate principal amount and maturity will be issued to the transferee in exchange therefor, all upon payment of the charges and subject to the terms and conditions set forth in the Bond Indenture.

The Bond Trustee will not be required to transfer or exchange any Series 2014 Bond after the mailing of notice calling such Series 2014 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 Series 2014 Bonds.

As to any Series 2014 Bond, the person in whose name such Series 2014 Bond is registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal of or interest on any Series 2014 Bond will be made only to or upon the written order of the registered owner thereof or his legal representative. All such payments will be valid and effectual to satisfy and discharge the liability upon such Series 2014 Bond to the extent of the sum or sums paid.

Redemption Prior to Maturity

Optional Redemption of Series 2014A Bonds. The Series 2014A Bonds are subject to optional redemption prior to maturity by the Authority at the written direction of the Corporation in whole or in part on June 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of such Series 2014A Bonds to be redeemed, together with accrued interest to the redemption date.

Optional Redemption of Series 2014B Bonds. The Series 2014B Bonds are subject to optional redemption prior to maturity by the Authority at the written direction of the Corporation in whole or in part on June 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of such Series 2014B Bonds to be redeemed, together with accrued interest to the redemption date.

Optional Redemption of Series 2014C Bonds. The Series 2014C Bonds are subject to optional redemption prior to maturity by the Authority at the written direction of the Corporation in whole or in part on June 1, 20__ or on any date thereafter, at a redemption price equal to the principal amount of such Series 2014C Bonds to be redeemed, together with accrued interest to the redemption date. The Series 2014C Bonds shall be redeemed prior to the optional redemption of any Series 2014A Bonds or any Series 2014B Bonds.

Entrance Fee Redemption of Series 2014B Bonds and Series 2014C Bonds. Initial Entrance Fees from the Project, after payment of any refunds and the deposits to the Working Capital Fund described under “PLAN OF FINANCING – Application of Initial Entrance Fees” have been made, are to be transferred from the Entrance Fee Fund to the Entrance Fee Redemption Account of the Bond Indenture on each February 15, May 15, August 15 and November 15 (each, an “Entrance Fee Transfer Date”). The Series 2014B Bonds and the Series 2014C Bonds are subject to redemption on each March 1, June 1, September 1 and December 1 (each, an “Entrance Fee Redemption Date”) from funds on deposit in the Entrance Fee Redemption Account at a redemption price equal to the principal amount of Series 2014B Bonds and the Series 2014C Bonds being redeemed plus the interest accrued thereon through the date of redemption.

The Master Indenture requires that the Series 2014D-2 Bonds will be redeemed prior to the Series 2014C Bonds and the Series 2014B Bonds.

The Bond Indenture requires that funds on deposit in the Entrance Fee Redemption Account be applied first to redeem the Series 2014C and second to redeem the Series 2014B Bonds. Redemption of the Series 2014B Bonds from funds on deposit in the Entrance Fee Redemption Account will not begin until the Series 2014C Bonds have been paid in full.

The principal amount of Series 2014B Bonds or Series 2014C Bonds to be redeemed on an Entrance Fee Redemption Date will be equal to the largest Authorized Denomination of the Series 2014B or Series 2014C Bonds for which the redemption price thereof is on deposit in the Entrance Fee Redemption Account on the day following the immediately preceding Entrance Fee Transfer Date.

Mandatory Sinking Fund Redemption of Series 2014A Bonds. The Series 2014A Bonds maturing on June 1, 20__ and June 1, 20__ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on June 1 in each of the years and amounts as follows:

The \$_____ Series 2014A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
------	--------	------	--------

‡

‡ Maturity

The \$_____ Series 2014A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
------	--------	------	--------

‡ Maturity

The \$_____ Series 2014A Bonds maturing on June 1, 20__ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
------	--------	------	--------

‡ Maturity

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 2014A Bonds Outstanding maturing on June 1, 20__, 20__, or 20__, as the case may be, a principal amount of such Series 2014A Bonds equal to the Aggregate Principal Amount of such Series 2014A Bonds redeemable with the required sinking fund payment, and shall call such Series 2014A Bonds or portions thereof (\$5,000 or any integral multiple thereof) for redemption from the sinking fund on the next June 1, and give notice of such call. At the option of the Corporation 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 2014A Bonds or portions thereof maturing on June 1, 20__, 20__ or 20__, as the case may be, in an aggregate principal amount desired by the Corporation or (ii) specify a principal amount of Series 2014A Bonds or portions thereof maturing on June 1, 20__, 20__ or 20__, 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 Corporation and not theretofore applied as a credit against any sinking fund redemption obligation. Any such Series 2014A Bonds are required to be credited against the next succeeding or any other sinking fund redemption date designated in writing by the Corporation.

Extraordinary Optional Redemption. The Series 2014 Bonds will be subject to optional redemption by the Authority at the direction of the Corporation prior to their scheduled maturities, in whole or in part (proportionately among each series) 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, and the Corporation 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 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 Corporation under the Loan Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Loan Agreement.

Mandatory Redemption from Surplus Construction Fund Money. The Series 2014 Bonds are subject to mandatory redemption, on a pro rata basis, in whole or in part on any date for which timely notice of redemption can be given by the Bond Trustee following the Completion Date at a redemption price equal to the aggregate principal amount of the Series 2014 Bonds to be redeemed plus accrued interest to the redemption date, without premium, to the extent Surplus Construction Fund Moneys (as defined in the Loan Agreement) are transferred to the Principal Account of the Bond Fund established pursuant to the Bond Indenture.

Partial Redemption. In the event that less than all of the Series 2014 Bonds or portions thereof are to be redeemed, the Series 2014 Bonds to be redeemed shall be selected: first, from the Series 2014C Bonds; second, from the Series 2014B Bonds and third, from the Series 2014A Bonds. In the event that less than all of the Series 2014A Bonds or portions thereof of a particular series are to be redeemed, the Corporation may select particular maturities of such series to be redeemed. If less than all Series 2014 Bonds or portions thereof of a single maturity are to be redeemed, they shall be selected by the Securities Depository in accordance with its procedure or by lot in such manner as the Bond Trustee may determine. If a Series 2014 Bond is of a denomination larger than the minimum Authorized Denomination, a portion of such Series 2014 Bond may be redeemed, but Series 2014 Bonds will be redeemed only in the principal amount of an Authorized Denomination and no Series 2014 Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination.

Notice of Redemption. In case of every redemption, the Bond Trustee will cause notice of such redemption to be given by mailing by first-class mail, postage prepaid, a copy of the redemption notice to the owners of the Series 2014 Bonds designated for redemption, in whole or in part, at their addresses as the same last appear upon the

registration books, in each case (other than Entrance Fee Redemption of Series 2014B Bonds and Series 2014C Bonds) not more than 60 nor less than 30 days (and in the case of Entrance Fee Redemption of Series 2014B Bonds and Series 2014C Bonds 10 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: (a) to any owner of \$1,000,000 or more in principal amount of the Series 2014 Bonds, and (b) to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of the Series 2014 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption will be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any owner of the Series 2014 Bonds selected for redemption that has not surrendered the Series 2014 Bonds called for redemption, at the address as the same will last appear upon the registration books. Any notice of redemption is required to contain the information specified in the Bond Indenture. The failure to give any such notice, or any defect therein, will not affect the validity of any proceedings for the redemption of such Series 2014 Bonds. Upon the written direction of the Corporation, a notice of optional redemption shall contain a statement to the effect that the optional redemption of the Series 2014 Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2014 Bonds to be optionally redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Authority shall not be required to redeem such Series 2014 Bonds and such Series 2014 Bonds shall not become due and payable.

Purchase in Lieu of Redemption. In lieu of redeeming the Series 2014 Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2014 Bonds to purchase Series 2014 Bonds in the open market at a price not exceeding the redemption price then applicable.

Intercreditor Provisions. The Series 2014 Bonds and the Series 2014D Bonds are both secured by Obligations issued under the Master Indenture, which Obligations are intended to be secured on a parity basis under the Master Indenture. In consideration of the parity security of the Obligations securing all of the Series 2014 Bonds and the Series 2014D Bonds, in the Bond Indenture, the Bond Trustee further acknowledges and agrees as follows:

(a) On any scheduled principal or interest payment date on the Series 2014 Bonds, if the Bond Trustee does not receive funds sufficient to make a scheduled principal or interest payment for the Series 2014 Bonds, the Bond Trustee shall notify the Series 2014D Bond Trustee in writing of such deficiency.

(b) On any scheduled principal or interest payment date on the Series 2014 Bonds, if the Bond Trustee shall receive notice from the Series 2014D Bond Trustee that it did not receive funds sufficient to make a scheduled principal or interest payment for the Series 2014D Bonds, the Bond Trustee shall cooperate with the Series 2014D Bond Trustee regarding any transfers of funds to the Series 2014D Bond Trustee so that any corresponding principal and interest payments to be applied under the Bond Indenture and the Series 2014D Bond Indenture, as applicable, shall be applied pro rata based on the principal amount of the Series 2014 Bonds and the Series 2014D Bonds then currently outstanding.

(c) In connection with any optional or extraordinary mandatory redemption under the Bond Indenture, the Bond Trustee, upon being provided with notice of such redemption, shall promptly notify the Series 2014D Bond Trustee of such redemption and shall cooperate with the Series 2014D Bond Trustee to avoid any disparate treatment of the Series 2014D Bonds and the related Obligation under the Master Indenture.

BOOK-ENTRY ONLY SYSTEM

This section describes how ownership of the Series 2014 Bonds is to be transferred and how the principal of and interest on the Series 2014 Bonds are to be paid to and credited by DTC while the Series 2014 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 Corporation and the Underwriter believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Corporation cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2014 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2014 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 United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Series 2014 Bonds. The Series 2014 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 certificate will be issued for each maturity of the Series 2014 Bonds, in the aggregate principal amount of each maturity, and will be deposited with DTC.

General

DTC, the world's largest 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 certificated securities. 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 is rated AA+ by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Series 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of Series 2014 Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014 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 Series 2014 Bonds representing their ownership interests in Series 2014 Bonds, except in the event that use of the book-entry system for the Series 2014 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014 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 Series 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership.

DTC has no knowledge of the actual Beneficial Owners of the Series 2014 Bonds; DTC's records show only the identity of the Direct Participants to whose accounts such Series 2014 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 Series 2014 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2014 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2014 Bonds may wish to ascertain that the nominee holding the Series 2014 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 Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014 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 Corporation 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 Series 2014 Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption and interest payments on the Series 2014 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 Corporation or the Bond Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Bond Trustee, or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or 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 securities depository with respect to the Series 2014 Bonds at any time by giving reasonable notice to the Corporation or the Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered to DTC Participants or the Beneficial Owners, as the case may be.

Limitation

For so long as the Series 2014 Bonds are registered in the name of DTC or its nominee, Cede & Co., the Authority, the Corporation and the Bond Trustee will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Series 2014 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Series 2014 Bonds, references herein to the Holders or registered owners of the Series 2014 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2014 Bonds.

Because DTC is treated as the owner of the Series 2014 Bonds for substantially all purposes under the Bond Indenture, Beneficial Owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of Beneficial Owners is unknown to the Authority, the Corporation, the Bond Trustee or DTC, it may be difficult to transmit information of potential interest to Beneficial Owners in an effective and timely manner. Beneficial Owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Series 2014 Bonds that may be transmitted by or through DTC.

Under the Bond Indenture, payments made by the Bond Trustee to DTC or its nominee shall satisfy the Authority's obligations under the Bond Indenture and the Corporation's obligations under the Loan Agreement to the extent of the payments so made.

None of the Authority, the Corporation or the Bond Trustee shall have any responsibility or obligation with respect to:

- (i) the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Series 2014 Bonds;
- (ii) the delivery to any Direct Participant or Indirect Participant or any other Person, other than a Holder, as shown on the registration books maintained by the Bond Trustee, of any notice with respect to any Series 2014 Bond including, without limitation, any notice of redemption with respect to any Series 2014 Bond;
- (iii) the payment to any Direct Participant or Indirect Participant or any other Person, other than a Holder, as shown on the registration books maintained by the Bond Trustee, of any amount with respect to the principal or redemption price of, or interest on, any Series 2014 Bond; or
- (iv) any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book-entry only system hereinabove described, the Authority, the Corporation and the Bond Trustee may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute Holder of the Series 2014 Bonds for all purposes whatsoever, including, without limitation:

- (i) the payment of the principal or redemption price of and interest on and the Series 2014 Bonds;
- (ii) giving notices of redemption and other matters with respect to the Series 2014 Bonds;
- (iii) registering transfers with respect to the Series 2014 Bonds; and
- (iv) the selection of Series 2014 Bonds for redemption.

The Authority and the Bond Trustee cannot give any assurances that DTC or the Participants will distribute payments of the principal or redemption price of and interest on the Series 2014 Bonds, paid to DTC or its nominee, as the registered owner of the Series 2014 Bonds, or any redemption or other notices, to the Beneficial Owners or that they will do so on a timely basis or that DTC will serve and act in the manner described in this Official Statement.

So long as Cede & Co. is the registered owner of the Series 2014 Bonds, as nominee of DTC, references in this Official Statement to the Holders of the Series 2014 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only Bondholder of Series 2014 Bonds for all purposes under the Bond Indenture.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository relating to the book-entry system to be maintained with respect to the Series 2014 Bonds without the consent of Beneficial Owners or Bondholders.

Removal From the Book-Entry System

DTC may discontinue providing its services as securities depository with respect to the Series 2014 Bonds at any time by giving written notice to the Authority, the Bond Trustee and the Corporation. The Authority or the Corporation, with the consent of the other, may terminate the services of DTC (or a successor securities depository).

Upon the discontinuance or termination of the services of DTC, unless a substitute securities depository is appointed, Bond certificates will be printed and delivered to the Beneficial Owners of the Series 2014 Bonds.

In the event the Series 2014 Bonds are removed from the Book-Entry System, the principal of and the interest on the Series 2014 Bonds shall be payable to the persons in whose names the Series 2014 Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Series 2014 Bonds shall be made to the registered owner of the Series 2014 Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check mailed on the Interest Payment Date and the principal amount of any Series 2014 Bond and premium, if any, together with interest payable other than a regularly scheduled Interest Payment Date, shall be made by check only upon presentation and surrender of the Series 2014 Bond on or after its maturity date or date fixed for redemption or other payment at the office of the Bond Trustee; provided, however, that payment of principal of, premium, if applicable, and interest on any Series 2014 Bond may be made by wire transfer as described above under the heading “THE SERIES 2014 BONDS - Payment of Principal and Interest.”

[Remainder of page intentionally left blank]

DEBT SERVICE SCHEDULE

The following table sets forth the debt service schedule for the Series 2014 Bonds, including the principal of the Series 2014 Bonds to be redeemed by mandatory sinking fund redemption. For purposes of the principal and interest payments on the Series 2014D Bonds, this table assumes that the Series 2014D Bonds are fully drawn in accordance with the Corporation’s expected draw schedule.

Bond Year	<u>Series 2014A Bonds</u>		<u>Series 2014B Bonds</u>		<u>Series 2014C Bonds</u>		<u>Series 2014D-1 Bonds</u>		<u>Series 2014D-2 Bonds</u>		Total
	Principal or Sinking Fund Requirements	Interest	Expected Principal Payments ¹	Expected Interest ¹	Expected Principal Payments ¹	Expected Interest ¹	Expected Principal Payments ¹	Expected Interest ¹	Expected Principal Payments ¹	Expected Interest ¹	
Ending June 1											
2014											
2015											
2016											
2017											
2018											
2019											
2020											
2021											
2022											
2023											
2024											
2025											
2026											
2027											
2028											
2029											
2030											
2031											
2032											
2033											
2034											
2035											
2036											
2037											
2038											
2039											
2040											
2041											
2042											
2043											
2044											
2045											
2046											
2047											
2048											
2049											

The amounts shown are estimates of Entrance Fee Redemptions. See “THE SERIES 2014 BONDS – Redemption Prior to Maturity - Entrance Fee Redemption of Series 2014B Bonds and Series 2014C Bonds” herein.

The Series 2014 Bonds are subject to optional, mandatory, and extraordinary optional redemption. See “THE SERIES 2014 BONDS – Redemption Prior to Maturity” herein.

SECURITY FOR THE SERIES 2014 BONDS

General

The Series 2014 Bonds will be issued under and will be equally and ratably secured under the Bond Indenture, pursuant to which the Authority will assign to the Bond Trustee (1) the Series 2014 Obligations, (2) certain rights of the Authority under the Loan Agreement, (3) the funds and accounts established under the Bond Indenture, but excluding the Rebate Fund, and (4) such other property as may from time to time be pledged to the Bond Trustee as additional security for such Series 2014 Bonds or which may come into possession of the Bond Trustee pursuant to the terms of the Loan Agreement or the Series 2014 Obligations (collectively, the “Trust Estate”). **The Trust Estate for the Series 2014 Bonds does not secure the Series 2014D Bonds, however, the Series 2014D Bonds are secured by an Obligation issued under the Master Indenture.**

The proceeds of the Series 2014 Bonds will be loaned to the Corporation pursuant to the Loan Agreement. Under the Loan Agreement, the Corporation is required duly and punctually to pay the principal of, premium, if any, and interest on the Series 2014 Obligations, and to make payments to the Bond Trustee to maintain the Debt Service Reserve Fund at the required amount, to pay certain administrative expenses and to make certain other payments. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Loan Agreement” in Appendix C hereto.

The obligation of the Corporation to repay that loan will be evidenced by the Series 2014 Obligations of the Corporation issued pursuant to, and entitled to the benefit and security of, the Master Indenture. The Series 2014 Obligations will be secured, on a parity basis with any other Obligations, including the Series 2014D Obligation, hereafter issued under the Master Indenture, except Subordinated Obligations, by the Master Indenture and the Mortgage.

Limited Obligations

The Series 2014 Bonds and the interest thereon are limited obligations of the Authority, payable solely from and secured exclusively by certain payments to be made by the Corporation 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 Authority.

THE SERIES 2014 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE AUTHORITY, THE STATE OF FLORIDA (THE “STATE”), PALM BEACH COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE SERIES 2014 BONDS SHALL BE A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE INCOME, REVENUES, AND RECEIPTS DERIVED FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2014 BONDS OR TO THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO MAKE ANY APPROPRIATION TO PAY THE PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS. THE SERIES 2014 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, THE COUNTY, OR THE AUTHORITY OR TAXING POWERS OF THE STATE OR THE COUNTY.

Loan Agreement

Pursuant to the Loan Agreement, the Corporation will agree to make loan payments to the Bond Trustee in such amounts as will pay, when due, the principal of, premium, if any, and interest on the Series 2014 Bonds. The Corporation’s payment obligations with respect to the Series 2014 Bonds under the Loan Agreement will be a general obligation of the Corporation. Pursuant to the Bond Indenture, the Authority has assigned to the Bond Trustee all of its right, title and interest in and to, and remedies under, the Loan Agreement, except for certain reserved rights, including rights to reimbursement of expenses and indemnification.

Bond Indenture

The Series 2014 Bonds are to be issued pursuant to the Bond Indenture and, together with any Additional Bonds which may be issued from time to time under the Bond Indenture, will be equally and ratably secured thereby. Pursuant to the Bond Indenture, the Authority assigns to the Bond Trustee, for the equal and ratable benefit and security of all Bondholders, all of its right, title and interest in the payments to be made by the Corporation on the hereinafter defined Series 2014 Obligations and under the Loan Agreement, except for the Authority's rights of reimbursement for expenses and indemnification, and grants to the Bond Trustee a security interest in the funds and accounts created by the Bond Indenture.

The Master Indenture and the Mortgage

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 Corporation 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. The Series 2014 Obligations, and the Series 2014D Obligation, are the only obligations presently entitled to the benefits of the Master Indenture. The holders of all Obligations entitled to the benefit of the Master Indenture, with the exception of the Subordinate Obligations, will be on parity with respect to the benefits of the Master Indenture. Pursuant to the Master Indenture, the Corporation and any future Obligated Group Members have pledged and granted to the Master Trustee (a) a security interest in all the Gross Revenues of the Obligated Group, with certain limited exceptions, (b) a security interest in all personal property owned or hereafter acquired by the Obligated Group, (c) a security interest in the amounts on deposit in the Funds established under the Master Indenture, and (d) a security interest in any other property from time to time subjected to the lien of the Master Indenture. The lien and security interests created by the Master Indenture may become subject to additional Permitted Encumbrances, as defined in Appendix C hereto. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture" in Appendix C hereto.

The Mortgage serves as security for (a) the prompt payment of the principal of, premium, if any and the interest on the Series 2014 Obligations and any future Obligations outstanding from time to time and (b) the performance by each Obligated Group Member of its other obligations under the Master Indenture and the Mortgage. The Mortgage will create a lien on the Project Site. The Series 2014 Obligations and any future Obligations, except Subordinated Obligations, will be secured by the Mortgage on a parity basis. The lien and security interests created by the Mortgage may become subject to additional Permitted Encumbrances, as defined in Appendix C hereto. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Mortgage" in Appendix C hereto.

The Series 2014 Obligations will constitute joint and several obligations of each Obligated Group Member. Currently, only the Corporation and the Master Trustee are parties to the Master Indenture and the Corporation is the only Obligated Group Member. The Corporation 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. See "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture - Admission of Obligated Group Members" and "- Withdrawal of Obligated Group Members" in Appendix C hereto for a description of the limitations on admission and release of Obligated Group Members.

In addition to the covenants described below, the Master Indenture contains additional covenants relating to, among others, the maintenance of the Obligated Group's property, corporate existence, the maintenance of certain levels of insurance coverage, the incurrence of additional indebtedness, the sale or lease of certain property, and permitted liens. For a full description of these and other covenants, see "FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture" in Appendix C hereto.

Assignment of Contract Documents

The Corporation is executing the Assignment of Contract Documents dated as of June 1, 2014 (the "Assignment of Contract Documents") for the benefit of the Master Trustee, as secured party. Under the Assignment of Contract Documents, the Corporation has collaterally assigned to the Master Trustee its rights under certain

development, construction, consulting, and management contracts for the Project. Each of the other parties to such agreements have consented to the assignment and agreed that upon an Event of Default under the Master Indenture, such agreements may be enforced by the Master Trustee.

Assignment of Residency Agreements

The Corporation is executing the Assignment of Residency Documents dated as of June 1, 2014 (the “Assignment of Residency Agreements”) with the Master Trustee. Pursuant to the Assignment of Residency Agreements, the Corporation is assign to the Master Trustee all of Corporation’s right, title and interest in and to, (i) all present and future Residency Agreements, (ii) any other commitment leases, subleases, lettings, licenses, contracts and other agreements under the terms of which any person acquires any right to use or occupy of the Project Site and (iii) all entrance fees, deposits, monthly service fees, rents, profits, proceeds and income due or to become due from tenants of the Project.

Incurrence of Additional Indebtedness

The Master Indenture permits the Obligated Group to incur Additional Indebtedness evidenced by Obligations that will be secured on a parity basis with the Series 2014 Obligations and therefore the Series 2014 Bonds. The circumstances under which such debt can be incurred are set forth in “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture– Permitted Additional Indebtedness” in Appendix C hereto.

Certain Amendments to Bond Indenture and Master Indenture After an Event of Default

If an Event of Default under the Bond Indenture occurs, there may be an amendment made to the Bond Indenture that (a) affects the payment provisions of the Series 2014 Bonds, including but not limited to the possible extension of the maturity of the Series 2014 Bonds, a reduction in the principal amount of the Series 2014 Bonds, or a reduction in the rate of interest borne by the Series 2014 Bonds, (b) deprives the holders of the Series 2014 Bonds of the lien of the Bond Indenture and the Master Indenture, or (c) provides for a privilege or priority of one Series 2014 Bond over another Series 2014 Bond. The Bond Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a) and (c) above may be made with the consent of at least eighty percent (80%) in aggregate principal amount of Outstanding Senior Secured Bonds (which means, collectively, any Bonds issued under the Bond Indenture and any bonds issued under the Series 2014D Bonds Indenture which are secured by Obligations issued on a parity basis under the Master Indenture); provided however, any such amendment shall not result in a change in preference of priority of Bonds over any other Bonds and no such amendment described in (a) and (c) above shall result in a disproportionate change, reduction or modification with respect to any Senior Secured Bonds.

If an Event of Default under the Master Indenture occurs, there may be an amendment made to the Master Indenture that (a) would change the stated maturity of the principal of, or any installment of interest on, any Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any place of payment where, or the coin or currency in which, any Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date), or (b) would reduce the percentage in principal amount of the Outstanding Obligations, the consent of whose holders is required for any such Supplement, or the consent of whose holders is required for any waiver (of compliance with certain provisions of the Master Indenture or certain defaults thereunder and their consequences) provided for in the Master Indenture, or (c) would affect certain other provisions of the Master Indenture cannot be modified or waived without the consent of the Holder of each Obligation affected thereby. The Master Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made, with the consent of the Holders of at least eighty percent (80%) in aggregate principal amount of all Outstanding Related Bonds related to such Obligation; provided however, any such amendment shall not result in a preference of priority of any Obligation or Related Bonds over any other Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in clauses (a), (b) or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds. See “CERTAIN BONDHOLDERS’ RISKS – Certain Amendments to Bond Indenture and Master Indenture.”

Funds and Accounts Held Under the Master Indenture and Bond Indenture

The Series 2014 Bonds are secured by funds and accounts held under the Master Indenture and the Bond Indenture, including the following:

Entrance Fee Fund. The Master Trustee will establish and maintain a separate fund to be known as the Entrance Fee Fund. All moneys received by the Master Trustee and held in the Entrance Fee Fund will be trust funds under the terms of the Master Indenture for the benefit of all of the Outstanding Obligations (except as otherwise provided). Such moneys will be held in trust and applied in accordance with the provisions of the Master Indenture.

(a) The Members of the Obligated Group agree that each portion of an Initial Entrance Fee received by the Members of the Obligated Group shall be transferred to the Master Trustee within five Business Days of the receipt thereof as follows:

(i) prior to the release described in subsection (c) below, each transfer shall also be accompanied by (A) a copy of the related entrance fee receipt forwarded to the Chapter 651 Entrance Fee Escrow Agent (an “Entrance Fee Receipt”), and (B) written directions from the Obligated Group Representative to the Master Trustee indicating the amount of such Initial Entrance Fee that is to be deposited to the Entrance Fee Fund (the “Discretionary Amount”) and the amount of such Initial Entrance Fee that is to be transferred to the Chapter 651 Entrance Fee Escrow Agent for deposit to the Entrance Fee Escrow Account (the “Escrowed Amount”), such Discretionary Amount shall be deposited and applied by the Master Trustee in accordance with subsection (b) below;

(ii) upon the release described in subsection (c) below, the Initial Entrance Fees so released and received by the Master Trustee shall be deposited and applied in accordance with subsection (c) below; and

(iii) After the release described in subsection (c) below, the Initial Entrance Fees received by the Master Trustee shall be deposited and applied in accordance with subsection (d) below.

The Master Trustee shall be entitled to conclusively rely on the determination of the Obligated Group Representative as to the allocation of the Initial Entrance Fee between the amounts to be deposited to the Entrance Fee Fund and the Entrance Fee Escrow Account and shall have no duty or obligation to review or verify any of the information or calculations set forth in the Entrance Fee Receipt, except to confirm receipt of the amount set forth therein.

(b) The Discretionary Amount shall be deposited to the Entrance Fee Fund and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer’s Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund and Entrance Fee Escrow Account. The Obligated Group Representative shall also provide a copy of such Officer’s Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, to the Working Capital Fund until the amount transferred to the Working Capital Fund, including all prior transfers, equals \$21,000,000.

THIRD: On each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an “Entrance Fee Transfer Date”) an amount not to exceed \$3,000,000 in the aggregate shall be transferred to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD above have been made, at the written request of the Obligated Group Representative, if any of the moneys have been withdrawn from the Working Capital Fund, to make an additional deposit to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000;

(c) Once the Escrowed Amount, together with any other amount on deposit in the Entrance Fee Escrow Account, is released pursuant to the terms of the Entrance Fee Escrow Agreement, the Obligated Group Representative shall direct the Chapter 651 Entrance Fee Escrow Agent to use such released moneys to fund the Minimum Liquid Reserve Accounts to their required level and then direct the Chapter 651 Entrance Fee Escrow Agent to transfer the remaining amount to the Master Trustee for deposit to the Entrance Fee Fund (such directions to be provided in writing to the Chapter 651 Entrance Fee Escrow Agent with a copy to the Master Trustee) and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, while any Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, amounts shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

THIRD: To the Working Capital Fund, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD of this subsection (c) above have been made, while any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, the amount remaining shall be transferred as provided in subsection (e) below to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

After the transfers described above have been made, thereafter the Master Trustee shall review the amount on deposit in the Entrance Fee Fund in accordance with subsection (d) below.

(d) After the release of Initial Entrance Fees by the Chapter 651 Entrance Fee Escrow Agent as described in subsection (c) above, all Initial Entrance Fees received by the Master Trustee will be deposited to the Entrance Fee Fund and on the first Business Day of each month thereafter (each, a "Review Date") the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall apply moneys on deposit therein in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's

Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (b) FOURTH and (c) THIRD above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

THIRD: While any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each an Entrance Fee Transfer Date, the amount remaining shall be transferred to the applicable Entrance Fee Redemption Account established under the applicable Bond Indenture.

(e) Notwithstanding anything in the Master Indenture to the contrary, on each Entrance Fee Transfer Date the Master Trustee shall transfer Initial Entrance Fees first to the Entrance Fee Redemption Account established under the Series 2014D Bond Indenture until all of the Series 2014D-2 Bonds are paid in full and then to the Entrance Fee Redemption Account established under the Bond Indenture to be applied as set forth therein, it being understood that redemption of the Series 2014B Bonds from funds in the Entrance Fee Redemption Account established under the Bond Indenture shall not begin until the Series 2014C Bonds are paid in full.

(f) After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been redeemed or otherwise paid in full (as established by an Officer's Certificate of the Obligated Group Representative delivered to the Master Trustee) and no Event of Default has occurred and is continuing, the Members of the Obligated Group need not deposit any Entrance Fees into the Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Obligated Group Representative and the Entrance Fee Fund shall be closed.

Working Capital Fund. The Master Trustee will establish a Working Capital Fund under the Master Indenture, which is expected to be funded initially in the amount of \$21,000,000 with Initial Entrance Fees deposited in the Entrance Fee Fund transferred to the Working Capital Fund as described above under "Plan of Financing – Application of Initial Entrance Fees." Pursuant to the operation of the Entrance Fee Fund, at the written request of the Corporation, if any moneys have been withdrawn from the Working Capital Fund, an additional deposit can be made to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000.

Money in the Working Capital Fund will be available to pay (a) costs of completing the Project, (b) operating expenses of the Project, including any development and marketing fees, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received or (g) amounts due on any indebtedness of the Obligated Group, but not to reimburse amounts disbursed from the Liquidity Support Fund or advanced under the Liquidity Support Agreement. After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full and no Event of Default has occurred and is continuing, any amount on deposit in the Working Capital Fund will be remitted to the Obligated Group Representative and the Working Capital Fund will be closed.

Liquidity Support Fund. The Master Trustee will establish a Liquidity Support Fund under the Master Indenture with an initial deposit of \$6,000,000 (the "Initial Deposit") from the Federation simultaneously with the issuance of the Series 2014 Bonds. Pursuant to a Liquidity Support Agreement dated as of June 1, 2014 (the "Liquidity Support Agreement") between the Corporation, the Federation and the Master Trustee, the Federation agrees to deposit up to an additional \$5,000,000 (the "Support Obligation") to the Liquidity Support Fund. The Federation has agreed to cause the financial institution holding such funds to execute an account control agreement (the "Control Agreement") in a form reasonably acceptable to the Master Trustee sufficient to provide the Master Trustee with a perfected security interest in such funds. Any amounts advanced by the Federation will be added to the principal amount of the Federation Subordinated Obligation.

Prior to the Reduction Date (as defined below), if at any time the Corporation needs money for the payment of interest on or principal of Series 2014D-2 Bonds, and no other funds are available to the Corporation to make such payments, the Corporation may direct the Master Trustee to make written demand for payment directing the Federation to transfer cash to the Corporation in the amount necessary to fund such payment on the Series 2014D-2 Bonds. Prior to the Reduction Date, advances of the Support Obligation may only be used to pay interest on or principal of the Series 2014D-2 Bonds. Prior to the Reduction Date, immediately upon any filing of a petition seeking reorganization or arrangement of the Corporation under the Federal Bankruptcy Code or any other similar applicable Federal or state law, the Master Trustee upon request of the Corporation will make written demand for payment directing Federation to transfer to the Master Trustee cash up to the then current unfunded balance of the Unfunded Obligation up to the outstanding interest on and principal balance of the Series 2014D-2 Bonds. After the Reduction Date, if the Corporation needs money for payment of working capital expenses, capital costs other than Project costs or operating expenses, and no moneys are on deposit in the Working Capital Fund or the Liquidity Support Fund held under the Master Indenture (other than amounts on deposit therein previously committed to pay such costs and expenses), the Master Trustee may make written demand for payment directing Federation to transfer cash to the Corporation in the amount necessary to pay such expenses. Amounts advanced may be used for any purpose permitted under the Master Indenture for monies that had been on deposit in the Liquidity Support Fund.

The Support Obligation will be reduced to \$2,000,000 (the “Reduction Date”) when (i) the Series 2014D-2 Bonds and the Series 2014C Bonds have been paid in full and (ii) the Corporation delivers to the Master Trustee a certificate of a duly authorized officer of the Corporation certifying that: (A) the Entrance Fees held in escrow pursuant to Chapter 651, Florida Statutes have been released from escrow in accordance with the statute, (b) there is no Event of Default under the Master Indenture, the applicable Bonds Indenture and the Loan Agreement, and (c) the Corporation is compliance with the all of the covenants in the Master Indenture, Loan Agreement and Mortgage. The Support Obligation will be further reduced to \$0 when (i) the Series 2014C Bonds and Series 2014B Bonds have been repaid in full, and (ii) the Corporation delivers to the Master Trustee a certificate of a duly authorized officer of the Corporation stating that: (A) there is no Event of Default outstanding and continuing under the Master Indenture, the applicable Bond Indenture and the Mortgage and (B) the Corporation is in compliance with all of the covenants in the Master Indenture, the applicable Loan Agreement and Mortgage.

If no moneys are available in the Working Capital Fund, the Master Trustee may withdraw moneys from the Liquidity Support Fund to the extent necessary to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

The Initial Deposit Amount will be reduced to zero, and any balance in the Liquidity Support Fund will be paid to the Federation upon satisfaction of the following conditions: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days’ Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels, (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under the Master Indenture, the applicable Bond Indenture and the applicable Loan Agreement. If all tests other than (iii) above have been satisfied for eight consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed.

THE FEDERATION IS NOT LIABLE FOR PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2014A BONDS, SERIES 2014B BONDS, SERIES 2014C BONDS OR THE SERIES 2014D BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. THE FEDERATION HAS NO

LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF THE PROJECT AND HAS NO OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT.

Debt Service Reserve Fund. A Debt Service Reserve Fund will be established under the Bond Indenture (the “Debt Service Reserve Fund”) and funded with the proceeds of the Series 2014 Bonds. There will be created three accounts within the Debt Service Reserve Fund: (i) a Series 2014A Account, (ii) a Series 2014B Account and (iii) a Series 2014C Account. Each account within the Debt Service Reserve Fund will be funded on the date of issuance of the Series 2014 Bonds (1) in the case of the Series 2014A Bonds, in the amount equal to the lesser of (a) the Maximum Annual Debt Service on the Series 2014A Bonds outstanding (which is defined to exclude the final year preceding final maturity of the Series 2014A Bonds), (b) 125% of the average annual debt service on the Series 2014A Bonds, and (c) 10% of the aggregate principal amount of Series 2014A Bonds, calculated on the basis of each Bond Year and (2) in the case of the Series 2014B Bonds and the Series 2014C Bonds, in an amount equal to one year’s maximum interest thereon of the Series 2014B Bonds and the Series 2014C Bonds, respectively. The Debt Service Reserve Fund is available to pay the principal of and interest on the Series 2014 Bonds if payments by the Corporation are insufficient therefor. The monies in the Series 2014A Account are only available to pay debt service on the Series 2014A Bonds, the monies in the Series 2014B Account are only available to pay debt service on the Series 2014B Bonds and the monies in the Series 2014C Account are only available to pay debt service on the Series 2014C Bonds. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Bond Indenture – Debt Service Reserve Fund” in Appendix C hereto.

In addition to the deposits required by the Bond Indenture, there will be deposited into the Debt Service Reserve Fund any cash and Permitted Investments delivered by the Corporation to the Bond Trustee pursuant to the Loan Agreement. In addition, there will be deposited into the Debt Service Reserve Fund all money required to be transferred thereto pursuant to the Bond Indenture, and all other money received by the Bond Trustee when accompanied by directions that such money is to be paid into the Debt Service Reserve Fund. If there is no deficiency in the Debt Service Reserve Fund, all interest and other income received on investments of Debt Service Reserve Fund will be transferred to the Funded Interest Account of the Construction Fund during the construction period for the Project and to the Interest Account of the Bond Fund, at least semiannually, after the construction period.

A separate Series 2014D Debt Service Reserve Fund will also be funded for the benefit of the holders of the Series 2014D Bonds. **The Series 2014D Debt Service Reserve Fund does not secure the Series 2014 Bonds and the Debt Service Reserve Fund for the Series 2014 Bonds does not secure the Series 2014D Bonds.** The Series 2014D Debt Service Reserve Fund includes two accounts, one for the Series 2014D-1 Bonds and one for the Series 2014D-2 Bonds. The Series 2014D-1 Account within the Series 2014D-1 Debt Service Reserve Fund will be funded at closing and will be approximately equal to maximum annual debt service on the Series 2014D-1 Bonds. The Series 2014D-2 Bonds are expected to bear interest at 5.25*% and the Series 2014D-2 Account within the Series 2014D Debt Service Reserve Fund is sized at one year’s of interest payments assuming an average interest rate of 5.00% on the Series 2014D-2 Bonds.

Use of Money in the Debt Service Reserve Fund. Except as provided in the Bond Indenture, money in the Debt Service Reserve Fund will be used solely for the payment of the principal of and interest on the Series 2014 Bonds, in the event money in the Funded Interest Account of the Construction Fund, the Bond Fund, the Working Capital Fund and the Liquidity Support Fund is insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise. The monies in the Series 2014A Account are only available to pay debt service on the Series 2014A Bonds, the monies in the Series 2014B Account are only available to pay debt service on the Series 2014B Bonds and the monies in the Series 2014C Account are only available to pay debt service on the Series 2014C Bonds.

On June 1 and December 1 in each year, any earnings on the cash and Permitted Investments on deposit in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Fund Requirement will be transferred

* Preliminary, subject to change

during the construction period for the Project into the Funded Interest Account of the Construction Fund created in connection with the issuance of the Series 2014 Bonds for the Project or, if after the completion of such construction period, into the Interest Account of the Bond Fund for the Series 2014 Bonds.

Replenishment of the Debt Service Reserve Fund. The Loan Agreement provides that in the event any moneys in the Debt Service Reserve Fund are transferred to the Bond Trustee for deposit to the Bond Fund, except if such moneys are transferred due to the redemption of Bonds, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than 12 equal consecutive monthly installments, the first installment to be made within seven months following such transfer or receipt of written notice from the Bond Trustee of a deficiency. In the event the value of the Debt Service Reserve Fund Obligations (as determined pursuant to the statement of the Bond Trustee furnished in accordance with the Bond Indenture) on deposit in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than three equal consecutive monthly installments, the first installment to be made within 30 days of such receipt of written notice from the Bond Trustee of a deficiency.

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 of the remedy specified in the Bond Indenture, any cash and Permitted Investments in the Debt Service Reserve Fund will, subject to the provisions of Bond Indenture, be transferred by the Bond Trustee to the Principal Account and applied in accordance with the provisions of the Bond Indenture. In the event of the redemption of any series of Bonds, any cash and Permitted Investments on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement on the Series 2014 Bonds to be Outstanding immediately after such redemption will, 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.

Remaining Funds. On the final maturity date of any series of Bonds, any cash and Permitted Investments in the Debt Service Reserve Fund relating to such series of Bonds is required to be used to pay the principal of and interest on such series of Bonds on the final maturity date or redemption date of that series.

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 shall open a fund called the “Revenue Fund – Sinai Residences of Boca Raton Project” and each Obligated Group Member is required to deposit with the Master Trustee for deposit into the Revenue Fund all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrance) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no payment default under the Master Indenture 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 the Master Trustee under the Master Indenture;

SECOND, to an operating account designated by the Corporation (which account will not 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 Subordinated Obligations, 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;

FOURTH, to restore any deficiency in the Debt Service Reserve Fund established under a Related Bond Indenture;

FIFTH, if all Obligations other than Subordinated Obligations have been paid in full, to the payment of the amounts then due and unpaid upon any Subordinated Obligations 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 except as provided in the Supplement pursuant to which such Subordinated Obligations were issued, according to the amounts due and payable on such Subordinated Obligations for principal (and premium, if any) and interest, respectively; and

SIXTH, any amounts remaining shall be deposited in the Surplus Account of the Revenue Fund.

The moneys held in the Surplus Account (i) may be used to pay any of items FIRST through FIFTH above and (ii) may be released to the Obligated Group so long as (A) there are no deficiencies in the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts, (B) the Corporation met the Debt Service Coverage Ratio Covenant, the Liquidity Covenant, Cumulative Cash Operating Loss Covenant, the Occupancy Requirement and the Marketing Requirement for the most recent Fiscal Year and is in compliance with all State regulations regarding the Obligated Group's liquidity position, and (C) no Event of Default has then occurred and is continuing.

If the Revenue Fund is in effect and there are not sufficient funds to pay items FIRST through FOURTH, or if the Revenue Fund is not in effect and the Obligated Group does not have sufficient Revenues in its operating account to pay items FIRST through FOURTH, money will be withdrawn from the following funds in the following order of priority. Prior to the admission of residents to the Project, moneys shall be withdrawn first from the Liquidity Support Fund and then from the Debt Service Reserve Fund. Following the admission of residents to the Project, moneys shall be withdrawn first from the Working Capital Fund, second from the Liquidity Support Fund and third from the Debt Service Reserve Fund.

Financial Covenants

Pursuant to the Master Indenture, the Corporation, for itself and any additional Members of the Obligated Group, has agreed to financial covenants, including the following:

Cumulative Cash Operating Loss Covenant. The Obligated Group covenants that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Project (the "Initial Occupancy Date") if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter immediately preceding Stable Occupancy (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Operating Loss not more than the amount set forth on the following page:

[Remainder of Page Intentionally Left Blank]

<u>Quarter</u>	<u>Cumulative Cash Operating Loss</u>	<u>Forecasted Cumulative Cash Operating Loss</u> ⁽¹⁾
First	\$ 5,200,000	\$ 3,291,944
Second	6,700,000	4,216,078
Third	13,000,000	9,552,584
Fourth	17,000,000	13,169,513
Fifth	20,400,000	16,146,997
Sixth	23,400,000	18,580,303
Seventh	25,600,000	20,666,893
Eighth	26,800,000	21,883,128
Ninth	27,800,000	22,931,759
Tenth	28,600,000	23,893,199
Eleventh	29,000,000	24,772,093
Twelfth	29,300,000	25,557,327
Thirteenth	29,600,000	26,258,702
Fourteenth	29,800,000	26,880,625
Fifteenth and thereafter	30,000,000	27,483,409

(1) Forecast prepared by management of the Corporation. Forecasted operating losses do not include any subsequent Entrance Fee receipts that could be offset to pay operating losses.

If, as of any testing date, the Cumulative Cash Operating Loss of the Obligated Group is greater than the amounts required above, the Obligated Group Representative shall, within 30 days after receipt of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Cumulative Cash Operating Loss for future periods.

If, as of any two consecutive testing dates, the Cumulative Cash Operating Loss is greater than the levels set forth above required, the Obligated Group Representative shall, within 30 days after receipt of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase Cumulative Cash Operating Loss to the required level for future periods. Notwithstanding anything in the Master Indenture to the contrary, Life Care Services LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date the Consultant is retained. Each Member of the Obligated Group shall 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 Member) and permitted by law. The Obligated Group shall not be required to obtain a Consultant's report more than one time in any six month period.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Obligated Group Representative) and permitted by law.

Debt Service Coverage Ratio Covenant. The Master Indenture requires the Obligated Group to calculate the Debt Service Coverage Ratio (i) for each fiscal quarter, commencing with the earlier of (1) the first fiscal quarter following Stable Occupancy, or (2) the fiscal quarter ending August 31, 2020, based on unaudited financial statements for the four consecutive fiscal quarters ending with such fiscal quarter (provided that for the first three fiscal quarters that the Debt Service Coverage Ratio is required to be computed, the Debt Service Coverage Ratio may be calculated, at the option of the Obligated Group Representative, on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed), and (ii) for each Fiscal Year, based on audited financial statements, in each case commencing with the first Fiscal Year during which the Debt Service Coverage Ratio is required to be computed for each fiscal quarter, and will deliver a copy of such calculation to the

Persons to whom such report is required to be delivered under “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting” herein.

The Debt Service Coverage Ratio means, for any period, the ratio of (a) Income Available for Debt Service received during such period to (b) the Maximum Annual Debt Service Requirement on the date of calculation on Long-Term Indebtedness, other than Subordinated Indebtedness. For the purposes of calculating the Debt Service Coverage Ratio for any period during which the interest on any Long-Term Indebtedness is being funded from the proceeds thereof, the Maximum Annual Debt Service Requirement for such Indebtedness shall be disregarded for such period, and the Income Available for Debt Service shall not include interest on any funds established with the proceeds of such Indebtedness. For the purposes of calculating the Debt Service Coverage Ratio for any period which includes the last date to which interest on such Long Term Indebtedness is being capitalized under GAAP or is being paid from the proceeds thereof (the “Capitalized Interest End Date”), the numerator and the denominator of the Debt Service Coverage Ratio shall be calculated as the aggregate of the amounts determined in accordance with the provisions hereof for the respective periods before and after the Capitalized Interest End Date. Income Available for Debt Service for any period is defined as the excess of Revenues over Expenses.

“Maximum Annual Debt Service Requirement” means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year; provided that, for purposes of determining the Maximum Annual Debt Service Requirement, debt service on the final maturity of any Long-Term Indebtedness shall be excluded to the extent such debt service is less than or equal to an amount on deposit in any debt service reserve fund related to such debt, provided, further, that for purposes of determining the Debt Service Requirements for variable rate debt for which a Credit Facility is provided, if the reimbursement agreement for such Credit Facility provides for scheduled redemptions of such variable rate debt, such scheduled redemptions shall be taken into account in determining principal due under such variable rate debt. For the purpose of determining the interest rate on any Long-Term Indebtedness which bears interest at a variable rate, such interest rate shall be assumed in accordance with the Master Indenture, plus Credit Facility and remarketing fees; or (2) for the purpose of any historical Maximum Annual Debt Service Requirement, the actual interest paid for the period of determination.

If the Debt Service Coverage Ratio of the Obligated Group for any calculation date is less than 1.20, the Obligated Group Representative, at the Obligated Group’s expense, is required to retain a Consultant in the manner described below under the subheading “Consultant’s Reports” to make recommendations as described under “Consultant’s Reports.” Each Member of the Obligated Group is required to follow such recommendations of the Consultant. Notwithstanding anything in the Master Indenture to the contrary, Life Care Services may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Notwithstanding anything herein to the contrary, for first fiscal year in which the Debt Service Coverage Ratio is to be calculated pursuant to the Master Indenture, the Debt Service Coverage Ratio for such fiscal year shall be not less than 1.10.

If the Obligated Group fails to achieve a Debt Service Coverage Ratio of 1.20 for a Fiscal Year but did achieve a Debt Service Coverage Ratio of at least 1.00 in the immediately preceding Fiscal Year or such calculation was not required, such failure shall not constitute an Event of Default under the Master Indenture if the Obligated Group (i) takes all action necessary to comply with the procedures described under “Consultant’s Report” for retaining a Consultant and (ii) follows the recommendations of the Consultant as described under “Consultant’s Reports.” Failure by the Obligated Group to comply with (i) or (ii) of the preceding sentence may become an Event of Default under the Master Indenture, with the giving of notice in the manner specified in the Master Indenture.

If the Obligated Group fails to achieve a Debt Service Coverage Ratio of at least 1.00 at the end of any Fiscal Year, such failure shall constitute an Event of Default under the Master Indenture.

Liquidity Covenant. The Master Indenture requires that the Obligated Group calculate the Days’ Cash on Hand of the Obligated Group as February 28 (or February 29 in a leap year) and August 31 of each Fiscal Year, commencing with the first such date after Stable Occupancy (each such date being a “Testing Date”).

“Days’ Cash on Hand” means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing Expenses (including interest on Indebtedness but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses)

for the trailing twelve months for the periods ending February 28 (or February 29 in a leap year) and August 31, as derived from the quarterly financial statements required by delivered pursuant to the Master Indenture, by 365.

“Cash and Investments” means the sum of cash, cash equivalents and marketable securities of the Obligated Group Members, including without limitation board-designated assets, and any amounts, if any, on deposit in the Working Capital Fund, the Liquidity Support Fund and the Minimum Liquid Reserve Accounts, but excluding (a) trustee-held funds other than those described above in this definition, (b) donor-restricted funds and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the purposes of calculations under the Master Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 180 Days’ Cash on Hand on each Testing Date (the “Liquidity Requirement”).

If the amount of Days’ Cash on Hand as of any Testing Date is less than the Liquidity Requirement and 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 delivered pursuant to the Master Indenture, the Obligated Group Representative shall, within 30 days after delivery of the Officer’s Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group’s methods of operation and other factors affecting its financial condition in order to increase the Days’ Cash on Hand to the Liquidity Requirement for future periods. A copy of the Consultant’s report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained. Notwithstanding anything in the Master Indenture to the contrary, Life Care Services LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Each Member of the Obligated Group shall 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 Member) and permitted by law.

Notwithstanding any other provision of the Master Indenture to the contrary, failure of the Obligated Group to achieve the required Liquidity Requirement for any Fiscal Year shall 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 retaining a Consultant and follows each recommendation contained in such Consultant’s report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

Marketing Covenant. Beginning with the first full quarter following the fiscal quarter in which the Series 2014 Bonds are issued and ending with the first full fiscal quarter following Stable Occupancy, the Obligated Group will use its best efforts to maintain the percentage of Independent Living Units in the Project that are Reserved (the “Percentage of Reserved Independent Living Units”) at or above the applicable levels set forth on the following page, which determinations will be measured as of the last day of the applicable quarter (the “Marketing Requirements”).

[Remainder of Page Intentionally Left Blank]

Percentage of Reserved Living Independent Units (%)		
Quarter Ending	#Units	Percent
08/31/14	166	70.0%
11/30/14	168	70.9
02/28/15	170	71.7
05/31/15	172	72.6
08/31/15	174	73.4
11/30/15	176	74.3
02/29/16	178	75.1
05/31/16	180	75.9
08/31/16	182	76.8
11/30/16	184	77.6
02/28/17	186	78.5
05/31/17	188	79.3
08/31/17	191	80.6
11/30/17	194	81.9
02/28/18	197	83.1
05/31/18	201	84.8
08/31/18	204	86.1
11/30/18	207	87.3
02/28/19	210	88.6
05/31/19 and thereafter	214	90.3

If the Percentage of Reserved Independent Living Units for any fiscal quarter is less than the applicable Marketing Requirement set forth above for that fiscal quarter, the Corporation is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report (a “Management Marketing Report”) that includes the following information: (a) the Percentage of Reserved Independent Living Units, including the number of reservations and cancellations of Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Corporation, of the number of reservations of Independent Living Units expected in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Marketing Report is being prepared; and (c) a description of the sales and marketing plan of the Corporation.

If the Percentage of Reserved Independent Living units is less than the Marketing Requirement for two successive fiscal quarters, the Corporation is required to retain a Consultant within 30 days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Reserved Independent Living Units to the Marketing Requirements set forth herein for future periods. Notwithstanding anything in the Master Indenture to the contrary, Greenbrier Development, LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Within 60 days of retaining any such Consultant, the Corporation 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. Each Member is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of such Member) and permitted by law. The Obligated Group will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters.

Failure of the Obligated Group to achieve the Marketing Requirements for any fiscal quarter 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 Management Marketing Report or obtaining a Consultant’s report and adopting a plan and follows each recommendation contained in such Consultant’s report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Occupancy Covenant. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first fiscal quarter which ends not less than 60 days following the issuance of the first certificate of occupancy for the first building containing Independent Living Units that are part of the Project, and (b) ending with the first full fiscal quarter following Stable Occupancy (each an “Occupancy Quarter”), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units that are part of the Project (the “Percentage of Units Occupied”) at or above the requirements set forth below, which levels are required to be measured as of the last day of the applicable Occupancy Quarter (the “Occupancy Requirements”):

<u>Occupancy Quarter</u>	<u>Occupancy Requirements</u>	
	<u># Units</u>	<u>Percent</u>
1	15	6.3%
2	40	16.9
3	75	31.6
4	105	44.3
5	130	54.9
6	146	61.6
7	158	66.7
8	168	70.9
9	176	74.3
10	182	76.8
11	188	79.3
12	192	81.0
13	198	83.5
14	206	86.9
15	210	88.6
16 and thereafter	214	90.3

If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Corporation is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, (a) an occupancy report (a “Management Occupancy Report”) that includes the following information: (i) the Percentage of Units Occupied and (ii) the number of reservations and cancellations of Independent Living Units that are part of the Project during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Corporation, of the number of Independent Living Units that are part of the Project expected to be Occupied in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Occupancy Report is being prepared; and (c) a description of the sales and marketing plan of the Corporation.

If the Percentage of Units Occupied for any two consecutive fiscal quarters is less than the Occupancy Requirement set forth above for those fiscal quarters, the Corporation is required to retain a Consultant within thirty (30) days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to the Occupancy Requirement set forth above for future periods. Notwithstanding anything in the Master Indenture to the contrary, Greenbrier Development, LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Within 60 days of retaining any such Consultant, the Corporation 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. Each Member is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of such Member) and permitted by law. The Obligated Group will not be required to obtain a Consultant’s report in any two consecutive fiscal quarters.

Failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter 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 Management Occupancy Report or obtaining a Consultant’s report and adopting a plan and follows each recommendation contained in such Consultant’s report to

the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Consultant's Report. Whenever a Consultant is required to be engaged under the Master Indenture the Consultant (including the specific individuals) the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and beneficial owners of the Series 2014 Bonds will be given independent access to the Consultant. Within 21 days after a Consultant is required to be retained, the Corporation will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Corporation, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Corporation. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Master Trustee and to each Required Information Recipient as soon as practicable but in no event later than 60 days after the date on which a Consultant is required to be retained. The Corporation shall follow the recommendations of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Management Company and Marketing Consultant. The Obligated Group is required to engage a Manager and a Marketing Consultant (which may be the same firm) at all times so long as any Obligation remains outstanding. The Obligated Group, or an Affiliate thereof, may serve as Manager or the Project if (1) (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the Obligated Group has achieved a 1.30 Debt Service Coverage Ratio for six consecutive fiscal quarters, (iii) the Obligated Group has 200 Days' Cash on Hand for six consecutive quarters; (iv) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at required levels, (v) the Project has stable Occupancy for the most recent six fiscal quarter, (vi) the Obligated Group is then in compliance with Chapter 651, Florida Status, as amended, and (vii) no Event of Default has occurred and is continuing under the Master Indenture, and (2) the Obligated Group provides the Master Trustee with written confirmation from the auditor of the financial statements of the Obligated Group that there are no material weaknesses, material control issues or other adverse material negative findings in the financial statement of the Obligated Group. In lieu of (1) or (2) in the precedent sentence the Obligated Group may obtain consent from the Holders of a majority of Bonds. Except as provided below, the Members of the Obligated Group shall be required to retain a new Manager or Marketing Consultant or both, if:

- (i) the Obligated Group fails to make any payment required under the Master Indenture and the Supplements thereto;
- (ii) the Obligated Group fails to maintain a Debt Service Coverage Ratio of at least 1.00 as shown on any two successive quarterly unaudited financial statements;
- (iii) the Obligated Group fails to meet the required Debt Service Coverage Ratio by the end of the second fiscal quarter following the date the Consultant's report is required;
- (iv) the Obligated Group fails to meet the Occupancy Requirements by the end of the second Occupancy Quarter following the date the Consultant's report is required;
- (v) the Obligated Group fails to meet the required Marketing Requirements by the end of the second fiscal quarter following the date the Consultant's report is required;
- (vi) the Obligated Group fails to meet the Cumulative Cash Operating Loss Covenant by the end of the second fiscal quarter following the date the Consultant's report is required; or
- (vii) the Obligated Group fails to meet the Liquidity Covenant by the end of the second fiscal quarter following the date the Consultant's report is required.

Whenever the Obligated Group is required to retain a new Manager or Marketing Consultant, as described above, the Obligated Group Representative shall immediately retain a Consultant who shall, within 30 days of the event requiring appointment of a new Manager and/or Marketing Consultant, submit to the Master Trustee, a list of

two or more Persons experienced in the management, or marketing, as the case may be, of continuing care retirement communities of a type and size similar to the Project. If the Obligated Group is required to retain a new Manager or Marketing Consultant under the circumstances described above, the Obligated Group shall retain as Manager and/or Marketing Consultant a Person from the list submitted by the Consultant. In the event that a new Manager or Marketing Consultant is appointed by the Obligated Group Representative at any time when the Debt Service Coverage Ratio or the Occupancy Requirements is less than the level required pursuant to the Master Indenture, the provisions of the Master Indenture shall not be applied to require the further appointment of another Manager or Marketing Consultant until the new Manager or Marketing Consultant has been employed for at least twelve months.

Notwithstanding the foregoing, the Obligated Group shall not be required to retain a new Manager or Marketing Consultant if the Master Trustee receives, within 30 days of the event requiring appointment of a new Manager or Marketing Consultant:

- (i) a written report (prepared by a Consultant, but not by the Manager or Marketing Consultant) containing sufficient detail to support the conclusions made therein and concluding (a) that the failure of the Obligated Group to comply with the Debt Service Coverage Ratio Covenant, the Occupancy Covenant, the Liquidity Covenant, the Marketing Requirements and/or the Cumulative Cash Operating Loss Covenant is primarily due to factors outside the control of the present Manager or Marketing Consultant, or (b) that retaining a new Manager or Marketing Consultant is not likely to materially improve the Obligated Group's ability to comply with such requirements; and
- (ii) a certificated copy of the Governing Body of each Member of the Obligated Group stating that the performance by the Manager or Marketing Consultant of its duties is satisfactory and setting forth the reasons supporting retention of the present Manager or Marketing Consultant.

Rating Solicitation Covenant. Under the Master Indenture, the Corporation has covenanted that it will seek a rating of the Series 2014 Bonds from any Rating Agency each year after a determination is made by the Corporation in consultation with the Underwriter that an investment grade rating is reasonably obtainable, until achievement of an investment grade rating, provided that if during any such year the Corporation receives a preliminary indication from any Rating Agency that the Series 2014 Bonds will not be assigned an investment grade rating, the Corporation is required to withdraw any request for such year to have such Rating Agency assign a rating to the Series 2014 Bonds.

Transfer of Cash to the Federation/Affiliate Payments. Pursuant to the Master Indenture, the Obligated Group may not make any payments, other than for the Federation Subordinated Obligation, or other transfer of cash to the Federation unless (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the average Debt Service Coverage Ratio of the Obligated Group for the preceding twelve months was not less than 1.30; (iii) there is no deficiency in any Debt Service Reserve Fund or the Minimum Liquid Reserve Accounts; (iv) the average Days' Cash on Hand for the preceding twelve months was not less than 200; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Skilled Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing under the Master Indenture. If the Obligated Group is in compliance with requirements of the preceding sentence, the Obligated Group can transfer 50% of the cash reserves greater than 300 Days' Cash on Hand and 100% of the amount greater than 375 Days' Cash on Hand or the lesser of the most recently published BBB median ratio for either Fitch or Standard & Poor's to the Federation or an Affiliate.

CERTAIN BONDHOLDERS' RISKS

General Risk Factors

The Series 2014 Bonds are special and limited obligations of the Authority, payable solely from and secured exclusively by the funds pledged thereto, including the payments to be made by the Corporation under the Loan Agreement.

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 SERIES 2014 BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2014 BONDS.

Certain risks are inherent in the successful development and operation of facilities such as the Project. Such risks should be considered in evaluating the Project's ability to generate sufficient revenues to pay principal of, premium, if any, and interest on the Series 2014 Bonds when due. This section discusses some of these risks but is not intended to be a comprehensive listing of all risks associated with the construction and operation of the Project or the payment of the Series 2014 Bonds.

Limited Obligations

THE SERIES 2014 BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE AUTHORITY, THE STATE OF FLORIDA, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION WHATSOEVER, BUT THE SERIES 2014 BONDS SHALL BE A LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM THE INCOME, REVENUES, AND RECEIPTS DERIVED FROM THE TRUST ESTATE CREATED UNDER THE BOND INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE SERIES 2014 BONDS OR TO THE INTEREST OR ANY PREMIUM THEREON OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO MAKE ANY APPROPRIATION TO PAY THE PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS. THE SERIES 2014 BONDS DO NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE, THE COUNTY, OR THE AUTHORITY OR TAXING POWERS OF THE STATE OR THE COUNTY.

Impact of Market Turmoil

The economic turmoil of the past few 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. The effects of this turmoil can still be seen in the scarcity of credit, lack of confidence in the financial sector, volatility in the financial markets, fluctuations in interest rates, reduced economic activity, increased business failures, high unemployment and increased consumer and business bankruptcies. The recent turmoil and any similar future market turmoil could affect the market and demand for the Series 2014 Bonds in addition to adversely affecting the value of any investments of the Corporation or any future Member of the Obligated Group.

Dependence on the Development Consultant and the Manager

Management of the Corporation has no experience developing, marketing, or managing continuing care retirement communities, such as the Project, and as a consequence, the successful construction, start up and on-going management of the Project will be dependent on the efforts of the Development Consultant and the Manager.

Limited Resources of the Corporation

The Corporation has no assets other than its interest in the Project and has no operating history. The Corporation has no sources of funds if revenues from operation of the Project are not sufficient to cover expenses, including debt service on the Series 2014 Bonds.

Additions to the Obligated Group

The Corporation is the only initial member of the Obligated Group. Upon satisfaction of certain conditions in the Master Indenture, other entities can become members of the Obligated Group. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture - Admission of Obligated Group Members” in Appendix C hereto. Management of the Corporation 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 Corporation alone.

Series 2014D Bonds are Draw-Down Bonds

The Series 2014D Bonds are draw-down bonds. The Series 2014D Bonds are expected to be purchased by Hamlin Capital Management, LLC (the “Series 2014D Bondholder Representative”) for distribution to its’ clients. The Series 2014D Bondholder Representative has purchased draw down bonds in an aggregate amount of approximately \$230 million for six other senior living projects, with one issue as a large as \$82 million to construct another start up continuing care retirement community. To secure its obligation to fund properly requested Series 2014D Bond Proceeds Advances, the Series 2014D Bondholder Representative will cause Deutsche Bank AG, New York Branch (“Deutsche Bank”) to issue an irrevocable letter of credit (the “Deutsche Bank Letter of Credit”) in favor of the Series 2014D Bond Trustee guaranteeing the prompt advances of Series 2014D Bond Proceeds Advance in the event that the Series 2014D Bondholder Representative does not or is unable to honor a proper request for an advance of Series 2014D Bond Proceeds. Deutsche Bank has total assets of \$2.3 trillion serving approximately 30 million clients in over 70 counties. The senior debt ratings of Deutsche Bank are A2 (Moody’s Investor Service), A (Standard & Poor’s) and A+ (Fitch Ratings). In the event that the Series 2014D Bondholder Representative does not honor or fund a properly presented request for Advances of Series 2014D Bond Proceeds, the Bond Trustee will draw on the Deutsche Bank Letter of Credit and such proceeds will be used to honor a proper request for a Series 2014D Bond Proceeds Advance. The initial term of the Deutsche Bank Letter of Credit is for one year and Deutsche Bank has the option to renew for another year. If the Deutsche Bank Letter of Credit is not renewed beyond its initial term, the Series 2014D Bond Trustee is directed to draw on the Deutsche Bank Letter of Credit and use the proceeds of the drawing to purchase the Series 2014D Bond Proceeds Advances, if necessary.

At the closing of the issuance of the Series 2014 Bonds and the Series 2014D Bonds, the principal amount of the Series 2014D Bonds shall be equal to the Initial Advance in the initial amount of approximately \$3,000,000^{*}. From time to time, additional Series 2014D Bond proceeds shall be drawn down in accordance with the provisions of the Series 2014D Bond Indenture, the Series 2014D Loan Agreement and the Series 2014D Bond Purchase Agreement. Proceeds of the Series 2014D-2 Bonds are expected to be drawn quarterly, commencing on the date of issuance of the Series 2014 Bonds, in equal installments of \$3,000,000. The Series 2014D-1 Bonds are expected to be drawn in connection with the final advance of Series 2014D-2 Bond proceeds. The interest rate on the Series 2014D-2 Bonds is expected to be 5.25^{*}%.

There are conditions precedent relating to making additional Series 2014D Bond Proceeds Advances, including compliance with the conditions of the Disbursement Agreement. The successful construction and development of the Project is conditioned upon the timely advances of Series 2014D Bond Proceeds Advances in accordance with the Corporation’s expected schedule of advances. No representation or warranty is made that such conditions will be satisfied on a timely basis or at all. A temporary or permanent suspension of additional Series 2014D Bond Proceeds Advances would likely adversely affect the construction of the Project and might result in an Event of Default on the Series 2014 Bonds. Such Event of Default may result in an investment loss for holders of Series 2014 Bonds.

^{*} Preliminary, subject to change

Uncertainty of Revenues

The Corporation is a development stage company and has not previously built or operated a project. Facilities of the nature of those of the Obligated Group are subject to variability in demand and, in the event that there is insufficient demand for the services of the Obligated Group at the existing pricing structure, the Obligated Group may need to discount the pricing structure for its services which could negatively impact revenues. Additionally, the Corporation has no assets other than the Project and is not expected to have any revenues except those derived from operations of the Project.

As noted elsewhere, except to the extent that the holders receive, under certain circumstances, proceeds of insurance, sale or condemnation awards, the Series 2014 Bonds will be payable solely from payments or prepayments to be made by the Corporation under the Loan Agreement and by the Corporation and any other future Obligated Group Members on the related Series 2014 Obligations. The ability of the Corporation to make payments under the Loan Agreement and the ability of the Corporation and any other future Obligated Group Members to make payments on the Series 2014 Obligations is dependent upon the generation by the Corporation of revenues in the amounts necessary for the Corporation to pay the principal or redemption price of and interest on the Series 2014 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 Corporation, government regulation and future economic (including but not limited to availability of credit) and other conditions that are unpredictable and that may affect revenues and payment of principal of and interest on the Series 2014 Bonds. No representation or assurance can be made that revenues will be realized by the Corporation in amounts sufficient to make the required payments with respect to debt service on the Series 2014 Bonds.

Financial Forecast

The Corporation's financial forecast contained in the Financial Feasibility Study attached hereto as Appendix B is based upon assumptions made by management of the Corporation and the Manager. As stated in such financial forecast, events and circumstances frequently do not occur as expected, and there will usually be differences between the forecasted and actual results, and those differences may be material. In addition, the financial forecast only covers the seven years ending August 31, 2020, and consequently does not cover the entire period during which the Series 2014 Bonds may be outstanding. See the Financial Feasibility Study included herein as Appendix B, which should be read in its entirety.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH THE ASSUMPTIONS MADE, NO GUARANTY CAN BE MADE THAT THE FINANCIAL FORECAST IN THE FINANCIAL FEASIBILITY STUDY WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO, INCREASED COSTS, FAILURE BY MANAGEMENT OF THE CORPORATION TO EXECUTE ITS PLANS, LOWER THAN ANTICIPATED REVENUES, EMPLOYEE REGULATIONS, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, CHANGES IN DEMOGRAPHIC TRENDS, CHANGES IN THE RETIREMENT LIVING AND HEALTH CARE INDUSTRIES AND GENERAL ECONOMIC CONDITIONS.

Construction Risks

Construction of the Project is subject to the usual risks associated with construction projects including, but not limited to, delays in issuance of required building permits or other necessary approvals or permits, strikes, labor disputes, shortages of materials and/or labor, transportation delays, restrictions related to endangered species, adverse weather conditions, fire, casualties, acts of God, war, acts of public enemies, terrorism, orders of any kind of federal, state, county, city or local government, insurrections, riots, adverse conditions not reasonably anticipated or other causes beyond the control of the Corporation or its contractors. Such events could result in delayed marketing, substantial completion, and/or occupancy of the Project and thus the revenue flow therefrom.

Management of the Corporation believes that the building permits will be obtained in due course. See "SINAI RESIDENCES OF BOCA RATON – Design and Construction of the Sinai Residences - Regulatory Permits and Approvals" in Appendix A hereto. In addition, the marketing, substantial completion and occupancy of

the Project may be extended by reason of changes authorized by the Corporation, delays due to acts or neglect of the Corporation, or by independent contractors employed by the Corporation. Cost overruns could also result in the Corporation not having sufficient money to complete construction of the Project, thereby materially affecting the receipt of revenues needed to pay the Series 2014 Bonds. For example, the plan of finance assumes that Entrance Fees payable on or before initial occupancy of the Project by individual residents will be used to fund the Working Capital Fund and to redeem the Series 2014B and the Series 2014C Bonds. If the completion of the Project is delayed, the receipt of Entrance Fees necessary for such purposes, as well as the receipt of monthly service fees necessary to fund operations, may be adversely impacted.

It is anticipated that the proceeds from the sale of the Series 2014 Bonds together with anticipated investment earnings thereon will be sufficient to complete the construction and equipping of the Project. Cost overruns for projects of this magnitude may occur due to change orders and other factors. Cost overruns could also result in the Corporation not having sufficient moneys to complete construction of the Project, thereby materially affecting the receipt of revenues needed to pay debt service on the Series 2014 Bonds. Failure to complete the Project either at all or on time and for the cost estimated by the Corporation would reduce or delay revenues forecasted to be received by the Corporation, which would adversely affect the financial position of the Corporation and its ability to make payments under the Series 2014 Obligations and the Loan Agreement. In addition, if the proceeds of the Series 2014 Bonds were not sufficient to complete the Project, the Corporation would have to complete the Project with financing obtained from other sources that may not be available. See “SINAI RESIDENCES OF BOCA RATON – Design and Construction of Sinai Residences” in Appendix A hereto.

Construction Draws

The ability of the Corporation to receive disbursements from the Project Account of the Construction Fund held under the Bond Indenture is subject to compliance by the Corporation with various requirements of the Construction Disbursement and Monitoring Agreement (the “Disbursement Agreement”) dated as of June 1, 2014 by and among the Corporation, zumBrunnen, Inc. (the “Construction Monitor”), the Bond Trustee and the Series 2014D Bond Trustee. If the conditions to receipt of disbursements in the Disbursement Agreement are not met, construction draws may be temporarily suspended. A temporary suspension of funding might cause delay in completion and related cost overruns. Proceeds remaining in the Construction Fund together with other funds held under the Bond Indenture would not be sufficient to pay the principal of the Series 2014 Bonds upon acceleration. See “SINAI RESIDENCES OF BOCA RATON – Design and Construction of Sinai Residences – Disbursement Agreement” in Appendix A hereto.

Redemption of the Series 2014C Bonds, the Series 2014D-2 Bonds and the Series 2014B Bonds from Initial Entrance Fees

Management’s financial forecast contained in the Financial Feasibility Study included in Appendix B hereto anticipates that the Series 2014C Bonds, the Series 2014D-2 and the Series 2014B Bonds will be subject to mandatory redemption from funds held in the Entrance Fee Redemption Account established under the Bond Indenture upon achieving occupancy of approximately 70% and 81.5% (assuming the full use of Initial Entrance Fees for working capital or approximately 79% if no Initial Entrance Fees are used for supplemental working capital needs), respectively, of the Entrance Fee Units in the Project. There can be no guarantee, however, that there will be sufficient funds in the applicable Entrance Fee Redemption Account in order to so redeem any such Series 2014D-2 Bonds, Series 2014B Bonds and Series 2014C Bonds. The Entrance Fee Redemption Account will be funded from the Initial Entrance Fees in accordance with the Master Indenture, as described herein. In addition, the Series 2014D-2 Bonds are to be retired prior to the Series 2014C Bonds and the Series 2014B Bonds.

Failure to Achieve or Maintain Occupancy or Turnover

The economic feasibility of the Project depends in large part upon the ability of the Corporation to attract sufficient numbers of residents to the Project and to achieve and maintain substantial occupancy throughout the term of the Series 2014 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 Project fails to achieve significant initial occupancy within the period forecasted by management

in the Financial Feasibility Study, there may be insufficient funds to pay debt service on the Series 2014 Bonds once the funds in the Funded Interest Account of the Construction Fund available to pay debt service have been spent.

Demand for services of the Project could also be affected by many factors, including (1) advances in scientific and medical technology; (2) increased or more effective competition from nursing home and long-term care facilities, assisted living facilities, and apartment complexes which target elderly residents now or hereafter located in the service area of the Project; and (3) the effects of managed care. Moreover, if a substantial number of residents live beyond the anticipated life expectancies assumed by the Corporation or if the permanent transfers to the assisted living, memory support and nursing beds of the Project are substantially less than assumed by the Corporation, or if market changes require a reduction in the amount of the Entrance Fees payable by new residents, the receipt of additional Entrance Fees would be curtailed, with a consequent impairment of the revenues of the Project. Such impairment would also result if the Corporation is unable to remarket units becoming available when residents die, withdraw, or are permanently transferred to a health care facility or any other facility. If the Project fails to maintain occupancy levels as management forecasted in the Financial Feasibility Study, there may be insufficient funds to pay the debt service on the Series 2014 Bonds. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein. See "FINANCIAL FEASIBILITY STUDY" in Appendix B hereto.

Sale of Homes

It is anticipated that many prospective residents of the Project will be required to sell their current homes to pay the Entrance Fee prior to occupancy or to meet other financial obligations under their Residency Agreements. Housing prices have declined nationally and in many areas longer time periods have been needed for homeowners to sell their homes. If prospective residents encounter difficulties in selling their current homes due to local or national economic conditions affecting the sale and finance of residential real estate, such prospective residents may not have sufficient funds to pay the Entrance Fee or to meet other obligations under their Residency Agreements, thereby causing a delay in scheduled occupancy of the Project or remarketing of vacated Independent Living Units, which would have an adverse impact on the revenues of the Corporation.

Nature of Income of the Elderly

A large percentage of the monthly income of some residents of the Project is fixed income derived from pensions and social security. If, due to inflation or otherwise, substantial increases in Monthly Fees are required to cover increases in operating costs, nursing care costs, wages, benefits and other expenses, residents may have difficulty paying or may be unable to pay such increased Monthly Fees. The marketing consultant conducts a financial analysis of each potential resident before a Residency Agreement is executed to determine the likely ability of the resident to meet the financial obligations to the Corporation; however, no assurance may be given that future events, including life expectancy, will not result in residents encountering difficulty in paying Monthly Fees.

Licensing Delay

The health care components of the Corporation's facilities are licensed by the State of Florida Agency for Health Care Administration ("AHCA"). The health facilities are required to undergo at least one annual unannounced inspection by AHCA to determine compliance with applicable statutes and rules promulgated thereunder which govern minimum standards of construction, quality, adequacy of care and rights of residents. In addition, AHCA will at least annually evaluate the health facilities to determine compliance with applicable licensure requirements and standards as a basis for assigning a rating to such facilities. The Corporation is also required to submit an annual financial statement and statement of ownership to AHCA, as well as maintain a license from AHCA. AHCA may revoke or suspend an assisted living facility's or skilled nursing facility's license for a number of reasons, including: (a) an intentional or negligent act seriously affecting a facility resident's health, safety or welfare; (b) misappropriation or conversion of resident property; (c) a determination by AHCA that the facility owner lacks the financial ability to provide continuing adequate care to residents; or (d) a licensee's failure during relicensure to meet minimum licensing standards or applicable rules. Furthermore, AHCA may seek an injunction in various circumstances, including to enforce applicable requirements against an assisted living facility or skilled nursing facility when a violation has not been corrected by the imposition of administrative fines or when the violation materially affects resident health, safety or welfare. Any delay in the licensing and full operation of the

Health Center, memory support units or assisted living units would result in losses in excess of those projected in the Financial Feasibility Study in Appendix B hereto. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein.

The timeline to achieve licensure for the Project's assisted living, memory support and nursing beds may be longer than expected and negatively impact occupancy levels and revenues of the Corporation. In certain other similar projects, the timing associated with opening the assisted living, memory support or nursing beds exceeded the number of months assumed in the facility's financial forecast causing greater operating losses than had been forecast for such facility. Any delay in the licensing and full operation of the assisted living, memory support or nursing beds would result in losses in excess of those projected in the Financial Feasibility Study in Appendix B hereto. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein.

Competition

The Project is located in an area where other continuing care retirement facilities and other competitive facilities exist or may be developed. The Project may also face additional competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing continuing care facilities in the geographic area served by the Project. The Corporation will also face competition from other forms of retirement living including condominiums, apartment buildings and facilities not specifically designed for the elderly, some of which may be designed to offer similar facilities, but not necessarily similar services, at lower prices. In addition, there are few entry barriers to future competitors because competing facilities generally do not require a certificate of need approval for residential living facilities. All of these factors combine to make the elderly housing industry volatile and subject to material change that cannot be currently predicted. See "FINANCIAL FEASIBILITY STUDY" in Appendix B hereto. The Financial Feasibility Study should be read in its entirety, including management's notes and assumptions set forth therein.

Professional Liability Claims and Losses

The operations of the Corporation, and thereby of the Project, may also be affected by increases in the incidence of professional liability lawsuits against healthcare facilities in general and increases in the dollar amount of patient damage recoveries, resulting in increased insurance premiums and an increased difficulty in obtaining malpractice insurance. The Corporation covenants to maintain professional liability insurance in the amount required under the Master Indenture. It is not possible at this time to determine either the extent to which such insurance coverage will continue to be available to the Corporation or the premiums at which such coverage can be obtained.

Health Care Reform

Recently passed health care reform law at the federal level would impose certain expanded contracting requirements on long-term care facilities regarding coordination of care with hospitals and hospital systems going forward. In addition, legislation is periodically introduced in Congress and in the Florida legislature that could result in limitations on revenues, reimbursements, or charges for health care facilities. At this time, no determination can be made as to whether such federal or state legislation will be enacted or, if enacted, its impact on the Project.

Third-Party Payments

General. The health care industry in general is subject to regulation by a number of federal, state and local governmental agencies, including the Centers for Medicare and Medicaid Services ("CMS"). As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare program. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Project.

At this time, all 60 of the Skilled Nursing Beds are planned to be certified for Medicare and it is expected that approximately 14 of the Skilled Nursing Beds will be utilized by Medicare patients in Fiscal Year 2020.

Medicare. Medicare is a federal insurance program that, among other things, provides reimbursement for nursing facility care in Medicare-certified facilities. Generally, a resident will qualify for Medicare reimbursement only if the resident's admission to the nursing home facility is immediately subsequent to the resident's three or more day stay at an acute care facility. Medicare reimbursement for nursing care is limited to a renewable 100-day period for each qualified resident. Medicare currently reimburses providers of nursing care for the lower of customary charges or allowable costs. Payments are made directly to the Corporation for residents qualifying for Medicare on the basis of per diem rates based on resident acuity as well as each facility's allowable costs for the cost reporting period that began in fiscal year 1995, updated by a factor based on the skilled nursing facility market basket percentage (except in the case of certain facilities in states having a Prospective Payment System demonstration project), but without adjustment for case mix or wage levels.

Other future legislation, regulation or actions by the federal government are expected to continue the trend toward more limitations on reimbursement for long term care services. At present, no determination can be made concerning whether or in what form such legislation could be introduced and enacted into law. Similarly, the impact of future cost control programs and future regulations upon the Corporation's financial performance cannot be determined at this time.

Medicare Reporting Requirements. Medicare regulations provide that all entities furnishing services for which payment may be made under Medicare are required to submit certain information to CMS. Persons who fail to submit the required information or who fail to report the information accurately and completely are subject to civil or criminal money penalties. As these requirements are numerous, technical and complex, there can be no assurance that the Corporation may not incur such penalties in the future. These penalties could have a material adverse effect on the Corporations revenues and/or its ability to operate.

Government Health Program Regulations Governing Fraud and Abuse and Certain Referrals. Federal and state health care fraud and abuse laws generally regulate services furnished to beneficiaries of federal and state (including Medicare) and private health insurance plans, and they impose penalties for improper billing and other abuses. Under these laws, health care providers may be punished for billing for services that were not provided, not medically necessary, provided by an improper person, accompanied by an illegal inducement to use or not use another service or product, or billed in a manner that does not comply with applicable government requirements. Violations of these laws are punishable by a range of criminal, civil and administrative sanctions. If the Corporation violates one of the fraud and abuse laws, among other possible sanctions, federal or state authorities could recover amounts paid, exclude the Corporation from participation in the Medicare program, impose civil monetary penalties, and suspend Medicare payments. The federal government (and individuals acting on its behalf) have brought many investigations, prosecutions and civil enforcement actions under the fraud and abuse laws in recent years. In some cases, the scope of the fraud and abuse laws are so broad that they may result in liability for business transactions that are traditional or commonplace in the health care industry.

There is an increasingly expanding and complex body of state and federal law, regulation and policy relating to relationships between providers of health care services to patients and potential referral sources such as, but not limited to, physicians. The federal and state illegal remuneration statutes and anti-kick-back statutes applicable to Medicare, Medicaid, and all federal and state health care programs ("Government Programs") prohibits the offer, payment, solicitation, or receipt of any remuneration, directly or indirectly, covertly or overtly, in cash or in kind, for (1) the referral of patients, or arranging for the referral of patients, for the provision of items or services for which payment may be made under the Government Programs; or (2) the purchase, lease or order, or arranging for the purchase, lease or order, of any good, facility, service or item for which payment may be made under the Government Programs. A violation of the illegal remuneration statute constitutes a felony criminal offense, and applicable sanctions include imprisonment of up to five years, fines up to \$25,000 and exclusion from the Medicare program.

The federal civil False Claims Act ("Civil FCA") prohibits anyone from knowingly submitting a false, fictitious or fraudulent claim to the federal government. Violation of the Civil FCA can result in civil money penalties and fines, including treble damages. Private individuals may initiate actions on behalf of the federal

government in lawsuits called qui tam actions. The plaintiffs, or “whistleblowers,” can recover significant amounts from the damages awarded to the government. In several cases, Civil FCA violations have been alleged solely on the existence of alleged kickback arrangements or violations of Section 1877 of the Social Security Act (commonly known as the “Stark Law”), even in the absence of evidence that false claims had been submitted as a result of those arrangements. The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively, “PPACA”) creates Civil FCA liability for knowingly failing to report and return an overpayment within a specified time. The federal criminal False Claims Act (“Criminal FCA”) prohibits the knowing and willful making of a false statement or misrepresentation of a material fact in submitting a claim to the government. Sanctions for violation of the Criminal FCA include imprisonment, fines, and exclusions.

The Civil Monetary Penalties Law in part authorizes the government to impose money penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, the Corporation 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. PPACA amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the Office of Inspector General timely access for audits, investigations or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil money penalties plus three times the amount claimed.

In addition to the anti-kickback and illegal remuneration statutes, the Stark Law imposes certain restrictions upon referring physicians and providers of certain designated health services, including long term care services, under the Medicare and Medicaid programs. Subject to certain exceptions, the Stark Law provides that if a physician (or a family member of a physician) has a financial relationship with an entity (i) the physician may not make a referral to the entity for the furnishing of designated health services reimbursable under the Medicare and Medicaid programs, and (ii) the entity may not bill for designated health services furnished pursuant to a prohibited referral. Entities and physicians committing an act in violation of the Stark Law are subject to civil money penalties and exclusion from the Medicare and Medicaid programs. Mandated by PPACA, the recently published Medicare self-referral disclosure protocol (“SRDP”) is intended to allow providers to self-disclose actual or potential violations of the Stark Law. PPACA provides for discretion to reduce penalties for providers submitting an SRDP. As a result of the scarcity of case law interpreting the Stark Law, there can be no assurance that the Corporation will not be found in violation of the Stark Law or that self-disclosure of a potential violation would result in reduced penalties for the Corporation. The precise impact on the Corporation of any such violation and corresponding sanction cannot be predicted at this time, but would be negative if any such sanction is imposed.

Sanctions could be applied in many situations where skilled nursing facilities participate in joint ventures with entities that may be in a position to make referrals or to which skilled nursing facilities may be in a position to make referrals, enter into personal service and management contracts, enter into space and equipment rental agreements, waive co-payments and deductibles, etc. Such sanctions could result in a material adverse effect on the financial position of the Corporation, exclusion from Government Programs, loss of license or disciplinary action by licensing agencies, and/or substantial civil monetary penalties.

Management of the Corporation does not believe that it is involved in activities that pose a significant risk of sanctions under these referral laws. However, there can be no assurance that such challenge or investigation will not occur in the future.

Audits. Most health care providers are audited for compliance with the requirements for participation in the Medicare program. If audits discover alleged overpayments, the Corporation could be required to pay a substantial rebate of prior payments. The federal government contracts with third-party recovery audit contractors (“RACs”), on a contingent fee basis, to audit the propriety of payments to Medicare providers. The centers for Medicare and Medicaid Services recently passed rules resulting in several more types of Medicare and or Medicaid audits. Medicare zone program integrity contractors (“ZPICs”), transitioned from the program safeguard contractor (“PSC”)

program, target potential fraud and abuse and are tasked with ensuring the integrity of all Medicare-related claims per assigned jurisdiction. PSCs, ZPICs, affiliated contractors (“ACs”), and Medicare administrative contractors (“MACs”) must ensure that they pay the right amount for covered and correctly coded services rendered to eligible beneficiaries by legitimate providers. Four parallel strategies are employed in meeting this goal: (i) preventing fraud through effective enrollment and through education of providers and beneficiaries, (ii) early detection through, for example, medical review and data analysis, (iii) close coordination with partners, including PSCs, ZPICs, ACs, MACs, and law enforcement agencies, and (iv) fair and firm enforcement policies. The Corporation has not received claims or been a party to settlement negotiations outside of the routine audit processes. Nevertheless, ultimate liability could exceed reserves, and any excess could be substantial. Medicare regulations also provide for withholding payment in certain circumstances, which could adversely affect the Corporation’s cash flow.

National Healthcare Reform. The enactment of PPACA represents a significant reform of federal health care legislation. Additionally, Congress continues to consider the adoption of additional laws to modify several aspects of such legislation. PPACA is intended to bring about substantial changes to the delivery of health care services, the financing of health care costs, reimbursement to health care providers, and the legal obligations of health insurers, providers, and employers. The numerous provisions of PPACA are slated to take effect at specified times over approximately the next decade, and, therefore, the full consequences of the new laws on the health care industry will not be immediately realized. The ramifications of PPACA provisions may become apparent only as a result of regulatory interpretations promulgated during the implementation of the enacted laws. Portions of the PPACA may also be limited or nullified as a result of legal challenges.

Many PPACA provisions could have a significant impact on health care providers, including their operations and revenues, and such impact could be negative. For example, expanded health insurance coverage, in particular, could affect the composition of the population enrolled in various public and private health plans, potentially resulting in a capacity strain on provider networks or unanticipated service costs. PPACA attempts to expand health insurance coverage, generally beginning in 2014, by substantially increasing the federally and state-funded Medicaid insurance program, and authorizing states to establish federally subsidized non-Medicaid health plans for low-income residents not eligible for Medicaid. Further, to offset the cost of expanded health care coverage and implementation of reform, PPACA includes cuts in Medicare reimbursement and increased taxes. Cost-cutting provisions will impact health care providers by reducing or eliminating reimbursement for failure to satisfy certain quality requirements and reduction of Medicare market basket updates. Health care providers are likely to be subjected to decreased reimbursement as a result of implementation of recommendations of the Independent Payment Advisory Board, whose directive is to reduce Medicare cost growth. The Independent Payment Advisory Board’s recommended reductions would be automatically implemented unless Congress adopts alternative legislation that meets equivalent savings targets.

PPACA reduces payments for services to federally-insured patients because Congress expected that providers will realize savings in bad debt and charity care expenses, since they are expected to provide care to fewer uninsured patients as a result of mandated increases in insurance coverage. However, the constitutionality of PPACA provisions designed to expand health insurance coverage has been challenged, Members of Congress have proposed a repeal or amendment of the provisions, and there is no assurance that they will be implemented. Accordingly, even if the PPACA provisions are fully implemented, there can be no assurance that the Corporation will realize sufficient savings in bad debt and charity care expenses to offset reductions in payments for services to Medicare-insured patients. If the revenue received by the Corporation for providing services to Medicare-insured patients is insufficient to cover the costs of furnishing the services, and if the Corporation does not realize offsetting reductions in bad debt and charity care expenses, the PPACA will have a substantial adverse effect on the Corporation.

PPACA provisions relating to skilled nursing facilities (“SNFs”) include requirements that facilities (i) make certain disclosures regarding ownership; (ii) implement compliance and ethics programs; and (iii) make certain disclosures regarding expenditures for wages and benefits for direct care staff. In addition, PPACA may affect SNF reimbursement through the creation of value-based purchasing payment program and may place limitations on SNF payments for health care acquired conditions. PPACA delays until October 1, 2011 the implementation of Version 4 of the Resource Utilization Groups (“RUG-IV”), but implements on October 1, 2010 certain changes specific to therapy furnished on a concurrent basis and the look back period. It is unclear what effect these provisions will have on Corporation’s finances at this time. 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.

Other Federal Tax Matters

Possible Changes in Corporation's Tax Status. The possible modification or repeal of certain existing federal income or state tax laws or other loss by the Corporation of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of the Corporation and thereby the revenues of the Corporation. The Corporation has obtained a determination letter from the Internal Revenue Service to the effect that the Corporation is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code. The Financial Feasibility Study includes an assumption that the Corporation will continue to be treated as an organization described in Section 501(c)(3) of the Code. As an exempt organization, the Corporation is subject to a number of requirements affecting its operation. The failure of the Corporation to remain qualified as an exempt organization would affect the funds available to the Corporation for payments to be made under the Loan Agreement. Failure of the Corporation or the Authority 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 Series 2014 Bond proceeds, could cause interest on the Series 2014 Bonds to be included in the gross income of Bondholders or former Bondholders for federal income tax purposes.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of charitable organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of the Corporation 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 Series 2014 Bonds may be subject to audit, from time to time, by the IRS. The Corporation believes that the Series 2014 Bonds properly comply with applicable tax laws and regulations. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Series 2014 Bonds, as described under the heading "TAX EXEMPTION." No ruling with respect to the tax-exempt status of the Series 2014 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 Series 2014 Bonds will not adversely affect the Series 2014 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 maintain its exemption under Section 501(c)(3). Revenue Rulings 61-72 and 72-124 hold that, if otherwise qualified, a facility providing residential services to the elderly is exempt under Section 501(c)(3) if the organization (1) is dedicated to providing, and in fact provides or otherwise makes available services for, care and housing to aged individuals who otherwise would be unable to provide for themselves without hardship, (2) to the extent of its financial ability, renders services to all or a reasonable proportion of its residents at substantially below actual cost, and (3) renders services that minister to the needs of the elderly and relieve hardship or distress. Revenue Ruling 79-18 holds that a facility

providing residential services to the elderly may admit only those tenants who are able to pay full rental charges, provided that those charges are set at a level that is within the financial reach of a significant segment of the Project'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.

Proposed Legislation. On September 12, 2011, President Obama submitted to Congress a legislative proposal entitled the "American Jobs Act of 2011" (the "Jobs Act"). If enacted, the Jobs Act would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest, to 28 percent irrespective of the actual marginal tax rate imposed on such taxpayers. The Jobs Act would be effective for taxable years beginning on or after January 1, 2013. No prediction can be made whether the Jobs Act or any other provision affecting the value of the exclusion for tax-exempt interest will ultimately be enacted.

Other Legislation. Section 7872 of the Code (Treatment of Loans with Below Market Interest Rates), provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below market rate loan is the avoidance of federal income taxation.

A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a "safe harbor" exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether the Residency Agreements come within the scope of the continuing care facility safe harbor or within the statute itself.

Provided the Residency Agreement falls within the scope of Section 7872, the safe harbor exemption under Section 7872(h) is applicable (i) if such loan was made pursuant to a continuing care contract, (ii) if the resident (or the resident's spouse) has attained age 62 before the close of the year and (iii) irrespective of the amount of the "loan" by the resident (or the resident's spouse) to the continuing care facility. Section 425 of the Tax Relief and Health Care Act of 2006 amended Section 7872(h) to make the exemption for loans to qualifying care facilities permanent.

Any determination of applicability of Section 7872 could have the effect of discouraging potential residents from becoming or remaining residents of the Project.

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 Corporation 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 Corporation 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 Series 2014 Bonds.

Regulation of Residency Agreements

As described herein under "FLORIDA REGULATION OF CONTINUING CARE FACILITIES," Chapter 651 requires every continuing care facility to maintain a certificate of authority from the Office of Insurance Regulation in order to operate. The Corporation has received a preliminary certificate of authority for the Project and has applied for a final certificate of authority for the Project. If the Corporation 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 Project. 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 Regulations 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.

Certain Other State Regulations

On August 1, 2010, Florida's nursing home staffing requirements changed, the new provisions require 1.0 hours per resident per day for nurses and 2.7 hours per day for certified nursing assistants ("CNAs"), with a weekly combined nurse and CNA average of 3.9 hours per day. In addition, effective August 1, 2011, an assisted living facility ("ALF") with 17 or more beds is required to have a functioning automated defibrillator ("AED") on its premises.

Further, effective August 1, 2010, Florida's CCRC Bill HB 1253 became law. HB 1253 clarifies and updates several provisions in Chapter 651, Florida Statutes, many of which are consistent with current practices in Florida retirement communities. Chapter 651, Florida Statutes, Chapters 4 through 194 of the Florida Administrative Code, and all rules and regulations promulgated thereunder are hereinafter referred to as the "CCRC Law." Most of the changes to the CCRC Law address issues of financial transparency and the disclosure of information as monitored by the OIR. Among the key provisions of the HB 1253 relating to the CCRC Law are: (a) the addition of new content requirements for annual reports; (b) the clarification that a provider may assess a non-refundable application processing fee; (c) the imposition of new requirements for a residents' council regarding providing notice to residents; (d) the change of OIR inspection from at least once every 3 years to at least every 5 years to conform to requirements for other entities regulated by the OIR; and (e) effective August 1, 2010, imposes new background screening and hiring requirements for health care providers licensed under Chapter 400, Part II, Florida Statutes.

Natural Disasters

The Facilities are located in coastal areas, which, over the years, have suffered from natural disasters, including hurricanes. The Corporation has adopted a Hurricane Plan to provide for a plan of action in the event of a hurricane at the Project Site. See "SINAI RESIDENCES OF BOCA RATON – Hurricane Plan" in Appendix A hereto. While the Corporation believes that it maintains adequate insurance to cover any loss arising from such natural disasters, there can be no assurance that in severe circumstances that such insurance will be adequate to rebuild such Facilities. Additionally, there can be no assurance that after experiences with natural disasters, residents will continue to choose to live in such areas of the country. Such decisions could have an adverse impact on the financial success of the Corporation.

Bankruptcy

The filing by, or against, the Corporation for relief under the United States Bankruptcy Code (the "Bankruptcy Code") would have an adverse effect on the ability of the Master Trustee to enforce their claim or claims to the security granted by the Master Indenture, and their claim or claims to money owed them as unsecured claimants, if any. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Corporation and their respective property and as an automatic stay of any act or proceeding to enforce a lien against such property. Moreover, following such a filing the revenues and accounts receivable and other property of the Corporation acquired after the filing (and under some conditions prior to the filing) would not be subject to the liens and security interests created under the Master Indenture. In addition, the bankruptcy court has the power to issue any order, process or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code; such a court order could require that the property of the Corporation including the Gross Revenues of the Corporation and proceeds thereof, could be used for the benefit of the Corporation, despite the lien and security interest of the Master Trustee therein.

The amount of the secured claim which could be filed by the Master Trustee on behalf of the holders of the Series 2014 Obligations would be limited to the value of the Project at the time the bankruptcy proceeding was commenced. This amount would likely be less than the principal amount of the Series 2014 Obligations, since the failure of the Project to produce sufficient revenues to pay operating expenses and debt service requirements prior to

the bankruptcy would reduce the value of the Project. To the extent the principal amount of the Series 2014 Obligations exceeds the value of the Project, the excess would be an unsecured claim which would rank on a parity with unpaid management, project and development fees and the claims of unsecured general creditors of the Corporation. As a result, if the Project were sold following commencement of a bankruptcy proceeding, it is unclear how much the holders of the Series 2014 Obligations would receive.

In a bankruptcy proceeding, the debtor could file a plan of reorganization which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The Bondholders may only receive post-petition interest on the Series 2014 Obligations to the extent the value of their security exceeds their claim. 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. More particularly, the Bankruptcy Code would permit the liquidation of the Corporation or the adoption of a reorganization plan for the Corporation, as applicable, even though such plan had not been accepted by (i) the holders of a majority in aggregate principal amount of the Series 2014 Obligations, if the plan is “fair and equitable” and does not discriminate unfairly against the Bondholders as a class and is in the “best interest of the creditors,” which may mean that the Bondholders are provided with the benefit of their original lien or the “indubitable equivalent;” or (ii) any holder of the Series 2014 Obligations, as a class, are deemed unimpaired under the plan.

In addition, if the bankruptcy court were to conclude that the holders of the Series 2014 Obligations have “adequate protection,” it may (1) substitute other security for the security subject to the lien of the Master Indenture or (2) subordinate the lien of the holders of the Series 2014 Obligations to persons who supply credit to the Corporation after commencement of the case. In the event of the bankruptcy of the Corporation, any amount realized by the Master Trustee may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under then existing circumstances. Any transfers made to the holders of the Series 2014 Obligations or the Master Trustee at or prior to the commencement of the case may be avoided and recaptured if such transfers are (a) avoidable by a judicial lien creditor who obtained its lien on the date the case commenced (regardless of whether such a creditor actually exists), (b) preferential or fraudulent or (c) voidable under applicable law by any actual unsecured creditor. The holders of the Series 2014 Obligations may also be subject to avoidance and recapture of post-petition transfers, turnover of property of the debtor which they, the Master Trustee or a custodian hold and assumption, assignment or rejection of executory contracts.

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.

Additional Indebtedness

The Master Indenture permits the Corporation to incur Additional Indebtedness which may be equally and ratably secured with the Series 2014 Obligations. Any such additional parity indebtedness would be entitled to share ratably with the holders of the Series 2014 Obligations in any money 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 Debt Service Coverage Ratio, and could impair the ability of the Corporation to maintain its compliance with certain covenants described in “FORMS OF PRINCIPAL FINANCING DOCUMENTS - The Master Indenture – Permitted Additional Indebtedness” 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 Corporation to make the necessary payments to repay the Series 2014 Obligations may not be materially adversely affected upon the incurrence of Additional Indebtedness.

Certain Amendments to Bond Indenture and Master Indenture

In general, the Bond Indenture permits amendments to be made thereto (except for certain amendments that do not require Bondholder consent) only with the consent of the holders of a majority in aggregate principal amount of the Series 2014 Bonds of all series Outstanding affected by such amendment. The Bond Indenture further provides that without the consent of the owners of all the Series 2014 Bonds at the time Outstanding nothing therein 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 Series 2014 Bond, without the consent of the owner of such Series 2014 Bond.
- (b) The deprivation of the owner of any Series 2014 Bond then Outstanding of the lien created by the Bond Indenture and the Master Indenture (other than as originally permitted thereby).
- (c) A privilege or priority of any Series 2014 Bond or Series 2014 Bonds, over any other Series 2014 Bond.
- (d) A reduction in the aggregate principal amount of the Series 2014 Bonds required for consent to any supplemental indenture.

The Bond Indenture provides that during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a) and (c) above may be made with respect to an outstanding Series 2014 Bond, with the consent of the holders of at least eighty percent (80%) in aggregate principal amount of all outstanding Senior Secured Bonds (defined as any bonds issued under the Bond Indenture and any bond issued under the Series 2014D Bond Indenture which are secured by Obligations issued on a parity basis under the Master Indenture) provided, however, any such amendment shall not result in a change in preference or priority of Senior Secured Bonds over any other Senior Secured Bonds and no such amendment described in clauses (a) and (c) above shall result in a disproportionate change, reduction or modification with respect to any Senior Secured Bonds.

This provision is intended to make it easier for the Corporation to restructure its indebtedness, including the Series 2014 Bonds, if an Event of Default has occurred, without having to file for bankruptcy under the federal Bankruptcy Code. In the absence of a provision such as this in the Bond Indenture, such a change in payment terms on the Series 2014 Bonds could only be made under a plan of reorganization approved by a Bankruptcy Court. The consent of the holders of 100% of the Series 2014 Bonds would be extremely difficult to obtain, and a bankruptcy filing would necessarily involve delay and expense which could affect the ability of the Corporation to accomplish a successful reorganization. The eighty percent (80%) consent requirement would only be in effect if an Event of Default occurred and was continuing.

Prospective purchasers of the Series 2014 Bonds are advised that this change means there is a risk that if an Event of Default occurs, there may be an amendment made to the Bond Indenture which affects the payment provisions of the Series 2014 Bonds such purchaser holds, the priority of payment of such Series 2014 Bonds or other matters described in clauses (a), (b) and (c) above. This amendment may be made without the consent of such purchasers, if the holders of eighty percent (80%) in aggregate principal amount of the Series 2014 Bonds of the same maturity consent to such amendment, and the other conditions to such are met.

The Master Indenture contains a similar provision to that described above. See “FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture – Amendments and Waivers” in Appendix C hereto.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Corporation and any future member of the Obligated Group under the Series 2014 Obligations 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 Corporation 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 2014 Obligations pledged under the Bond Indenture as security for the Series 2014 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 money or assets which are donor-restricted or which are subject to a direct or express trust which does not permit the use of such money 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 Series 2014 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 2014 Obligations 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.

Limitation on Security Interest in Gross Revenues

The effectiveness of the security interest in the Obligated Group's Gross Revenues granted in the Master Indenture may be limited by a number of factors, including: (i) present or future prohibitions against assignment contained in any applicable statutes or regulations; (ii) certain judicial decisions which cast doubt upon the right of the Master Trustee, in the event of the bankruptcy of any member of the Obligated Group, to collect and retain accounts receivable from Medicare and other governmental programs; (iii) commingling of the proceeds of Gross Revenues with other money of a member of the Obligated Group not subject to the security interest in Gross Revenues; (iv) statutory liens; (v) rights arising in favor of the United States of America or any agency thereof; (vi) constructive trusts, equitable or other rights impressed or conferred by a federal or state court in the exercise of its equitable jurisdiction; (vii) federal bankruptcy laws which may affect the enforceability of the mortgage or the security interest in the Gross Revenues of the Obligated Group which are earned by the Obligated Group within 90

days preceding or, in certain circumstances with respect to related corporations, within one year preceding and after any effectual 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; and (ix) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Florida Uniform Commercial Code as from time to time in effect.

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 Corporation as to enforceability of such covenant or the perfection of any lien with respect to the required deposits.

Limited Use Facility

The Project has been specially designed as a continuing care retirement community. As a result, in the event of default and eviction of the Corporation from the Project, the Master Trustee's remedies and the number of entities that would be interested in purchasing or leasing the Project might be limited, and the sales price or fees generated by the Project might thus be adversely affected.

Lien for Clean-up of Hazardous Materials

The federal Comprehensive Environmental Response, Compensation and Liability Act (the "Federal Superfund Act") provides authority to the United States Environmental Protection Agency (the "EPA") to arrange for response actions in the event of a release or substantial threat of release of hazardous substances and also imposes liability for certain response costs and damages on the present owner (among other parties) of a site of such release or threat of release. The Federal Superfund Act provides that all costs and damages for which a person is liable to the United States will constitute a lien upon all real property belonging to such person which is subject to or affected by the response action. The federal lien is subject to the normal rules of priority.

A Phase I Environmental Site Assessment (the "Phase I") dated February 7, 2014 was completed for the Project site by Land Design South (the "Environmental Engineer"). The Phase I stated that there is little potential for onsite chemical contamination from materials located on the Project Site. In addition, the Phase I did not reveal evidence of recognized environmental conditions in connection with the Project Site and did not recommend further subsurface investigation.

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. See "ESTIMATED SOURCES AND USES OF FUNDS."

Market for Bonds; Absence of Rating

The Series 2014 Bonds have not received any credit rating by any recognized rating agency. The absence of any such rating could adversely affect the ability of holders to sell the Series 2014 Bonds or the price at which the Series 2014 Bonds can be sold. Although the Underwriter intends to maintain a secondary market for the Series 2014 Bonds, it is under no obligation to do so.

Other Possible Risk Factors

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of the Corporation:

1. Reinstatement or establishment of mandatory governmental wage, rent or price controls;
2. Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, given an inability to obtain corresponding increases in revenues from residents whose incomes will largely be fixed;
3. Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues;
4. Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of the Corporation;
5. The cost and availability of energy;
6. Increased unemployment or other adverse economic conditions in the service areas of the Corporation 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 Project in order to maintain the charitable status of the Corporation;
8. Inflation or other adverse economic conditions;
9. Changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;
10. Inability to control the diminution of patients' assets or insurance coverage with the result that the patients' charges are reimbursed from government reimbursement programs rather than private payments;
11. The occurrence of natural disasters, including hurricanes, volcanic eruptions and typhoons, floods or earthquakes, which may damage the facilities of the Corporation, interrupt utility service to the facilities, or otherwise impair the operation and generation of revenues from said facilities; or
12. Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability, that organizations such as the Corporation generally carry.

FLORIDA REGULATION OF CONTINUING CARE FACILITIES

Continuing care facilities in Florida are regulated by the Office of Insurance Regulation of the State of Florida (the "OIR") under the provisions of Chapter 651, Florida Statutes, as amended ("Chapter 651"). Under Chapter 651, "continuing care" means furnishing pursuant to an agreement shelter, food and either nursing care or certain personal services, whether such nursing care or personal services are provided in the facility or in another setting designated by the agreement for continuing care, to an individual not related by consanguinity or affinity to the provider furnishing such care, upon payment of an entrance fee. Agreements to provide continuing care include agreements to provide care for any duration, including agreements that are terminable by either party. "Personal services" include, but are not limited to, such services as individual assistance with or supervision of essential activities of daily living. "Entrance fee" means an initial or deferred payment of a sum of money or property made as full or partial payment to assure the resident a place in a facility. An accommodation fee, admission fee or other

fee of similar form and application is considered to be an entrance fee. “Initial entrance fee” means the total Entrance Fee charged by a facility to the first occupant of a unit.

Certificate of Authority; Initial Entrance Fees

Chapter 651 provides that no person may engage in the business of providing continuing care or enter into continuing care agreements or construct a facility for the purpose of providing continuing care without a certificate of authority issued by OIR. A final certificate of authority may be issued after the applicant has provided OIR with the information and documents required by Chapter 651. The Corporation received a provisional certificate of authority (“PCOA”), which remains in full force and effect and anticipates receipt of the final certificate of authority (“COA”) in connection with or following the closing of the Series 2014 Bonds.

Prior to the release of initial Entrance Fees held in escrow as described herein, Chapter 651 requires that a minimum of 75 percent of the moneys paid for all or any part of an initial Entrance Fee collected be placed in an escrow account or on deposit with OIR. Initial Entrance Fees held in escrow or on deposit with OIR in accordance with the requirements of Chapter 651 may not be released to the Corporation until (i) a certificate of occupancy has been issued, (ii) the Corporation has received payment in full for no less than 70 percent of the total Independent Living Units of the Project, (iii) Dixon Hughes Goodman LLP, or a substitute feasibility consultant approved by OIR, has certified that there has been no material adverse change in status with regard to the Financial Feasibility Study, which certificate shall be dated not more than 12 months from the date of filing for OIR approval, or if a material adverse change should exist at the time of submission, then sufficient information acceptable to the OIR and the feasibility consultant shall be submitted which remedies the adverse condition, (iv) proof that the Corporation has sufficient funds to fund the Minimum Liquid Reserve Accounts (defined herein), which may include funds deposited in the initial entrance fee escrow account, and (v) the other conditions set forth in Section 651.023(4) have been satisfied.

Chapter 651 allows both the moneys paid for all or any part of an initial entrance fee collected which are not required to be placed in escrow or on deposit with OIR and the moneys that are released to the Corporation from escrow or from deposit with OIR as described in the preceding paragraph, to be used by the Corporation for working capital or other purposes.

Once issued, a certificate of authority is renewable annually as of each September 30 upon a determination by 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 OIR annually on or before each June 1. If a provider fails to correct deficiencies within 20 days of notice from OIR, and if the time for correction is not extended, 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 (18 months’ interest on the financing if no principal payments are currently due) on any mortgage loan or other long term financing, including taxes and insurance; (b) an operating reserve in an amount equal to 15% of the facility’s average total annual operating expenses set forth in the annual reports filed pursuant to Chapter 651 for the immediate preceding 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 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 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 Debt Service Reserve Fund established with the Bond Trustee pursuant to the Bond Indenture and a renewal and replacement fund and operating reserve fund (collectively, the “Minimum Liquid Reserve Accounts”) established with a commercial bank, as escrow agent, are intended to meet the requirements of Chapter 651 for those reserves (the “Required Reserves”). The Required Reserves also include a reserve for property taxes. The Corporation has designated U.S. Bank National Association as the Chapter 651 Escrow Agent.

Chapter 651 requires the escrow agent holding the Required Reserves to deliver to OIR quarterly reports on the status of the escrow funds, including balances, deposits and disbursements. Chapter 651 provides that withdrawals can be made from the Required Reserves only after ten days' prior written notice to 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 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.

The Obligated Group shall not draw upon the Minimum Liquid Reserve Accounts until the Liquidity Support Fund and the Working Capital Fund are depleted.

The Minimum Liquid Reserve Accounts are not held by the Bond Trustee or Master Trustee and are not pledged as security for the holders of the Series 2014 Bonds or the Series 2014D Bonds.

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, less a 1% fee. The Residency Agreements for the Project meet the requirements of this provision.

Chapter 651 requires that a prospective resident have the right to cancel without penalty a continuing care agreement within seven days of signing the continuing care agreement. During this seven-day period, any entrance fee or deposit must be held in escrow or, at the request of the prospective resident, held by the provider. If the prospective resident rescinds the continuing care contract during the seven-day rescission period, the entrance fee or deposit must be refunded to the prospective resident without deduction. If cancellation occurs after seven days, but prior to occupancy, the entire entrance fee must be refunded, less a processing fee not exceeding 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 OIR and any examination reports prepared by 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 OIR relating to expansion of the facility or any additional financing or refinancing.

Examinations and Delinquency Proceedings

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. OIR is required to notify the provider of any discrepancies and to set a reasonable time for corrective action and compliance by the provider.

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 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 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 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, 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 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 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, shall be honored and shall not be disturbed or affected (except as described below) as long as the resident continues to comply with all provisions of the continuing care agreement and has asserted no claim inconsistent with the rights of the trustee or lender. In such event, OIR shall not exercise its remedial rights provided under Chapter 651 with respect to the facility, including its right to enjoin disposal of the facility as described in the preceding paragraph. Upon acquisition of a facility by a trustee or lender pursuant to remedies under the Mortgage, OIR shall issue a 90-day temporary certificate of authority to operate the facility, provided that the trustee or lender will not be required to continue to engage in the marketing or resale of new continuing care agreements, pay any refunds of entrance fees otherwise required to be paid under a resident's continuing care agreement until expiration of such 90-day period, be responsible for acts or omissions of the operator of the facility arising prior to the acquisition of the facility by the trustee or lender, or provide services to the residents to the extent that the trustee or lender would be required to advance funds that have not been designated or set aside for such purposes.

Florida Licensure

The health care components of the Project are licensed by the Agency for Health Care Administration ("AHCA") and the Corporation must obtain a Certificate of Need ("CON") from AHCA and a COA from OIR prior to the commencement of construction of the health care components of the Project. The Health Facilities and Services Development Act provides that AHCA shall issue a CON to any holder of a PCOA to construct nursing home beds for the exclusive use of the prospective residents of the proposed continuing care retirement community if the holder of the PCOA meets the applicable review criteria.

Such nursing home beds located within a CCRC are known as “sheltered” nursing home beds. A CCRC may obtain up to one sheltered nursing home bed for every four residential units constructed, including independent living units and assisted living units. The Act permits a continuing care provider to use sheltered nursing home beds for persons who are not residents of the CCRC and who are not parties to a continuing care contract for up to five (5) years after the date of issuance of the initial nursing home license. A provider whose five (5) year period has expired or is expiring may request ACHA for an extension, not to exceed thirty percent (30%) of the total sheltered nursing home bed, if the utilization by residents of the nursing home facility in the sheltered beds will not generate sufficient income to cover nursing home facility expenses.

AHCA approved the Corporation’s application for a CON in February 2014.

The health facilities are required to undergo at least one annual unannounced inspection by AHCA to determine compliance with applicable statutes and rules promulgated thereunder which govern minimum standards of construction, quality, adequacy of care and rights of residents. In addition, AHCA will at least annually evaluate the health facilities to determine compliance with applicable licensure requirements and standards as a basis for assigning a rating to such facilities. In addition, the Corporation is required to submit an annual financial statement and statement of ownership to AHCA, as well as maintaining a certificate of authority from the Department. Under Florida Statutes, the administrator of the health facilities is required to be and is licensed as a nursing home administrator.

Florida Regulations

Florida’s CCRC Bill HB 1037 (“CCRC Bill”) became law effective July 1, 2011. The CCRC Bill clarifies and updates several provisions in Chapter 651, Florida Statutes, many of which are consistent with current practices in Florida retirement communities. Most of the changes in Chapter 651 are to address issues of financial transparency and the disclosure of information as monitored by the Department. Additionally, the CCRC Bill provides for “continuing care at-home” contracts to occur, which the Corporation may be subject to. Among the key provisions of the CCRC Bill are: (a) defining “continuing care at-home” contracts; (b) provisions relating to certificates of authority; (c) requiring written approval from the Department for a twenty percent (20%) or more expansion of the number of continuing care at-home contracts; (d) requiring the same minimum reservation requirements for continuing care at-home contracts as continuing care contracts; (e) requiring that a certain amount of the entrance fee collected for contracts resulting from an expansion be placed in an escrow account or on deposit with the Department; (f) providing that an actuarial study may be substituted for a feasibility study in specified circumstances; (g) limiting the number of continuing care and continuing care at-home contracts at a facility based on the types of units at the facility; and (h) providing application relating to the entitlement of a prospective resident, resident, or resident’s estate to interest on a deposit or fee.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Master Indenture requires that the Corporation in its capacity as Obligated Group Representative provide to each Required Information Recipient (as defined in Appendix C hereto) the following:

(i) A monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 45 days after the completion of such month, including:

(A) Prior to the issuance of a certificate of occupancy for the first building containing Independent Living Units, (I) a calculation of the marketing levels for the Project as of the end of such month, including the number of Independent Living Units that have been sold or cancelled during that month and on an aggregate basis; (II) a copy of the report prepared by the Construction Monitor; (III) a report by the Obligated Group Representative on the progress of the construction by no later than the 15th day of each month, showing the dollar amount and percentage of completion for each stage of construction of the Project, comparing such amounts to the amounts estimated in the schedule of values and the construction progress schedule delivered

at closing, estimating the amount of funds required to complete the Project, and certifying that the amount available in the Construction Fund, together with anticipated investment earnings, will be sufficient to pay the costs of completing the Project; (IV) unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis; (V) statements of the balances for each fund and account required to be established under the Master Indenture or under the Liquidity Support Agreement or under any Related Bond Indenture as of the end of such month (obtained from the applicable trustee), all in reasonable detail and certified by an officer of the Obligated Group Representative; and (VI) if such month is the last month of the fiscal quarter, a calculation of compliance with the Marketing Requirements and Occupancy Requirements, and a calculation of Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated under the Master Indenture, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative, and

(B) After the issuance of a certificate of occupancy for the first building containing Independent Living Units, (I) a calculation of the marketing levels for the Project as of the end of such month, including the number of Independent Living Units that have been sold or cancelled during that month and on an aggregate basis; (II) occupancy levels of the Project as of the end of such month including the number of Independent Living Units that were occupied and vacated during that month and on an aggregate basis; (III) a summary statement on the status of construction until the issuance of the last certificate of occupancy for the Project; (IV) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last certificate of occupancy for the Project; (V) an unaudited statement of revenues and expenses and statement of cash flows of the Obligated Group for such month and an unaudited balance sheet of the Obligated Group as of the end of such month, showing a comparison to the current Annual Budget; (VI) statements of the balances for each fund and account required to be established under the Master Indenture or under the Liquidity Support Agreement or under any Related Bond Indenture as of the end of such month (obtained from the applicable trustee), all in reasonable detail and certified by an officer of the Obligated Group Representative; and (VII) a calculation of compliance with the Marketing Requirements and Occupancy Requirements, and a calculation of Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated under the Master Indenture, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative, and

(C) The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described in this subsection (i) after Stable Occupancy;

(ii) Beginning with the first full fiscal quarter following Stable Occupancy, 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 compliance with the Marketing Requirements and Occupancy Requirements, and a calculation of Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated pursuant to the Master Indenture, all prepared in reasonable detail and certified, subject to year end adjustment, by an officer of the Obligated Group Representative. Such financial statements and calculations shall be accompanied by a comparison to the Annual Budget provided pursuant to this section;

(iii) If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days' Cash on Hand of the Obligated Group is less than the Liquidity Requirement for any Testing Date as provided in the Master Indenture, the Obligated Group will deliver the financial information and the calculations described in paragraph (ii) above on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days' Cash on Hand of the Obligated Group is at least equal to the applicable Liquidity Requirement;

(iv) Within 150 days of the end of each Fiscal Year, an annual audited financial report of the Obligated Group prepared by an Accountant, including a combined and an unaudited combining balance sheet as of the end of such Fiscal Year and 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 Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year if required to be calculated by Sections 4.11 and 4.21 of the Master Indenture, and a statement that such Accountant has no knowledge of any default under the Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof; provided, however, that the report of the Accountant shall be subject to and restricted by any then current recommendations of the American Institute of Certified Public Accountants;

(v) On or before the date of delivery of the financial reports referred to in subsection (iii) 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 or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the marketing, occupancy, Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, if required to be calculated for such Fiscal Year by the Master Indenture, as of the end of such month or Fiscal Year, as appropriate, and (C) beginning with the first Fiscal Year following Stable Occupancy, attaching (I) information about occupancy of the Independent Living Units, including a comparison to prior year's occupancy, (II) the sources of revenue for the Skilled Nursing Beds, (III) the turnover statistics with respect to the Independent Living Units, (IV) changes in any services offered to the residents of the Project, and (V) that the Project is in compliance with the requirements of Chapter 651, Florida Statutes, as amended;

(vi) On or before the date of delivery of the financial reports referred to in subsections (ii) and (iii) above, management's discussion and analysis of results for the applicable fiscal period;

(vii) Subject to industry standards relating to the financing of facilities similar to the Project, the Obligated Group shall use its best efforts to make available one or more representatives reasonably acceptable to the Bondholders and the Master Trustee for a quarterly telephone conference call with the Bondholders and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the Bondholders and the Master Trustee. The Obligated Group shall post notice of such calls to Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board (the "MSRB") at least two weeks prior to the scheduled date of each call;

(viii) Any correspondence to or from the Internal Revenue Service concerning the status of each Obligated Group Member as a Tax Exempt Organization or with respect to the tax exempt status of the Series 2014 Bonds, promptly upon receipt;

(ix) Such additional information as the Master Trustee or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee or such Related 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 shall, 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 such Related Bond Trustee;

(x) Upon withdrawal of any funds from the Liquidity Support Fund, the Corporation shall notify the Master Trustee and each Required Information Recipient;

(xi) within 30 days of any revision of the schedule of Entrance Fees or Monthly Service Fees being charged or quoted to residents or prospective residents of the Project, a report on the amounts of such

revised Entrance Fees or Monthly Service Fees for each type of unit setting forth the reasons for such revision and, if applicable, the reason why any increases in such fees forecasted in the Financial Feasibility Study have not been made; and

(xii) notice within ten (10) Business Days of the occurrence of any of the material events required to be reported to the MSRB pursuant to the Continuing Disclosure Agreement.

Continuing Disclosure

The Corporation will enter into a Continuing Disclosure Certificate, pursuant to which the Corporation will covenant that, in compliance with Rule 15c2-12(b)(5) (the “Rule”) of the Securities Exchange Act of 1934, it will deliver to EMMA certain reports described therein. The form of the Continuing Disclosure Certificate is included as Appendix E hereto.

LITIGATION

The Authority

There is not now pending or, to the Authority’s knowledge, threatened any litigation restraining or enjoining the issuance or delivery of the Series 2014 Bonds or the execution and delivery by the Authority of the Bond Indenture, or the Loan Agreement or questioning or affecting the validity of the Series 2014 Bonds or the security therefor or the proceedings of the Authority under which they are or are to be issued, respectively.

The Corporation

There is no litigation pending or, to the Corporation’s knowledge, threatened against the Corporation, wherein an unfavorable decision would (i) adversely affect the ability of the Corporation to construct the Project or to operate its facilities or to carry out its obligations under the Loan Agreement, the Master Indenture, and the Series 2014 Obligations, or (ii) would have a material adverse impact on the financial position or results of operations of the Corporation.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Series 2014 Bonds are subject to the approval of Bond Counsel. Squire Sanders (US) LLP 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 Series 2014 Bonds and for the purpose of rendering an opinion on the exclusion of the interest on the Series 2014 Bonds from gross income for federal income tax purposes and certain other tax matters.

Certain legal matters will be passed upon for the Authority by its counsel, Haile Shaw & Pfaffenberger, P.A., North Palm Beach, Florida; for the Corporation by its counsel, Squire Sanders (US) LLP, Cleveland, Ohio; and for the Underwriter by its counsel, Butler Snow LLP, Atlanta, Georgia.

The various legal opinions to be delivered concurrently with the delivery of the Series 2014 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

In the opinion of Squire Sanders (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2014 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) the Series 2014 Bonds and the income

thereon are exempt from taxation under the laws of the State of Florida, except estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2014 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Authority and the Corporation contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2014 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel has not given any opinion or assurance concerning the effect of any future activities of the Authority or the Corporation. Failure of the Corporation to maintain its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed by the Series 2014 Bonds in a manner that is substantially related to the Corporation's charitable purpose under Section 513(a) of the Code, may cause interest on the Series 2014 Bonds to be included in gross income retroactively to the date of the issuance of the Series 2014 Bonds. Bond Counsel will not independently verify the accuracy of the Authority's and the Corporation's certifications and representations or the continuing compliance with the Authority's and the Corporation's covenants and will not independently verify the accuracy of the opinion of the Corporation's counsel.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the Series 2014 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the Authority or the Corporation may cause loss of such status and result in the interest on the Series 2014 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014 Bonds. The Corporation and, subject to certain limitations, the Authority have each covenanted to take the actions required of it for the interest on the Series 2014 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2014 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2014 Bonds or the market value of the Series 2014 Bonds.

A portion of the interest on the Series 2014 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2014 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2014 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2014 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Series 2014 Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2014 Bonds ends with the issuance of the Series 2014 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the Corporation

or the owners of the Series 2014 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2014 Bonds, under current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the Series 2014 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2014 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2014 Bonds.

Prospective purchasers of the Series 2014 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2014 Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2014 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2014 Bonds will not have an adverse effect on the tax status of interest on the Series 2014 Bonds or the market value or marketability of the Series 2014 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2014 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2014 Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2014 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2014 Bonds may be adversely affected and the ability of holders to sell their Series 2014 Bonds in the secondary market may be reduced.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Discount and Original Issue Premium

Certain of the Series 2014 Bonds (“Discount Bonds”) as indicated on the inside cover of this Official Statement were offered and sold to the public at an original issue discount (“OID”). OID is the excess of the stated redemption price at maturity (the principal amount) over the “issue price” of a Discount Bond. The issue price of a Discount Bond is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of the Discount Bonds of the same maturity is sold pursuant to that offering. For federal income tax purposes, OID accrues to the owner of a Discount Bond over the period to maturity based on the constant yield method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). The portion of OID that accrues during the period of ownership of a Discount Bond (i) is interest excluded from the owner’s gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as other interest on the Series 2014 Bonds, and (ii) is added to the owner’s tax basis for purposes of determining gain or loss on the maturity, redemption, prior sale or other disposition of that Discount Bond. The amount of OID that accrues each year to a corporate owner of a Discount Bond is taken into account in computing the corporation’s liability for federal alternative minimum tax. A purchaser of a Discount Bond in the initial public offering at the price for that Discount Bond stated on the inside cover of this Official Statement who holds that Discount Bond to maturity will realize no gain or loss upon the retirement of that Discount Bond.

Certain of the Series 2014 Bonds (“Premium Bonds”) as indicated on the inside cover of this Official Statement were offered and sold to the public at a price in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the inside cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Discount and Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of OID or bond premium properly accruable or amortizable in any period with respect to the Discount or Premium Bonds and as to other federal tax consequences and the treatment of OID and bond premium for purposes of state and local taxes on, or based on, income.

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 Authority 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 Authority, and certain additional financial information, unless the Authority believes in good faith that such information would not be considered material by a reasonable investor.

As described herein, the Authority has the power to issue bonds for the purpose of financing other projects for other borrowers which are payable from the revenues of the particular project or borrower. Revenue bonds issued by the Authority 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 Series 2014 Bonds and, therefore, any default on such bonds would not, in the judgment of the Authority, be considered material by a potential purchaser of the Series 2014 Bonds.

The Authority has not been in default at any time after December 31, 1975, as to principal or interest with respect to any obligation issued or guaranteed by the Authority for the benefit of any Obligated Group Member. No Obligated Group Member has been in default at any time after December 31, 1975 as to principal or interest with respect to any obligation issued or guaranteed by any Obligated Group Member.

FINANCIAL FEASIBILITY STUDY

Management’s financial forecast for the seven years ending August 31, 2020, included as part of the Financial Feasibility Study dated February 28, 2014, included in Appendix B hereto, has been examined by Dixon Hughes Goodman LLP, independent certified public accountants, as stated in Appendix B. As stated in the Financial Feasibility Study, there will usually be differences between the forecasted data and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. The Financial Feasibility Study should be read in its entirety, including management’s notes and assumptions set forth therein.

UNDERWRITING

The Series 2014 Bonds are being purchased by Herbert J. Sims & Co., Inc (the “Underwriter”), as Underwriter for a purchase price of \$_____ (representing the par amount of the Series 2014 Bonds, less original issue discount of \$_____ and an underwriting discount of \$_____), pursuant to a Bond Purchase Agreement among the Authority, the Corporation and the Underwriter (the “Bond Purchase Agreement”). The Underwriter reserves the right to join with dealers and other underwriters in offering the Series 2014 Bonds to the public. The obligations of the Underwriter to accept delivery of the Series 2014 Bonds are subject to various conditions contained in the Bond Purchase Agreement. The Bond Purchase Agreement provides that the Underwriter will purchase all of the Series 2014 Bonds if any Series 2014 Bonds are purchased.

MISCELLANEOUS

The references herein to the Act, the Bond Indenture, the Loan Agreement, the Master Indenture, the Mortgage and other documents 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 Underwriter or 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 are integral parts of this Official Statement and should be read in their entirety together with all of the foregoing statements. It is anticipated that CUSIP identification numbers will be printed on the Series 2014 Bonds, but neither the failure to print such numbers on any Series 2014 Bond nor any error in the printing of such numbers will constitute cause for a failure or refusal by the purchaser thereof to accept delivery of or pay for any Series 2014 Bonds.

The information assembled in this Official Statement has been supplied by the Corporation and other sources believed to be reliable, and, except for the statements under the headings “SHORT STATEMENT – The Authority,” “INTRODUCTION – The Authority,” “THE AUTHORITY,” and “LITIGATION – The Authority,” the Authority makes no representations with respect to nor warrants the accuracy of such information. The Corporation has agreed to indemnify the Authority and the Underwriter against certain liabilities relating to the Official Statement.

[Remainder of page intentionally left blank]

APPENDIX A
SINAI RESIDENCES OF BOCA RATON

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

SINAI RESIDENCES OF BOCA RATON

TABLE OF CONTENTS

FEDERATION CCRC OPERATIONS CORP. A-1

 Background A-1

 Governance of the Corporation A-1

 Conflict of Interest Policy A-3

 Management of Sinai Residences..... A-3

SINAI RESIDENCES A-3

 General A-3

 The Federation..... A-3

 Site Location A-5

 Jewish Demographic Summary..... A-5

 Shared Services – Reciprocal Easement..... A-7

 Land Purchase Agreement..... A-7

 Federation Development Services Agreement A-8

 Entrance Fees and Monthly Service Fees..... A-8

 The Health Care Center..... A-9

 Assisted Living Units and Memory Support Units A-10

 Skilled Nursing Beds..... A-10

 Services to Residents..... A-11

 Additional Services Available to Residents A-12

RESERVATION AGREEMENTS..... A-12

RESIDENCE AND CARE AGREEMENTS A-12

 General A-12

 Entrance Fee Plan Options A-13

 Financial Policy Regarding Residents..... A-13

 Termination of the Agreement and Refunds A-13

 Property Rights..... A-13

 Health Care Benefit..... A-14

RESERVATIONS A-14

PRE-FINANCE DEVELOPMENT COSTS A-15

DEVELOPMENT, MARKETING AND MANAGEMENT OF THE PROJECT A-16

 The Development Consultant..... A-16

 Development Consulting Services Agreement..... A-18

 Management A-20

 Management Agreement..... A-21

DESIGN AND CONSTRUCTION OF SINAI RESIDENCES A-22

 The Architect and the Architect Services Agreement A-22

 The General Contractor A-24

 The Construction Contract A-25

 Early Construction Start A-26

 Construction Monitor A-26

 Owner’s Representative A-27

 Disbursement Agreement..... A-28

 Regulatory Permits and Approvals..... A-29

Property Taxes.....	A-30
Completion of the Project.....	A-31
Environmental Site Assessment and Subsurface Exploration	A-31
LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED	
OBLIGATION AND TRANSFER OF CASH.....	A-31
Liquidity Support Agreement.....	A-31
Federation Subordinated Obligation.....	A-32
Transfers of Cash	A-33
INSURANCE	A-33
HURRICANE PLAN	A-34

FEDERATION CCRC OPERATIONS CORP.

Background

Federation CCRC Operations Corp. (the “Corporation”), is a Florida not-for-profit corporation organized to develop, own and operate a continuing care retirement community (“CCRC”) initially consisting of approximately 237 independent living units (the “Independent Living Units”), 48 assisted living units (the “Assisted Living Units”), 24 memory-support units (the “Memory Support Units”), 60 skilled nursing beds (the “Skilled Nursing Beds”) and common areas, to be located on approximately 21 acres of land on the campus of the Federation (hereinafter defined) in Boca Raton, Palm Beach County, Florida (the “Property”), and to be known as Sinai Residences of Boca Raton (the “Sinai Residences” or the “Project”).

The Corporation has been determined by the Internal Revenue Service to be exempt from federal income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

The Corporation is the sole member of the Obligated Group and is the Obligated Group Representative as such terms are defined in Appendix C to the Official Statement.

The Corporation is an affiliate of the Jewish Federation of South Palm Beach County, Inc., a Florida not-for-profit corporation incorporated in November 1979 (the “Federation”). See “SINAI RESIDENCES - The Federation” below.

Governance of the Corporation

The Corporation is governed by a Board of Directors (the “Board”). Federation CCRC Development, LLC, a Florida limited liability company (“Development LLC”), is the sole member of the Corporation and is a disregarded entity for income tax purposes, whose assets are treated as being wholly owned by the Federation. Upon the issuance of the Series 2014 Bonds, none of the members of the Board (and no other person) will have an ownership interest or an equitable or beneficial interest in Sinai Residences or its assets. The Board takes such actions, and performs such duties and responsibilities as may be authorized by law and the Corporation's Articles of Incorporation and By-Laws. No part of the net earnings of the Corporation may inure to the benefit of any directors or officers of the Corporation or other private individuals, except that reasonable compensation may be paid for services rendered in carrying out one or more of the Corporation’s purposes. No person involved in the construction or management of Sinai Residences has any proprietary interest in the Corporation and no director or officer shall be entitled to share in any distribution of any of the Corporation’s assets upon dissolution of the Corporation.

The Board is comprised of no fewer than three directors. Each of the persons holding the following positions shall serve as a director for a term commensurate with their holding of such office or until he or she sooner dies, resigns, is removed or becomes disqualified: (i) The Chairperson of Development LLC and (ii) the Chairperson of the CCRC Committee of the sole member of Development LLC (the Federation). A third individual shall be elected by Development LLC for a one year term and may serve four consecutive one year terms. Development LLC, by resolution, may increase the number of directors serving on the Board provided that such resolution describes the method of election of such additional directors. The By-Laws of the Corporation require it to have three principal officers, a Chairperson, a Treasurer, Secretary, (collectively, the “Principal Officers”), and such other officers as the Board may appoint.

The current directors and officers of the Corporation include the following individuals:

Ellen Sarnoff – Chair (age 83). Ms. Sarnoff is currently Chair of the Board of Directors of Federation. She is a Board member of the Jewish Federations of North America, and served on the 2007 Major Gifts National Women’s Philanthropy Committee. In 2008, she became the first recipient of Federation’s prestigious Dorothy P. Seaman Leadership Award for her significant contribution to women’s philanthropy. In November 2010, Ms. Sarnoff was honored as a recipient of the Kipnis Wilson Award at the National Women’s Philanthropy Conference in New Orleans.

Wesley E. Finch, CPA – Treasurer and Director (age 66). Mr. Finch is a founder and Chairman of The Finch Group (“TFG”), a multi-faceted real estate development and management entity headquartered in Boca Raton, Florida. TFG has developed, managed and either currently owns or has sold in excess of \$2 billion of a variety of types of real estate. Mr. Finch is a graduate of Bernard Baruch School of the City College of New York in 1971 and has served as Chairman of U.S. Senator John Kerry’s campaigns from 1984 through 1996, National Coordinating Chairman of the Democratic Senatorial Campaign Committee (a legal extension of the U.S. Senate) from 1987 through 1988, and as a member of President Clinton’s transition team in 1992 and 1993.

Matthew Levin – President (age 49). Mr. Levin joined the Federation as President and Chief Executive Officer on August 1, 2012. Mr. Levin joined the Federation following 25 years with the American Israel Public Affairs Committee (AIPAC), culminating as Southeastern States Director and Florida Regional Director. At AIPAC, Mr. Levin was primarily responsible for expanding the Southeast major gifts program. Mr. Levin also proved his expertise in strategic planning, leadership development, and relationship building.

Prior to joining AIPAC’s Florida staff, he served in the Washington, DC AIPAC office as a Field Organizer for pro-Israel communities in the northeast, midwest, and southwest regions of the United States. Mr. Levin traveled extensively throughout the United States, speaking about the importance of the United States–Israel relationship and the need for citizen involvement.

Mr. Levin graduated from the University of South Florida in Tampa in 1987, where he received a Bachelor of Arts degree in Political Science with a primary emphasis on United States – Soviet relations.

Mel Lowell – Secretary, Assistant Treasurer and Director (age 66). Mr. Lowell is the Chief Financial Officer and Chief Operating Officer of the Federation, where he has final responsibility for the daily operation of its 100-acre campus as well as all financial, administrative, strategic planning, development and compliance functions.

Mr. Lowell is a financial and administrative executive, specializing in business operations, financial control, financial reporting and operating efficiency. After five years in public accounting, Mr. Lowell served for fourteen years as Vice President, Finance and Business Affairs, for Madison Square Garden, the New York Knickerbockers and the New York Rangers. During this tenure he was also an alternate Governor of the National Hockey League (“NHL”) and the National Basketball Association (“NBA”) and was selected as a member of the NHL and NBA CFO’s Finance Committee where he guided the implementation of a uniform financial reporting package for forty-four professional sports teams. He left Madison Square Garden to become one of the original members of the Tampa Bay Hockey Group that brought NHL hockey to the Tampa Bay area. Mr. Lowell played a significant role in raising (i) \$65 million for purchase and ramp-up of operations for the franchise, and (ii) \$150 million for construction of a state-of-the-art sports arena in Tampa. Mr. Lowell is the proud recipient and owner of two “championship rings.” Mr. Lowell has been an employee of the Federation for over ten years.

Mr. Lowell received a BBA in 1969 from the honors program at Pace University in Accountancy Practice, Finance and Administration, and he has been an invited guest speaker by the National Association for Continued Accounting Education on the operation and auditing of professional sports teams and arenas.

All of the directors of the Corporation are also members of the Board of Managers for Development LLC. Additional members of the Board of Managers for Development LLC are as follows:

David H. Galpern (age 73). Mr. Galpern has been retired for over fifteen years. For more than thirty-five years, he was employed and provided financial and general management services to several multi-national public companies where he served as a senior financial officer as well as Executive Vice President and Chief Financial Officer. He graduated from Rider University with a Bachelor’s Degree in Business Administration in 1962.

Barry Podolsky (age 63). Mr. Podolsky is the president of Podolsky & Associates of Florida, Inc., a company specializing in commercial real estate brokerage in southeast Florida for the past thirty years. Mr. Podolsky began his real estate career at The Allen Morris Company, where he gained recognition as the top producer in the State of Florida. Mr. Podolsky started as a Certified Public Accountant with Deloitte and Touche and became the Chief Financial Officer of Anilam Electronics Corp. before moving to real estate. Mr. Podolsky received his MBA from the University of Washington in 1974 and his Bachelor of Science from the University of Illinois in 1972.

Conflict of Interest Policy

From time to time, the Corporation conducts business transactions with organizations or corporations with which one or more of the officers or managers of the Corporation may be affiliated. The Corporation has a conflict of interest policy which requires that any such duality of interest or possible conflict of interest on the part of any officer or manager be disclosed and be made a matter of record. In addition to disclosure, the policy requires that additional specified steps be taken, as appropriate, to assure that the conflict does not affect objective deliberation or vote.

Management of Sinai Residences

The Corporation has engaged Life Care Services, LLC (the “Manager”) to manage Sinai Residences. A description of the Manager is included under the heading “DEVELOPMENT, MANAGEMENT AND MARKETING OF SINAI RESIDENCES PROJECT - Management.”

SINAI RESIDENCES

General

In 2007, the Federation identified a need for a CCRC to serve the medical, residential and other care needs of an aging population in south Palm Beach County. From 2007 to 2009, the Federation evaluated a number of alternatives for development of Sinai Residences and assembled a project team experienced in the development and financing of CCRC’s.

Sinai Residences is initially planned to consist of approximately 237 Independent Living Units, 48 Assisted Living Units, 24 Memory Support Units and a nursing facility to include 60 Skilled Nursing Beds and common areas, to be located on approximately 21 acres of land on the Federation Campus (defined below) in Palm Beach County, Florida and to be known as Sinai Residences of Boca Raton.

Common area features are planned to include several living areas, multiple distinct dining areas, a large multi-purpose center, library, business center and conference room, a bank, a gift shop, a mail room, arts and crafts center, game and activity rooms, multiple resident lounges, roof gardens, and a wellness pavilion that will include a pool, exercise/fitness rooms, salon and spa, and a café, and such other spaces as are appropriate. Sinai Residences will also include attractive landscape features, including water features at the front drive, courtyards surrounded by residences and a central, hardscaped cortile surrounded by the resident dining and other common area amenities.

The gross square footage of Sinai Residences upon completion is anticipated to be approximately 615,000 square feet, including an approximately 90,000 square foot parking garage. The Corporation anticipates having approximately 440 residents at Sinai Residences upon full occupancy.

The Federation

The Federation, a Florida not-for-profit corporation, was incorporated in November 1979 as a not-for-profit charitable organization described under Section 501(c)(3) of the Code. The Federation serves the communities of Boca Raton, Delray Beach and Highland Beach in the southern portion of Palm Beach County, Florida. A 2005 demographic study conducted for the Federation by Ira M. Sheskin, Ph.D., Associate Professor in the Department of Geography and Regional Studies at the University of Miami, concluded that the population of the region served by

the Federation is approximately 41% Jewish (more than 131,000 residents). Management of the Corporation believes that the Jewish population as a percentage of the region's population has increased since the date of Dr. Sheskin's study. See "Jewish Demographic Summary" herein.

In 2013 the Federation raised over \$25 million that was distributed to more than 30 different Jewish agencies for programs and services. In 2013 the Federation spent over 89% of its budget on the delivery of programs and services. The Federation is consistently ranked among the top 15 Jewish agencies in the United States for fundraising.

The Federation operates an approximately 100 acre campus (the "Federation Campus"). The Federation Campus currently consists of approximately 300,000 square feet of office and community facilities, including administration and family services departments, the Donna Klein day school/early childhood center, space for cultural activities and a health and physical fitness center that includes a basketball gymnasium, tennis courts and a swimming pool. The Federation's purpose is to further the welfare of the Jewish community in Palm Beach County, Florida, in Israel and in more than sixty countries around the world through fundraising, financial support and the delivery of philanthropic services. The Federation provides charitable services through (1) the Adolph & Rose Levis Jewish Community Center, (ii) the Donna Klein Jewish Academy, a private K-12 school, (iii) the Jewish Association for Residential Care and (iv) the Ruth Rales Jewish Family Services. In addition, the Federation provides programs and services through (1) the Jewish Community Foundation, which provides opportunities to support the continuity of Jewish life in south Palm Beach County, Florida, (2) the Jewish Community Relations Council, the public-policy and social-action arm of the Federation that works to unite the organized Jewish community and (3) the Jewish Education Commission which provides Jewish learning opportunities for people of all ages. Finally, the Federation works with a variety of affiliated-member and beneficiary-member agencies and organizations such as local temples and synagogues, as well as the American Jewish Committee, the Anti-Defamation League, Community Kollel, Hillel Day School, the Solomon Schechter Day School of Palm Beach County, and the Torah Academy of Palm Beach County Weinbaum Yeshiva High School.

Services provided by the Federation include:

- Federation Transportation Service that provides nearly 80,000 one-way trips annually to a thousand elderly and disabled adults for medical appointments, grocery shopping, social services and other life sustaining activities.
- The Adolph and Rose Levis Jewish Community Center on the Federation Campus serves more than 30,000 participants in its various programs, including education, childcare, summer camps, special needs services, sports and wellness, cultural arts and adult services.
- The Ruth Rales Jewish Family Service that provides a wide range of services to over 35,000 people annually for people of all ages, including crisis intervention services and therapeutic counseling programs, and delivers over 10,000 kosher food packages per year to needy Jewish families and individuals.
- The Jewish Association of Residential Care that provides housing and job-training programs for adults with developmental disabilities. Its nearly 4 million hours of programming per year, including 24 hour care for its residents and vocational programs including culinary training, mailroom functions, environmental services and computer education.
- Four local Jewish day schools teaching over 1,000 students and providing nearly \$800,000 in financial aid for the students.
- Feeding nearly 600 individuals and families who receive food from its local food pantry.

The Federation has a history of providing care and housing for seniors. The Harry & Jeanette Weinberg House and the Shirley H. Gould House located on the Federation Campus are rental housing communities for low income seniors and handicapped individuals. These communities are both fully occupied and have an approximately three year waiting list. Each community received a score of 100 in their most recent HUD REAC inspection. In addition, the Federation provides adult day care and memory care services at the Adolph & Rose Levis Adult Day Care Center located on the Federation Campus.

THE FEDERATION IS NOT LIABLE FOR PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2014 BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. THE FEDERATION HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF THE PROJECT AND HAS NO OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. See “LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED OBLIGATION, AND TRANSFER OF CASH – Liquidity Support Agreement” herein.

Site Location

Sinai Residences will be constructed upon an approximately 21 acre parcel of land located on the northern portion of the Federation Campus at 9901 Donna Klein Boulevard, Boca Raton, Palm Beach County, Florida (the “Project Site”). The Federation Campus is a secured property, with round-the-clock security staffing and monitored access. The Project Site is located near the main entrance to the Federation Campus, within the secured area.

Sinai Residences is anticipated to function independent of any other services or agencies located on the Federation campus, with the exception of shared access roads, security services and the provision of kosher meals (as may be requested by residents of Sinai Residences). However, entities affiliated with the Corporation will provide certain support to Sinai Residences. See “Shared Services – Reciprocal Easement Agreement” herein.

The Project Site is approximately one-half mile east of U.S. Highway 441 (“US 441”) which provides access north to Palm Beach, Florida or south to Ft. Lauderdale and Miami, Florida. Interstate 95 runs parallel to US-441, and can be accessed approximately six miles northeast of the Project. Palm Tran provides bus service throughout Palm Beach County via 34 bus routes and a paratransit service for the disabled. The nearest bus stop is located approximately a quarter of a mile west of the Project. The Project Site is located approximately 31 miles from both Ft. Lauderdale International Airport and Palm Beach International Airport. West Boca Medical Center is a 195 bed acute care hospital that is located approximately 0.2 miles from the Project. Boca Raton Community Hospital, a 366 bed acute care hospital, and Delray Medical Center, a 465 bed acute care hospital, are each located within 11 miles of the Project Site. Several synagogues are located within three miles of the Project Site. The Project Site is located approximately five miles west of Town Center Mall at Boca Raton which offers 25 restaurants and 220 stores, including Macy’s, Nordstrom, Bloomingdale’s, Saks Fifth Avenue and Neiman Marcus. There are several cultural and recreational activities within close proximity to the Project Site including the Boca Raton Museum of Art, the iPic Theater, Red Reef Park (which is a 67 acre ocean front park) and several public and private golf clubs.

The Corporation has defined the Primary Market Area (the “PMA”) for the Project to be a 14 zip code area surrounding the Project, spanning approximately 17 miles from north to south and 12 miles from east to west. The estimated total population within the PMA is 366,961 and the total population within the PMA that is 75 or over is estimated to be 77,233. According to the United States Department of Housing and Urban Development, the median household income for Palm Beach County is \$52,951, compared with \$47,827 for the State and \$40,816 for the United States. For more information on the PMA, see “FINANCIAL FEASIBILITY STUDY” in Appendix B hereto.

Jewish Demographic Summary

A demographic study of the Jewish community in south Palm Beach County was conducted for the Federation in 2005-2006 by Ira M. Sheskin, Ph.D., Associate Professor in the Department of Geography and Regional Studies at the University of Miami (the “Demographic Study”). The intent of the Demographic Study was to collect extensive information on the Jewish population regarding a broad range of demographic, geographic, and religious characteristics. The Demographic Study was completed in 2006 and management of the Corporation believes that the Jewish population as a percentage of the region’s population has increased since the date of Dr. Sheskin’s study.

The Demographic Study examined thirteen zip codes in the south Palm Beach County area, which closely mirror the primary market area described in the Financial Feasibility Study (attached as Appendix B). As noted in the table below, the Demographic Study indicated a Jewish population of approximately 43,400 seniors age 75 years

and older that reside in the Demographic Study area year round, representing the largest ethnic group for seniors in the study area (approximately 68% of the overall 75+ population (Jewish + non-Jewish) in the study area).

Demographic Study Summary Data⁽¹⁾

	<u>Total Jewish</u>	<u>Jewish as a % of Overall Population</u>	<u>Full Year Jewish Population</u>	<u>Full Year Jewish as a % of Overall Population</u>
Total Population	130,900	41.2%	105,898	33.3%
Population Age 65+	84,111	84.4%	64,681	64.9%
Population Age 75+	54,022	84.9%	43,434	68.3%
Total Households	69,869	48.6%	56,524	39.3%
Households Age 65+	49,840	71.9%	38,327	55.3%
Households Age 75+	33,021	71.6%	26,549	57.6%

⁽¹⁾ Per the Demographic Study for the 13 zip code study area.

In addition, the Demographic Study estimated the 75+, full-year, Jewish population to be approximately 41% of the total full-year, Jewish population. As indicated in the table below, that represents a high percentage of age 75+ population compared to demographics of the overall population (Jewish + non-Jewish) for the Project PMA (20.8%), the State of Florida (8.4%) and the United States (6.2%).

	<u>Full Year Jewish Population⁽¹⁾</u>	<u>Project PMA</u>	<u>Florida</u>	<u>United States</u>
Age 65+ Population Percent of All Age Population	61.1%	35.1%	18.6%	14.2%
Age 75+ Population Percent of All Age Population	41.0%	20.8%	8.4%	6.2%

⁽¹⁾ Per the Demographic Study for the 13 zip code study area.

⁽²⁾ Based on U.S. census data as compiled and projected by Nielsen Claritas.

The Demographic Study also reported the estimated income by age (incomes reported as of 2004). As indicated in the table below, approximately 9,690 75+ households were estimated to have annual income greater than \$50,000 and 5,469 75+ households were estimated to have annual income greater than \$75,000. The 5,469 75+ households with \$75,000 or more of annual income represented approximately 20.6% of the 75+, full-year, Jewish households in the study area, compared to 16.2% for the Project PMA, 11.1% for the State of Florida and 12.5% for the United States for the 75+, overall households (Jewish + non-Jewish) in each comparison area.

Percent of Total Age Qualified Households at Each Income Level
2014 Demographics⁽²⁾

	<u>2005 Jewish Full Year Households⁽¹⁾</u>	<u>2005 Study Area</u>	<u>Project PMA</u>	<u>Florida</u>	<u>United States</u>
Households Age 65+					
\$50,000+	17,391	45.4%	38.4%	33.1%	35.6%
\$75,000+	10,262	26.8%	23.1%	17.7%	20.0%
\$100,000+	6,133	16.0%	14.4%	10.0%	11.9%
Households Age 75+					
\$50,000+	9,690	36.5%	29.5%	22.8%	24.3%
\$75,000+	5,469	20.6%	16.2%	11.1%	12.5%
\$100,000+	2,761	10.4%	9.5%	6.0%	7.0%

⁽¹⁾ Per the Demographic Study for the 13 zip code study area.

⁽²⁾ Based on U.S. census data as compiled and projected by Nielsen Claritas.

The results of the Demographic Study appear to indicate a large Jewish senior population with a significant number of Jewish households that meet the approximate income requirements for the Project. Management of the Corporation believes that the Jewish population as a percentage of the region's population has increased since the date of Dr. Sheskin's study.

Shared Services – Reciprocal Easement Agreement

The Corporation, together with the Jewish Community Facilities Corporation ("Facilities Corporation") and other affiliates of the Federation, will be a party to a Reciprocal Easement and Cost Sharing Agreement (the "Easement Agreement"). The Easement Agreement will provide vehicle and pedestrian access to the Project Site across the Federation Campus. In addition, the Easement Agreement will provide that Sinai Residences benefit from a number of services provided by Facilities Corporation and the Federation for the Federation Campus. These services include security services, maintenance of the roads on the Federation Campus, storm water management services, perimeter landscaping, fencing, signage and other amenities located on the Federation Campus. As a party to the Easement Agreement, the Corporation will be obligated to pay its share of the costs for the services provided by Facilities Corporation. Expenses incurred under the Easement Agreement are allocated primarily based upon the acreage owned by the parties that is subject to the Easement Agreement. Management of the Corporation has included its estimate of Sinai Residences' share of the expenses under the Easement Agreement in the forecasts provided in the Financial Feasibility Study.

Land Purchase Agreement

Pursuant to a Land Purchase Agreement dated the date of issuance of the Series 2014 Bonds, the Federation will sell and transfer the Project Site to the Corporation at the time of the issuance of the Series 2014 Bonds. The purchase price for the land is \$14,000,000. A November 24, 2013 appraisal of the Project Site prepared by CB Richard Ellis concludes that the "as-is" market value of the Property is \$14,000,000. The appraisal is being updated and during the period of the offering of the Series 2014 Bonds, a copy of the updated appraisal will be available from the Underwriter, upon request.

The Federation will receive \$12,000,000 of the purchase price in cash and the remaining \$2,000,000 of the purchase price will be deferred and paid in the form of a subordinate promissory note (the "Federation Subordinated Obligation"). The Federation Subordinated Obligation will accrue interest at 4.0% up to a maximum of the principal value of the subordinated note. See "LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED

OBLIGATION, AND TRANSFER OF CASH - Federation Subordinated Obligation” for more information on the terms of the Master Indenture with respect to the repayment of the Federation Subordinated Obligation.

Federation Development Services Agreement

Pursuant to a Development Services Agreement, the Corporation has agreed to pay the Federation a development fee in the amount of \$1,000,000 (the “Federation Fee”) in consideration of past and future support staff and services provided by the Federation to the Corporation. Under the Development Services Agreement, the Federation will continue to provide support staff and services to the Corporation until Sinai Residences opens for residents. The Federation Fee will not be paid at the issuance of the Series 2014 Bonds and will be deferred. The Federation Fee will be paid as part of the Federation Subordinated Obligation. The total initial principal amount of the Federation Subordinated Obligation will be \$3,000,000, including the deferred purchase price under the Land Purchase Agreement. The Federation Subordinated Obligation will accrue interest at 4.0% up to a maximum of the principal value of the subordinated note. See “LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED OBLIGATION, AND TRANSFER OF CASH - Federation Subordinated Obligation” for more information on the terms of the Master Indenture with respect to the repayment of the Federation Subordinated Obligation.

Entrance Fees and Monthly Service Fees

It is intended that Sinai Residences will implement an entrance fee model for all of its Independent Living Units. Residents of Independent Living Units will pay a one-time entrance fee (the “Entrance Fee”) upon admission into Sinai Residences, the amount of which is based on the type of Independent Living Unit to be occupied and the Entrance Fee plan selected by the resident as set forth below. Three Entrance Fee plans are offered, including a 90% refundable Entrance Fee plan, a 50% refundable Entrance Fee plan and a fully amortizing Entrance Fee plan. An additional Entrance Fee is payable for a second resident occupying an Independent Living Unit.

To encourage early resident commitments, Sinai Residences offers a Charter Resident Program that is available to depositors prior to the commencement of construction of Sinai Residences. Charter Residents that select the 90% refundable Entrance Fee plan benefit from a 5% discount on the standard 90% Entrance Fee and an additional 5% refund of the Entrance Fee. All Charter Residents, regardless of the Entrance Fee plan selected, receive guaranteed additional benefits that expire if a resident does not take occupancy within two months following the date the resident’s unit is available, including: no increase in Monthly Service Fees (as defined herein) for one year from the date the depositor’s Independent Living Unit is available; one complimentary covered parking space; two months complimentary Monthly Service Fees; a 50% discount on the second person Entrance Fee and a lifetime discount of \$100 on the second person Monthly Service Fee (as applicable); 0.25% higher interest earnings on the Reservation Deposit; and guaranteed occupancy in Sinai Residences, subject to availability of the appropriate level of care. With the start of construction of the Project, Sinai Residences will wind down the Charter Resident Program and begin offering Pre-Opening Benefits. All residents who reserve an Independent Living Unit during the Pre-Opening Benefits period, regardless of the Entrance Fee plan selected, will receive one complimentary covered parking space and a lifetime discount of \$100 on the second person Monthly Service Fee.

To reserve an Independent Living Unit, a prospective resident must execute a Residency Agreement, provide a disclosure of health and finances and make an initial payment equal to 10% of the Entrance Fee (the “Reservation Deposit”). The Reservation Deposit, plus any interest earnings actually earned on the Reservation Deposit, is 100% refundable if the Reservation Agreement is involuntarily terminated or if terminated for voluntary reasons within 30 days from the date of the Reservation Agreement. If the resident terminates the Reservation Agreement for voluntary reasons after 30 days from the date of the Reservation Agreement, the Corporation will refund the Reservation Deposit plus any interest earnings actually earned on the Reservation Deposit less a forfeiture penalty equal to two percent (2%) of the Entrance Fee (20% of the Reservation Deposit). See “RESERVATION AGREEMENTS” for additional information.

Prior to taking occupancy, a prospective resident must execute a Residence and Care Agreement and pay the Entrance Fee. The prospective resident must pay the remaining 90% of the Entrance Fee not later than 60 days after the date that the Corporation sends written notice to the resident that the Independent Living Unit chosen is or will be ready for occupancy. See “RESIDENCE AND CARE AGREEMENTS” for additional information.

Residents will also pay a Monthly Service Fee for the first resident in an Independent Living Unit (the “Monthly Service Fee”) for services provided by Sinai Residences, the amount of which depends on the type of Independent Living Unit selected by the resident. An additional Monthly Service Fee is payable for a second resident living in an Independent Living Unit.

The table below shows the planned number and approximate size of the Independent Living Units, anticipated Entrance Fee levels and estimated Monthly Service Fees for Sinai Residences for the Charter Resident Program (as herein described) and standard pricing:

2016 Pricing								
Floor Plan	Type	Number of Units	Square Footage	Monthly Fee	Entrance Fee			
					95% Refundable Charter	90% Refundable Charter	50% Refundable Standard	Fully Amortized Standard
Addison 1	1 BR	21	788	\$2,995	\$410,690	\$432,405	\$346,167	\$281,262
Addison 2	1 BR	2	804	2,995	423,500	445,500	356,500	289,500
Bellucia	1 BR	3	836	3,350	448,333	472,000	377,667	307,000
Cloister 1	1 BR	8	849	3,450	450,188	473,813	379,063	308,063
Cloister 2	1 BR 1.5 BA	4	849	3,450	445,000	468,625	374,875	304,625
Colonnades 1	1 BR Den	29	981	3,795	512,862	540,000	431,983	351,000
Colonnades 2	1 BR	3	1,055	3,795	553,667	582,833	466,333	379,000
Colonnades 3	1 BR Den	1	1,079	3,795	574,000	604,000	483,000	392,500
El Camino	2 BR	32	1,070	3,895	568,484	598,375	478,750	389,016
El Camino 2	2 BR	4	1,118	3,895	587,250	618,125	494,500	401,875
Floresta 1	2 BR	29	1,129	3,995	589,931	621,069	496,879	403,793
Floresta 2	2 BR	4	1,153	3,995	597,750	622,750	498,250	404,750
Floresta 3	2 BR	5	1,144	3,995	597,900	629,200	503,500	409,200
Lagomar	2 BR	18	1,207	4,250	640,889	674,556	539,722	438,611
Mirasol	2 BR	20	1,225	4,450	651,750	686,050	549,025	446,125
Mizner	2 BR	8	1,282	4,550	680,625	715,938	572,625	465,375
Riviera	2 BR	11	1,291	4,650	688,091	724,500	579,409	471,045
Solano	2 BR Den	1	1,376	4,675	727,000	765,500	612,500	497,500
Tuscany	2 BR	12	1,410	4,675	738,250	777,250	621,792	505,167
Vanderbilt	2 BR Den	18	1,602	4,895	850,694	895,500	716,389	582,222
Waldorf	2 BR Den	4	1,667	4,950	893,500	940,500	752,500	611,500
Total Weighted Average		<u>237</u>	<u>1,138</u>	<u>\$4,048</u>	<u>\$600,711</u>	<u>\$632,350</u>	<u>\$505,924</u>	<u>\$411,424</u>
				<u>Second Person Fee</u>	<u>\$1,195</u>	<u>\$15,000</u>	<u>\$50,000</u>	<u>\$40,000</u>

The Health Care Center

Under the Residence and Care Agreement, Sinai Residences provides assisted living and nursing care services in the Assisted Living Units, the Memory Support Units and the Skilled Nursing Beds (collectively, the “Health Care Center”). See “**Health Care Benefit**” below for additional description of Sinai Residences’ lifecare benefit.

The following table summarizes the type, number, approximate square footage, and the Monthly Service Fees for the Health Care Center:

Health Care Center Configuration				
	<u>Number of Units</u>	<u>Average Square Footage</u>	<u>Entrance Fee</u>	<u>Monthly Service Fee</u> ⁽¹⁾⁽²⁾⁽³⁾
Assisted Living Units				
One Bedroom	45	553	Not Applicable	\$5,845
Two Bedroom	3	827	Not applicable	\$6,295
Memory Support Units	24	312	Not applicable	\$6,295
Skilled Nursing Beds	<u>60</u>	308	Not applicable	
Medicare – Private Room				\$12,167
Private Pay – Private Room				\$10,646
Total	132			

⁽¹⁾ The Monthly Service Fee pricing is effective as of the opening of Sinai Residences, estimated to be November 1, 2015. A price increase is not anticipated until November 1, 2016 or later.

⁽²⁾ Residents who are temporarily or permanently transferred to the Health Care Center would continue to pay their Monthly Service Fee, plus the cost of two additional meals per day.

⁽³⁾ In the case of double occupancy, should both residents transfer to the Health Care Center, the cost is to be equal to the first person's Monthly Service Fee plus two additional meals per day, plus the then current second person Monthly Service Fee and the cost of two additional meals for the second person.

Assisted Living Units and Memory Support Units

Sinai Residences will include 48 Assisted Living Units and 24 Memory Support Units in a secured environment within the Health Care Center. The Assisted Living Units have been designed to foster the continued independence of persons who require varying amounts of assistance with activities of daily living. The Assisted Living Units will be private apartments with kitchenettes (which include a sink and refrigerator) and full baths and will be furnished with amenities similar to the Independent Living Units, but will not include the range/oven, microwave oven, dishwasher or washer and dryer.

The common areas for the Assisted Living Units will include a lobby, lounge, arts and crafts area, multipurpose room, library, dining room and administrative support areas. There is a separate entrance, shared with the Health Center, from a parking area, to the Assisted Living Units and Memory Support Units, as well as internal access to and from the Independent Living Units.

The Memory Support Units will be private suites with full baths that will be furnished with amenities similar to the Assisted Living Units, but without kitchenettes. The Memory Support Units will have secured access and separate common areas which will include dining rooms, lounges, and activity spaces, plus a secured courtyard for outdoor activities.

Skilled Nursing Beds

The Health Care Center will also include 60 private skilled nursing beds. The design of the nursing beds reflects the household model, which allows for a living arrangement in which all activities of daily living occur in a small-scaled environment. This delivery of care model features dedicated staff teams assigned to each of the two 30-bed neighborhoods which are each divided into two 15-bed households. The small-scaled environment and dedicated neighborhood staff are designed to provide more comfort and better care to the residents.

Direct admissions for the skilled nursing beds will be restricted under the Certificate of Need rules and regulations of the State of Florida. Florida law allows access by individuals from the general community for a

period of 5 years from opening. The Corporation intends to obtain Medicare certification for the skilled nursing beds. See “Regulatory Permits and Approvals – Certificate of Need” herein.

Services to Residents

Upon payment in full of the Entrance Fee and ongoing payment of the Monthly Service Fee, each resident will be provided an Independent Living Unit and receive certain basic services. Sinai Residences will offer residents a wide array of services including personal care, housekeeping, transportation, security, meals and spiritual, social, educational and activity programming. The services proposed to be provided under the Residence and Care Agreements (as herein defined) that are included in the Monthly Service Fee, or provided at an additional charge include the following:

Independent Living Unit and Common Areas. The Corporation will provide occupancy in the living unit selected by the resident, subject to provisions for changes in accommodations as provided in the Residence and Care Agreement. The Corporation will furnish the unit with the following items: carpeting, self-defrosting refrigerator and freezer with ice maker, range and oven, dishwasher, microwave oven, garbage disposal, washer, dryer, an emergency call system and a telephone/data communications port. Any replacement or upgrading of such furnishings or appliances desired by the resident shall be at the resident’s sole expense and will not be included in the Entrance Fee refund amount. Structural changes to any living unit or redecoration of any living unit, other than those undertaken by the Corporation, will require the written approval of the Corporation and, if approved by the Corporation, will be at the resident’s expense. The Corporation will provide common areas that will include dining venues, a multipurpose room, sundry shop, mail room, bank, library, game rooms, public lounges and a fitness and wellness center.

Health Care Services. Basic assisted living and nursing and nursing care services, as needed, will be provided for residents. See “RESIDENCE AND CARE AGREEMENT - Health Care Benefit” below.

Food and Meal Service. Sinai Residences will offer table service in the main dining room, where three meals per day will be available. In addition, other casual dining areas will also be available. One meal credit for each day of the month is included in the Monthly Service Fee.

Housekeeping and Laundry Services. Weekly scheduled housekeeping services will be provided, including vacuuming, light housekeeping and laundry and changing of bed linens.

Utilities. Sewer, water, waste disposal, electricity, heat and air-conditioning, and basic cable television services will be provided to residents at no additional cost. Living units will also be wired for cable television, telephone and data/communications with residents responsible for all telephone, premium cable television and internet service provider charges.

Security and Emergency Alert Systems. Each Independent Living Unit will be equipped with smoke detectors, a sprinkler system and an emergency alert system, which the Corporation will monitor on a 24-hour basis and will coordinate emergency responses as appropriate.

Maintenance. The Corporation will cause all community common areas and grounds to be maintained and will be responsible for providing repair, maintenance and replacement of furnishings provided in each Residence, provided such repairs are not required as a result of the resident’s negligence.

Transportation. The Corporation will provide local group transportation to designated shopping, social and cultural events, medical facilities, and other local destinations on a regularly scheduled basis. The Corporation plans to contract with Federation Transportation Services to provide this service.

Social and Recreational Programs. The Lifestyle Director for Sinai Residences will coordinate a variety of social, recreational, educational and cultural programs for those residents wishing to participate. Specific programs will be based on residents’ interests.

Property Taxes and Insurance. The Corporation will pay real property taxes assessed on Sinai Residences. The Corporation will also arrange for property and casualty insurance coverage on the buildings and grounds.

Wellness Programming. The Corporation will coordinate educational and screening programs promoting wellness and preventive health maintenance.

Additional Services Available to Residents

As a part of the Federation Campus, the residents of Sinai Residences will have convenient access to a number of services provided by organizations located on the Federation Campus. Those services include:

Kosher Meals. Residents may purchase kosher meals from the Jewish Association for Residential Care.

Counseling. Psychiatric and grief counseling services are available to residents from Jewish Family Services.

Adult Education. Residents will be able to enroll in special adult education programs tailored to the needs of the aging and elderly population offered by the Phyllis & Harvey Sandler Center for Jewish Life Enhancement.

Family Services. Family services, and educational and cultural programs for the Jewish community will be available for interested residents through the Adolph & Rose Levis Jewish Community Center.

RESERVATION AGREEMENTS

A prospective resident may reserve an Independent Living Unit at Sinai Residences by executing a Reservation Agreement and submitting payment of the Reservation Deposit equal to 10% of the Entrance Fee for the Independent Living Unit selected. The execution of a Reservation Agreement does not constitute a binding commitment to establish occupancy at Sinai Residences on the part of any prospective resident. Prospective residents may terminate the Reservation Agreement under either a voluntary termination or involuntary termination. Termination is considered involuntary under any of the following circumstances: (i) the Corporation's failure to meet its obligations under the Reservation Agreement, (ii) death, incapacity or serious illness of the resident that precludes the resident from taking occupancy, or (iii) other circumstances beyond the control of the resident. The Reservation Deposit is 100% refundable, plus any interest earnings actually earned on the Reservation Deposit, if the Reservation Agreement is involuntarily terminated or if terminated for voluntary reasons within 30 days from the date of the Reservation Agreement. If the resident terminates the Reservation Agreement for voluntary reasons after 30 days from the date of the execution of the Reservation Agreement, the Corporation will refund the Reservation Deposit plus any interest earnings actually earned on the Reservation Deposit less a forfeiture penalty equal to two percent (2%) of the Entrance Fee (20% of the Reservation Deposit). See "RESIDENCE AND CARE AGREEMENTS - Termination of the Agreement and Refunds" herein.

RESIDENCE AND CARE AGREEMENTS

General

The Corporation has received a Provisional Certificate of Authority from the Department of Financial Services, Office of Insurance Regulation for the State of Florida ("Florida OIR") prior to receipt of a Certificate of Authority, the Corporation is allowed to execute a "Reservation Agreement" with each of the prospective independent living residents, which sets forth the terms under which the resident may reserve an Independent Living Unit. Following receipt of a Certificate of Authority and prior to residents taking occupancy of their units, the Corporation will enter into a "Residence and Care Agreement" with each of the prospective independent living residents, which sets forth the rights and obligations of the Corporation and the resident following the resident's occupancy. The terms of such Residence and Care Agreements offered may change from time to time subject to compliance with applicable law, including review and approval of certain changes by the Florida OIR. The Corporation has established a Reservation Deposit escrow account for all Reservation Deposits received prior to the authorized release of such Reservation Deposits in accordance with Chapter 651, *Florida Statutes*.

The Corporation will generally accept as residents persons 62 years of age or older who are capable of living independently as outlined in the Residence and Care Agreement and who have financial resources sufficient to pay the initial Reservation Deposit, Entrance Fee, the ongoing Monthly Service Fees and all other daily personal living expenses. The services provided at Sinai Residences and the related fees will be defined in the Residence and Care Agreement.

Entrance Fee Plan Options

It is contemplated that there will be three Entrance Fee plans: (a) a partially refundable Entrance Fee plan, under which 90% (and, in the case of residents who have participated in the “Charter Resident” program described herein, 95%) of the Entrance Fee (subject to certain deductions) will be refunded to the resident upon termination; (b) a partially refundable Entrance Fee plan, under which the refundable amount due to the resident upon termination declines ratably over a period of time to not less than 50% of the Entrance Fee (subject to certain deductions) and (c) a fully amortizing Entrance Fee plan, for which the refundable amount due to the resident upon termination declines ratably over a period of time.

Financial Policy Regarding Residents

If a resident becomes unable to pay the Monthly Service Fee or any other charges required under the Residence and Care Agreement, and to the extent Medicare benefits or any other insurance benefits are not available or are not sufficient to cover the amounts due from the resident, the Corporation may reduce the refund on the Entrance Fee by any amounts due from the resident and may require the resident to move to a smaller or less expensive unit. The Corporation will not terminate the Residence and Care Agreement if, in its sole judgment, the resident’s inability to pay is not the result of negligent, willful or unreasonable dissipation of their assets and does not jeopardize the financial security of the Corporation or the Project’s other residents.

Termination of the Agreement and Refunds

Prior to occupancy, termination provisions include: (i) residents’ right to terminate the Residence and Care Agreement, without penalty or forfeiture, within seven days of signing the Residence and Care Agreement; (ii) residents’ right to terminate the Residence and Care Agreement, without penalty or forfeiture (subject to certain adjustments), if resident is precluded from occupying the apartment due to death, injury, illness or other incapacity; and (iii) residents may terminate other than for reasons stated in (i) and (ii) above and will be entitled to a refund of the deposit or Entrance Fee paid less a processing fee of 2% of the entire Entrance Fee amount (20% of the Reservation Deposit), as required by Chapter 651, *Florida Statutes*.

Following occupancy, the Residence and Care Agreement may be terminated by the resident upon 30 days’ prior written notice. The Corporation may terminate the Residence and Care Agreement for certain reasons defined in the Residence and Care Agreement that give the Corporation good cause for termination. Refunds due to the resident following termination after occupancy is based on the Entrance Fee plan selected. In the case of the 90% refundable Entrance Fee plan, the Entrance Fee refund shall be paid to the resident from the Entrance Fee paid after the right to a refund arises subject to the right of other former residents who previously acquired the right to a refund and in the case of 50% refundable and amortizing Entrance Fee plans, the Entrance Fee refund shall be paid within 120 days after the date of the notice of termination.

Property Rights

The Residence and Care Agreement will provide the resident with the right to receive services, with a contractual right of occupancy. Nothing contained in the Residence and Care Agreement shall be construed to create the relationship of landlord and tenant between the Corporation and the resident. The rights and privileges granted to the resident by the Residence and Care Agreement do not include any right, title, or interest in any part of the real or personal property, buildings and improvements owned, leased or administered by the Corporation.

Health Care Benefit

Under the Residence and Care Agreement, Sinai Residences provides assisted living and nursing care services in the Health Care Center. The Monthly Service Fee for residents who transfer to the Health Care Center are based on the Entrance Fee plan selected.

Residents who are transferred to the Health Care Center will continue to pay their Monthly Service Fee plus the cost of two additional meals per day and other ancillary charges (the "Life Care Benefit"). In the case of double occupancy should both residents transfer to the Health Care Center, the cost is equal to the Life Care Benefit plus the second person Monthly Service Fee plus two additional meals per day. In the event the Assisted Living Units or the Skilled Nursing Beds are full, the Corporation will arrange for nursing care to be provided in another comparable health care facility until an appropriate unit in the Health Care Center is available for occupancy.

Residents requiring temporary care in the Health Care Center continue to pay the current Monthly Service Fee for their Independent Living Unit in addition to the applicable monthly or *per diem* rate in the Health Care Center.

RESERVATIONS

Sinai Residences have been marketed to prospective residents through a phased marketing program, which included a mail survey and lead generation program, a "Friends Program," a "Priority Program" and currently, a reservation program. The Corporation caused a direct mail survey to be completed by Zillner Marketing Communications, Inc., which generated approximately 1,350 responses. The next step in the marketing program was to conduct the Friends Program, whereby qualified seniors, including those who expressed interest in their survey responses, were invited to information seminars to obtain high-level information on Sinai Residences. Attendees had the opportunity to register as "Friends of the Project" to indicate their interest in obtaining additional information. Following receipt of the Provisional Certificate of Authority ("PCOA") from the Florida OIR, which allowed the Corporation to accept deposits in marketing Sinai Residences, the Corporation concluded the Friends Program and initiated a "Priority Program," whereby Friends Program members could convert to Priority Members by placing nominal, fully refundable deposits of \$100. Becoming a Priority Member granted participants certain benefits through the "Charter Resident Program," including discounted pricing, first selection of units and other benefits. The Charter Resident Program was made available to a limited number of prospective residents.

The Corporation began collecting 10% Reservation Deposits for reservation of the Independent Living Units in April, 2012. Through February 28, 2014, the Corporation has collected 203 net Reservation Deposits from prospective residents who have executed a Residence and Care Agreement, reflecting an average of approximately 8.8 net Reservation Deposits per month. The 203 reserved Independent Living Units represents approximately 85% of the total 237 available Independent Living Units of Sinai Residences.

[Remainder of page intentionally left blank]

Month and Year	Number of Units Reserved	Number of Cancellations or Refunds	Net Reservations for Month	Cumulative Units Reserved	Cumulative Percentage of Total Units
April 2012	10	0	10	10	4.2%
May 2012	9	0	9	19	8.0%
June 2012	15	2	13	32	13.5%
July 2012	13	1	12	44	18.6%
August 2012	11	1	10	54	22.8%
September 2012	6	1	5	59	24.9%
October 2012	6	2	4	63	26.6%
November 2012	3	1	2	65	27.4%
December 2012	0	0	0	65	27.4%
January 2013	10	0	10	75	31.6%
February 2013	11	1	10	85	35.9%
March 2013	10	3	7	92	38.8%
April 2013	11	3	8	100	42.2%
May 2013	10	0	10	110	46.4%
June 2013	4	1	3	113	47.7%
July 2013	10	4	6	119	50.2%
August 2013	11	2	9	128	54.0%
September 2013	10	1	9	137	57.8%
October 2013	15	2	13	150	63.3%
November 2013	10	5	5	155	65.4%
December 2013	12	5	7	162	68.4%
January, 2014	13	1	12	174	73.4%
February, 2014	<u>37</u>	<u>8⁽²⁾</u>	<u>29</u>	<u>203</u>	<u>85.7%</u>
Total⁽¹⁾	247	44	203	203	85.7%

⁽¹⁾ Information as of February 28, 2014.

⁽²⁾ The Financial Feasibility Study in Appendix C includes two additional cancellations based on survey responses by the depositors, The number shown here represents cancellations received by the Corporation as of February 28, 2014.

The depositors surveyed for the Financial Feasibility Study reported a median net asset amount of approximately \$2.405 million and median annual income of approximately \$129,300. The average age of all depositors is approximately 83 years of age.

The Corporation has experienced a recent surge in the number of Reservation Deposits received. Management of the Corporation attributes the increased activity to, among other things, (i) the ground breaking ceremony for Sinai Residences held at the Project Site on January 28, 2014, (ii) a number of articles about Sinai Residences recently appearing in local media, and (iii) as many Independent Living Unit types are now sold out, or close to sold out, prospective residents are making the decision to place a Reservation Deposit now in order to lock in their choice of Independent Living Unit. The table below shows the current inventory of Independent Living Units by floor plan.

[Remainder of page intentionally left blank]

Floor Plan	Type	Number of Units	Reserved Units	% Sold	Units Remaining⁽¹⁾
Addison 1	1 BR	21	21	100.0%	0
Addison 2	1 BR	2	2	100.0%	0
Bellucia	1 BR	3	2	66.7%	1
Cloister 1	1 BR	8	7	87.5%	1
Cloister 2	1 BR 1.5 BA	4	4	100.0%	0
Colonnades 1	1 BR Den	29	29	100.0%	0
Colonnades 2	1 BR	3	3	100.0%	0
Colonnades 3	1 BR Den	1	1	100.0%	0
El Camino	2 BR	32	31	96.9%	1
El Camino 2	2 BR	4	4	100.0%	0
Floresta 1	2 BR	29	17	58.6%	12
Floresta 2	2 BR	4	3	75.0%	1
Floresta 3	2 BR	5	1	20.0%	4
Lagomar	2 BR	18	7	38.9%	11
Mirasol	2 BR	20	17	85.0%	3
Mizner	2 BR	8	8	100.0%	0
Riviera	2 BR	11	11	100.0%	0
Solano	2 BR Den	1	1	100.0%	0
Tuscany	2 BR	12	12	100.0%	0
Vanderbilt	2 BR Den	18	18	100.0%	0
Waldorf	2 BR Den	4	4	100.0%	0
Total		237	203	85.7%	34

⁽¹⁾ Information as of February 28, 2014

PRE-FINANCE DEVELOPMENT COSTS

To finance the pre-development costs of Sinai Residences, the Federation authorized Development LLC, an affiliate of the Federation and the Corporation, to borrow the proceeds of Bond Anticipation Notes issued by the Issuer in 2011 (the “Series 2011 Notes”) and in 2013 (the “Series 2013 Notes”). The Series 2011 Notes provided \$9.45 million of development capital to further the development and marketing of Sinai Residences and the Series 2013 Notes provided an additional \$2.9 million of capital to fund additional development and marketing costs. The Federation also provided additional loans and equity contributions in the aggregate amount of \$1,326,556 to finance pre-development costs. The proceeds from the Series 2011 Notes and the Series 2013 Notes, along with the loan and equity contributions from the Federation were used to fund expenses associated with the architectural design, marketing, sales, preliminary construction planning, and legal and accounting costs of Sinai Residences. The Series 2011 Notes, the Series 2013 Notes and the loan and equity contributions from the Federation not included in the Federation Subordinated Obligation will be repaid with any remaining project funds held by the Trustee of the Series 2011 Notes and the Series 2013 Notes and with a portion of the proceeds from the Series 2014 Bonds. See “**PLAN OF FINANCE**” in the Official Statement.

NEITHER THE FEDERATION, DEVELOPMENT LLC NOR ANY OTHER AFFILIATE THEREOF, OTHER THAN THE CORPORATION, IS LIABLE FOR PAYMENT OF INTEREST, PRINCIPAL AND PREMIUM, IF ANY, ON THE SERIES 2014 BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT, THE FEDERATION HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF SINAI RESIDENCES, OR THE SERIES 2014 BONDS, AND HAS NO

OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION FOR PAYMENT OF ANY SUCH AMOUNTS. See “LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED OBLIGATION, AND TRANSFER OF CASH - Liquidity Support Agreement” herein.

DEVELOPMENT, MARKETING AND MANAGEMENT OF THE PROJECT

The Development Consultant

General Description. Greenbrier Development, LLC (“Greenbrier” or the “Development Consultant”) has been engaged by the Corporation to provide development advisory services and consulting, including marketing and development for Sinai Residences and provide other accounting and administrative support pursuant to a Development Consulting Services Agreement dated as of January 15, 2011 and amended as of June 1, 2013 (collectively, the “Development Agreement”).

Greenbrier is a privately-owned limited liability company organized and existing under the laws of the State of Delaware. Greenbrier specializes in providing planning, development, marketing and strategic consulting services related to all areas critical to the senior housing and services business. Greenbrier currently has a staff of approximately 24 persons, and senior management has more than 150 years of combined experience in senior housing development.

Recent Experience. Greenbrier is currently responsible for the development and/or marketing of approximately thirteen senior living community development and expansion projects. The Development Consultant has provided strategic consulting services to more than 50 senior living communities and providers since 2006. A representative list of retirement communities for which Greenbrier has provided development consulting services includes the following.

<u>Community</u>	<u>Location</u>	<u>Status</u>
Beacon Hill at Eastgate	Grand Rapids, Michigan	2010 Construction Completed
Wesley Pines (United Methodist Retirement Homes Inc.)	Lumberton, North Carolina	2012 Construction Completed
Town Creek (Methodist Retirement Communities)	Huntsville, Texas	2013 Construction Completed
Rydal Park (Presby’s Inspired Life)	Abington Twp., Pennsylvania	2013 Construction Completed
SearStone	Cary, North Carolina	2014 Construction Completed
EdenHill	New Braunfels, Texas	2014 Will Complete Construction
Twin Towers (Life Enriching Communities)	Cincinnati, Ohio	2014 Will Complete Construction
Plantation Village	Wilmington, North Carolina	2015 Will Complete Construction
The Overlook at Menger Springs (Morningside Ministries)	Boerne, Texas	2014 Estimated Construction Start
Peconic Landing	Greenport, New York	2014 Estimated Construction Start
Mainstreet Capital	Plano, Texas	2014 Estimated Construction Start
Mainstreet Capital	Waco, Texas	2014 Estimated Construction Start
Mercy Retirement & Care Center (Elder Care Alliance)	Oakland, California	2015 Estimated Construction Start
Seabury	Bloomfield, Connecticut	2015 Estimated Construction Start
Beacon Hill at Eastgate – Phase 2	Grand Rapids, Michigan	2015 Estimated Construction Start
Ventana by Buckner (Buckner Retirement Services)	Dallas, Texas	2016 Estimated Construction Start

Senior Management. The senior management of Greenbrier actively involved in the development of Sinai Residences includes the following persons:

Mike Gilliam - President and Chief Executive Officer, is responsible for providing strategic direction to Greenbrier's clients in the areas of planning, development, financing and marketing. Mr. Gilliam has been in senior housing since 1990 and has worked with more than 400 clients. Mr. Gilliam founded Greenbrier in 2006, along with Tom Navin. Prior to forming Greenbrier, Mr. Gilliam was a Senior Vice President at another national senior housing company since 1990 and served various roles in the planning and development of approximately 30 senior living communities. He also led the new business development. Prior to 1990, Mr. Gilliam was a consultant at Deloitte and Touche. He earned an MBA from the University of Texas at Austin.

Tom Navin - Chief Operating Officer and Executive Vice President, is responsible for coordination of all aspects of Greenbrier's development team, including entitlements, site logistics, design, and construction related activities. Mr. Navin co-founded Greenbrier in 2006 with Mike Gilliam after working for another national senior housing development firm for six years, where he was responsible for coordination of the full range of development services for his clients. Prior to 2000, Mr. Navin was a Development Project Manager where he was responsible for the planning and development of 20 senior living communities and two prototype designs. He also has 22 years of architectural, construction, and development experience. Mr. Navin received a bachelor's degree in Architecture from the University of Illinois.

Cole Gray - Executive Vice President, is responsible for the coordination of planning and consulting services for clients as well as the coordination of financing activities. He has worked with more than 100 senior living clients since beginning his career in senior housing development and consulting in 1999. Prior to his work in senior housing, Mr. Gray was a management consultant for Navigant Consulting and Gibson & Associates, Inc. Mr. Gray received a bachelor's degree in Finance from the University of Illinois.

Barry Johnson - Senior Vice President of Marketing, joined Greenbrier in May 2006 and is responsible for leading the marketing and sales organization. Mr. Johnson has more than 20 years' experience in senior housing, having previously worked for Vi (formerly Classic Residences by Hyatt) and Erickson Living. He received a bachelor's degree in Finance from the University of Maryland and an MBA from Michigan State University.

Adam Heffernan - First Vice President of Planning and Finance, has spent more than eleven years working with senior housing organizations to plan and develop successful projects. Mr. Heffernan is responsible for the coordination of planning and consulting services for Greenbrier's clients, including project-specific business planning, organizational strategic planning, coordination of financing activities for development projects and other aspects of project development. Prior to his career in senior housing development, he was a consultant with Peterson Consulting and Barrington Consulting, where he provided financial advisory services to clients involved in litigation and other disputes. Mr. Heffernan received a bachelor's degree in Accounting and a master's degree in Finance from Texas A&M University.

Stephen Young - Chief Financial Officer, joined Greenbrier as part of the initial management team, responsible for implementing and managing all financial reporting, treasury, human resources, information technology and general administrative functions for Greenbrier as well as all cost reporting for client accounting. Prior to joining Greenbrier, Mr. Young was Chief Financial Officer for Home Corporation International (HCI), responsible for establishing and directing all financial and administrative functions for a start-up encompassing five entities. Mr. Young was also an independent financial and management consultant for small businesses in the Houston area and previously gained 10 years' experience in the senior housing industry as Director of Finance with Marriott and as Controller for National Guest Homes, Inc. Mr. Young received a bachelor's degree in Finance from Southern Methodist University and an Executive MBA from the University of Houston.

Brian Devlin - First Vice President of Development, provides development related project management services to Greenbrier's clients. Such services include assessment, acquisition, and zoning of prospective sites, engagement of project consultants, drafting the architectural program, coordination and evaluation of the design and construction cost estimates, and oversight of construction activities. Mr. Devlin has provided services on a variety of project types from luxury startup communities to modest renovations and expansion projects. Mr. Devlin has been a professional in senior living development since 2002. Prior to that, Mr. Devlin was an associate at an architectural firm that designed and developed country clubs throughout the United States. Mr. Devlin earned a bachelor's degree in Architecture from Texas Tech University.

Nancy May - Vice President of Marketing, joined Greenbrier in 2010. Her experience in the senior living industry spans more than 20 years and encompasses on-site experience and responsibility for creating, administering, and managing marketing campaigns, as well as managing the marketing efforts of multiple communities and marketing teams simultaneously. During this time, Ms. May has experience with start-ups, expansions, and census-challenged communities for single-site and system providers and includes experience in marketing assisted living, skilled nursing, and hospice services. Nancy holds a bachelor's degree in Marketing from Alameda University.

Development Consulting Services Agreement

Duties. Development LLC and the Development Consultant entered into the Development Agreement pursuant to which the Development Consultant will provide certain development and marketing services with respect to Sinai Residences. The rights and obligations of the Development LLC under the Development Agreement shall be assigned to the Corporation prior to the issuance of the Series 2014 Bonds.

The Development Agreement provides that Greenbrier will provide (a) all necessary planning to implement the plan for development of Sinai Residences approved by the Corporation, including any revisions thereto, (b) detailed budgets for each phase of development activity, which are to be submitted for the Corporation's approval, (c) assistance in obtaining all necessary governmental approvals required for development of Sinai Residences, (d) coordination, preparation and review of all design and construction plans and specifications by Sinai Residences' architect and other design consultants, (e) development of a resident services program, (f) development and implementation of the marketing plan for Sinai Residences to prospective residents, (g) assistance in securing financing for Sinai Residences, (h) assistance in negotiating and awarding a construction contract for Sinai Residences, and thereafter monitoring the progress of construction, (i) assistance with marketing for Sinai Residences, (j) preparation of monthly project cost reports, and (k) providing the Corporation with all information and records to comply with filing and disclosure requirements.

Pursuant to the Development Agreement, the Corporation will exercise final authority on the following, among other matters related to the development of Sinai Residences, (a) selection and engagement of design professionals, engineering professionals and pre-construction consultants, (b) negotiation and execution of a design contract for preparation of plans and specifications, (c) approval of final working drawings, (d) execution of all commitments with respect to financing, (e) selection and engagement of contractors for construction, (f) negotiation and execution of construction contracts and (g) and final approval of all budgets for planning, development, construction and marketing prepared by Greenbrier.

The Development Agreement has, as Appendix C thereto, a Development Plan that was prepared by Greenbrier and sets forth the planning, development and financial parameters for Sinai Residences. The capital structure for Sinai Residences and the terms of financing for Sinai Residences are also reflected in the Development Plan. The Development Plan has been amended from time to time with the approval of the Corporation.

The Development Plan includes a Sales and Marketing Plan for Sinai Residences describing the staffing, procurement of goods and services, selection of vendors, timing and cost and the activities necessary to cause Sinai Residences to be occupied as contemplated by the Development Plan. The Development Consultant will work with third party advisors to the Corporation for the formulation of promotional, advertising and media campaigns for Sinai Residences. The Development Consultant is responsible for the recruiting, hiring, training and management of the marketing staff and coordinates the design, construction and equipping of the information center for Sinai Residences.

Compensation. The Development Agreement calls for the payment of a "Base Development Consulting Fee" in the amount of \$6,990,000, which amount is subject to adjustment based on changes in the number of Independent Living Units within Sinai Residences, as well as a "Marketing Fee" in the amount of \$1,720,000, which is also subject to adjustment based on the number of Independent Living Units within the project, and an "Incentive Occupancy Fee" in an amount up to \$600,000 which may be payable based on Stabilized Occupancy being achieved within certain time frames set forth in the agreement. "Stabilized Occupancy" is defined in the Development Agreement as 95% occupancy of Independent Living Units, 93% occupancy of Assisted Living Units and 93% occupancy of Skilled Nursing Beds. The Development Agreement also calls for the reimbursement of certain expenses in accordance with budget categories set forth in the Development Plan.

The Base Development Consulting Fee has been and is estimated to be paid as follows:

<u>Date</u>	<u>Amount</u>	<u>Cumulative Total Fee Paid</u>	<u>Cumulative Percent of Total Fee</u>
Commencement of Development Services (August 1, 2010) – Pre-Development Cost Funding (June, 2011)	\$ 165,000	\$ 165,000	2.36%
23 Months following Pre-Development	920,000	1,085,000	15.52%
Upon Issuance of Series 2014 Bonds ⁽¹⁾	1,644,995	2,729,995	39.06%
17 Months After Issuance of Series 2014 Bonds ⁽²⁾	680,000	3,409,995	48.78%
Upon obtaining Certificate of Occupancy ⁽³⁾	582,498	3,992,493	57.11%
18-29 Months After Issuance of Series 2014 Bonds ⁽²⁾	480,000	4,472,493	63.98%
Upon 50% occupancy of ILU's ⁽⁴⁾	466,000	4,938,493	70.65%
30-35 Months After Issuance of Series 2014 Bonds ⁽²⁾	240,000	5,178,493	74.08%
Upon 70% occupancy of ILU's ⁽⁵⁾	466,000	5,644,493	80.75%
36-37 Months After Issuance of Series 2014 Bonds ⁽²⁾	80,000	5,724,493	81.89%
Upon 90% occupancy of ILU's ⁽⁶⁾	466,000	6,190,493	88.56%
Upon Stabilized Occupancy	799,507	6,990,000	100.00%

⁽¹⁾ Assumes June 1, 2014 for issuance of Series 2014 Bonds

⁽²⁾ After Issuance of the Series 2014 Bonds, the fee is paid at a rate of \$40,000 per month until total of payments equals the amount shown. Payments will be made over 37 months.

⁽³⁾ Assumes certificate of occupancy is obtained 17 months after Issuance of the Series 2014 Bonds.

⁽⁴⁾ Assumes 50% occupancy of ILU's 29 months after Issuance of the Series 2014 Bonds.

⁽⁵⁾ Assumes 70% occupancy of ILU's 36 months after Issuance of the Series 2014 Bonds.

⁽⁶⁾ Assumes 90% occupancy of ILU's 54 months after Issuance of the Series 2014 Bonds.

The Marketing Fee will be paid upon achieving key milestones relating to occupancy of the Independent Living Units described above. The Marketing Fee will be paid as follows: (i) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 50 percent occupancy in the Independent Living Units; (ii) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 70% occupancy in the Independent Living Units; and (iii) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 90% occupancy in the Independent Living Units.

The Incentive Occupancy Fee will be paid upon achieving key milestones relating to Stabilized Occupancy (as defined in the table above). The Incentive Occupancy Fee will be paid as follows following the issuance of the Certificate of Occupancy for Sinai Residences: (i) \$600,000 if Stabilized Occupancy is achieved in 15 months; (ii) \$450,000 if Stabilized Occupancy is achieved within 18 months; (iii) \$300,000 if Stabilized Occupancy is achieved within 21 months; or (iv) \$150,000 if Stabilized Occupancy is achieved within 24 months.

After issuance of the Series 2014 Bonds, the Development Agreement may be terminated by either party, based on breaches of its terms and for certain other reasons set forth therein. Absent a default by the Development Consultant, any accrued and unpaid fees, as well as reimbursable expenses are required to be paid by the Corporation upon termination. Additionally, if the Corporation proceeds with development of Sinai Residences following termination of the Development Agreement, a termination fee equal to (a) an additional \$40,000 for each month for which Greenbrier has previously provided services pursuant to the agreement, and (b) if the termination occurs during the period of 120

days prior to (x) the issuance of the Series 2014 Bonds, or (y) the issuance of a certificate of occupancy for Sinai Residences, an additional termination fee of \$1,000,000 may be payable by Corporation.

The Development Agreement includes restrictions on assignment, other than the collateral assignment of the Development Agreement to the Master Trustee as security for the Series 2014 Bonds. The agreement includes a provision requiring that disputes be subjected to binding arbitration. The Development Agreement is governed by the laws of the State of Florida.

Management

Management services for Sinai Residences are to be provided by Life Care Services LLC (“Life Care Services” or the “Manager”). Life Care Services is a wholly-owned subsidiary of Life Care Companies LLC (“LCS”), an Iowa limited liability company. LCS is a nationally recognized leader in development and management of quality senior living communities, and has been instrumental in the planning, developing, and managing of senior living communities throughout the United States since 1971. The Manager and an affiliated company currently manage 110 retirement communities serving over 32,000 residents in 29 states and the District of Columbia. Life Care Services provides management services from its home office in Des Moines, Iowa and regional offices in Charlotte, North Carolina; Old Saybrook, Connecticut; Greenwood, Indiana; Delray Beach, Florida; San Diego, California; St. Louis, Missouri; Brooklyn Park, Minnesota; Hilton Head Island, South Carolina; Memphis, Tennessee; Argyle, Texas; and Austin, Texas.

A representative list of representative communities that the Manager and its affiliate are managing, developing or constructing as of February, 2014, includes the following:

<u>Community</u>	<u>Location</u>	<u>Independent Living Units</u>	<u>Nursing Beds</u>	<u>Assisted Living</u>	<u>Memory Care</u>
Wellbrooke of Wabash	Wabash, Indiana		70	30	
Dooley Center	Atchison, Kansas		46		
Clarity Point Knoxville	Knoxville, Tennessee				56
The Gardens of Germantown	Germantown, Tennessee				62
The Heritage at Brentwood	Brentwood, Tennessee	180	36		
The Village at Germantown	Germantown, Tennessee	199	30	18	
Glen View/GlenBrook	Carlsbad, California		70	56	18
Oak View at University Village	Thousand Oaks, California		48	49	
Park Vista	Fullerton, California		99	54	
Sandhill Cove and Water’s Edge	Palm City, Florida	225	36	20	
East Ridge at Cutler Bay	Miami, Florida	220	60	56	
Ardenwoods	Arden, North Carolina	95		49	
The Cedars of Chapel Hill	Chapel Hill, North Carolina	306	48		
Croasdaile Village	Durham, North Carolina	402	110	30	
Cypress Glen Retirement Community	Greenville, North Carolina	199	30	30	12
The Cypress of Charlotte	Charlotte, North Carolina	310	60		
The Cypress of Raleigh	Raleigh, North Carolina	205	36	4	
Galloway Ridge	Pittsboro, North Carolina	234	16	22	
Plantation Village	Wilmington, North Carolina	214			
Wesley Pines Retirement Community	Lumberton, North Carolina	26	62	32	
Whitestone	Greensboro, North Carolina	167	88	12	

<u>Community</u>	<u>Location</u>	<u>Independent Living Units</u>	<u>Nursing Beds</u>	<u>Assisted Living</u>	<u>Memory Care</u>
Covenant Place	Sumter, South Carolina	80	28	58	16
The Cypress of Hilton Head	Hilton Head, South Carolina	322	55		
Laurel Crest	West Columbia, South Carolina	84	12	16	6
Rolling Green Village	Greenville, South Carolina	420	74	28	22
Christwood	Covington, Louisiana	152	30	38	
Carillon	Lubbock, Texas	251	120	43	
Longhorn Village	Austin, Texas	214	60	20	16
Rolling Meadows	Wichita Falls, Texas	169	84		
Westminster	Austin, Texas	320	85	22	
Sears Methodist Retirement System (11 Communities)		685	102	901	34

Management Agreement

Duties. Pursuant to the terms of the Management Agreement, the Manager will be responsible for the management of Sinai Residences’ Independent Living Units, Health Care Center and non-clinical aspects of Sinai Residences, including staffing, accounting and general administrative services.

Compensation. After the first resident moves into Sinai Residences (“Commencement of Operations”), the Corporation is expected pay the Manager a Monthly Management Fee (the “Monthly Management Fee”) and a Performance Incentive Fee (the “Performance Incentive Fee” and collectively with the “Monthly Management Fee,” the “Management Fee”) as compensation for services rendered pursuant to the Management Agreement.

The Monthly Management Fee is \$30,000 per month for the first 24 months after Commencement of Operations, \$35,000 per month during months 25-36, \$40,000 per month during months 37-48. Thereafter, the Monthly Management Fee will be increased based upon the increase in the consumer price index. The Management Agreement is scheduled to terminate 54 months after Commencement of Operations.

The Performance Incentive Fee is equal to (a) 3.0 percent of the previous year’s gross resident revenues, less (b) the Monthly Management Fee paid during such year so long as after such payment, the Corporation is not in default of any financial covenant. The Performance Incentive Fee will not exceed the annual Monthly Management Fee paid for the applicable year. The Performance Incentive Fee will be paid only to the extent that the amount paid does not cause the Corporation to not satisfy the required Debt Service Coverage Ratio, Cumulative Cash Operating Loss or similar financial covenants with respect to the Series 2014 Bonds. Any Performance Incentive Fee earned, but not paid, will be deferred with interest at the Applicable Federal Rate. The Performance Incentive Fee is payable within 30 days after Sinai Residences receives its audited financial statements for the prior fiscal year.

In addition, the Manager will be paid an Application Service Provider Fee is for the use of the LCS accounting, payroll and billing technology. The Corporation will pay to the Manager an installation/activations fee of \$60,000 and an annual fee of \$18,000. Upon each anniversary, the annual Application Service Provider Fee will be adjusted by the same percentage as that used for the Monthly Management Fee.

The Manager was paid \$25,000 as a Development-Stage Consulting Fee for work in connection with developing the Corporation’s operating projections and design consulting. For the six months immediately prior to the opening of Sinai Residences, the Manager will be paid a Pre-Opening Service Fee in the amount of \$30,000 per month for the development and implementation of the operational plan prior to opening (the “Pre-Opening Services”). For the six months beginning 12 months before the opening of Sinai Residences, the Manager will be

paid a Management Consulting Fee in the amount of \$10,000 per month for consulting services to be provided prior to the commencement of the Per-Opening Services.

In addition to the fees described above, Manager will be reimbursed for the salary and benefits of Sinai Residences' directors and for certain other expenses.

DESIGN AND CONSTRUCTION OF SINAI RESIDENCES

The Architect and the Architect Services Agreement

Perkins Eastman Architects, PC ("PEA") of New York, New York has been selected as the architect (the "Architect") for Sinai Residences. PEA has a diverse portfolio of projects in the following practice areas: Senior Living, Health Care, Housing, Hotels, Higher Education, Primary and Secondary Education, Office Buildings, Urban Design, Corporate Interiors, Science and Technology, Cultural, Government and Country Clubs.

A representative list of PEA's senior housing projects includes the following:

<u>Project Name and Location</u>	<u>Project size</u>	<u>Construction Costs</u>	<u>Completion Date</u>
NewBridge on the Charles Dedham, Massachusetts	50 Cottages	\$244 million	2010
	24 Independent Living Villas Apartments		
	146 Independent Living Apartments		
	51 Assisted Living Apartments		
	40 Memory Support Apartments		
	268 Resident Health Care Center Beds		
	220 Long term Care Beds		
48 Sub-Acute Beds			
Good Shepherd Village At Endwell, Endwell, NY	154 Independent Living Apartments	\$47 million	2010
	32 Skilled Nursing Beds		
	64 Assisted Living Apartments		
Amsterdam at Harborside Port Washington, NY	227 Independent Living Apartments	\$127 million	2010
	32 Assisted Living Apartments		
	56 Skilled Nursing Beds		
	18 Memory Support Apartments		
Morse Life –The Traditions West Palm Beach, Florida	102 Independent Living Apartments	\$28 million	2009
	42 Assisted Living Apartments		
	40 Memory Support Apartments		
Sun City Ginza East Tokyo, Japan	276 Independent Living Apartments	\$80 million	2006
	134 Skilled Nursing Beds		
Kendal at Ithaca Ithaca, New York	212 Independent Living Apartments	\$29 million	2016 (est.)
	35 Skilled Nursing Beds		
	36 Assisted Living Apartments		
Kendall on the Hudson Sleepy Hollow, NY	222 Independent Living Apartments	\$95 million	2006
	24 Assisted Living Apartments		
	42 Skilled Nursing Beds		

<u>Project Name and Location</u>	<u>Project size</u>	<u>Construction Costs</u>	<u>Completion Date</u>
Peconic Landing Long Island, New York	46 17 16	Independent Living Apartments Skilled Nursing Units Memory Care Units	\$25 million 2015 (est.)

PEA has entered into a contract with Federation CCRC Property Corporation (“Property Corporation”), an affiliate of the Corporation, which will be assigned by Property Corporation to the Corporation (the “A&E Agreement”).

The A&E Agreement calls for PEA to serve as the architect of record for Sinai Residences, and to lead the design of Sinai Residences from the schematic design phase through to the end of the construction administration phase. The A&E Agreement includes architectural services throughout the phases of: schematic design, design development, pre-guaranteed maximum price estimate, construction documents, final guaranteed maximum price and review of bids, and construction administration. Although PEA, itself, *will not* be providing engineering services or consultancy, the A&E Agreement does covenant that PEA will be responsible for retaining, supervising and coordinating the structural, mechanical, electrical, fire protection and other engineering consultancies, which will be hired by PEA and whose services are included in PEA’s Base Fee (defined below). Additional, non-essential engineering consultancies shall be also retained by PEA, but at a mark-up rate of 10% of invoiced services. Although PEA has also *not agreed to* provide post construction services as part of its Base Fee and Basic Services, the parties have agreed that any involvement by PEA in all warranty work and/or project defect remediation shall be provided as Additional Work and charged to the Corporation at PEA’s Additional Services charging rate. Lastly, PEA *will not* provide onsite, day-to-day architectural site representation, but has agreed to provide an expected number of site visits monthly by its and its engineering consultancies to ensure harmony of PEA’s program and services with that of the construction manager.

In exchange for these services, PEA will be compensated on a lump sum basis of \$4,156,500 (the “Base Fee”). Through February 24, 2014, PEA has been paid \$2,291,000 of this fee. Pursuant to the A&E Agreement, PEA agreed to defer \$878,000 of its fees thereunder until the Series 2014 Bonds are issued. The balance of the fee, \$987,500 will be paid to PEA during construction of Sinai Residences.

A schedule of additional services outside of PEA’s services that are included in the lump sum payment are included in a hourly fee schedule within the A&E Agreement, which is based on PEA’s normal hourly fees.

The A&E Agreement includes provisions concerning the use of PEA’s Drawings and Specifications in the event the A&E Agreement is terminated, whether for convenience or for cause.

Both PEA and the Corporation will be permitted to terminate the A&E Agreement, for cause or for convenience, after ten business days’ notice. In the event termination is not the fault of PEA, PEA shall be compensated for services performed prior to termination together with any reimbursable expenses and termination expenses directly attributable to the termination by the Corporation of which PEA has not been compensated otherwise.

The General Contractor

The Corporation has selected Suffolk Construction Company, Inc. (the “General Contractor”) as the general contractor for Sinai Residences. Suffolk is a privately owned national general contractor founded in 1982. The General Contractor provides preconstruction, construction management, design-build, and general contracting services to clients in many industry sectors, including healthcare, education, science and technology, government and commercial. The General Contractor has more than 1,250 employees nationwide. The General Contractor’s single project bonding capacity is \$450 million, with an aggregate capacity in excess of \$3 billion. Its southeast region headquarters is located in West Palm Beach, Florida and it has significant experience in south Florida in the healthcare, hospitality, science and technology, and education sectors and is one of the largest contractors in south Florida. In 2013, the South Florida Business Journal ranked Suffolk as the 6th largest general contractor in South Florida based on the value of 2012 contract billings.

A representative list of the General Contractor's construction projects includes the following:

<u>Project Name and Location</u>	<u>Project Size</u>	<u>Construction Costs</u>	<u>Completion Date</u>
NewBridge on the Charles Dedham, Massachusetts	50 Cottages	\$244 million	2010
	24 Independent Living Villas		
	Apartment		
	146 Independent Living Apartments		
	51 Assisted Living Apartments		
	40 Memory Support Apartments		
	268 Resident Health Care Center Beds		
220 Long term Care Beds			
48 Sub-Acute Beds			
Carl J and Ruth Shapiro Ambulatory Care Center, Boston, Massachusetts	280,000 square foot, 9 story ambulatory care center	\$160,000,000	2011
MET III Podium and Residential Tower, Miami, Florida	32 story residential tower with 462 units	\$97,000,000	2016 (est.)
JW Marriott Marquis and Wells Fargo Center, Miami, Florida	1,553,200 square feet, consisting of a 46 story office tower and 42 story hotel	\$330,000,000	2010
Jade Signature, Sunny Isles Beach, Florida	55 story, 192 unit luxury condominium	\$200,000,000	2017 (est)
City Place at Doral, Doral, Florida	398 unit residential complex and 300,000 square feet of retail.	\$135,600,000	2015 (est)

The Construction Contract

The Construction Agreement dated as of March 2, 2014 (the "Construction Contract") was executed with the General Contractor for construction of Sinai Residences for a guaranteed maximum price of \$99,250,000.

The guaranteed maximum price includes a contractor controlled contingency in the amount of \$1,000,000. This is in addition to the project contingency shown in the Project budget in the amount of \$5,100,000 and the owner held construction contingency included in direct construction costs in the Project budget in the amount of \$4,962,500.

If the actual costs of the work under the Construction Contract end up less than the guaranteed maximum price, the savings will be split equally between the General Contractor and the Corporation.

The Construction Contract requires the General Contractor to provide a payment bond and a performance bond. The amount of both the payment bond and the performance bond shall each be equal to the guaranteed maximum price. If the guaranteed maximum price is increased by change order(s), then the amount of the payment bond and the performance bond shall automatically increase to conform to the adjusted guaranteed maximum price.

The Construction Contract requires the General Contractor to procure the builder's risk insurance policy. The General Contractor and the Corporation will be named as insured parties. The General Contractor will be the sole loss payee under the policy.

In addition, the General Contractor is required to procure a Subguard Policy (the “Subguard Policy”) and enroll its subcontractors and suppliers for the Project in the Subguard Policy or require payment and performance bonds, if appropriate. The Subguard Policy will provide coverage in the event that a subcontractor or supplier enrolled in the Subguard Policy defaults on its obligations to the General Contractor. The Subguard Policy is part of the General Contractor’s master subguard program wherein the Project shall be endorsed to the master policy and shall insure the subcontractors’, and the suppliers’ work on the Project. The Subguard Policy shall have a limit of \$25,000,000 per occurrence or default and \$75,000,000 in the annual aggregate applicable to the master subguard policy. The Subguard Policy shall provide coverage throughout the entire performance of the work and up to the statutory obligations for latent defects for the ten years immediately following substantial completion of the work . The General Contractor is solely responsible to pay or otherwise satisfy the deductibles under the Subguard Policy. The Corporation will have no responsibility to pay or satisfy the deductibles under the Subguard Policy.

The Construction Contract requires the General Contractor to substantially complete construction of Sinai Residences within 19.5 months from the start of construction (the “Commencement Date”), with the first delivery of Independent Living Units complete within 18.5 months of the Commencement Date. In the event the General Contractor does not substantially complete each construction component within the specified construction period, the General Contractor will be liable for liquidated damages for each day of delay past the required date of substantial completion for each stage of the Project. Liquidated damages are outlined in the following chart based on assumed daily debt service equal to \$43,776.

<u>Number of Days of Delay</u>	<u>Liquidated Damages per Day of Delay</u>
North Independent Living, Independent Living Commons Areas including Spa Building (123 Independent Living Units)	
1-30	\$511
31-60	\$511
61-90	\$3,648
91+	\$14,592
South Independent Living (123 Independent Living Units)	
1-30	\$473
31-60	\$473
61-90	\$3,381
91+	\$13,524
Health Care Center Building (48 Assisted Living Units 24 Memory Support Units 60 Skilled Nursing Beds)	
1-30	\$470
31-60	\$470
61-90	\$3,915
91+	\$15,660

Site Work. Pursuant to a contract dated September 23, 2013, the General Contractor was engaged to commence demolition and preliminary sitework for the Project. The work commenced on October 15, 2013 and primarily involved demolition of an existing structure on the site, installation of a temporary construction fence, earthwork and grading of the property. The work was completed on or about December 15, 2013.

Early Construction Start

The General Contractor will begin certain site work for Sinai Residences (the “Early Work”) in March, 2014. For purposes of the Construction Contract, this will be the Commencement Date. The Early Work will consist primarily of the furnishing of fill soil and grading and leveling of the Project Site. Prior to the issuance of the Series 2014 Bonds, (i) the Early Work will be completed; (ii) the General Contractor will execute a lien waiver and deliver lien waivers executed by all sub-contractors involved in the Early Work upon payment from the Corporation; and (iii) the Corporation will obtain title insurance coverage for the benefit of the Master Trustee for any mechanics liens related to the Early Work. Funding for the Early Work was provided by a loan from the Federation to the Corporation. The loan will be repaid upon the issuance of the Series 2014 Bonds out of proceeds of the Series 2014 Bonds.

Construction Monitor

The Corporation has engaged zumBrunner, Inc. (the “Construction Monitor”) to serve as the construction monitor for Sinai Residences and to make independent reports to the Master Trustee. Founded in 1989, the Construction Monitor is a full-service national construction consulting company specializing in the senior living industry. The Construction Monitor has developed unique, industry-specific due-diligence, construction consulting and facility assessment services to fulfill financial institutions’ construction review requirements for senior living start-up, expansion and renovation projects with a view towards ensuring that construction is completed on time, within budget and in compliance with design documents. The Construction Monitor has served over 1,000 clients in 25 markets.

Prior to construction, the Construction Monitor’s responsibilities include conducting a review of the project’s scope, including engineering designs, project budgets, drawings, specifications, permits, construction contracts and fees, including a meeting with the project team at the Project Site to verify current site conditions, review outstanding issues and documents, and establish an action list, and issue a final pre-closing report. In its report, the Construction Monitor concluded, among other things, that the design for the Project is suitable for the type of project and geographic area; the geotechnical report was prepared in accordance with industry standards; the Phase I Environmental Site Assessment was prepared in accordance with industry standards; required design documents and permits will be achieved as required without interruption of the critical path of the Project; the ALTA/ASCM Land Title Survey of the Site indicated that no designated rights-of-way, easements or portions of the site are within a special flood hazard area; the required utilities will be available to the site and meet the capacity requirements of the Project; the projected construction schedule for substantial completion of the Project and the nineteen and one-half month construction schedule for substantial completion of the Project is achievable based on the proposed scope of work; and in view of the project budgets for construction, permits, fees, architectural and engineering, furnishings and contingency, adequate funds will be available to complete construction and obtain the required certificate of occupancy and licenses for operations. The Construction Monitor stated in its report that it was in general agreement with the terms of, and recommended the execution of, the Construction Contracts with the General Contractor.

During the construction process, the Construction Monitor will be responsible for reviewing and certifying all disbursement requests for the payment of expenses incurred by the Corporation for work, labor, materials and equipment furnished in connection with the construction of the Project that are included in the construction contract; monitoring such items as change orders, budget amendments, updates to the construction schedule, releases of liens, governmental approvals and the final as-built survey; and reporting to the holders of the Series 2014 Bonds, no less than monthly, the status of the Project including (i) whether the total project account balance (including estimated investment income) is sufficient to pay the expected remaining project costs of completing the Project in accordance with the project budget and that there is no project deficit; (ii) the current timing of the Project; and (iii) the amount of remaining contingency funds. See “DESIGN AND CONSTRUCTION OF SINAI RESIDENCES - Disbursement Agreement” below.

Owner’s Representative

The Corporation has retained Gaudet Associates, Inc., Jupiter, Florida (the “Owner’s Representative”), to serve as owner’s representative in connection with the construction of Sinai Residences Project. The Owner’s

Representative is a 43 year old professional engineering, construction management, inspection and environmental consulting firm founded to provide owner's representation services.

The contract with the Owner's Representative requires the Owner's Representative to provide the following services:

- Perform on-site observations of the progress and quality of the work as may be reasonably necessary to determine in general if the work is being performed in conformance with the plans and specifications and the Construction Contract (the "Contract Documents") and shall notify the Corporation immediately if, in their opinion, the work does not conform to the Contract Documents or requires special inspection or testing.
- Monitor the General Contractors' construction schedules on an ongoing basis and alert the Corporation to conditions that may lead to delays in completion of the Project.
- Review requests for changes by the General Contractor and submit them together with recommendations, to the Corporation.
- Observe tests required by the Contract Documents and review and report to the Corporation on test procedures and test results.
- Review the General Contractor's schedule of values, request for information, proposal requests, and Change Orders and advise the Corporation regarding actions necessary to avoid delays in the progress of the Project.
- Assist the Architect in reviewing alternates, substitutions and value engineering suggestions and making recommendations to the Corporation for the Corporation's acceptance or rejections of said items.
- Based on observation of the work in place and evaluations of the General Contractor's Application for Payment, advise the Architect and Corporation regarding the amounts due the General Contractor.
- Assist the Corporation in the review, evaluation and documentation of claims in an effort to resolve disputes with the General Contractor prior to impact on job progress.
- Participate in punch review process with the Architect; review in-place construction related to personalization's; and review Corporation's operation and maintenance manuals, warranties and as-builts to advise the Corporation's operation's personnel during pre-opening phase.
- With the Architect and the Corporation's maintenance personnel, observe the General Contractor's final (and for each phase of work) testing and start-up of utilities, operational systems and equipment.
- Following issuance of a Certificate of Substantial Completion of the Work or a designated portion thereof, evaluate the completion of the work of the General Contractor and make recommendations to the Corporation and Architect when work is ready for final inspection.
- Maintain Corporation's files of all drawings, specifications, proposal requests, change orders, requests for information, supplemental instructions, submittals, manuals, product data, etc. related to the construction activities.

Disbursement Agreement

Disbursement of the proceeds of the Series 2014 Bonds to construct, install and equip Sinai Residences will be made pursuant to a Construction Disbursement and Monitoring Agreement dated as of the issuance of the Series 2014 Bonds (the "Disbursement Agreement") among the Corporation, the Construction Monitor, and each of the Bond Trustees.

Hard Costs. Pursuant to the Disbursement Agreement, Greenbrier, on behalf of the Corporation, is required to prepare a monthly request for disbursement (the "Disbursement Request"), itemized by categories identified in the Project Budget, together with (a) the schedule of values in form and supported by such data to substantiate its accuracy as each applicable Architect and the Corporation may require, (b) a certificate of the General Contractor representing and warranting certain matters in the disbursement form, (c) a certificate of the Architect representing and warranting certain matters in the disbursement form and (d) a certificate of the Construction Monitor representing and warranting certain matters in the disbursement form and make it available for review by the

Construction Monitor at a regularly scheduled monthly meeting. The Construction Monitor is required to review and certify or recommend for amendment the Disbursement Request for work, labor, materials and equipment furnished in connection with the construction of Sinai Residences, including all amounts due under the Construction Contract (collectively, the “Hard Costs”), but excluding owner-directed fixtures, furnishings and equipment or other “Soft Costs” (as defined below).

With each Disbursement Request, the Corporation will provide, among other things, (a) receipted bills, paid invoices, payroll records or other evidence satisfactory to the Construction Monitor supporting each item included in the Disbursement Request, (b) lien release and waivers from the General Contractor and subcontractors for the work for which funds are requested, satisfactory to the Construction Monitor, and (c) certificates of the Construction Monitor, the General Contractor, the Architect, and the Development Consultant respecting the status of construction, the accuracy and completeness of the Disbursement Request and similar matters. If the Construction Monitor determines at such meeting that the Disbursement Request is complete and certified for payment, it will inform the Corporation and the Development Consultant. The Corporation will, within ten (10) business days of the monthly project review meeting and receipt of the certified copy from the Architect, distribute a copy of the Disbursement Request.

The Construction Monitor will approve each Disbursement Request for Hard Costs, in connection with which it will determine that Sinai Residences is meeting project schedule, budget and quality. Approved Disbursement Requests and accompanying materials will be submitted to each Bond Trustee for disbursement of moneys from the Project Fund under each Bond Indenture.

If the Construction Monitor determines that any Disbursement Request is incomplete or is not certified for payment, it will so inform the Corporation and each Bond Trustee and specify the reasons for its determination and the basis upon which such Disbursement Agreement may be determined to be complete and certified for payment. Upon receipt of additional or remedial information reasonably satisfactory to the Construction Monitor, the Construction Monitor will notify the Corporation and it will, within five (5) Business Days of its receipt of such additional information, distribute a copy of the Disbursement Request, together with certain certificates and the written report of the Construction Monitor, to each Bond Trustee.

Soft Costs. Pursuant to the Disbursement Agreement, the Corporation will submit a Disbursement Request to each Bond Trustee, for payment of costs and expenditures included in the Project Budget other than Hard Costs (the “Soft Costs”). The Disbursement Request for Soft Costs will include the total amount of Soft Costs included in such request, itemized by the categories identified in the budget for the construction of Sinai Residences, together with such receipted bills, bills, paid invoices or other evidence supporting each item of Soft Costs covered by such Disbursement Request and a certificate of the Manager or the Development Consultant certifying such costs.

Other Provisions. The Disbursement Agreement states that each Disbursement Request is subject to receipt of additional items such as (i) title bring down, (ii) affirmation by the Corporation of certain representations and warranties made in the various legal documents providing for the issuance of the Series 2014 Bonds, (iii) the absence of an Event of Default under each Bond Indenture or Master Indenture and (iv) other items that may be requested by the Construction Monitor. The Disbursement Agreement includes additional conditions for disbursement of retainage such as additional certification by the Architect, evidence of releases of liens, an affidavit of the General Contractor, among other items.

The Corporation shall not execute, or permit the performance of work or the furnishing of materials pursuant to any amendment or modification to the documents providing for the construction of Sinai Residences until such change orders has been supplied to and approved by the Construction Monitor. The Construction Monitor may be removed at any time by a majority of the Holders of the Series 2014 Bonds Series 2014D Bonds and a new Construction Monitor may be appointed by a majority of the Holders of the Series 2014 Bonds and the Series 2014D Bonds.

Regulatory Permits and Approvals

The various approvals and permits necessary in order for the Corporation to complete construction and commence operations are outlined below.

Zoning. Zoning approval for Sinai Residences was confirmed by the Palm Beach County Board of Commissioners in 2010 per Resolution number R-2010-1173. This Development Order Amendment (DOA) and Requested Use approval allows for development of Sinai Residences. On January 24, 2014, a site plan amendment was approved by the Palm Beach County Board of Commissioners as consistent with the proposed plat.

CCRC Licensure. Continuing care facilities in Florida are regulated by the Florida OIR under the provisions of Chapter 651, *Florida Statutes*, as amended (the “CCRC Act”). On January 11, 2012, the Corporation received a Provisional Certificate of Authority (a “PCOA”) as required by the CCRC Act. The Corporation has filed the application for a Certificate of Authority (a “COA”), which is currently under review by the Florida OIR. The Corporation anticipates approval and issuance of the COA prior to the issuance of the Series 2014 Bonds. See “**FLORIDA REGULATION OF CONTINUING CARE FACILITIES**” in the front part of this Official Statement for more information.

Certificate of Need. Chapter 651, Section 118, *Florida Statutes* provides for the issuance of a certificate of need (“CON”) to any holder of a PCOA to provide skilled nursing beds for the exclusive use of residents of the CCRC, up to one (1) skilled nursing bed for every four (4) residential units. The sheltered nursing beds may be used for persons who are not residents of the CCRC for a period of up to five (5) years after the date of issuance of the initial nursing home license. On February 4, 2014, the Corporation received a CON to establish a 60 bed sheltered nursing home.

Wetlands. A modification to Environmental Resource Permit 50-03791-P for Sinai Residences of Boca Raton was issued by the South Florida Water Management District on December 12, 2013 to address some minor site alterations. According to the Phase I Environmental Site Assessment dated February 7, 2014 prepared by Land Design South for the Project Site, there are no designated wetlands on the Project Site. Therefore, there are no impacts or mitigation necessary for this permitted development.

Building Permit. Building permits will need to be issued by Palm Beach County, Florida for the structures proposed for Sinai Residences. The Building permit review is for code compliance and zoning conformance. The plans were initially submitted for review on September 20, 2013. Two rounds of comments have been received by the Corporation. The Corporation’s response to the second round of comments is expected to be submitted by mid-March, 2014. The Corporation estimates Palm Beach County will require about three weeks for its next review and that all comments will be resolved and a building permit will be issued April, 2014. No building permit is required for the Early Work.

Agency for Health Care Administration. Approval of the design plans for Sinai Residences by the Florida Agency for Health Care Administration is required before the building permit will be issued. Approval is expected no later than April, 2014.

Plat Approval. A plat approval will be required identifying Sinai Residences development as its own parcel. This submission is survey based and a standard process regulated by Palm Beach County. This process is concurrent with site plan approval and the plat approval is expected to be issued before the issuance of the Series 2014 Bonds.

Land Development Drainage Review. This plan review process covers site drainage design and infrastructure. This review is conducted by Palm Beach County staff and is substantially complete. Prior to final approval, Palm Beach County requires copies of other permits or agency approvals and verification that all zoning conditions are met.

Water Utilities Department Plan Approval. This plan review process covers the site potable water and sanitary sewer design and infrastructure. It is conducted by Palm Beach County staff and is nearing completion.

Florida Department of Environmental Protection (FDEP) Water and Sewer Permits. The Palm Beach County Health Department reviews plans and issues permits on behalf of FDEP for construction of the potable water and sanitary sewer infrastructure. This review succeeds the Water Utilities Department review.

South Florida Water Management District Environmental Resources Permit. This permit is required for developments in the South Florida Water Management District that affect natural resources, primarily storm water discharge. The site already possesses the required permit and the amendment to the permit that was required for the current Sinai Residences site plan.

Lake Worth Drainage District Permit. This permit is required for developments within this District that affect discharge of storm water into its canals. This process is underway and nearing completion.

Florida Department of Transportation. As a condition of the site plan approval, turning lanes from Glades Road at 95th Avenue are required to be constructed to accommodate additional traffic to the development. The plan review and permit process is currently underway. Construction of the turn lanes is part of a Glades Road improvement project Palm Beach County began in January, 2014.

Property Taxes

The Corporation's forecasts in the Financial Feasibility Study attached hereto as Appendix B include a provision for property taxes. The forecasts assume that the Skilled Nursing Beds and Memory Care Units will be exempt from property taxes. The forecasts also reflect the application of a \$25,000 homestead exemption for each occupied Independent Living Unit, as provided under Section 196.1975 *Florida Statutes*. Based upon guidance provided by Palm Beach County, the assessed value used for the property tax calculation is equal to 80% of the construction costs. Based on the Corporation's understanding of Palm Beach County's current application of applicable law, the Corporation believes that it will be able to obtain additional exemptions from property taxes for the Assisted Living and Independent Living Units. This determination will be made annually by Palm Beach County upon application by the Corporation once the community is ready for occupancy.

Completion of the Project

In the Loan Agreement, the Corporation has covenanted and agreed to cause Sinai Residences to be substantially completed (with the exception of final landscaping) and a final certificate of occupancy therefor to be issued not later than 24 months after issuance of the Series 2014 Bonds.

Environmental Site Assessment and Subsurface Exploration

A Phase I Environmental Site Assessment dated February 7, 2014 was prepared by Land Design South for the Project Site (the "Phase I Report"). The Phase I report was based on review of federal, state and local records and physical inspection of the site. No evidence of recognized environmental conditions in connection with the site was noted. The Phase I Report stated that no violations were identified on the applicable databases.

In August 2011, ECS Florida, LLC, prepared a Subsurface Exploration and Geotechnical Engineering Analysis for the Project Site. The report was based on field investigation and laboratory analysis of 40 soil borings that were taken across the Project Site based on the anticipated location of the building footprint and paved areas. The findings indicate that there is a mix of soil types across the site. The recommended structural and foundation systems for Sinai Residences have been incorporated into the design for the Project.

LIQUIDITY SUPPORT AGREEMENT, FEDERATION SUBORDINATED OBLIGATION AND TRANSFER OF CASH

Liquidity Support Agreement

The Corporation, the Federation and the Master Trustee will enter into a Liquidity Support Agreement (the "Liquidity Support Agreement") upon the issuance of the Series 2014 Bonds, for the Federation to provide liquidity support to the Corporation in the initial aggregate amount of \$11,000,000. Pursuant to the Liquidity Support Agreement, at issuance of the Series 2014 Bonds, the Federation will deposit \$6,000,000 (the "Initial Deposit Amount") with the Master Trustee to be held in the Liquidity Support Fund. Monies from the Liquidity Support Fund may be disbursed by the Master Trustee to or for the account of the Obligated Group Representative within

seven days of receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residence and Care Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations and the Series 2014D Bonds. See "SECURITY FOR THE SERIES 2014 BONDS – Funds and Accounts Held Under the Master Indenture and Bond Indenture – Liquidity Support" in the Official Statement. See also "FORMS OF PRINCIPAL FINANCING DOCUMENTS – The Master Indenture" in Appendix C to the Official Statement.

Pursuant to the Master Indenture, the Initial Deposit Amount will be reduced to zero, and any balance in the Liquidity Support Fund will be paid to the Federation upon satisfaction of the following conditions: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days' Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under any of the Series 2014 Bond documents. If all test other than (iii) above have been satisfied for eight consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed.

The Liquidity Support Agreement will also provide for additional funding from the Federation (the "Liquidity Advances") up to a maximum amount of \$5,000,000 (the "Maximum Amount"). The Maximum Amount will be reduced to \$2,000,000 upon repayment of the Series 2014D-2 Bonds and Series 2014C Bonds and upon the satisfaction of the following conditions: (i) the Entrances Fees held in escrow pursuant to Chapter 651, *Florida Statutes* have been released from escrow in accordance with the statute, (ii) there is no Event of Default under the Series 2014 Bond documents and (iii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents. The Maximum Amount will be further reduced to \$0, and the funding obligation under the Liquidity Support Agreement will be terminated, upon repayment of the Series 2014B Bonds, so long as (i) there is no Event of Default under the Series 2014 Bond documents and (ii) the Corporation is in compliance with all covenants in the Series 2014 Bond documents.

During such time as the Series 2014D-2 Bonds are outstanding, Liquidity Advances may be drawn by the Master Trustee solely for the payment of interest on and principal of the Series 2014D-2 Bonds and only when the Corporation has no other funds available to make such payments (excluding the Debt Service Reserve Fund for the Series 2014D-2 Bonds), including during bankruptcy proceedings initiated by the Corporation.

Once the Series 2014D-2 Bonds have been repaid in full, Liquidity Advances may be requested by the Master Trustee and disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven days of receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that such monies are needed to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residence and Care Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations and the Series 2014D Bonds.

All amounts advanced from the Liquidity Support Fund and under the Liquidity Support Agreement shall constitute additional advances under the Federation Subordinated Obligation and will accrue interest at 4.0% up to a maximum of the principal value of the subordinated note.

THE FEDERATION IS NOT LIABLE FOR PAYMENT OF PRINCIPAL OR INTEREST ON THE SERIES 2014A BONDS, SERIES 2014B BONDS, SERIES 2014C BONDS OR THE SERIES 2014D BONDS EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT. THE FEDERATION HAS NO LEGAL OR MORAL OBLIGATION WITH RESPECT TO PAYMENT OF COSTS OF THE PROJECT AND HAS NO OBLIGATION TO ADVANCE FUNDS TO THE CORPORATION EXCEPT AS PROVIDED IN THE LIQUIDITY SUPPORT AGREEMENT.

Federation Subordinated Obligation

Pursuant to the Master Indenture, no payment of principal or interest shall be made on the Federation Subordinated Obligation unless the following conditions have been satisfied: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the average Debt Service Coverage Ratio is not less than 1.35 for the preceding twelve months, and the Debt Service Coverage Ratio will not be less than 1.20 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (iii) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (iv) after the proposed payment the Days' Cash on Hand will not be less than 200 based on the written statement of the Accountant calculating the Days' Cash on Hand required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended; and (h) no Event of Default has occurred and is continuing under the Master Indenture .

Transfers of Cash

Under certain circumstances the Corporation may make payments to the Federation. Specifically, the Corporation may make any payments or other transfer of cash to the Federation if (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the average Debt Service Coverage Ratio of the Obligated Group for the immediately preceding twelve months was not less than 1.30; (iii) there is no deficiency in any Debt Service Reserve Fund or the Minimum Liquid Reserve Accounts; (iv) the Days' Cash on Hand for the immediately preceding twelve consecutive months was not less than 200; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing hereunder. If the Obligated Group is in compliance with requirements of the preceding sentence, the Obligated Group can transfer 50% of the cash reserves greater than 300 Days' Cash on Hand and 100% of the amount greater than 375 Days' Cash on Hand or the lesser of the most recently published BBB median ratio for either Fitch or Standard & Poor's to the Federation or an Affiliate.

INSURANCE

Pursuant to the Master Indenture, the Corporation is required to maintain insurance with respect to the Project, the operation thereof and its business against such casualties, contingencies and risks and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and is adequate to protect the Project and operations, with the Master Trustee named as an additional insured on all such policies. The Corporation will maintain insurance in the amounts noted in the table below:

<u>Coverage Type</u>	<u>Limits During Construction</u>	<u>Limits When Operational</u>
Property	Based on hard and soft costs per schedule of values.	Based on total insurance value upon completion of project (Replacement Cost).
General Liability	\$1 Million/\$2 Million/\$2 Million	\$1 Million/\$2 Million/\$2 Million
Excess Liability	At least \$25 Million to \$50 Million	At least \$5 Million
Delayed Opening/Business Interruption	Part of Builder's Risk policy	TBD
Directors & Officers Liability	\$10 Million	\$10 Million
Automobile Liability	\$1 Million	\$1 Million
Workers Compensation	Statutory	Statutory/Employer
Employer Liability	\$ Million/\$1 Million/\$1 Million	\$1 Million/\$1 Million/\$1 Million
Professional Liability/	Architect and Engineering Policy	\$1 Million/\$3 Million
Owner's Protective Professional Indemnity Policy	\$5 Million	\$2 Million Excess

Commencing with the opening of the Project and thereafter, at least once every two fiscal years with respect to commercial insurance and at least once every fiscal year with respect to self-insurance, the Corporation will cause a certificate of an insurance consultant to be delivered to the Master Trustee which indicates that the insurance then being maintained by the Corporation meets the standards in the Master Indenture. The Corporation currently does not self-insure.

HURRICANE PLAN

The Corporation has adopted a Hurricane Plan to provide for a plan of action in the event of a hurricane. Hurricane season in Florida is June 1 through November 30 of each year. The Hurricane Plan provides a plan of action associated with both protecting and providing for residents in the event the Project is not evacuated, and an evacuation plan and refuge agreements in the event that the Project must be evacuated. The Hurricane Plan also sets forth the responsibilities of various parties in the event of a hurricane in a Pre-Seasonal Checklist, a Pre-Hurricane Strike Checklist, a During the Hurricane Checklist and an After the Hurricane Checklist.

The Project will be constructed in compliance with all applicable standards associated with the site's location within a hurricane zone as determined by governmental authority. The Corporation's Builder's Risk and Property Coverage provides \$102 million per occurrence limit for named hurricane windstorms. The named windstorm deductible is 5% of the project value at risk at the time of the loss, subject to a \$250,000 minimum deductible.

[Remainder of page intentionally left blank]

APPENDIX B
FINANCIAL FEASIBILITY STUDY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Federation CCRC Operations Corp.

Financial Feasibility Study

Seven Years Ending August 31, 2020

Federation CCRC Operations Corp.

Financial Feasibility Study

Seven Years Ending August 31, 2020

TABLE OF CONTENTS

Independent Accountants' Examination Report	1
Forecasted Financial Statements:	
Forecasted Statements of Operations and Changes in Net (Deficit)	5
Forecasted Statements of Cash Flows	6
Forecasted Balance Sheets	7
Forecasted Financial Ratios.....	8
Summary of Significant Forecast Assumptions and Accounting Policies	
Basis of Presentation	9
Background of the Federation	9
Background of the Corporation.....	9
Description of the Community.	10
Development of the Community	13
Management of the Community.....	16
Land Purchase Agreement.....	17
Liquidity Support Agreement.....	18
Summary of Financing	18
Description of the Residence and Care Agreement.....	21
Characteristics of the Market Area.....	26
Marketing the Community	53
Summary of Significant Accounting Policies	75
Summary of Revenue and Entrance Fee Assumptions	77
Summary of Expense Assumptions.....	86
Assets Limited as to Use	87
Property and Equipment and Depreciation Expense.....	88
Long-Term Debt and Interest Expense	89
Related Party Transaction	90
Subordinated Note.....	90
Current Assets and Current Liabilities	91



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT ACCOUNTANTS' EXAMINATION REPORT

Board of Directors
Federation CCRC Operations Corp.
Boca Raton, Florida

We have prepared a financial feasibility study of the plans of Federation CCRC Operations Corp. (the "Corporation") to construct 237 independent living apartments, 48 traditional assisted living apartments, 24 memory support assisted living suites and 60 private skilled nursing beds, as well as administrative support and common areas (the "Community"). The Community is to be located on an approximately 21 acre site on the campus of the Jewish Federation of South Palm Beach County in Boca Raton, Florida and is to be known as "Sinai Residences of Boca Raton".

The Corporation has retained Greenbrier Development, LLC ("Greenbrier") to provide development and marketing services for the Community. Life Care Services™ ("LCS") will serve as the manager of the Community.

The feasibility study was undertaken to evaluate the Corporation's ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed issuance of \$189,885,000 Palm Beach County Health Facilities Authority, Health Facilities Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014 and \$24,000,000 Palm Beach County Health Facilities Authority Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014 (collectively, the "Series 2014 Bonds").

The Corporation's underwriter, Herbert J. Sims & Co., Inc. (the "Underwriter"), has provided the assumed structure and terms for the Series 2014 Bonds as follows:

- \$120,885,000 of non-rated tax-exempt long-term fixed rate bonds (the "Series 2014A Bonds") with assumed interest rates ranging from 7.00 to 8.50 percent per annum;
- \$14,000,000 of non-rated tax-exempt short-term fixed rate Entrance Fee Principal Redemption Bonds ("EFPRB") (the "Series 2014B Bonds") with an interest rate of 7.25 percent per annum anticipated to be redeemed in full by June 1, 2018;
- \$55,000,000 of non-rated tax-exempt short-term fixed rate EFPRB (the "Series 2014C Bonds") with an interest rate of 6.5 percent per annum anticipated to be redeemed in full by June 1, 2017.
- \$24,000,000 of non-rated tax-exempt fixed rate draw-down revenue bonds (the "Series 2014D Bonds"). The Series D Bonds consist of \$3,000,000 of long-term fixed rate Series 2014D-1 Bonds with an interest rate of 8.5 percent per annum and \$21,000,000 of short-term fixed rate Series 2014D-2 Bonds with an interest rate of 5.25 percent per annum anticipated to be redeemed in full by June 1, 2017.

The Series 2014D Bonds are being issued on a draw-down basis. Hamlin Capital Management, LLC (“Hamlin”) will pay the purchase price of the Series 2014D Bonds in accordance with the Series 2014D Bond Indenture and a Bond Purchase Agreement among the Palm Beach County Health Facilities Authority (the “Authority”), the Corporation, the Underwriter and Cross Point Capital, LLC. Thereafter, Hamlin is expected to be the holder of the Series 2014D Bonds.

Principal on the Series 2014B Bonds, Series 2014C Bonds and Series D-2 Bonds is anticipated to be repaid from a portion of the entrance fees assumed to be available from initial independent living residents moving into the Community. The Corporation is solely responsible for the payment of debt service on the Series 2014 Bonds.

The proceeds from the sale of the Series 2014 Bonds, a subordinated note, a contribution from an affiliate, certain available entrance fees, and interest earnings on trustee-held funds are to be used as follows:

- To pay all costs for the development and construction of the Community, including reimbursement of a portion of pre-finance costs, development, construction, land acquisition and architectural costs;
- To repay a related party loan;
- To fund debt service reserve funds for the Series 2014 Bonds;
- To pay for start-up deficits;
- To fund state required Minimum Liquid Reserve requirements;
- To fund interest on the Series 2014 Bonds for a period of 23 months; and
- To pay costs associated with the issuance of the Series 2014 Bonds.

Our procedures included analysis of:

- The Corporation’s history, objectives, timing and financing;
- Future demand for the Corporation’s services, including consideration of:
 - Socioeconomic and demographic characteristics of the Community’s defined primary market area (“PMA”);
 - Locations, capacities and competitive information pertaining to other existing and planned facilities in the PMA; and
 - Forecasted occupancy and utilization levels.
- Project-related costs, debt service requirements and estimated financing costs;
- Staffing requirements, salaries and wages, related fringe benefits and other operating expenses;
- Anticipated entrance fees, monthly fees and per diem charges for the Community’s residents;
- Sources of other operating and non-operating revenues; and,
- Revenue/expense/volume relationships.

The accompanying financial forecast for each of the years in the seven-year period ending August 31, 2020 is based on assumptions that were provided by management of the Corporation (“Management”), and in part, by Greenbrier and LCS. The financial forecast includes the

following financial statements and the related summary of significant forecast assumptions and accounting policies:

- Forecasted Statements of Operations and Changes in Net Assets (Deficit);
- Forecasted Statements of Cash Flows;
- Forecasted Balance Sheets; and
- Forecasted Financial Ratios.

We have examined the financial forecast. Management is responsible for the forecast. Our responsibility is to express an opinion on the forecast based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (“AICPA”) and, accordingly, included such procedures as we considered necessary to evaluate both the assumptions used by Management and the preparation and presentation of the forecast. We believe that our examination provides a reasonable basis for our opinion.

Legislation and regulations at all levels of government have affected and may continue to affect the operations of continuing care retirement communities. The financial forecast is based upon legislation and regulations currently in effect. If future legislation or regulations related to the Corporation’s operations are subsequently enacted, such legislation or regulations could have a material effect on future operations.

Management’s financial forecast is based on the achievement of occupancy levels as determined by Management. We have not been engaged to evaluate the effectiveness of Management and we are not responsible for future marketing efforts and other Management actions upon which actual results will depend.

The assumed interest rates, principal payments, project costs and other financing assumptions are described in the section entitled “Summary of Significant Forecast Assumptions and Accounting Policies.” If actual interest rates, principal payments or funding requirements are different from those assumed in this study, the amount of the Series 2014 Bonds and associated debt service requirements would need to be adjusted accordingly from those indicated in the forecast. If such interest rates, principal payments and funding requirements are lower than those assumed, such adjustments would not adversely affect Management’s forecast.

Our conclusions are presented below:

- In our opinion, the accompanying financial forecast is presented in conformity with guidelines for presentation of a financial forecast established by the AICPA.
- In our opinion, the underlying assumptions provide a reasonable basis for Management’s forecast. However, there will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.
- The accompanying financial forecast indicates that sufficient funds could be generated to meet the Corporation’s operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed Series

2014 Bonds, during the forecast period. However, the achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Dixon Hughes Goodman LLP

Atlanta, Georgia
February 28, 2014

Federation CCRC Operations Corp.

Forecasted Statements of Operations and Changes in Net Assets (Deficit) For the Years Ending August 31, (In Thousands)

	2014	2015	2016	2017	2018	2019	2020
Revenue:							
Independent living monthly service fees	\$ -	\$ -	\$ 1,901	\$ 8,235	\$ 11,279	\$ 12,905	\$ 13,577
Assisted living monthly service fees	-	-	1,342	4,254	5,043	5,125	5,215
Nursing service fees	-	-	1,626	5,597	6,726	6,246	5,690
Other revenue	-	-	105	391	498	524	529
Entrance fee amortization	-	-	505	1,240	1,625	1,911	2,129
Investment income	-	-	1,111	1,434	853	1,095	1,371
Total revenue	-	-	6,590	21,151	26,024	27,806	28,511
Expenses:							
Administrative services	-	-	850	1,109	1,197	1,238	1,282
Activities services	-	-	212	264	273	283	293
Assisted living services	-	-	706	1,521	1,574	1,629	1,686
Nursing services	-	-	1,307	2,397	3,029	3,135	3,244
Building and grounds maintenance	-	-	838	1,088	1,188	1,229	1,272
Dining services	-	-	1,464	2,919	3,699	4,032	4,175
Emergency system services	-	-	46	57	59	62	64
Housekeeping and laundry services	-	-	453	680	865	917	949
Transportation services	-	-	126	156	162	167	173
Utilities	-	-	849	1,135	1,175	1,216	1,259
Insurance	-	-	1,002	1,244	1,288	1,333	1,379
Property taxes	-	-	1,606	1,559	1,529	1,525	1,524
Marketing services	-	-	287	356	369	637	659
Management fees	-	-	318	378	572	724	762
Interest expense	-	-	7,987	14,929	10,913	10,406	10,388
Depreciation	-	-	3,480	4,255	4,266	4,313	4,334
Amortization	-	-	1,047	1,256	1,256	881	720
Total expenses	-	-	22,578	35,303	33,414	33,727	34,163
Change in net (deficit)	-	-	(15,988)	(14,152)	(7,390)	(5,921)	(5,652)
Net (deficit), beginning of year	(345)	(345)	(345)	(16,333)	(30,485)	(37,875)	(43,796)
Net (deficit), ending of year	\$ (345)	\$ (345)	\$ (16,333)	\$ (30,485)	\$ (37,875)	\$ (43,796)	\$ (49,448)

**See Accompanying Summary of Significant Forecast Assumptions and
Accounting Policies and Independent Accountants' Examination Report
B-5**

Federation CCRC Operations Corp.

Forecasted Statements of Cash Flows For the Years Ending August 31, (In Thousands)

	2014	2015	2016	2017	2018	2019	2020
Cash flows from operating activities:							
Change in net (deficit)	\$ -	\$ -	\$ (15,988)	\$ (14,152)	\$ (7,390)	\$ (5,921)	\$ (5,652)
Adjustments to reconcile change in net assets (deficit) to net cash provided by (used in) operating activities:							
Depreciation	-	-	3,480	4,255	4,266	4,313	4,334
Amortization	-	-	1,047	1,256	1,256	881	720
Amortization of earned entrance fees	-	-	(505)	(1,240)	(1,625)	(1,911)	(2,129)
(Decrease) increase in accrued interest	3,607	113	47	(986)	(254)	-	(18)
Net change in other current assets and liabilities	(1,511)	-	239	(738)	(250)	(14)	26
Change in interest payable - Subordinated Note	15	120	120	120	120	120	120
Entrance fees received - attrition (non-refundable)	-	-	117	513	1,006	1,393	1,721
Net cash provided by (used in) operating activities	2,111	233	(11,443)	(10,972)	(2,871)	(1,139)	(878)
Cash flows from investing activities:							
Purchase of property and equipment	(30,715)	(90,054)	(24,825)	(3,052)	-	(1,266)	-
Routine capital additions	-	-	(50)	(125)	(200)	(275)	(350)
Interest cost capitalized during construction period, net	(3,649)	(14,672)	(7,987)	-	-	-	-
(Increase) decrease in assets limited as to use	(148,943)	92,508	(17,913)	49,259	1,662	13,128	(387)
(Increase) decrease in assets limited as to use, current	-	-	(3,655)	894	254	(343)	(7)
(Increase) in investments	-	-	(269)	(163)	(1,864)	(25,180)	(3,708)
Deferred marketing costs	(1,876)	(1,743)	(2,291)	-	-	-	-
Net cash provided by (used in) investing activities	(185,183)	(13,961)	(56,990)	46,813	(148)	(13,936)	(4,452)
Cash flows from financing activities:							
Initial entrance fees received	-	-	64,944	43,866	14,975	10,805	-
Entrance fees received - attrition (refundable)	-	-	1,049	4,621	9,058	12,537	15,486
Entrance fees refunded	-	-	(1,236)	(3,498)	(5,429)	(7,238)	(9,078)
Issuance of draw down bonds	3,000	12,000	9,000	-	-	-	-
Issuance of Series 2014 Bonds	189,885	-	-	-	-	-	-
Deferred financing costs	(5,277)	-	-	-	-	-	-
Principal payments on Series 2014 Bonds	-	-	-	(55,000)	(14,000)	-	(1,030)
Principal payments on Draw Down Bonds	-	-	-	(21,000)	-	-	-
Increase in Subordinated Note	3,000	-	-	-	-	-	-
Decrease in due to related party note	(13,428)	-	-	-	-	-	-
Increase in due to related party note	3,285	-	-	-	-	-	-
(Decrease) increase in resident deposits	2,600	1,728	(4,629)	(4,432)	(1,408)	(934)	-
Net cash provided by (used in) financing activities	183,065	13,728	69,128	(35,443)	3,196	15,170	5,378
Net increase (decrease) in cash and cash equivalents	\$ (7)	\$ -	\$ 695	\$ 398	\$ 177	\$ 95	\$ 48
Beginning balance of cash and cash equivalents	7	-	-	695	1,093	1,270	1,365
Ending balance of cash and cash equivalents	\$ -	\$ -	\$ 695	\$ 1,093	\$ 1,270	\$ 1,365	\$ 1,413

**See Accompanying Summary of Significant Forecast Assumptions and
Accounting Policies and Independent Accountants' Examination Report**

Federation CCRC Operations Corp.

Forecasted Balance Sheets For the Years Ending August 31, (In Thousands)

	2014	2015	2016	2017	2018	2019	2020
Assets							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ 695	\$ 1,093	\$ 1,270	\$ 1,365	\$ 1,413
Bond Fund - Series 2014 Bonds	-	-	3,655	2,761	2,507	2,850	2,857
Accounts receivable, net	-	-	409	1,519	1,935	2,038	2,056
Prepaid expenses and other assets	-	-	348	547	635	682	707
Inventory	-	-	23	36	42	45	47
Total current assets	-	-	5,130	5,956	6,389	6,980	7,080
Investments	-	-	269	432	2,296	27,476	31,184
Assets limited as to use:							
Project Fund	100,966	21,169	3,052	-	-	-	-
Funded Interest Fund	28,424	13,985	-	-	-	-	-
Series 2014A Debt Service Reserve Fund	11,065	11,065	11,065	11,065	11,065	11,065	11,065
Series 2014B Debt Service Reserve Fund	1,015	1,015	1,015	1,015	1,015	-	-
Series 2014C Debt Service Reserve Fund	3,575	3,575	3,575	-	-	-	-
Series 2014D Debt Service Reserve Fund	1,298	1,298	1,298	1,298	248	248	248
Entrance Fee Fund	-	-	-	-	-	-	-
Working Capital Fund	-	-	5,936	11,966	11,966	-	-
Statutory Entrance Fee Escrow Fund	-	-	48,708	-	-	-	-
Statutory Debt Service Reserve Fund	-	-	-	1,559	1,529	1,525	1,524
Statutory Operating Reserve Fund	-	-	-	1,759	1,945	2,268	2,462
Statutory Renewal and Replacement Fund	-	-	-	1,160	1,800	2,268	2,462
Resident deposits	9,675	11,403	6,774	2,342	934	-	-
Total assets limited as to use	156,018	63,510	81,423	32,164	30,502	17,374	17,761
Property and equipment	42,454	147,180	180,042	183,219	183,419	184,960	185,310
less accumulated depreciation	-	-	(3,480)	(7,735)	(12,001)	(16,314)	(20,648)
Net property and equipment	42,454	147,180	176,562	175,484	171,418	168,646	164,662
Other assets							
Deferred marketing costs, net	5,088	6,831	8,629	8,038	7,447	6,856	6,265
Deferred financing costs, net	5,277	5,277	4,723	4,058	3,393	3,103	2,974
Total assets	\$ 208,837	\$ 222,798	\$ 276,736	\$ 226,132	\$ 221,445	\$ 230,435	\$ 229,926
Liabilities and Net (Deficit)							
Current liabilities:							
Accounts payable	\$ -	\$ -	\$ 695	\$ 1,093	\$ 1,270	\$ 1,365	\$ 1,413
Accrued expenses	-	-	324	510	593	637	660
Accrued interest	3,607	3,720	3,767	2,781	2,527	2,527	2,509
Current maturities of long-term debt	-	-	-	-	-	1,030	1,105
Resident deposits	9,675	11,403	6,774	2,342	934	-	-
Total current liabilities	13,282	15,123	11,560	6,726	5,324	5,559	5,687
Subordinated Note	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Draw Down Bonds	3,000	15,000	24,000	3,000	3,000	3,000	3,000
Series 2014 Bonds, less current maturities	189,885	189,885	189,885	134,885	120,885	119,855	118,750
Interest payable - Subordinate Note	15	135	255	375	495	615	735
Refundable entrance fees	-	-	54,780	92,964	109,439	124,299	130,707
Deferred revenue from entrance fees, net of amortization	-	-	9,589	15,667	17,177	17,903	17,495
Total liabilities	209,182	223,143	293,069	256,617	259,320	274,231	279,374
Net (deficit):							
Unrestricted	(345)	(345)	(16,333)	(30,485)	(37,875)	(43,796)	(49,448)
Net (deficit)	(345)	(345)	(16,333)	(30,485)	(37,875)	(43,796)	(49,448)
Total liabilities and net (deficit)	\$ 208,837	\$ 222,798	\$ 276,736	\$ 226,132	\$ 221,445	\$ 230,435	\$ 229,926

**See Accompanying Summary of Significant Forecast Assumptions and
Accounting Policies and Independent Accountants' Examination Report**

Federation CCRC Operations Corp.

Forecasted Financial Ratios For the Year Ending August 31, (In Thousands, Except for Ratios)

Long-Term Debt Service Coverage Ratio	2020
Increase in net deficit	\$ (5,652)
Deduct:	
Entrance fee amortization	(2,129)
Add:	
Depreciation	4,334
Amortization	720
Interest expense	10,388
Entrance fees received - attrition (non-refundable)	1,721
Entrance fees received - attrition (refundable)	15,486
Entrance fees refunded	(9,078)
Income Available for Debt Service	\$ 15,790
Maximum Annual Debt Service ^(a)	\$ 11,320
Maximum Annual Debt Service Coverage Ratio	1.39x
<hr/>	
Days Cash on Hand	2020
Cash and cash equivalents	\$ 1,413
Investments	31,184
Statutory Debt Service Reserve Fund	1,524
Statutory Operating Reserve Fund	2,462
Statutory Renewal and Replacement Fund	2,462
Cash on hand	\$ 39,045
Total expenses	34,163
Less:	
Depreciation	(4,334)
Amortization	(720)
Total expenses less depreciation and amortization	29,109
Daily operating expenses ^(b)	80
Days cash on hand	488
<hr/>	
Cash to Indebtedness Ratio ^(c)	2020
Cash and cash equivalents	\$ 1,413
Investments	31,184
Statutory Debt Service Reserve Fund	1,524
Statutory Operating Reserve Fund	2,462
Statutory Renewal and Replacement Fund	2,462
Series 2014A Debt Service Reserve Fund	11,065
Series 2014D Debt Service Reserve Fund	248
Funds Available for Debt Service	\$ 50,358
Long-Term Indebtedness Outstanding	\$ 121,750
Cash to Debt Ratio	41%

(a) Maximum Annual Debt Service is equal to the greatest debt service requirements in the then current or any future fiscal year, other than the debt service requirements on the Series 2014B, Series 2014C and Series 2014D-2 Bonds.

(b) Daily operating expenses are equal to total operating expenses less depreciation, and amortization divided by 365 days.

(c) The Cash to Indebtedness Ratio is provided for informational purposes only. For purposes of the forecast Management and the Underwriter have assumed that Long-Term Indebtedness Outstanding includes the Series 2014 Senior and Subordinate Bonds only.

**See Accompanying Summary of Significant Forecast Assumptions and
Accounting Policies and Independent Accountants' Examination Report**

Federation CCRC Operations Corp.

Summary of Significant Forecast Assumptions and Accounting Policies

Basis of Presentation

The accompanying financial forecast presents, to the best of the knowledge and belief of Federation CCRC Operations Corp. (the "Corporation"), the expected financial position, results of operations, and cash flows of the Corporation as of and for each of the seven years ending August 31, 2020. Accordingly, the accompanying financial forecast reflects the judgment of management of the Corporation ("Management") as of February 28, 2014, the date of this forecast, based on present circumstances and the expected course of action during the forecast period. The assumptions disclosed herein are those that Management believes are significant to the forecast. There will usually be differences between the forecast and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Background of the Federation

In 2009, the Jewish Federation of South Palm Beach County (the "Federation"), located at 9901 Donna Klein Boulevard in Boca Raton, Palm Beach County Florida, established the Corporation to develop and operate a continuing care retirement community ("CCRC") to be known as "Sinai Residences of Boca Raton" (the "Community"). The Federation, a Florida not-for-profit corporation, was incorporated in November 1979 and was determined by the Internal Revenue Service to be an exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Federation established Federation CCRC Development, LLC ("CCRC Development") to assist in the pre-development of the Community. The Federation and CCRC Development have provided funds to the Corporation to pay for pre-financing costs of the Community, which are anticipated to be repaid at permanent financing. CCRC Development is the sole member of the Corporation.

Background of the Corporation

The Corporation, which is a wholly owned subsidiary of CCRC Development, is a not-for-profit corporation organized under the laws of the State of Florida. The Corporation received a determination letter from the Internal Revenue Service dated October 17, 2013 stating that the Corporation is an exempt organization as described in Section 501(c)(3) of the Code.

The Corporation is governed by a Board of Directors (the "Board") to be comprised of no fewer than three directors. The Board currently consists of four directors (the "Directors"). None of the Directors (and no other person) has an ownership interest or an equitable or beneficial interest in the Community or its assets. Directors take such actions and perform such duties and responsibilities as may be authorized by law and the Corporation's Articles of Incorporation and by-laws. No part of the net earnings of the Community shall benefit any Directors or officers of the Community or other private individuals. All of the Directors are also members of the Board of Managers for CCRC Development.

See Independent Accountants' Examination Report

Description of the Community

The Community is planned to include 237 independent living apartments (the “Independent Living Units”), 48 assisted living apartments (the “Assisted Living Units”), 24 memory support assisted living suites (the “Memory Support Units”) and 60 private skilled nursing rooms (the “Health Center”), as well as administrative support and common areas for a total of approximately 525,000 square feet of climate controlled space. The Assisted Living Units, Memory Support Units and Health Center are collectively referred to as the “Health Care Center”.

The Independent Living Units are expected to be located in a residential building with a five-story configuration and the Health Care Center is expected to be located in a three-story configuration. Common areas at the Community are planned to include several living areas, multiple distinct dining areas, a large multi-purpose center, library, business center and conference room, arts and crafts center, game and activity rooms, multiple resident lounges, roof gardens, and a wellness pavilion that will include a pool, exercise/fitness rooms, salon and spa, and a café.

The following table summarizes the type, number, approximate square footage, monthly fees (“Monthly Fees”), daily fees (“Daily Fees”) and entrance fees (“Entrance Fees”) for the proposed units at the Community.

Table 1
Proposed Configuration – The Community

	Number of Units	Square Footage	Monthly Fees ⁽¹⁾⁽²⁾	Entrance Fees ⁽¹⁾⁽²⁾⁽³⁾
Independent Living				
<u>One-Bedroom Apartments:</u>				
Addison I	21	788	\$2,995	\$410,690
Addison II	2	804	\$2,995	\$423,500
Bellucia	3	836	\$3,350	\$448,333
Cloister I	8	849	\$3,450	\$450,188
Cloister II	4	849	\$3,450	\$445,000
Colonnades I	29	981	\$3,795	\$512,862
Colonnades II	3	1,055	\$3,795	\$553,667
Colonnades III	1	1,079	\$3,795	\$574,000
<u>Two-Bedroom Apartments:</u>				
El Camino I	32	1,070	\$3,895	\$568,484
El Camino II	4	1,118	\$3,895	\$587,250
Floresta I	29	1,129	\$3,995	\$589,931
Floresta II	4	1,153	\$3,995	\$591,750
Floresta III	5	1,144	\$3,995	\$597,900
Lagomar	18	1,207	\$4,250	\$640,889
Mirasol	20	1,225	\$4,450	\$651,750
Mizner	8	1,282	\$4,550	\$680,625
Riviera	11	1,291	\$4,650	\$688,091
Solano	1	1,376	\$4,675	\$727,000
Tuscany	12	1,410	\$4,675	\$738,250
Vanderbilt	18	1,602	\$4,895	\$850,694
Waldorf	4	1,667	\$4,950	\$893,500
Total/Weighted Average – Independent Living	237	1,138	\$4,048	\$600,711
Assisted Living				
One Bedroom	45	553	\$5,845	–
Two Bedroom	3	827	\$6,295	–
Total/Weighted Average – Assisted Living	48	570	\$5,873	–
Memory Support				
Private	24	312	\$6,295	–
Total / Weighted Average – Memory Support	24	312	\$6,295	–
Health Center⁽⁴⁾				
			Per Diem Rates	
Private Nursing Beds	60	308	\$350	–
Total/Weighted Average – Health Center	60	308	\$350	–

Source: Management

Notes to Table:

- (1) The Monthly Fees and Entrance Fees shown for the Independent Living Units are for the 90% Refundable Plan (“Plan A”) in 2016 dollars. Entrance Fees shown reflect an approximate five percent Entrance Fee discount from the standard Plan A pricing. In addition, Entrance Fees are 95% refundable for charter residents (i.e. residents who have made an Entrance Fee deposit prior to commencement of construction) choosing Plan A.
- (2) The Independent Living Units have a second person Monthly Fee of \$1,195 in 2016 dollars. The second person Monthly Fee for an Assisted Living Unit is \$1,495, in 2016 dollars. The second person Entrance Fee is \$15,000 for Plan A charter plan residents.
- (3) Management also offers a 50% Refundable Plan (“Plan B”) and a Traditional Amortizing Plan (“Plan C”) to first-generation residents. Entrance Fees under Plan B are approximately 25 percent less than standard Plan A pricing. Entrance Fees for Plan C are approximately 54 percent less than standard Plan A pricing.
- (4) For purposes of the forecast, 15 nursing beds are expected to be utilized by Medicare residents. The assumed Medicare daily rate is \$400 (net of ancillary expenses) in 2016 dollars. The Community does not anticipate accepting Medicaid residents.

Construction of the Community is expected to commence in March 2014. Management anticipates the Independent Living Units to be available for occupancy in November 2015 and the Health Care Center to be available for occupancy in January 2016.

The anticipated timeline for the Community is shown below:

Table 2
Development Timeline

Pre-financing construction commences	March 2014
Permanent financing	June 2014
Independent Living Units available for occupancy	November 2015
Assisted Living Units available for occupancy	January 2016
Memory Support Units available for occupancy	January 2016
Health Center beds available for occupancy	January 2016
Memory Support Units achieve stabilized occupancy of 93%	July 2017
Assisted Living Units achieve stabilized occupancy of 93%	October 2017
Health Center achieves stabilized occupancy of 93%	December 2017
Independent Living Units achieve stabilized occupancy of 95%	April 2019

Source: Management

Development of the Community

Greenbrier Development, LLC

In 2011, the Corporation engaged Greenbrier Development, LLC (“Greenbrier”) as the development and marketing consultant to the Community. Greenbrier is a privately owned limited liability company organized and existing under the laws of the State of Delaware. Greenbrier specializes in providing planning, development, marketing and strategic consulting services related to all areas in the senior housing and services business.

Greenbrier currently has a staff of approximately 24 persons, and executive management has more than 150 years of combined experience in senior housing development. Greenbrier is currently responsible for the development and/or marketing of approximately 13 senior living development and expansion projects. Greenbrier has provided consulting services to more than 50 senior living communities and providers since 2006.

Development Consulting Services Agreement

The Corporation and Greenbrier entered into a Development Consulting Services Agreement effective as of January 15, 2011, as amended June 1 2013, (the “Development Agreement”) whereby Greenbrier is required to provide certain development and consulting services in connection with planning, financing, construction, marketing and opening of the Community. Greenbrier is also to be responsible for the marketing and initial leasing program of the Community until 95 percent occupancy of the Independent Living Units and 93 percent occupancy of the Health Care Center is achieved (“Stabilized Occupancy”).

As compensation for services rendered pursuant to the Development Agreement, Greenbrier is to be paid a development fee consisting of a base development consulting fee (“Base Fee”), a marketing fee (the “Marketing Fee”) and an incentive occupancy fee (the “Incentive Occupancy Fee”) (collectively referred to as the “Development Fee”). Based on the project budget as provided by Management and Greenbrier, the total Development Fees paid would be approximately \$8,710,000, which includes a Base Fee of \$6,990,000 and a Marketing Fee of \$1,720,000.

The Base Fee has been and is to be paid as follows: (i) an amount equal to \$15,000 per month upon commencement of the Development Agreement and prior to pre-development cost funding (“Pre-Development Cost Funding”); (ii) an amount equal to \$40,000 per month for a period of 23 months beginning with the month immediately subsequent to the month in which Pre-Development Cost Funding occurred; (iii) upon permanent financing, an amount equal to the product obtained by multiplying the number of calendar months occurring during the period between June 1, 2013 and the date of permanent financing by \$40,000; (iv) an amount equal to sixteen and two-thirds percent (16 2/3%) of the Base Fee upon closing of permanent financing of the Community; (v) beginning the month after permanent financing, an amount equal to \$40,000 per month until total payments are equal to \$2,880,000 for references (ii), (iii), and (v); (vi) an amount equal to eight and one-third percent (8 1/3%) of the Base Fee when the Community obtains a certificate of occupancy (“Certificate of Occupancy”) for initial resident occupancy;

(vii) an amount equal to six and two-thirds percent (6 2/3%) of the Base Fee upon 50 percent occupancy of the Independent Living Units; (viii) an amount equal to six and two-thirds percent (6 2/3%) of the Base Fee upon 70 percent occupancy of the Independent Living Units; (ix) an amount equal to six and two-thirds percent (6 2/3%) of the Base Fee upon 90 percent occupancy of the Independent Living Units; and, (x) an amount equal to 100 percent of the Base Fee less any Base Fees paid to date when the Community achieves Stabilized Occupancy.

The Marketing Fee will be paid upon achieving key milestones relating to occupancy of the Independent Living Units described above. The Marketing Fee will be paid as follows: (i) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 50 percent occupancy in the Independent Living Units; (ii) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 70 occupancy in the Independent Living Units; and (iii) an amount equal to thirty-three and one-third percent (33 1/3%) of the Marketing Fee paid upon 90 occupancy in the Independent Living Units.

The Incentive Occupancy Fee will be paid upon achieving key milestones relating to Stabilized Occupancy. The Incentive Occupancy Fee will be paid as follows following the issuance of the Certificate of Occupancy for the Community: (i) \$600,000 if Stabilized Occupancy is achieved in 15 months; (ii) \$450,000 if Stabilized Occupancy is achieved within 18 months; (iii) \$300,000 if Stabilized Occupancy is achieved within 21 months; or (iv) \$150,000 if Stabilized Occupancy is achieved within 24 months.

The Development Fee assumed to be paid to Greenbrier in association with the development of the Community is summarized in the following table.

Table 3
Anticipated Development Fees

<u>Base Fee</u>	
Upon commencement of development services through Pre-Development Cost Funding	\$165,000
23 months following Pre-Development Cost Funding	920,000
Upon closing of the Series 2014 Bonds ⁽¹⁾	1,645,000
49 months following closing of the Series 2014 Bonds ⁽¹⁾	1,480,000
Upon obtaining certificate of occupancy	582,500
Upon 50% occupancy	466,000
Upon 70% occupancy	466,000
Upon 90% occupancy	466,000
Upon Stabilized Occupancy	799,500
Total Base Fee	\$6,990,000
<u>Marketing Fee</u>	
Upon 50% occupancy	\$573,333
Upon 70% occupancy	573,333
Upon 90% occupancy	573,333
Total Marketing Fee	\$1,720,000
Total Development Fees⁽²⁾	\$8,710,000

Source: Management and Greenbrier

(1) Assumes a June 1, 2014 permanent financing.

(2) In addition to the total Development Fees, the Incentive Occupancy Fee is based on achieving key milestones relating to Stabilized Occupancy. The Incentive Occupancy Fee would be paid as follows: (i) \$600,000 if Stabilized Occupancy is achieved in 15 months; (ii) \$450,000 if Stabilized Occupancy is achieved within 18 months; (iii) \$300,000 if Stabilized Occupancy is achieved within 21 months; or (iv) \$150,000 if Stabilized Occupancy is achieved within 24 months.

The Corporation is also expected to reimburse Greenbrier for all reasonable out-of-pocket travel expenses for personnel employed by Greenbrier, and a three and a half percent administrative fee of the Greenbrier Development Fee to cover miscellaneous office expenses.

Management of the Community

Life Care Services™

Life Care Services™ (“LCS”), an LCST™ Company established in 1971 and based in Des Moines, Iowa, is a management services provider that has responsibility for more than 100 communities across the country. LCS and an affiliate company currently manage 115 retirement communities serving over 32,000 residents in 31 states and the District of Columbia.

Management Agreement

The Corporation and LCS entered into a management agreement (the “Management Agreement”) effective October 15, 2012 (the “Effective Date”) whereby LCS agrees to act as agent of the Corporation, to serve as the manager of the Community, including the real estate, and in connection therewith, to recommend and regularly evaluate policies and goals of the Corporation, implement the policies, budgets, directives and goals for the Community established by the Corporation, to manage the day-to-day operations of the Community in accordance with the Corporation’s policies, directives and goals, to provide the Corporation with relevant information as to past operations, and to make recommendations as to the future operation of the Community.

After commencement of operations at the Community, LCS is to establish and maintain a system of financial controls for the Community using the software provided at other similar communities managed by LCS or its subsidiaries, and provide the Corporation with monthly financial statements and annual budgets for operating revenue and expense, capital expenditures and cash flow forecasts for the Community, and recommend a schedule of resident entrance fees, monthly service fees and other charges. All staff at the Community, with the exception of the director (the “Executive Director”) and the administrator (the “Administrator”), will be employees of the Corporation. The Executive Director and the Administrator will be LCS employees.

The Management Agreement commenced on the Effective Date and is to continue until 54 months after the commencement of operations, unless sooner terminated for reasons described in the Management Agreement.

The Corporation is obligated to pay LCS (i) a monthly management fee (the “Monthly Management Fee”); (ii) a development-stage consulting fee (the “Development-Stage Consulting Fee”); (iii) management consulting fee (the “Management Consulting Fee”); (iv) a pre-opening service fee (the “Pre-opening Service Fee”); (v) a performance incentive fee (the “Performance Incentive Fee”); and (vi) an application service provider fee (“Application Service Provider Fee”).

The Monthly Management Fee shall be as follows: (i) \$30,000 per month for the first two years beginning from the date the first resident moves into the Community (the “Commencement of Operations”); (ii) \$35,000 per month for the third year from the Commencement of Operations; (iii) \$40,000 per month for the fourth year from the Commencement of Operations; and (iv)

\$40,000 per month for the fifth year from the Commencement of Operations, provided that the fee due shall be increased by the same percentage as the Consumer Price Index for All Urban Items for the month immediately preceding the first month of the fifth year.

The Development-Stage Consulting Fee of \$25,000 was paid within 30 days of the Effective Date.

The Management Consulting Fee of \$10,000 per month is expected to commence concurrently with the assignment of the Executive Director twelve months prior to the Commencement of Operations and will end when the Pre-opening Service Fee begins six months prior to the scheduled Commencement of Operations.

The Pre-opening Service Fee of \$30,000 per month is for services to be performed during the six months prior to the Commencement of Operations.

The Performance Incentive Fee is equal to (a) 3.0 percent of the previous year's gross resident revenues, less (b) the Monthly Management Fee paid during such year so long as after such payment, the Corporation is not in default of any financial covenant. The Performance Incentive Fee will not exceed the annual Monthly Management Fee paid for the applicable year. The Performance Incentive Fee will be paid only to the extent that the amount paid does not cause the Corporation to be in noncompliance with the required financial covenants with respect to the Series 2014 Bonds. Any Performance Incentive Fee earned, but not paid, will be deferred with interest at the Applicable Federal Rate. The Performance Incentive Fee is payable within 30 days after the Corporation receives its audited financial statements for the prior fiscal year.

The Application Service Provider Fee is for the use of the LCS accounting, payroll and billing technology. The Corporation would pay to LCS an installation/activations fee of \$60,000 and an annual fee of \$18,000. Upon each anniversary, the annual Application Service Provider Fee shall be adjusted by the same percentage as that used for the Monthly Management Fee.

In addition to the fees described above, LCS will be reimbursed for the salary and benefits of the Directors and for certain other expenses.

Land Purchase Agreement

The Community will be constructed on the Site. The Federation will sell the land to the Corporation at market value, currently appraised at \$14,000,000, at the time of the closing of the Series 2014 Bonds, pursuant to a Land Purchase Agreement between the Federation and the Corporation, anticipated to be executed prior to the closing of the Series 2014 Bonds. The Federation will receive \$12,000,000 upon the closing of the Series 2014 Bonds and the Federation (or its affiliates) will hold a subordinated note for the remaining market value of the land (currently estimated remaining value is \$2,000,000) that will be repaid to the Federation (or its affiliates) following Stabilized Occupancy of the Community and subject to certain conditions.

Liquidity Support Agreement

The Corporation, the Federation and the Master Trustee will enter into a Liquidity Support Agreement (the “Liquidity Support Agreement”) upon the closing of the Series 2014 Bonds, for the Federation to provide liquidity support to the Corporation in a maximum aggregate amount of \$11,000,000. Pursuant to the Supplemental Indenture Number 1 and Liquidity Support Agreement, the Federation will deposit \$6,000,000 with the Master Trustee at the issuance of the Series 2014 Bonds and provide for additional funding from the Federation up to \$5,000,000 (the “Maximum Amount”). The Maximum Amount will be reduced to \$2,000,000 upon repayment of the Series 2014D-2 Bonds and Series 2014C Bonds and satisfaction of other conditions (the “Reduction Date”). Prior to the Reduction Date, the moneys available under the Maximum Amount may only be drawn by the Master Trustee and transferred to the Series D Bond Trustee to pay for interest on and principal of the Series 2014D-2 Bonds. After the Reduction Date, the moneys available under the Maximum Amount may be drawn by the Master Trustee and transferred to the Bond Trustees or the Corporation to pay for project costs, judgments against the Corporation, interest on the Series 2014 Bonds, refunds of Entrance Fees, amounts payable to the lenders, or certain operating expenses in conjunction with the Community, if no other funds are available for those purposes in any trustee-held fund held by the Bond Trustee or Master Trustee subject to the provisions of the Liquidity Support Agreement. Repayments of draws under the Liquidity Support Agreement shall constitute “Affiliate Subordinated Indebtedness” of the Corporation, as defined in the Master Indenture and are subject to certain repayment restrictions.

Summary of Financing

Pre-finance Capital

To finance the pre-development costs of the Community, the Federation authorized CCRC Development to borrow the proceeds of bond anticipation notes of The Palm Beach Health Facilities Authority (the “Authority”) in the principal amount of \$9,450,000 in June 2011 (the “Series 2011 Notes”) and approximately \$2,900,000 in March 2013 (the “Series 2013 Notes”).

The Series 2011 Notes provided development capital to further the development and marketing of the Community. Subsequently, the Authority issued the Series 2013 Notes to fund the majority of the remaining development and marketing costs. The Federation also provided additional loans and equity contributions to finance pre-development costs. The proceeds from the Series 2011 Notes and the Series 2013 Notes along with the loan and equity contributions from the Federation were used to fund expenses associated with the architectural design, marketing, sales, preliminary construction planning, legal and accounting costs of the Community.

The proceeds of the Series 2011 Notes and the Series 2013 Notes were lent to the Corporation by CCRC Development, and are therefore classified as “Due to Related Party” on the Corporation’s financial statements. The Due to Related Party note (which amounts to the outstanding balance of the Series 2011 Notes, the Series 2013 Notes, and the loan from the Federation) will be repaid with a portion of the proceeds from the Series 2014 Bonds.

See Independent Accountants’ Examination Report

Permanent Financing

Total financial requirements for the Community are assumed to approximate \$244,480,000. The Corporation proposes to fund these financial requirements primarily through the issuance of \$189,885,000 Palm Beach County Health Facilities Authority, Health Facilities Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014 and \$24,000,000 Palm Beach County Health Facilities Authority Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014 (collectively, the “Series 2014 Bonds”).

Management has assumed the following sources and uses of funds in preparing the financial forecast based upon information provided by the Corporation’s managing underwriter Herbert J. Sims & Co., Inc. (the “Underwriter”):

Table 4
Sources and Uses of Funds
(In Thousands)

Sources of Funds:	
Series 2014A Bonds ^(A)	\$120,885
Series 2014B Bonds ^(A)	14,000
Series 2014C Bonds ^(A)	55,000
Series 2014D Bonds ^(A)	24,000
Total Series 2014 Bonds proceeds	\$213,885
Initial Entrance Fees ^(B)	26,743
Subordinated Note ^(C)	3,000
Interest Earnings on Trustee Held Funds ^(D)	852
Total Sources of Funds	\$244,480
Uses of Funds:	
Direct construction costs ^(E)	\$106,853
Design and engineering costs ^(F)	5,799
Contingency ^(G)	5,100
Indirect construction costs ^(H)	6,300
Development Consulting Fees ^(I)	8,710
Marketing costs ^(J)	9,122
Return on pre-finance capital ^(K)	4,142
Miscellaneous costs ^(L)	5,108
Land ^(M)	16,336
Total Project Related Costs	\$167,470
Working Capital Fund ^(N)	21,000
Statutory Minimum Liquid Reserve Funds ^(N)	4,478
Funded Interest ^(O)	29,303
Debt Service Reserve Funds ^(P)	16,953
Cost of issuance and other costs ^(Q)	5,276
Total Estimated Financing and Other Costs	\$79,310
Total Uses of Funds	\$244,480

Sources: Management and the Underwriter

- (A) According to the Underwriter, the following series of bonds are assumed to be issued:
- \$120,885,000 of non-rated tax-exempt fixed rate term bonds (the “Series 2014A Bonds”);
 - \$14,000,000 of non-rated tax-exempt Entrance Fee Principal Reduction Bonds (EFRPB) (the “Series 2014B Bonds”); and
 - \$55,000,000 of non-rated tax-exempt Entrance Fee Principal Reduction Bonds (EFRPB) (the “Series 2014C Bonds”)
 - \$24,000,000 of non-rated tax-exempt fixed rate draw down revenue bonds (the “Series 2014D Bonds”)
- (B) Management assumes that approximately \$26,743,000 of initial resident Entrance Fees are to be used to fund start-up losses, statutory minimum liquid reserves and a portion of the development fees related to the Community.
- (C) A subordinated note in the approximate amount of \$3,000,000 is assumed to be provided by the Federation to pay for certain project-related costs.
- (D) Interest earnings in the approximate amount of \$852,000 are assumed to be earned on the Project Fund at 0.35 percent, on the Funded Interest Fund at 0.25 percent, on the Series 2014A Debt Service Reserve Fund at 1.75 percent, on the Series 2014B and Series 2014C Debt Service Reserve Funds at 0.5 percent, on the Series 2014D-1 Debt Service Reserve Fund at 0.25 percent and on the Series 2014D-2 Debt Service Reserve Fund at 0.75 percent.
- (E) Construction, site work, and other costs related to the construction of the Community are assumed to approximate \$106,853,000, based on a Guaranteed Maximum Price totaling \$99,250,000 from the Corporation’s general contractor, Suffolk Construction Company, Inc., and an owner-held contingency of \$4,962,500.
- (F) Design and engineering costs are assumed to approximate \$5,799,000 including reimbursable costs, based on a contractual agreement with the Corporation’s architect, Perkins Eastman Architects, PC, in addition to contractual agreements with the Corporation’s interior designer and civil engineer.
- (G) A project contingency of \$5,100,000 is included on the overall project related costs of the Community.
- (H) Indirect construction costs for the Community are assumed to approximate \$6,300,000, and include procurement fees, furniture and equipment costs (based on contractual arrangements and comparable projects), as well as the costs of an owner’s representative, tap fees, and other preconstruction services.
- (I) The Development Fees are assumed to approximate \$8,710,000 including a Base Fee of approximately \$6,990,000 and a Marketing Fee of approximately \$1,720,000 based on the Development Agreement.
- (J) Marketing costs related to the initial marketing of the Community (to 95 percent occupancy) are assumed to approximate \$9,122,000 and include direct marketing costs, salaries and other promotional materials. Marketing costs are assumed to be funded through stabilized occupancy.
- (K) Return on pre-finance capital is assumed to approximate \$4,142,000.
- (L) Miscellaneous costs related to the Community approximate \$5,108,000 and include expenses related to travel, legal and other professional fees, title insurance and other administrative costs.
- (M) Land and land related costs approximate \$16,336,000 and include costs for purchasing the land, engineering reports, permitting and legal fees.
- (N) Subsequent to the issuance of the Series 2014 Bonds and after completion of the Community, initial Entrance Fees of \$26,743,000 are assumed to be available to fund approximately \$1,266,000 of development fees to Greenbrier, \$21,000,000 into the Working Capital Fund, and \$4,478,000 into State Minimum Liquid Reserve accounts as follows: \$1,759,000 into the Statutory Operating Reserve Fund, \$1,559,000 into the Statutory Debt Service Reserve Fund, and \$1,160,000 into the Statutory Renewal and Replacement Reserve Fund.
- (O) The Underwriter has estimated \$29,303,000 to be used to fund interest for approximately 23 months from the date of issuance of the Series 2013 Bonds.
- (P) The deposits to the Series 2014 Debt Service Reserve Funds are assumed to approximate \$16,953,000.
- (Q) Costs of issuance related to the Series 2014 Bonds approximate \$5,276,000 and include Underwriter’s discount, accounting fees, legal fees, the feasibility consulting fee, the bond issuance fees, the cost for the printing of the preliminary official statement and official statement and other miscellaneous financing costs.

Description of the Residence and Care Agreement

To reserve an Independent Living Unit, a prospective resident must execute a reservation agreement (the “Reservation Agreement”), provide a self-disclosure of his or her health and finances and place a deposit equal to 10 percent of the Entrance Fee (the “Reservation Deposit”) on the selected Independent Living Unit (the “Depositor”). The remaining 90 percent of the Entrance Fee is due on or before the occupancy date (the “Occupancy Date”) of the Independent Living Unit. The Reservation Agreement reserves the right of the prospective resident to choose the selected Independent Living Unit and indicate his or her intent to execute a residence and care agreement (the “Residency Agreement”). Under Florida law, the Corporation can present Residency Agreements to prospective residents upon receipt of the certificate of occupancy for the Community.

Under the terms of the Residency Agreement, the Corporation accepts persons at least 62 years of age at the time of occupancy, who demonstrate the ability to live independently, and as to all levels at the Community, to meet the financial obligations as a resident of the Community (the “Resident”). Upon occupancy, Residents are expected to pay any unpaid portion of the Entrance Fee and an ongoing Monthly Fee.

Payment of the Entrance Fee and Monthly Fee entitles the Resident to occupy the selected Independent Living Unit (the “Residence”) and receive a Life Care Benefit, as defined hereinafter, in addition to the following services and amenities:

- One meal credit per person each day;
- Housekeeping and bed linen laundry service weekly;
- Water, sewer, utilities (including standard cable TV) and trash removal;
- Emergency call system in Residence which is monitored 24-hours a day;
- Maintenance of buildings and Residences;
- Washer and dryer in Residence;
- One assigned parking space;
- Scheduled local transportation;
- Social, cultural, educational, recreational and spiritual programs;
- Use of common areas.

In addition to the items included in the Monthly Fee, certain services are available to Residents at an additional cost including, but not limited to, additional housekeeping, personal laundry service, guest rooms, personal transportation, additional parking spaces, special activities and programs, barber and beauty services, and outpatient clinic services.

Life Care Benefit

Under the Residency Agreement, the Corporation provides Residents care in the Health Care Center. In the case of single occupancy, Residents permanently transferring to the Health Care Center are charged the current Monthly Fee for their Residence plus the cost of two additional meals and ancillary charges (the “Life Care Benefit”). In the case of double occupancy, should both Residents transfer to the Health Care Center, the cost is to be equal to the Life Care Benefit

plus the then current second person Monthly Fee and the cost of two additional meals for the second person and ancillary charges.

Residents requiring temporary care in the Health Care Center continue to pay the current Monthly Fee for their Independent Living Unit in addition to the applicable monthly or per diem rate in the Health Care Center.

Charter residents who execute a Reservation Agreement are guaranteed direct admission, upon payment of the full Entrance Fee due, to the Health Care Center under the Life Care Benefit, should their health needs change prior to the opening of the Community.

Persons who have not paid an Entrance Fee may be admitted to the Health Care Center (“Direct Admit Residents”) if beds are available in excess of those needed to satisfy the needs of Residents. Residents requiring care in the Health Care Center will have priority access to the Health Care Center over Direct Admit Residents. Direct Admit Residents are to pay the then-current monthly or daily fee for care.

Residents are expected to obtain and maintain Medicare Parts A and B and one supplemental health insurance policy (or an equivalent substitute policy approved by the Corporation).

Financial Hardship

The Residency Agreement may not be terminated solely because of a Resident’s financial inability to pay monthly charges by reason of circumstances beyond the Resident’s control. The Resident will be permitted to remain at the Community at a reduced Monthly Fee and as long as the reduced Monthly Fee does not impair the Corporation’s ability to operate on a sound financial basis. The Resident would be required to enter into a financial assistance amendment to the Residency Agreement and any payments due to the Resident from the Corporation, including any refund of the Resident’s Entrance Fee, will be offset against any deferred charges.

Entrance Fee Options

The Corporation offers three Entrance Fee plans for the Independent Living Units. The Entrance Fee options, related amortization schedules and refunds upon termination of the Residency Contract are as follows:

Entrance Fee Option	Amortization Schedule
Plan A – 90% Refundable Plan ^{(1),(2)}	Upon termination of the Residency Agreement, 90 percent of the total Entrance Fee paid is to be refunded to the Resident.
Plan B – 50% Refundable Plan ⁽²⁾	Entrance Fee amortizes 1.875 percent per month for 24 months from Occupancy Date and a five percent processing fee. After 24 months, the Entrance Fee is 50 percent refundable.
Plan C – Traditional Amortizing Plan ⁽²⁾	Entrance Fee amortizes two percent per month for 47 months from the Occupancy Date, one percent for one month following the first 47 months, and a five percent processing fee.

Source: Management

- (1) The Entrance Fee for charter Residents on Plan A (i.e. Residents who have made a Reservation Deposit prior to the commencement of construction) is to be 95 percent refundable.
- (2) As of February 17, 2014, 168 Depositors have chosen Plan A, one has chosen Plan B and 17 have chosen Plan C. Management plans to only offer Plan A once the Community opens.

Termination by the Resident Prior to Occupancy Date

If the Residency Agreement is terminated by the Resident within seven days of executing the Residency Agreement (the “Rescission Period”), but prior to assuming occupancy at the Community, the Resident is expected to receive a 100 percent refund of all monies paid, without interest, within 30 days of the Resident’s written notice. If the Residency Agreement is terminated after the Rescission Period but prior to assuming occupancy at the Community, the Resident is due a 100 percent refund of all monies paid, less two percent (2%) of the entire Entrance Fee and any costs specifically incurred by the Corporation at the request of the Resident. Termination of the Residency Agreement prior to occupancy at the Community due to death, a change in health status, or other circumstances beyond the Resident’s control, results in a full refund of all monies paid less any costs specifically incurred by the Corporation at the request of the Resident.

Termination by the Resident after Occupancy Date

If the Residency Agreement for Plan A is terminated after the Resident assumes occupancy at the Community, the Corporation is expected to refund the refundable portion of the Entrance Fee with the proceeds of the next Entrance Fee received by the Corporation for which there are no prior claims. For Residents who have selected and Plan B and Plan C that terminate their Resident Agreement after occupancy at the Community (and prior to the 24th month and 47th

month of occupancy, respectively), any refunds due will be paid within 120 days after the date of notice of cancellation.

If the Corporation discontinues marketing continuing care contracts, the refund shall be paid within 200 days after the date of notice of termination.

Charter Benefit Program

The Corporation has offered a Charter Benefit Program (the “Charter Benefit Program”) to initial prospective residents for the Independent Living Units (the “Charter Residents”). As of February 17, 2014, 187 Independent Living Units had been reserved by Charter Residents. Management intends to offer the Charter Benefit Program to Depositors until construction on the Community commences. For purposes of Management’s forecast, Management has assumed that approximately 55 percent of first generation residents would utilize the Charter Benefit Program.

The benefits of the Charter Benefit Program include a 95 percent refundable Entrance Fee (for Plan A only) and a five percent reduction in the Entrance Fee amount from standard pricing. In addition, Charter Residents receive the following additional benefits if they occupy their Residence within two months of the Residence becoming available for occupancy:

- No increase in the Monthly Fee for at least one year following the availability of the Residence;
- Two months of complimentary Monthly Fees from the date the Residence is available;
- One complimentary covered parking space;
- A 50 percent discount on the second person Entrance Fee (if applicable);
- Lifetime discount of \$100 per month on the second person Monthly Fee (if applicable);
- Interest earnings equal to a 0.25% higher interest rate than the amount earned on the Reservation Deposit in the escrow account; and
- Opportunity to personalize the residence and color selection (at the expense of the Charter Resident).

The following table summarizes the assumptions for the number of Depositors on Plan A, B and C for purposes of Management's forecast. The table also summarizes the number of Depositors who have chosen each plan as of February 17, 2014, based on Depositor information provided by Management.

Plan	Number of Initial Deposits⁽¹⁾	Percentage of Initial Deposits	Management's Forecast Assumption	Percent of Management's Assumption
Plan A – 90% Refundable Plan ⁽²⁾	168.0	90.4%	197.7	87.8%
Plan B – 50% Refundable Plan	1.0	0.5%	2.3	1.0%
Plan C – 0% Refundable Plan	17.0	9.1%	25.2	11.2%
Total	186.0	100.0%	225.2	100.0%

Source: Management

(1) Represents the total number of Depositors (187 Independent Living Units) as of February 17, 2014.

(2) Plan A is 95 percent refundable for Charter Residents.

Second generation Residents will be offered Plan A.

Characteristics of the Market Area

Assumptions for the future utilization of the Community were developed by Management based on analysis of the following factors that may affect the demand for the Community's accommodations and services:

- Site description and general area analysis;
- Defined primary market area for the Community;
- Demographic and socioeconomic characteristics of the defined primary market area;
- Estimated age- and income-qualified households within the defined primary market area;
- Description and utilization of existing and proposed comparable retirement communities within and near the defined primary market area;
- Management's ability to market the Independent Living Units and Health Care Center; and
- Penetration rates for independent living and assisted living services.

Each of the above factors and the resulting assumed utilization of the Community are described in the following sections.

Site Description

The Community is to be located on the campus of the Federation in Boca Raton, Palm Beach County, Florida. The Site fronts 95th Avenue and Ruth and Baron Coleman Boulevard.

General Area Analysis

Highways

The Site is approximately one half mile east of U.S. Highway 441 ("US-441") which provides access north to Palm Beach or south to Miami. Interstate 95 ("I-95") runs parallel to US-441, and can be accessed approximately six miles northeast of the Community via the Glades Road interchange or approximately seven miles southeast to West Palmetto Road interchange. The Florida Turnpike (also known as State Road 91) is a north-south toll highway that runs parallel to I-95, and can be accessed approximately three miles northeast of the Community via the Glades Road interchange. The Florida Turnpike and I-95 also provide access north to Palm Beach and south to Miami.

Public Transportation

Palm Tran provides bus service throughout Palm Beach County via 34 bus routes and a paratransit service (known as the Palm Beach Connection) for the disabled. The nearest bus stop is located approximately a quarter of a mile west of the Community on North Central Park Boulevard. The Tri-Rail station, South Florida's commuter railroad which offers 18 train stations along a 71 mile rail corridor from West Palm Beach to Miami, is approximately nine miles northeast of the Community in Boca Raton. In addition, a Greyhound bus station is approximately 13 miles northeast of the Community in Delray Beach.

Airports

The Boca Raton area is served by two major international airports including Fort Lauderdale-Hollywood International Airport (“FLL”) and Palm Beach International Airport (“PBI”). FLL is approximately 32 miles southeast of the Community in Fort Lauderdale and PBI is approximately 31 miles northeast of the Community in West Palm Beach. Both FLL and PBI provide domestic and international flights to most major airports. In addition, the Boca Raton Airport, a state-owned public-use regional airport, is approximately eight miles northeast of the Community.

Hospitals

The following table shows the hospitals and medical centers located near the Community.

Hospital Name	Location	Driving Miles from the Community	Type	Number of Beds
West Boca Medical Center	West Boca Raton 33428	0.2	Short Term Acute Care	195
Boca Raton Regional Hospital	Boca Raton 33486	7.3	Short Term Acute Care	366
Delray Medical Center	Delray Beach 33484	10.9	Short Term Acute Care	465

Source: American Hospital Directory, February 2014

Shopping/Cultural

The Community is located in the Gold Coast region of Florida, which offers shopping, cultural and recreational opportunities. Town Center Mall at Boca Raton is approximately five miles east of the Community and offers 25 restaurants and 220 stores including Macy’s, Nordstrom, Bloomingdale’s, Saks Fifth Avenue and Neiman Marcus. Mizner Park, approximately nine miles east of the Community, offers retail shops, restaurants, the Boca Raton Museum of Art and an iPic Theater.

The Boca Raton Museum of Art features an assortment of traveling exhibitions and permanent collections from various artists, educational programs, artist lectures, films, classes for children, and events. The iPic Theater offers two levels of premium stadium seating with full service in-cinema dining. The Morikami Museum and Japanese Gardens is a center for Japanese arts and culture located approximately ten miles northeast of the Community.

Red Reef Park, which is east of the Community, is a 67-acre ocean-front park including the 20-acre Gumbo Limbo Environmental Education Center (“Gumbo Limbo”). Gumbo Limbo includes an indoor museum with exhibits, a fish tank, and some outdoor facilities including several large tanks for fish, turtles, and other sea life, a plank trail through the adjacent woods with an observation tower and a clearing for observing butterflies.

Florida Atlantic University (“FAU”) is a public institution located in the Boca Raton area. The Boca Raton Campus of FAU, approximately eight miles from the Community, includes the Charles E. Schmidt College of Medicine.

There are approximately nine synagogues within a five mile radius of the Community. The three closest synagogues are Boca Raton Synagogue West, which is located approximately one mile north of the Community, and Congregation Shaarei Kodesh and Congregation Torah Ohr, both located approximately three miles north of the Community.

Four golf courses are located within a five mile radius of the Community including Boca Dunes Golf & Country Club, Boca Grove Golf & Tennis Club, Boca Lago Golf Course, and The Club at Boca Pointe.

Primary Market Area of the Community

The primary market area for providers of senior living services is typically defined as the geographic area from which a majority of prospective residents reside prior to assuming occupancy at the Community. As of February 17, 2014, there were 187 Independent Living Units reserved by 186 Depositors out of 237 available Independent Living Units, representing approximately 79 percent of the total Independent Living Units at the Community.

Based on the zip code origin of the Depositors, discussions with existing senior living providers in the area and experience with similar communities, the primary market area has been defined to be a 14 zip code area surrounding the Community, spanning approximately 17 miles from north to south, and 12 miles from east to west at the widest points (the "PMA"). The following table lists the 14 zip codes comprising the PMA.

Table 7
Independent Living Depositor Origin Data

Zip Code	Town	Number of Depositors⁽¹⁾	Percentage of Total
33437	Boynton Beach	34	18.3%
33496	Boca Raton	27	14.5%
33433	Boca Raton	23	12.4%
33487	Boca Raton	13	7.0%
33434	Boca Raton	13	7.0%
33446	Delray Beach	10	5.4%
33498	Boca Raton	9	4.8%
33432	Boca Raton	6	3.2%
33428 ⁽²⁾	Boca Raton	5	2.7%
33436	Boynton Beach	4	2.1%
33484	Delray Beach	3	1.6%
33431	Boca Raton	2	1.1%
33445	Delray Beach	2	1.1%
33486 ⁽³⁾	Boca Raton	0	0.0%
Total from PMA Zip Codes		151	81.2%
Other Florida areas		21	11.3%
Out of state		14	7.5%
Total		186	100.0%

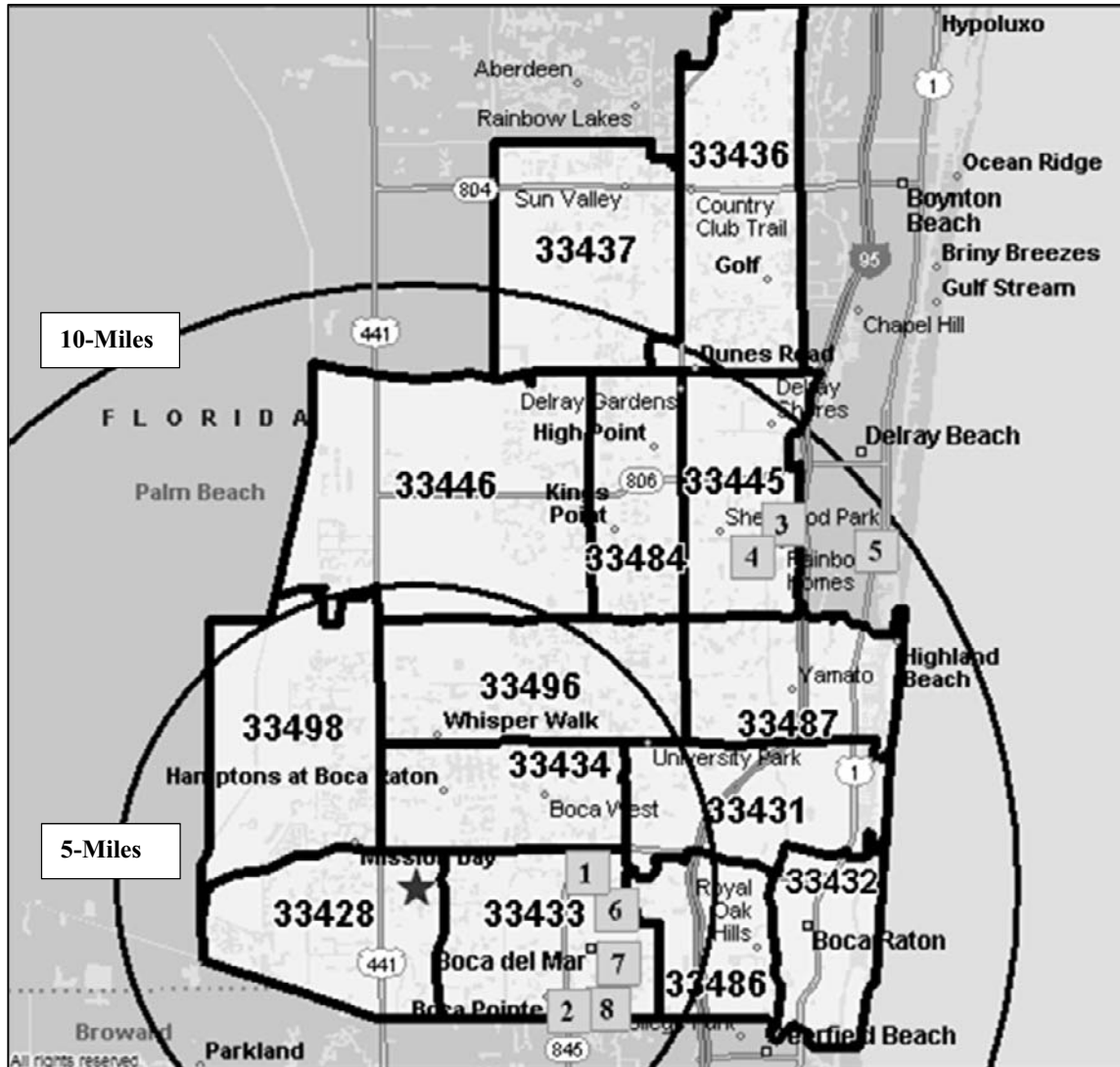
Source: Management

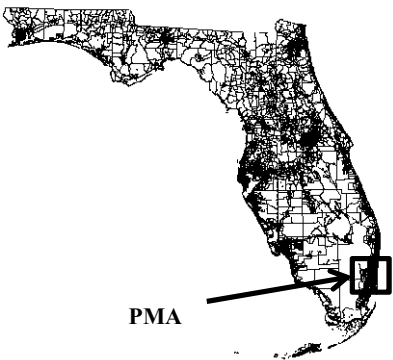
(1) Depositor information as of February 17, 2014. According to Management, one Depositor has reserved two Independent Living Units for a total of 187 units reserved.

(2) The Community is to be located in zip code 33428.

(3) Zip code 33486 has been added for purposes of contiguity.

The following map depicts the Community, other existing communities in and near and the PMA.



<p>Legend</p> <p>□ The Primary Market Area</p> <p>★ The Community</p> <p>Entrance Fee Communities in or near the PMA</p> <p>1 – St. Andrews Estates North & South</p> <p>2 – Edgewater Pointe Estates</p> <p>3 – Abbey Delray</p> <p>4 – Abbey Delray South</p> <p>5 – Harbour’s Edge (near the PMA)</p> <p>Rental Communities in the PMA</p> <p>6 – The Veranda Club</p> <p>7 – Five Star Premier Residences of Boca Raton</p> <p>8 – Stratford Court of Boca Pointe</p>	<p>Florida</p>  <p>PMA</p> <p>Source: Microsoft MapPoint and MapInfo</p>
--	---

See Independent Accountants’ Examination Report

Population

The age distribution of the population in a geographic area is a key factor in the determination of an area's retirement housing needs. The U.S. Census Bureau has compiled demographic data based on the 2010 census figures. Nielsen Claritas, a firm that specializes in the analysis of demographic data, has extrapolated the 2010 census information to derive the estimated 2014 figures and forecasted statistics for 2019. The following table presents population data by age cohort and the anticipated average annual compounded percentage change between 2000 and 2014 and 2014 and 2019 in the PMA, the State of Florida ("Florida"), and the United States.

Table 8
Historical, Estimated and Projected PMA,
Florida and United States Populations

	2000 Population (Census) ⁽¹⁾	2014 Population (Estimated)	2019 Population (Projected)	Compounded Annual Percentage Change 2000 – 2014	Compounded Annual Percentage Change 2014 – 2019
<u>PMA</u>					
Total Population	337,842	371,961	386,465	0.7%	0.8%
Age 65 to 74 Population	53,432	53,312	62,117	0.0%	3.1%
Age 75 to 84 Population	50,125	50,163	53,015	0.0%	1.1%
Age 85 Plus Population	14,603	27,070	29,814	4.5%	1.9%
Total 65 Plus	118,160	130,545	144,946	0.7%	2.1%
Total 75 Plus	64,728	77,233	82,829	1.3%	1.4%
<u>Florida</u>					
Total Population	15,982,377	19,654,457	20,782,174	1.5%	1.1%
Age 65 to 74 Population	1,452,079	2,006,724	2,474,484	2.3%	4.3%
Age 75 to 84 Population	1,024,140	1,162,194	1,280,998	0.0%	2.0%
Age 85 Plus Population	331,357	496,002	547,277	2.9%	2.0%
Total 65 Plus	2,807,576	3,664,920	4,302,759	1.9%	3.3%
Total 75 Plus	1,355,497	1,658,196	1,828,275	1.5%	2.0%
<u>United States</u>					
Total Population	281,421,942	317,199,353	328,309,464	0.9%	0.7%
Age 65 to 74 Population	18,390,870	25,630,875	31,928,703	2.4%	4.5%
Age 75 to 84 Population	12,361,442	13,554,516	15,011,456	0.7%	2.1%
Age 85 Plus Population	4,239,540	5,972,019	6,338,467	2.5%	1.2%
Total 65 Plus	34,991,852	45,157,410	53,278,626	1.8%	3.4%
Total 75 Plus	16,600,982	19,526,535	21,349,923	1.2%	1.8%

Source: Nielsen Claritas

(1) While Nielsen Claritas derives estimated and projected statistics from 2010 census figures, 2010 data is not yet available in Nielsen Claritas demographics reports.

The following table presents the percentage of total population by age group for the targeted age population in the PMA, Florida, and the United States.

	2000 (Census)		
	PMA	Florida	United States
<u>Age Groupings</u>			
65 plus	35.0%	17.6%	12.4%
75 plus	19.2%	8.5%	5.9%
85 plus	4.3%	2.1%	1.5%
	2014 (Estimated)		
	PMA	Florida	United States
<u>Age Groupings</u>			
65 plus	35.1%	18.6%	14.2%
75 plus	20.8%	8.4%	6.2%
85 plus	7.3%	2.5%	1.9%
	2019 (Projected)		
	PMA	Florida	United States
<u>Age Groupings</u>			
65 plus	37.5%	20.7%	16.2%
75 plus	21.4%	8.8%	6.5%
85 plus	7.7%	2.6%	1.9%

Source: Nielsen Claritas

Estimated Eligible Households within the PMA

In order to qualify for residency at the Community, a prospective resident must be at least 62 years of age and demonstrate sufficient financial resources to pay the Entrance Fee, required Monthly Fee and other expenses related to independent living services not provided for in the Residency Agreement. Accordingly, Management has established certain criteria to identify potential residents who are eligible to reside in an Independent Living Unit. Management estimates that prospective independent living residents should have a minimum monthly income of approximately 1.5 to 2.0 times the Monthly Fee and an asset level approximately 1.5 to 2.0 times the Entrance Fee required to become a Depositor.

For purposes of quantifying the number of income-qualified households in the PMA, households age 75 or older are considered to be the most likely to establish residency in an Independent Living Unit. The composition of Depositors as of February 17, 2014 is described in the table below:

Table 10
The Community
Depositor Composition

Age Group of Primary Depositors	Number of Depositors	Percentage
Under 75	5	2.7%
75 and older	181	97.3%
Total Primary Depositors on entry into the Community ⁽¹⁾	186	100.0%

Source: Management

(1) Represents the age of primary Depositors upon entry into the Community in 2015.

In addition, Management has considered the following two annual household income scenarios are presented for estimating the number of income-qualified households in the PMA:

- Annual household income approximately \$50,000 or more based on the Monthly Fee of an Addison one bedroom apartment, which is the smallest and least expensive unit at the Community; and
- Annual household income approximately \$75,000 or more based on the weighted average Monthly Fee of the Independent Living Units at the Community.

Of the Depositors, the median annual income is approximately \$129,300 and the median net worth is approximately \$2,405,000, based on self-reported Depositor information provided by Management as of February 17, 2014. The average age of Depositors (first persons) upon entry to the Community approximates 86 years of age when the Community opens in 2015.

The following table illustrates the 2014 estimated and the 2019 projected household income distribution for householders age 65 to 74 and 75 or over in the PMA.

Table 11
Income Eligible Households for Independent Living Services
Within the Primary Market Area

	2014 (Estimated)		
	65 – 74	75+	Total
Total Households:	31,000	52,586	83,886
<u>Household Income</u>			
Under \$50,000	14,472	37,898	52,370
<u>\$50,000 and over</u>			
\$50,000 – 74,999	5,935	6,614	12,549
\$75,000 – 99,999	3,792	3,355	7,147
\$100,000 – 149,999	3,518	2,695	6,213
\$150,000 plus	3,583	2,024	5,607
Total \$50,000 and over	16,828	14,688	31,516
Percentage of Income Eligible Households to Total Households – \$50,000 and over	53.8%	27.9%	37.6%
Total \$75,000 and over	10,893	8,074	18,967
Percentage of Income Eligible Households to Total Households – \$75,000 and over	34.8%	15.4%	22.6%
	2019 (Projected)		
	65 – 74	75+	Total
Total Households:	36,335	56,274	92,609
<u>Household Income</u>			
Under \$50,000	16,261	40,138	56,399
<u>\$50,000 and over</u>			
\$50,000 – 74,999	6,918	7,185	14,103
\$75,000 – 99,999	4,480	3,679	8,159
\$100,000 – 149,999	4,281	3,005	7,286
\$150,000 plus	4,395	2,267	6,662
Total \$50,000 and over	20,074	16,136	36,210
Percentage of Income Eligible Households to Total Households – \$50,000 and over	55.2%	28.7%	39.1%
Total \$75,000 and over	13,156	8,951	22,107
Percentage of Income Eligible Households to Total Households – \$75,000 and over	36.2%	15.9%	23.9%

Source: Nielsen Claritas

The following table compares the percentage of income-qualified households to total households for the \$50,000 and \$75,000 income qualification level for age 75 and above households within the PMA, Florida, and the United States.

Table 12
Comparison of Income-Qualified Households - 2015

	Age 75 and Above		
	PMA	Florida	United States
Percentage of Income Qualified Households to Total Households – \$50,000 and over	28.1%	23.1%	24.7%
Percentage of Income Eligible Households to Total Households – \$75,000 and over	15.5%	11.4%	12.8%

Source: Nielsen Claritas

The following table estimates the number of age- and income-qualified households in the PMA as estimated in 2014, interpolated in 2015 and projected in 2019 based on the 2000 Census.

Table 13
Income Eligible Households for Independent Living Services
Within the Primary Market Area

	Age 75 and Above		
	2014	2015	2019
Total \$50,000 and over	14,688	14,979	16,136
Percentage of Income Eligible Households to Total Households – \$50,000 and over	27.9%	28.1%	28.7%
Total \$75,000 and over	8,074	8,251	8,951
Percentage of Income Eligible Households to Total Households – \$75,000 and over	15.4%	15.5%	15.9 %

Source: Nielsen Claritas

Market Area Real Estate

The ability of potential residents to sell their home prior to assuming occupancy at a senior living community may have an impact on the ability of residents to pay the required entrance fee. Often, entrance fees are paid with funds received through the sale of a prospective resident's home. The following tables summarize the real estate statistics for the PMA.

Table 14
Market Area Real Estate Trends for PMA Zip Codes⁽¹⁾

Zip Code	2011			2012			2013 ⁽²⁾		
	Number of Homes Sold	Average Sales Price	Average Days on Market	Number of Homes Sold	Average Sales Price	Average Days on Market	Number of Homes Sold	Average Sales Price	Average Days on Market
33437 – Boynton Beach	491	\$234,596	156	605	\$232,629	143	692	\$264,307	86
33496 – Boca Raton	286	\$663,146	214	315	\$610,369	223	379	\$618,350	193
33433 – Boca Raton	300	\$273,299	139	353	\$293,384	138	395	\$331,963	93
33434 – Boca Raton	135	\$339,611	141	158	\$368,436	131	195	\$375,796	99
33446 – Delray Beach	227	\$461,922	164	274	\$464,999	187	341	\$455,968	128
33487 – Boca Raton	156	\$737,138	202	182	\$683,749	192	207	\$656,357	130
33498 – Boca Raton	224	\$325,182	155	261	\$329,788	147	290	\$349,590	105
33432 – Boca Raton	139	\$1,197,442	244	197	\$1,308,753	229	198	\$1,435,090	171
33436 – Boynton Beach	439	\$198,388	187	499	\$189,968	153	555	\$260,843	109
33428 – Boca Raton ⁽³⁾	454	\$199,433	142	428	\$221,754	129	485	\$262,664	103
33431 – Boca Raton	129	\$619,211	180	188	\$438,978	146	156	\$604,192	100
33484 – Delray Beach	138	\$226,813	157	154	\$288,464	133	162	\$319,579	96
33445 – Delray Beach	226	\$236,528	167	259	\$271,771	158	316	\$313,746	104
33486 – Boca Raton	230	\$339,759	153	267	\$366,192	124	292	\$446,760	99
Total/Weighted Avg.	3,574	\$367,160	168	4,140	\$380,520	157	4,663	\$417,397	113

Source: Miami MLS

(1) Information includes single-family home sales in the PMA.

(2) Reflects data through December 31, 2013.

(3) The Community is to be located in zip code 33428.

The following table summarizes the real estate statistics for the PMA categorized as follows:

- \$399,999 and under, based on the Entrance Fee of the smallest Independent Living Unit at the Community (the Addison I);
- \$400,000 – \$599,999, based on the approximate weighted average Entrance Fee of the Independent Living Units at the Community;
- \$600,000 – \$899,999, based on the Entrance Fee of the largest Independent Living Unit at the Community (the Waldorf); and
- \$900,000 and above, to reflect home values above the highest Entrance Fee at the Community.

Table 15
Residential Sales within the PMA⁽¹⁾⁽²⁾

Zip Code / Town	Sale Price												Total		
	\$399,999 and Under			\$400,000 - \$599,999			\$600,000 - \$899,999			\$900,000 and Above			2011	2012	2013
	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013	2011	2012	2013
33437 – Boynton Beach	472	581	653	17	23	37	2	1	2	0	0	0	491	605	692
33496 – Boca Raton	120	155	152	39	37	69	58	63	97	69	60	61	286	315	379
33433 – Boca Raton	251	298	303	36	43	73	9	6	11	4	6	8	300	353	395
33434 – Boca Raton	88	97	125	35	40	48	10	18	20	2	3	2	135	158	195
33446 – Delray Beach	128	162	195	45	59	81	33	27	39	21	26	26	227	274	341
33487 – Boca Raton	104	115	118	18	19	37	4	14	17	30	34	35	156	182	207
33498 – Boca Raton	171	197	207	43	55	73	9	8	10	1	1	0	224	261	290
33432 – Boca Raton	48	60	43	24	27	34	17	32	34	50	78	87	139	197	198
33436 – Boynton Beach	410	473	502	17	21	25	9	5	19	3	0	9	439	499	555
33428 – Boca Raton ⁽³⁾	411	382	414	38	40	61	4	6	10	1	0	0	454	428	485
33431 – Boca Raton	81	125	90	17	22	21	10	19	12	21	22	33	129	188	156
33484 – Delray Beach	118	125	132	7	11	6	6	10	8	7	8	16	138	154	162
33445 – Delray Beach	201	228	256	19	15	41	3	5	9	3	11	10	226	259	316
33486 – Boca Raton	175	190	167	36	48	72	13	20	37	6	9	16	230	267	292
Total	2,778	3,188	3,357	391	460	678	187	234	325	218	258	303	3,574	4,140	4,663
Percent of Total Home Sales in the PMA	77.7%	77.0%	72.0%	10.9%	11.1%	14.5%	5.3%	5.7%	7.0%	6.1%	6.2%	6.5%	100%	100%	100%

Source: Miami MLS

(1) Information includes single-family home sales in the PMA.

(2) Reflects data through December 31, 2013.

(3) The Community is to be located in zip code 33428.

Unemployment Trends

The unemployment trends for the City of Boca Raton, Palm Beach County, Florida and the United States are shown in the following table.

	2010	2011	2012	2013⁽¹⁾
City of Boca Raton	9.0%	8.2 %	7.0%	5.5%
Palm Beach County ⁽²⁾	11.4%	10.5%	8.8%	7.2%
Florida	11.3%	10.3%	8.6%	7.1%
United States	9.6%	8.9%	8.1%	7.4%

Source: U.S. Department of Labor, Bureau of Labor Statistics Data

(1) Unemployment data for 2013 is through November for the City of Boca Raton, Palm Beach County, and Florida. Unemployment data for 2013 for United States is through December.

(2) The Community is to be located in Palm Beach County.

Palm Beach County is supported by major employers such as Palm Beach County School District, Palm Beach County, Tenet Healthcare Corporation, NextEra Energy, and G4S.

Continuing Care Regulatory Requirements

In Florida, continuing care retirement communities are licensed and regulated by the Florida Office of Insurance Regulation (the "Office") under Title XXXVII, Chapter 651 of the Florida Statutes. The Florida Statutes define continuing care as: "furnishing pursuant to a contract shelter and either nursing care or personal services as defined in Section 400.402, whether such nursing care or personal services are provided in the facility or in another setting designated by the contract for continuing care, to an individual not related by consanguinity or affinity to the provider furnishing such care upon payment of an entrance fee."

A CCRC must be licensed with the Office prior to entering into continuing care contracts. Licensing must include providing audited financial statements and other information required by the Office. Annually, audited financial statements and an annual report are required each year subsequent to initial licensure. The provider is also required to issue a Disclosure Statement to prospective residents prior to closure of their continuing care contract.

Comparable Retirement Communities

Comparable communities include those offering independent living units and at least one level of health care services, such as assisted living and/or nursing care for age restricted seniors. Independent living units may be apartments, cottages, and/or free-standing homes where residents have access to on-site amenities, which typically include a choice of dining venues, library, lounge areas, fitness facilities, banking, game room, multi-purpose room, arts and crafts area, hair salon, a chapel, and more. Services typically include one meal per resident per day, weekly or bi-weekly housekeeping, all utilities except telephone, scheduled transportation, activities program, emergency call system in each residence, 24-hour security, interior and exterior maintenance, maintenance of grounds, and discounted health care services in on-site assisted living and nursing care facilities.

Comparable facilities are defined as those facilities that: (i) include independent living services; (ii) provide one or more other levels of care such as assisted living, dementia care and/or nursing care services; (iii) offer similar services and amenities within the PMA of the Community; and/or (iv) compete for similar age- and income-qualified residents.

CCRCs may provide a variety of contracts to residents. Generally, the major distinction in contract types relates to the health care benefit. The most common contract types are as follows:

Extensive or Life Care Contract (“Type A”) - Under a Type A contract, a resident typically pays an upfront entrance fee and an ongoing monthly service fee in exchange for the right to lifetime occupancy of an independent living unit with certain services and amenities. Residents of independent living who require assisted living or nursing care may transfer to the appropriate level of care and continue to pay essentially the same monthly service fee they had been paying for their residence, or upon permanent transfer, the fee may be adjusted to the weighted average of all monthly service fees. The Community is considered a Type A contract.

Modified Contract (“Type B”) - Under a Type B contract, the resident also generally pays an upfront entrance fee and an ongoing monthly service fee for the right to lifetime occupancy of an independent living unit with certain services and amenities. However, under a Type B contract, the CCRC typically provides assisted living or skilled nursing care to residents either (a) at a discounted rate on the per diem, e.g., 20 percent (20%) discount; (b) a certain number of days per year or per lifetime, e.g., 60-90 days; or (c) a combination of the two.

Fee-for-Service Contract (“Type C”) - A Type C contract also generally requires an upfront entrance fee and an ongoing monthly service fee for the right to lifetime occupancy of an independent living unit with certain services and amenities. However, under the Type C contract, residents who require assisted living or nursing care do not receive any discount on assisted living or skilled nursing services.

In addition to the three contract types described above, comparable retirement communities may also include rental communities that offer independent living housing and health care services, such as assisted living or nursing care. The resident is not required to pay an entrance fee, but rather signs a lease for the independent living unit selected and pays for various additional services utilized on a monthly or per diem basis at prevailing market rates.

The following tables profile the Community, the seven existing comparable retirement communities within the PMA and one existing comparable retirement community near the PMA.

Table 17
Entrance Fee Communities Within the Primary Market Area

	The Community	St Andrew's Estates North & South	Edgewater Pointe Estates
Location	Boca Raton – 33428	Boca Raton – 33433	Boca Raton – 33433
Miles from the Community	–	5.5	5.6
Sponsor/Developer	Jewish Federation of South Palm Beach	ACTS Retirement Life – Communities	ACTS Retirement Life – Communities
Year Opened	–	1978/1983	1983
Type of Contract	Type A	Type A	Type A
For Profit/Not-for-profit	Not-for-profit	Not-for-profit	Not-for-profit
Unit Configuration			
<i>Independent Living Units (ILUs)</i>			
Studio apartment	–	54	25
One-bedroom apartments	71	126	76
Two-bedroom apartments	166	202	162
Three-bedroom apartments	–	82	62
Homes/Cottages/Villas	–	–	–
Total ILUs	237	464	325
<i>Assisted Living Units</i>	72	70	51
<i>Nursing Care Beds</i>	60	89	99
Independent Living			
<i>Square Footage</i>			
Studio apartment	–	510	745
One-bedroom apartments	788 – 1,079	685	830
Two-bedroom apartments	1,070 – 1,667	994 – 1,370	1,140
Three-bedroom apartments	–	1,250 – 1,680	1,450
Homes/Cottages/Villas	–	–	–
<i>Entrance Fees</i>			
Studio apartment	–	\$137,900 – 160,900	\$141,900 – 155,900
One-bedroom apartments	\$410,690 – 574,000	\$195,900 – 230,900	\$214,900 – 246,900
Two-bedroom apartments	\$568,484 – 893,500	\$275,900 – 402,900	\$289,900 – 333,900
Three-bedroom apartments	–	\$347,900 – 422,900	\$362,900 – 413,900
Homes/Cottages/Villas	–	–	–
2 nd Person Entrance Fee	\$15,000	\$25,000	\$25,000
<i>Monthly Fees</i>			
Studio apartment	–	\$2,119	\$2,162
One-bedroom apartments	\$2,769 – 3,543	\$2,253	\$2,297
Two-bedroom apartments	\$3,636 – 4,621	\$2,659 – 2,973	\$2,703
Three-bedroom apartments	–	\$2,973 – 3,603	\$3,017
Homes/Cottages/Villas	–	–	–
2 nd Person Monthly Fee	\$1,116	\$1,650	\$1,650
<i>Refund Options</i>	0%, 50% & 90% (shown)	0%, 50% (shown)	0%, 50% (shown)
Assisted Living			
<i>Entrance Fee</i>	–	–	–
<i>Monthly Fee</i>	\$5,456 – 5,876	–	–
Nursing Care			
<i>Daily Rate</i>	\$327	\$263 – 329	\$250 – 324
Occupancy Rate			
<i>Independent Living</i>	–	90%	94%
<i>Assisted Living</i>	–	95%	90%
<i>Nursing Care</i>	–	90%	95%

Source: Management, surveys and site visits conducted by Dixon Hughes Goodman LLP through February 2014.

Table 17 (continued)
Entrance Fee Communities Within and Near the Primary Market Area

	Within the PMA		Near the PMA
	Abbey Delray	Abbey Delray South	Harbour's Edge
Location	Delray Beach – 33445	Delray Beach – 33445	Delray Beach – 33483
Miles from the Community	12.6	12.6	13.5
Sponsor/Developer	Lifespace Communities	Lifespace Communities	Lifespace Communities
Year Opened	1979	1982	1987
Type of Contract	Type A	Type A	Type A
For Profit/Not-for-profit	Not-for-profit	Not-for-profit	Not-for-profit
Unit Configuration			
<i>Independent Living Units (ILUs)</i>			
Studio	55	20	–
One-bedroom apartments	115	120	61
Two-bedroom apartments	160	53	207
Three-bedroom apartments	–	19	–
Homes/Cottages/Villas	28	44	–
Total ILUs	358	256	268
<i>Assisted Living Units</i>	14	–	–
<i>Nursing Care Beds</i>	100	90	54
Independent Living			
<i>Square Footage</i>			
Studio apartments	495	500	–
One-bedroom apartments	621 – 919	616 – 891	1,000 – 1,100
Two-bedroom apartments	919 – 1,290	987 – 1,350	1,430 – 2,430
Three-bedroom apartments	–	1,400	–
Homes/Cottages/Villas	1,036	1,400 – 1,732	–
<i>Entrance Fees</i>			
Studio apartments	\$94,985	\$95,857	–
One-bedroom apartments	\$125,500 – 179,450	\$132,792 – 189,131	\$309,000 – 478,000
Two-bedroom apartments	\$179,450 – 249,850	\$196,583 – 251,584	\$438,000 – 1,131,000
Three-bedroom apartments	–	\$262,211	–
Homes/Cottages/Villas	\$243,560	\$274,991 – 289,299	–
2 nd Person Entrance Fee	–	–	–
<i>Monthly Fees</i>			
Studio apartments	\$1,828	\$2,024	–
One-bedroom apartments	\$2,358 – 2,775	\$2,268 – 2,748	\$4,149
Two-bedroom apartments	\$2,775 – 3,050	\$2,748 – 3,492	\$4,596 – 7,138
Three-bedroom apartments	–	\$3,255	–
Homes/Cottages/Villas	\$2,922	\$3,255 – 3,492	–
2 nd Person Monthly Fee	\$1,314	\$1,275	\$1,560
<i>Refund Options</i>	0%	0%	0% & 75% (shown)
Assisted Living			
<i>Entrance Fee</i>	–	–	–
<i>Monthly Fee</i>	–	–	–
Nursing Care			
<i>Daily Rate</i>	\$285 – 333	\$271 – 325	\$325
Occupancy Rate			
<i>Independent Living</i>	90%	100%	96%
<i>Assisted Living</i>	100%	–	–
<i>Nursing Care</i>	99%	100%	92%

Source: Surveys and site visits conducted by Dixon Hughes Goodman LLP through February 2014.

Notes:**The Community**

- (1) Of the 72 assisted living units planned at the Community, 24 are designated for memory support with a Monthly Fee of \$5,876 (in 2014 dollars, deflated 3.5 percent annually).
- (2) Three refund plans are available at the Community: Plan A (shown), Plan B and Plan C. Plan B is 50 percent refundable and Plan C is zero percent refundable. Entrance Fees for Plan B are 25 percent less than standard Plan A pricing and Entrance Fees for Plan C are 54 percent less than standard Plan A pricing. Second generation residents will be offered Plan A.
- (3) Charter Residents receive a five percent discount on Entrance Fees at the Community. Entrance Fees listed represent Plan A rates, with the Charter Resident discount applied.
- (4) Entrance Fees shown for the Community are those currently being marketed to potential residents. The Monthly Fees and Daily Fees shown have been deflated from the 2016 rates currently being marketed to potential residents to 2014 dollars (at 3.5 percent annually) and are shown for comparative purposes only. Monthly Fees for Plan B and Plan C are the same as the Monthly Fees for Plan A.
- (5) Rates shown for the Health Care Center are for Direct Admit Residents.
- (6) The second person fee in an Assisted Living Unit at the Community is \$1,396 (in 2014 dollars, deflated 3.5 percent annually).

St. Andrew's Estates North & South ("St. Andrew's")

- (1) St. Andrew's Estates North ("St. Andrew's North") and St. Andrew's Estates South ("St. Andrew's South") are located on the same campus. St. Andrew's North opened for occupancy in 1978 and St. Andrew's South opened for occupancy in 1983. The assisted living units are located within St. Andrew's South and nursing beds are located within St. Andrew's North.
- (2) St. Andrew's Estates recently underwent a \$20 million renovation project in which one three-story independent living building with 70 units had been converted to assisted living and memory support. The first two floors include 46 assisted living units and the third floor includes 24 memory support units. St. Andrews is renovating its existing nursing center to add 13 private skilled nursing rooms resulting in a total of 68 nursing units for 89 individuals. The St. Andrew's renovation project resulted in a net increase of 30 assisted living units and a net decrease of 30 nursing beds. According to management at St. Andrew's Estates, the assisted living and memory support renovation was completed in September 2013. Residents have been moving into the nursing units as renovations are completed.
- (3) Entrance fees shown are for the 50 percent refundable plan for comparison to the Community. However, according to management of St. Andrew's, the majority of residents have chosen the zero percent refundable plan. The entrance fees for 0% refundable plan are as follows: \$94,900 to 100,900 for studios, \$134,900 to \$144,900 for one-bedrooms, \$189,900 to \$252,900 for two-bedrooms and \$239,900 to \$265,900 for three-bedrooms. Monthly fees for the zero percent refundable plan are as follows: \$1,926 for studios, \$2,048 for one-bedrooms, \$2,417 to \$2,703 for two-bedrooms and \$2,703 to \$3,275 for three-bedrooms. The second person monthly service fee is \$1,500 for the 0% refundable plan.
- (4) St. Andrew's offers a "Preview to Lifecare" program in which a limited number of residents can enter the community on a rental basis. The Preview to Lifecare program, which does not require an entrance fee, only offers living accommodations and limited services. Access to additional services, including healthcare, are on a fee-for-service basis. Approximately 10 residents at St. Andrew's are under the Preview to Lifecare program.
- (5) St. Andrew's does not accept direct admissions into the assisted living unit at the community. Direct admit residents are only accepted into the skilled nursing unit for short-term rehabilitation.

Edgewater Pointe Estates ("Edgewater Pointe")

- (1) The entrance fees shown are for the 50 percent refundable plan. The entrance fees for the zero percent refundable plan are as follows: \$97,900 for studios, \$147,900 to \$154,900 for one-bedrooms, \$199,900 to \$209,900 for two-bedrooms and \$249,900 to \$259,900 for three-bedrooms. Monthly fees for the zero percent refundable plan are as follows: \$1,965 for studios, \$2,088 for one-bedrooms, \$2,457 for two-bedrooms and \$2,743 for three-bedrooms. The second person monthly service fee is \$1,500 for the 0% refundable plan.
- (2) Edgewater Pointe does not accept direct admissions into the assisted living units at the community. Direct admit residents are only accepted into the skilled nursing unit for short-term rehabilitation.

Abbey Delray

- (1) Abbey Delray is currently undergoing a \$12 million renovation including renovations to the auditorium and dining facility.
- (2) Abbey Delray does not accept direct admissions into the assisted living units at the community. Direct admit residents are only accepted into the skilled nursing unit for short-term rehabilitation. Daily fees shown for the nursing beds at Abbey Delray are for direct admissions. Life care residents moving from independent living to assisted living or nursing would pay the monthly fee of their independent living units plus \$660 per month, which is the cost of two additional meals, plus ancillary fees.

Abbey Delray South

- (1) The daily fee shown for the nursing beds at Abbey Delray South is for direct admissions only. Life care residents moving from independent living to nursing would pay the monthly fee of their independent living units plus \$660 per month, which is the cost of two additional meals, plus ancillary fees.
- (2) The community is currently undergoing a \$7 million renovation including renovations to the common areas and dining venues. In addition, Abbey Delray South is adding a 15 bed secured memory support unit in the health center which is expected to be completed in late 2014.

Harbour's Edge

- (1) Due to its close proximity to the PMA and similar pricing structure to the Community, all existing independent living units at Harbour's Edge are included in the penetration rate analysis that follows.
- (2) The entrance fees shown are for the 75 percent refundable plan. The entrance fees for the zero percent refundable plan are as follows: \$223,000 to \$344,000 for one-bedrooms and \$315,000 to \$815,000 for two-bedrooms. Monthly fees for the zero percent refundable plan are the same as the 75 percent refundable plan.
- (3) The daily fee shown for the nursing beds at Harbour's Edge is for direct admissions only. Life care residents moving from independent living to nursing would pay the monthly fee of their independent living units plus \$660 per month, which is the cost of two additional meals, plus ancillary fees.

Table 18
Rental Communities within the Primary Market Area

	The Veranda Club	Five Star Premier Residences of Boca Raton	Stratford Court of Boca Pointe
Location	Boca Raton – 33433	Boca Raton – 33433	Boca Raton – 33433
Miles from the Community	5.3	5.7	6.1
Sponsor/Developer	Capital Senior Living	Five Star Senior Living	Sunrise Senior Living
Year Opened	1987	1990	1994
For Profit/Not-for-profit	For Profit	For Profit	For Profit
Unit Configuration			
<i>Independent Living Units (ILUs)</i>			
Studio apartments	–	–	15
One-bedroom apartments	105	94	151
Two-bedroom apartments	36	61	150
Total ILUs	141	155	316
<i>Assisted Living Units</i>	49	59	138
<i>Nursing Care Beds</i>	–	–	30
Independent Living			
<i>Square Footage</i>			
Studio apartments	–	–	484
One-bedroom apartments	730	620 – 830	602 – 730
Two-bedroom apartments	930	1,052 – 1,113	893 – 1,119
<i>Monthly Fees</i>			
Studio apartments	–	–	\$2,950
One-bedroom apartments	\$3,080 – 3,368	\$3,200 – 3,700	\$3,400 – 3,750
Two-bedroom apartments	\$3,806 – 4,114	\$4,300 – 4,600	\$3,800 – 4,500
2 nd Person Monthly Fee	\$500	\$800	\$500
Assisted Living			
<i>Entrance Fee</i>	–	–	–
<i>Monthly Fee</i>	\$3,543 – 3,862	\$4,200 – 5,000	\$3,000
Nursing Care			
<i>Daily Rate</i>	–	–	\$275 – 300
Occupancy Rate			
<i>Independent Living</i>	90%	100%	97%
<i>Assisted Living</i>	90%	92%	92%
<i>Nursing Care</i>	–	–	95%

Source: Surveys and site visits conducted by Dixon Hughes Goodman LLP through February 2014.

*Notes:***The Veranda Club**

- (1) A \$1,500 non-refundable community fee is required upon move-in to The Veranda Club.
- (2) The assisted living second person monthly fee is \$1,000.
- (3) In addition to the base rates shown, two additional levels of care are offered in the assisted living units for monthly fees of \$500 and \$1,000.

Five Star Premier Residences of Boca Raton (“Five Star Retirement”)

- (1) A community fee equal to one month’s rent is required upon move-in to Five Star Retirement.
- (2) The assisted living community fee is \$2,500 and the second person monthly fee for the assisted living units is \$1,000 plus incremental level of care fees.
- (3) In addition to the base rates shown, four levels of care are offered in the assisted living units for monthly fees of \$200, \$400, \$900 and \$1,100. Medication administration ranges from \$180 to \$300 per month.

Stratford Court of Boca Pointe (“Stratford Court”)

- (1) A \$3,000 non-refundable community fee is required upon move-in to Stratford Court.
- (2) Of the 138 assisted living units at Stratford Court, 18 are in a secured memory support unit with monthly fees starting at a base rate of \$5,419.
- (3) In addition to the base rates shown, four levels of care are offered in the assisted living units for monthly fees of \$487, \$943, \$1,643 and \$2,312. There are three additional levels of care in the memory support units with monthly fees of \$700, \$1,369 and \$2,008. Medication administration ranges from \$335 to \$608 per month. Incontinence services ranges from \$152 to \$456 per month.

Non-Comparable Retirement Communities within the PMA

The following table shows two independent living communities within the PMA that are not considered to be comparable to the Community due to pricing structure and lack of healthcare services offered. These rental communities are shown for informational purposes only and are not included in the penetration rate analyses that follow.

Table 19
Non-Comparable Independent Living Communities within the PMA

	Driving Miles from the Community	Year Opened	Number of Units	Percent Occupied	Square Footage	Monthly Fee
Banyan Place ⁽¹⁾	8.5	1998	93	92%	255 – 800	\$1,555 – 2,470
Windward Palms	17.4	2007	118	95%	383 – 972	\$2,500 – 5,000

Source: Surveys conducted by Dixon Hughes Goodman LLP through February 2014.

(1) The second person monthly fee at Banyan Place is \$400.

Comparable Retirement Communities Planned or Under Development in or near the PMA

Based on discussions with representatives of the local planning and permitting agencies and interviews with management at existing retirement communities, other than the Community, there is one planned senior living community with independent living units in the PMA.

Allegro Senior Living, LLC is developing a senior living community to be known as “Allegro Senior Living at Boynton Beach” (“Allegro Boynton Beach”), approximately 14 miles north of the Community on a 7.5-acre site at 11450 Hagen Ranch Road in Boynton Beach. Allegro Boynton Beach is expected to include approximately 67 independent living units, 44 assisted living units and 25 memory support units in a three-story configuration. Construction on the project commenced in November 2013 and is expected to be available for occupancy in November 2014. Pricing is expected to start at \$4,000. Full pricing and floor plans information are expected to be available in April 2014.

Summary of Independent Living Units

There are 2,283 existing independent living units at the eight aforementioned retirement communities located within or near the PMA. Including the 237 Independent Living Units at the Community and the 67 independent living units planned at Allegro Boynton Beach, the total number of existing and planned independent living units within or near the PMA is 2,587.

Table 20
Summary of Existing and Planned Comparable Independent Living Units
within and near the PMA

Comparable Retirement Communities	Existing	Planned	Total
<i>Entrance Fee Communities</i>			
St. Andrews	464	–	464
Edgewater Pointe	325	–	325
Abbey Delray	358	–	358
Abbey Delray South	256	–	256
Harbour’s Edge (Outside the PMA) ⁽¹⁾	268	–	268
Total Entrance Fee Units	1,671	–	1,671
<i>Rental Communities</i>			
Veranda Club	141	–	141
Five Star Residences	155	–	155
Stratford Court	316	–	316
Allegro Boynton Beach ⁽²⁾	–	67	67
Total Rental Units	612	67	679
The Community	–	237	237
Total Existing and Planned Comparable Independent Living Units	2,283	304	2,587

Source: Management, surveys and site visits conducted by Dixon Hughes Goodman LLP through February 2014.

- (1) Harbour’s Edge is located outside the PMA. Due to its close proximity to the PMA and similar pricing structure to the Community, all existing independent living units at Harbour’s Edge are included in the penetration rate analysis that follows.
- (2) Construction on Allegro Boynton Beach commenced in November 2013. The community is expected to be available for occupancy in November 2014.

Independent Living Penetration Analysis

Penetration rates are one measure of the degree to which the PMA is either under-served or saturated. As penetration rates increase, units may become more difficult to fill. However, higher penetration rates may not necessarily be an indication of the difficulty in achieving expected occupancy levels. Some markets may have a higher acceptance level for senior living housing options and may support higher penetration rates. Three penetration rate calculations are shown in the following tables:

Project Penetration Rate – The Project Penetration Rate is the percentage of age- and income-qualified households in the PMA the **Community** is expected to capture in order to achieve stabilized occupancy in the year of opening. The Project Penetration Rate is calculated by dividing the number of Independent Living Units at the Community by the number of age- and income-qualified households in the PMA. Seniors currently living in competitive independent living units in the PMA are subtracted from the pool of age- and income-qualified households. Calculations are based on demographics interpolated for the year the Community is expected to be available for occupancy (2015).

Net Market Penetration Rate (Absorption Rate) – The Net Market Penetration Rate is the percentage of age- and income-qualified households the **available units in the market** are expected to capture in order for the entire market to achieve stabilized occupancy in the year of opening. The Net Market Penetration Rate is calculated by dividing the number of available independent living units in the PMA by the number of age- and income-qualified households in the PMA. Available units include planned units of the Community, proposed units at other communities and units becoming available due to attrition. This calculation is of particular significance when more than one project is entering the market during the same timeframe. Calculations are based on demographics interpolated for the year the Community is expected to be available for occupancy (2015).

Gross Market Penetration Rate – The Gross Market Penetration Rate is the percentage of age- and income-qualified households that the **total market** must absorb for the entire market to achieve stabilized occupancy. Market penetration is calculated by dividing the total number of existing and planned independent living units in the PMA by the number of age- and income-qualified households in the PMA. Calculations are based on the demographics projected for the current year and the year the Community is expected to achieve stabilized occupancy (assuming the Community represents the “newest” units in the market).

In all three calculations, the total independent living units are adjusted to reflect assumptions about the percentage of units expected to be filled from qualified households in the PMA and occupancy.

These rates should be considered in conjunction with each other and other market factors such as occupancy levels at existing communities within and near the PMA, the number of proposed facilities in the PMA, the design of the units and community spaces at the Community, alternatives for potential residents, and marketing plans and efforts of Management.

The following table represents the Project Penetration Rates which represent the percentage of age- and income-qualified households in the PMA the Community is expected to capture upon opening in order to achieve stabilized occupancy, assuming annual household incomes of \$50,000 and over and \$75,000 and over, based upon demographic projections for 2015.

Table 21
Project Penetration Rate – 2015

	Age 75 and Above with Income \$50,000 and Above	Age 75 and Above with Income \$75,000 and Above
Planned units at the Community	237	237
Percentage of units to be filled from the PMA ⁽¹⁾	80%	80%
Planned units to be filled from the PMA	190	190
Percentage of units to be filled by age 75 and older ⁽¹⁾	95%	95%
Planned units to be filled by age 75 and older	181	181
Total units at the Community to be filled at 95% occupancy (a)	172	172
Number of age- and income-qualified households ⁽²⁾	14,979	8,251
Less: Existing inventory of available comparable units ⁽³⁾	(2,209)	(2,209)
Net number of age- and income-qualified households (b)	12,770	6,042
Project Penetration Rate (a/b)	1.4%	2.9%

Source: Management and Nielsen Claritas

(1) Based upon Depositor information provided by Management as of February 17, 2014.

(2) Interpolated using 2014 estimated and 2019 projected population statistics as provided by Nielsen Claritas.

(3) Reflects the 2,350 existing and planned comparable units in or near the PMA based on a 94 percent current weighted average occupancy in the PMA (2,209 units).

The following table presents the Net Market Penetration Rate for the year of the Community's planned opening, and indicates the percentage of the age- and income-qualified households in the PMA that must be absorbed in order to fill the available units during that year, based upon demographic projections for 2015.

Table 22
Net Market Penetration Rate – 2015

Age 75 and Above	Income \$50,000 and Above	Income \$75,000 and Above
Planned units in the PMA:		
The Community	237	237
Other planned units ⁽¹⁾	67	67
Total planned units	304	304
Percent of units to be occupied by age 75 and older ⁽²⁾	95%	95%
Total planned units to be occupied by age 75 and older	289	289
Total planned units to be occupied at 95% occupancy from the PMA	275	275
Unoccupied existing comparable units to be filled within the PMA ⁽³⁾	25	25
Total existing units available due to attrition ⁽⁴⁾	338	338
Total units to be occupied	638	638
Percent of units to be occupied from the PMA ⁽²⁾	80%	80%
Total units to be occupied from within the PMA by 75 and older (a)	510	510
Estimated number of age- and income-qualified households ⁽⁵⁾	14,979	8,251
Less: Existing inventory of available comparable units ⁽⁶⁾	(2,146)	(2,146)
Estimated number of age- and income-qualified households (b)	12,833	6,105
Net Market Penetration Rate (a/b)	4.0%	8.4%

Source: Management and Nielsen Claritas

- (1) Other than the Community, there are 67 additional independent living units planned in the PMA.
- (2) Based upon Depositor information provided by Management as of February 17, 2014.
- (3) Based on the weighted average occupancy of approximately 94 percent in the PMA, approximately 25 additional existing units would need to be filled to achieve 95 percent occupancy at comparable existing communities in the PMA.
- (4) Reflects the 1,671 existing entrance fee units in or near the PMA at 94 percent occupancy, assuming 13.1 percent attrition (206 units) and the 612 existing rental units in the PMA at 94 percent occupancy, assuming 22.9 percent attrition (132 units) for a total of 338 units available due to attrition. (Source: AAHSA State of Seniors Housing, 2012)
- (5) Interpolated using 2014 estimated and 2019 projected population statistics as provided by Nielsen Claritas.
- (6) Reflects the 2,283 existing comparable units in or near the PMA, based on a 94 percent current weighted average occupancy in the PMA (2,146 units).

The following table presents the Gross Market Penetration Rate, which represents the percentage of age- and income-qualified households in the PMA that the entire market is expected to capture when the entire market has reached stabilized occupancy, based upon demographic projections for 2014 and 2019.

Table 23
Gross Market Penetration Rate
Age 75 and Above

	Income \$50,000 and Above		Income \$75,000 and Above	
	2014	2019	2014	2019
Market inventory of retirement communities:				
The Community	–	237	–	237
Comparable retirement communities				
Existing units	2,283	2,283	2,283	2,283
Proposed units ⁽¹⁾	–	67	–	67
Total units in the PMA	2,283	2,587	2,283	2,587
Percent of units to be occupied from the PMA ⁽²⁾	80%	80%	80%	80%
Total units to be occupied from the PMA	1,826	2,070	1,826	2,070
Total units to be filled at 95% occupancy (a)	1,735	1,967	1,735	1,967
Number of age- and income-eligible households (b)	14,688	16,136	8,074	8,951
Market Penetration Rate (a/b)	11.8%	12.2%	21.5%	22.0%

Source: Management and Nielsen Claritas

(1) Other than the Community, 67 additional independent living units are planned in the PMA.

(2) Based upon Depositor information provided by Management as of February 17, 2013.

Marketing the Community

The success of the Community is dependent, in part, on Management's ability to achieve specified pre-sales, fill-up rates and turnover rates for Independent Living Units. Management began accepting non-binding priority deposit agreements on Independent Living Units in July 2011 and began converting priority deposits to Reservation Deposits in April 2012.

Reservation Deposits are being held in an interest-bearing escrow account. If a Depositor cancels the Reservation Agreement within 30 days from the date it is executed but prior to occupancy, all money is expected to be refunded to the Depositor, including the Reservation Deposit and accumulated interest on the Reservation Deposit for Charter Residents. If a Depositor voluntarily cancels the Reservation Agreement after 30 days from the date it is executed but prior to occupancy, all money is expected to be refunded to the Depositor, including the Reservation Deposit and accumulated interest on the Reservation Deposit for Charter Residents, but less a forfeiture penalty of two percent (2%) of the entire Entrance Fee.

To assist in the marketing of the Community and to encourage earlier commitments to residency, the Corporation has offered a Charter Resident Benefit Program to offer certain benefits to prospective Residents for the Independent Living Units at the Community.

As of February 17, 2014, 186 Depositors had reserved 187 Independent Living Units (net of cancellations) out of a total of 237 Independent Living Units at the Community, or approximately 79 percent of the total Independent Living Units.

The following table presents the total number of Independent Living Units reserved by month reported by Management, as of February 17, 2014.

Year	Number of Units Reserved	Number of Cancellations/ Refunds	Net Reservations for Month	Cumulative Units Reserved	Cumulative Percentage of Total Units
2012:					
April ⁽¹⁾	10	–	10	10	4.2%
May	9	–	9	19	8.0%
June	15	(2)	13	32	13.5%
July	13	(1)	12	44	18.6%
August	11	(1)	10	54	22.8%
September	6	(1)	5	59	24.9%
October	6	(2)	4	63	26.6%
November	3	(1)	2	65	27.4%
December	–	–	–	65	27.4%
2013:					
January	10	–	10	75	31.6%
February	11	(1)	10	85	35.9%
March	10	(3)	7	92	38.8%
April	11	(3)	8	100	42.2%
May	10	–	10	110	46.4%
June	4	(1)	3	113	47.7%
July	10	(4)	6	119	50.2%
August	11	(2)	9	128	54.0%
September	10	(1)	9	137	57.8%
October	15	(2)	13	150	63.3%
November	10	(5)	5	155	65.4%
December	12	(5)	7	162	68.4%
2014					
January	13	(1)	12	174	73.4%
February ⁽²⁾	19	(6)	13	187	78.9%
Total	229	(42)	187	187	78.9%

Source: Management

(1) Conversion of initial interest list to Depositors began April 1, 2012.

(2) As of February 17, 2014, 186 Depositors have reserved 187 units out of a total of 237 proposed Independent Living Units at the Community.

As of February 17, 2014, 186 Depositors had reserved 187 units out of a total of 237 proposed Independent Living Units at the Community, or approximately 79 percent of the total Independent Living Units. The following table presents the total number and type of Independent Living Units available at the Community in relation to the Independent Living Units reserved with a Reservation Deposit as of February 17, 2014.

Table 25
Inventory of Independent Living Units at the Community

Unit Type	Square Footage	Total Units	Number of Units Sold	Percentage of Available Units Sold
One Bedroom Apartments:				
Addison I	788	21	21	100.0%
Addison II	804	2	2	100.0%
Bellucia	836	3	1	33.3%
Cloister I	849	8	6	75.0%
Cloister II	849	4	4	100.0%
Colonnades I	981	29	28	96.6%
Colonnades II	1,055	3	2	66.7%
Colonnades III	1,079	1	1	100.0%
Two Bedroom Apartments				
El Camino I	1,070	32	27	84.4%
El Camino II	1,118	4	4	100.0%
Floresta I	1,129	29	15	51.7%
Floresta II	1,153	4	1	25.0%
Floresta III	1,144	5	2	40.0%
Lagomar	1,207	18	4	22.2%
Mirasol	1,225	20	15	75.0%
Mizner	1,282	8	8	100.0%
Riviera	1,291	11	11	100.0%
Solano	1,376	1	1	100.0%
Tuscany	1,410	12	12	100.0%
Vanderbilt	1,602	18	18	100.0%
Waldorf	1,667	4	4	100.0%
Total Independent Living Units		237	187	78.9%

Source: Management

Independent Depositor Confirmation

An independent confirmation process was performed by Dixon Hughes Goodman LLP through the mailing of a questionnaire and telephone calls to the 186 Depositors (reserving 187 Independent Living Units) as of February 17, 2014. As of February 24, 2014, 177 of the 186 Depositors (95 percent) had completed the questionnaire. The following information was compiled for the 177 completed questionnaires.

- 177 (100 percent) of the respondents indicated that they had paid a Deposit for their Independent Living Unit.
- 171 (97 percent) indicated that they intend to reside at the Community and six (three percent) were unsure.
- 82 (46 percent) indicated that they expect to reside alone and 95 (54 percent) indicated that they expect to reside with a spouse, relative or friend.
- 171 (97 percent) indicated that they currently own their home. Fourteen (eight percent) of the 171 respondents who own their home indicated that they expect to use the proceeds from the sale of their home to pay the balance of their entrance fee upon moving into the Community.
- Nine (five percent) of the respondents indicated they had reserved an independent living unit or were on a waiting list of a competitive community; eight of these respondents indicated that they intend to reside in an Independent Living Unit at the Community and the remaining respondent indicated they intend to reside at a competitive community.

The following table indicates how respondents intend to pay the balance of their Entrance Fee:

	Number of Respondents	Percentage of Respondents
Using cash reserves or savings	25	14.1%
Using proceeds from the sale of investments	3	1.7%
Using proceeds from the sale of home	14	7.9%
Some combination of the above	126	71.2%
Other/did not respond	9	5.1%
Total	177	100.0%

Source: Questionnaire responses

The following table indicates which communities the respondents have placed a deposit as well as the amount of the deposit:

Table 27
Deposits at Other Communities

Community	Number of Respondents	Amount of Deposit				Amount not specified
		Less than \$5,000	\$5,000 to \$25,000	\$25,000 to \$50,000	Greater than \$50,000	
Five Star Premier Residences	2	1	–	–	–	1
Harbour's Edge	2	–	1	–	–	1
Newbridge on the Charles ⁽¹⁾	1	–	–	–	–	1
LaPosada	1	–	–	–	–	1
The Vi	1	–	–	–	–	1
Green Spring ⁽²⁾	1	1	–	–	–	–
Cedar Crest ⁽³⁾	1	1	–	–	–	–
Total	9	3	1	–	–	5

Source: Questionnaire responses

(1) The New Bridge on the Charles is located in Boston, Massachusetts

(2) The Green Spring is located in Springfield, Virginia

(3) The Cedar Crest is located in Pompton Plains, New Jersey

Respondents indicated the following as to how soon they intended to move into their Independent Living Unit after it becomes available:

Table 28
Move-ins After Unit Becomes Available

	Number of Respondents	Percentage of Respondents
1 – 30 days	57	32.2%
31 – 60 days	24	13.5%
61 – 90 days	7	4.0%
Upon the sale of home	69	39.0%
Other/did not respond	20	11.3%
Total	177	100.0%

Source: Questionnaire responses

Respondents indicated their primary reason(s) for choosing the Community were as follows:

Table 29
Community Suitability

	Number of Respondents ⁽¹⁾	Percentage of Respondents
Reputation of the Federation and/or the Community	137	77.4%
Social activities	120	67.8%
Access to health care	114	64.4%
Geographic location	106	59.9%
Proximity to friends and relatives	97	54.8%
Other	10	5.7%

Source: Questionnaire responses

(1) Respondents were given the option of choosing more than one reason for choosing the Community.

Depositor File Vouching

Dixon Hughes Goodman LLP read Management's policies and procedures for accepting Depositors and confirmed that each Depositor met Management's criteria. Dixon Hughes Goodman performed the following procedures regarding the 186 Depositors (187 Independent Living Units) for the Community:

- Confirmed 100 percent to have a Reservation Agreement executed by both the Depositor(s) and the Corporation;
- Confirmed 100 percent to include copies of a deposit check equal to the Entrance Fee Deposit for the selected Independent Living Unit and plan;
- Confirmed 100 percent that the amount of the Entrance Fee and the Monthly Service Fee matched the Independent Living Unit and plan selected; and
- Based on reported income and asset levels, confirmed that 100 percent of the Depositors either met Management's asset and income qualification test, or displayed sufficient financial resources as approved by Management.

In addition to the above, Dixon Hughes Goodman reconciled the Entrance Fee Deposits to an escrow account statement through January 31, 2014.

The following table presents information regarding the self-reported net worth (including home values) before payment of the Entrance Fee and estimated annual income of the 186 Depositors as of February 17, 2014.

Table 30
Reported Annual Income and Net Worth of Depositors

Annual Income	Net Worth				Total	Percent of Total
	Less than \$1,250,000	\$1,250,000 to \$2,499,999	\$2,500,000 to \$4,999,999	\$5,000,000 and greater		
Less than \$50,000	3	2	–	–	5	2.7%
\$50,000 to \$74,999	10	7	3	1	21	11.3%
\$75,000 to \$99,999	14	25	3	0	42	22.6%
\$100,000 to \$149,999	3	21	14	3	41	22.0%
\$150,000 and greater	2	11	24	40	77	41.4%
Total ⁽¹⁾	32	66	44	44	186	
Percent of Total	17.2%	35.4%	23.7%	23.7%		100.0%

Source: Depositor applications

(1) The median net asset amount of the 186 Depositors (187 Independent Living Units) who reported their financial information is approximately \$2,405,000 and the median annual income amount is approximately \$129,300.

Description and Utilization of Assisted Living

Assisted living facilities are licensed under Chapter 429 of the Florida Statutes and Florida Administrative Code Chapter 58A-5, Department of Elder Affairs. The Florida Agency for Health Care Administration (the “Agency”) regulates assisted living facilities and a facility must have a minimum of four beds to be eligible for licensure.

Florida does not have a Certificate of Need requirement for assisted living facilities. Assisted living facility licenses are not transferable. The Agency must be notified 60 days prior to an ownership change and follow the established procedures during the transition period in order to be eligible for a new license.

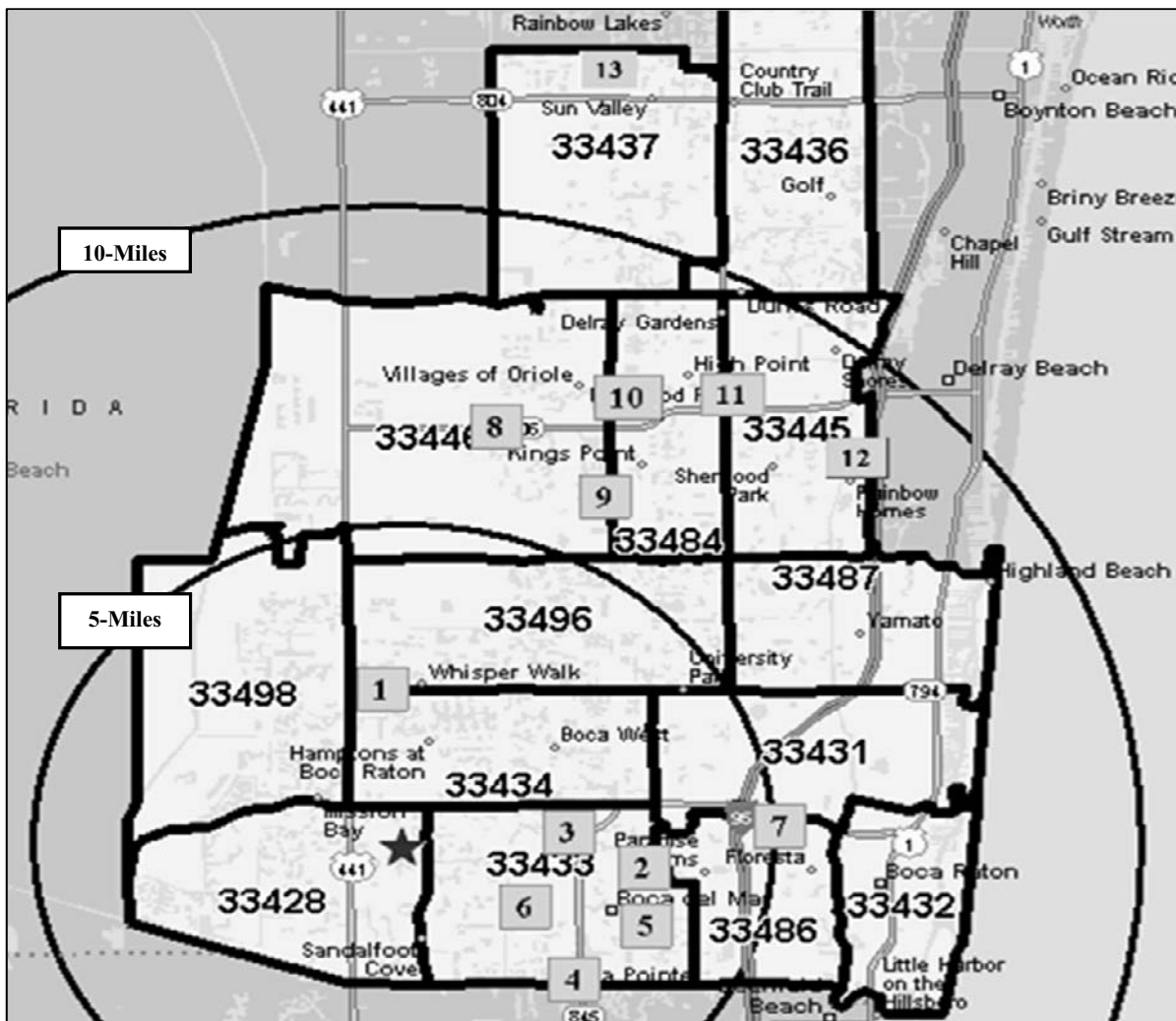
Assisted living facilities must be initially licensed as a standard “Assisted Living Facility” and may further obtain a specialty license to provide Limited Nursing Services (“LNS”) or Extended Congregate Care (“ECC”). The Agency licenses and regulates facilities which provide assisted living services. LNS providers are able to provide routine nursing services, such as the care of dressings, casts, braces and splints, as long as such services are not complex enough to require 24-hour nursing supervision. Facilities licensed as ECC providers can provide residents with personal care, administration of medications, assistance with activities of daily living and limited nursing care. ECC providers may provide total assistance with up to three activities of daily living. ECC providers enable residents to age in place in a residential environment despite mental or physical limitations, which creates a higher level of care, and therefore, requires an additional license for these services. For the purposes of this report, the general industry term “assisted living” will include Assisted Living Facilities, LNS and ECC providers.

Assisted Living Facilities with a majority of residents receiving subsidies and facilities with a capacity of less than 20 units are not considered to be comparable with the Community due to the small size of these facilities and their typically low fee structure.

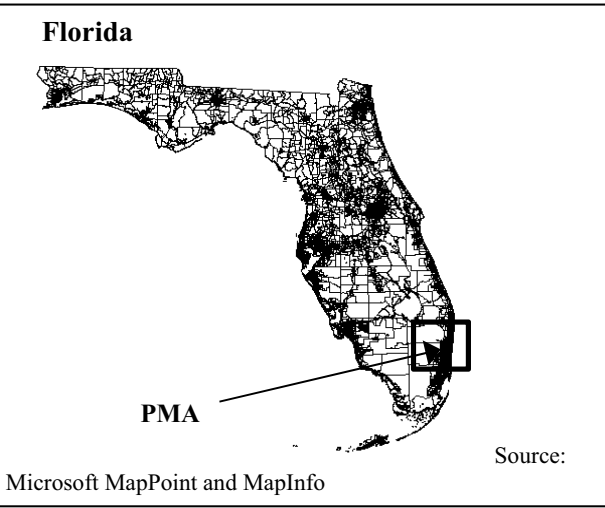
Primary Market Area for Health Care Services

Management has defined the primary market area for health care services to be the same as the PMA for independent living services.

The following map depicts the Community and the 13 existing assisted living facilities within the PMA.



- Legend**
- The PMA
 - ★ The Community
- Existing Assisted Living Facilities in the PMA**
- 1 – Homewood at Boca Raton
 - 2 – Veranda Club
 - 3 – St. Andrew’s
 - 4 – Edgewater Pointe
 - 5 – Five Star Retirement
 - 6 – Stratford Court
 - 7 – The Atrium at Boca Raton
 - 8 – Homewood at Delray Beach
 - 9 – Arden Courts of Boca Raton
 - 10 – Grand Villa Delray West
 - 11 – Grand Villa Delray East
 - 12 – Abbey Delray
 - 13 – Emeritus at Boynton Beach



Existing Comparable Assisted Living Facilities

The following table identifies the 13 comparable existing assisted living facilities located within the PMA and summarizes the number of units, square footage, occupancy and current monthly fees of the comparable facilities based on surveys conducted through February 2014.

Table 31
Comparable Assisted Living Facilities within the PMA

Facility Name	Miles from the Community	Year Opened	Number of Assisted Living Units	Number of Memory Support Units	Square Footage	Occupancy Percentage	Assisted Living Monthly Fees	Memory Support Monthly Fees	Level of Care Fees
The Community	–	–	48	24	525 – 750	–	\$5,456 – 5,876	\$5,876	–
Homewood at Boca Raton	3.5	2000	60	14	300 – 450	95%	\$3,100 – 4,373	\$4,958 – 6,107	See note
Veranda Club	5.3	1987	49	–	730	90%	\$3,543 – 3,862	–	I – \$500 II – \$1,000
St. Andrew's	5.5	2013	70	–	500	95%	–	–	–
Edgewater Pointe Estates	5.6	1983	51	–	480	90%	–	–	–
Five Star Retirement	5.7	1990	59	–	441 – 647	92%	\$4,200 – 5,000	–	I – \$200 II – \$400 III – \$900 IV – \$1,100
Stratford Court	6.1	1994	120	18	300 – 500	92%	\$3,000	\$5,419	I – \$487 II – \$943 III – \$1,643 IV – \$2,312
The Atrium at Boca Raton	6.8	2004	105	39	289 – 859	95%	\$3,500 – 6,000	\$4,295 – 4,995	–
Homewood at Delray Beach	9.1	2000	52	28	370 – 510	78%	\$3,000 – 4,000	\$4,805 – 5,650	See note
Arden Courts of Boca Raton	9.5	1998	–	56	168	95%	–	\$4,900 – 5,800	–
Grand Villa Delray West	11.7	1987	87	32	385 – 727	100%	\$2,975 – 4,475	\$4,975 – 5,475	I – \$200 II – \$600 III – \$900 IV – \$1,200
Grand Villa Delray East	12.0	1985	126	16	400 – 850	84%	\$2,675 – 4,150	\$4,575 – 5,550	I – \$200 II – \$700 III – \$900 IV – \$1,200
Abbey Delray	12.6	1979	14	–	495 – 919	100%	–	–	–
Emeritus at Boynton Beach	17.0	1998	147	36	300 – 700	95%	\$3,200 – 4,300	\$4,225 – 4,800	I – \$450 II – \$650 III – \$850 IV – \$1,050 V – \$1,250
Total Number of Units (excluding the Community)			940	239					
Weighted Average Occupancy						92%			

Source: Management and surveys conducted by Dixon Hughes Goodman LLP through February 2014.

Notes to Table:**The Community**

- (1) The Monthly Fees shown for the Community are for Direct Admit Residents and have been deflated 3.5 percent annually from 2016 rates to reflect 2014 dollars for purposes of comparison. The second person monthly fee for the Assisted Living Units is \$1,396 (in 2014 dollars).

Homewood at Boca Raton

- (1) A community fee equal to \$3,000 is required upon move-in at Homewood at Boca Raton.
- (2) The second person monthly fee is \$1,000 plus level of care fees.
- (3) Homewood at Boca Raton offers two personal service plan care packages: Choice Personal Services and Comprehensive Care Options. Personal assessments upon entry determine the type of care package for each resident. The maximum cost of the Choice Personal Services and Comprehensive Care packages is \$1,100 and \$880, respectively. According to management of Homewood at Boca Raton, the average additional care cost per resident is \$750.
- (4) The monthly fees for memory care are all inclusive.

Veranda Club

- (1) A community fee equal to \$1,500 is required upon move-in at The Veranda Club.

St. Andrew's Estates North & South

- (1) St. Andrew's does not accept direct admissions into the assisted living units at the community; therefore, there are no published rates for the assisted living units.

St. Andrew's Estates recently underwent a \$20 million renovation project in which one three-story independent living building with 70 units had been converted to assisted living and memory support. The first two floors include 46 assisted living units and the third floor includes 24 memory support units. St. Andrews is renovating its existing nursing center to add 13 private skilled nursing rooms resulting in a total of 68 nursing units for 89 individuals. The St. Andrew's renovation project resulted in a net increase of 30 assisted living units and a net decrease of 30 nursing beds. According to management at St. Andrew's Estates, the assisted living and memory support renovation was completed in September 2013.

Edgewater Pointe Estates

- (1) Edgewater Pointe Estates does not accept direct admissions into the assisted living units at the community; therefore, there are no published rates for the assisted living units.

Five Star Retirement

- (1) A community fee equal to one month's rent is required upon move-in to Five Star Retirement
- (2) The second person monthly fee for the assisted living units at Five Star Retirement is \$1,000 plus incremental level of care fees.
- (3) Medication administration ranges from \$180 to \$300 per month.

Stratford Court

- (1) A non-refundable community fee equal to \$3,000 is required upon move-in to Stratford Court.
- (2) Stratford Court does not require a second person monthly fee.
- (3) Additional levels of care in the memory support units are available ranging from \$700 to \$2,008. Three levels of medication management are available ranging from \$335 to \$608 per month. In addition, three levels of incontinence care are available ranging from \$152 to 456 per month.

The Atrium at Boca Raton ("The Atrium")

- (1) A non-refundable community fee equal to one month's rent is required upon move-in to The Atrium.
- (2) The second person fee at The Atrium is \$1,000 per month.

- (3) The monthly fees shown for the traditional and memory support assisted living units at The Atrium are all-inclusive.

Homewood at Delray Beach

- (1) A community fee equal to \$2,000 in traditional assisted living and \$2,500 in memory support is required upon move-in at Homewood at Delray Beach.
- (2) The second person fee at Homewood at Delray Beach is \$1,000 per month.
- (3) Homewood at Delray Beach offers two personal service plan care packages: Choice Personal Services and Comprehensive Care Options. Personal assessments upon entry determine the type of care package for each resident. The maximum cost of the Choice Personal Services and Comprehensive Care packages is \$1,100 and \$880, respectively. According to management of Homewood at Delray Beach, the average additional care cost per resident is \$750.

Arden Courts of Boca Raton (“Arden Courts”)

- (1) A community fee equal to \$3,500 is required upon move-in at Arden Courts.
- (2) The memory care fees at Arden Courts are all inclusive.

Grand Villa of Delray – West

- (1) Companion suites are available in the traditional assisted living and memory support units ranging from \$2,125 to \$2,825 and \$3,525 to \$3,825, respectively, per occupant plus levels of care.
- (2) Additional level of care fees shown are for the traditional assisted living units. Two additional levels of care are available in the memory support units as follows: Level I is \$200 and Level II is \$500.
- (3) Grand Villa of Delray – West offers apartments with a patio for an additional \$100 per month.

Grand Villa of Delray-East

- (1) Companion suites are available in both the traditional assisted living units and memory support units at Grand Villa Delray – East ranging from \$1,975 to \$ 2,750 and \$3,275 to \$4,150, respectively, plus additional level of care fees.
- (2) Additional level of care fees shown are for the traditional assisted living units. Two additional levels of care are available in the memory support units as follows: Level I is \$200 and Level II is \$500.
- (3) Grand Villa of Delray – East offers apartments with a patio for an additional \$200 per month.

Abbey Delray

- (1) Abbey Delray does not accept direct admissions into the assisted living units at the community. Direct admit residents are only accepted into the skilled nursing unit for short-term rehabilitation. Life care residents moving from independent living to assisted living or nursing would pay the monthly fee of their independent living units plus \$660 per month, which is the cost of two additional meals.

Emeritus at Boynton Beach (“Emeritus”)

- (1) A one-time non-refundable community fee of \$1,500 to \$5,000 is required upon move-in the Emeritus depending monthly fee plan chosen.
- (2) The monthly fees shown are for the Platinum program in which a \$5,000 community fee is paid upon admission. Monthly fees for the Gold Program (\$3,000 community fee) range from \$3,400 to \$4,500 for traditional assisted living and \$4,425 to \$5,000 for memory support care. Monthly fees for the Silver Program (\$1,500 community fee) range from \$3,600 to \$4,700 for traditional assisted living and \$4,625 to \$5,200 for memory support care.
- (3) A second person monthly fee of \$1,000 plus level of care fees is required at Emeritus.
- (4) Emeritus offers companion suites ranging between \$2,595 to \$2,995 per occupant plus additional level of care fees.
- (5) Additional level of care fees for memory care are the same as the traditional assisted living units.

Planned Assisted Living Developments in the PMA

Based on discussions with representatives of the local planning agencies and interviews with existing assisted living facilities and retirement communities, in addition to the Community, there is one senior living community with assisted living and memory support units and one memory support assisted living community planned in the PMA.

Allegro Boynton Beach, approximately 14 miles north of the Community on a 7.5-acre site at 11450 Hagen Ranch Road in Boynton Beach, is expected to include approximately 67 independent living units, 44 assisted living units and 25 memory support units in a three-story configuration. Construction on the project commenced in November 2013 and is expected to be available for occupancy in November 2014. Pricing is expected to start at \$4,000. Full pricing and floor plans information are expected to be available in April 2014.

Artis Senior Living Center, currently being developed by Artis Senior Living, LLC, is a proposed memory support assisted living community to be located at 5910 North Federal Highway in Boca Raton, approximately 10 miles east of the Community. The proposed community is to be a two-story building including 64 memory support assisted living beds and common areas. Management of Artis Senior Living, LLC has received site plan and conditional use approvals for Artis Senior Living Center. The construction timeline and a projected opening date on the proposed project have not yet been determined. Due to the uncertainty of the timeline, these units have not been included in the penetration rate analysis that follows.

Assisted Living Penetration Analysis

The increased size of the private paying frail elderly market has in recent years attracted providers to develop new and creative options for caring for this population. There have been few barriers to entering this market, since existing regulations generally do not restrict or limit supply. Methodologies for projecting bed need or demand for assisted living vary. The Agency does not have a methodology for determining the need for assisted living units. Research studies have identified impairment levels in activities of daily living (“ADL”) such as dressing, bathing, eating, toileting, mobility and taking medications, and instrumental activities of daily living (“IADL”) such as meal preparation, home maintenance, shopping and personal finance, all of which generally are used to measure levels of functioning and estimate the care needs of a specific population. The decision by elderly persons to enter an Assisted Living Facility to meet their need for assistance often depends on alternatives available and is somewhat more discretionary than the decision to enter a nursing care facility, according to industry research studies.

Population data and income statistics may be utilized to some extent to estimate the number of qualified households (75+) for assisted living services, yet should not be relied upon entirely as a measure of success for a facility. The amount of cross subsidization that occurs between adult caregivers (assumed to be those households aged 45 to 64 earning in excess of \$75,000 annually) and their relatives may provide the financial means for a non-income-qualified senior to afford this level of care. Additionally, non-income-qualified seniors may have an asset base that provides the financial means to afford this level of care. Thus, market penetration rates are shown as a range between age-qualified individuals and age- and income-qualified individuals.

Market and project penetration estimates have been computed using the following data to estimate the size of the qualified market.

Table 32
Percentage of Elderly Requiring Assistance with ADL and IADL

Age Group	Percentage of Population Requiring and Seeking Assistance with ADL and IADL
75 – 79	16.1%
80 and over	29.2%

Source: U.S. Census Bureau, Americans with Disabilities: 2005. p.4, Washington, DC, May 2008.

Elderly requiring ADL and IADL assistance may seek care in a nursing home, boarding home, through home health services, or through other supportive programs, including a family caregiver.

Management anticipates that the prospective residents of the Assisted Living Units and Memory Support Units at the Community will generally meet the following profile prior to occupancy:

- 75 years of age or older;
- Living alone; and
- Requiring some assistance with activities of daily living.

Additionally, income characteristics have been applied to determine a range of market penetration rates for age-qualified and age- and income-qualified individuals. The income assumption is that a prospective assisted living resident has an annual income of at least \$35,000, or has an annual income between \$25,000 and \$34,999, and owns their home. This assumption allows those with a home to be included as qualified households on the basis that proceeds from the sale of a home provides additional financial resources to allow a prospective resident with an annual income of at least \$25,000 to afford the cost of assisted living care.

The following table presents the income-qualified households for assisted living within the PMA.

Table 33
Income-Qualified Households for Assisted Living Services within the PMA

	75+	
	2014 (Estimated)	2019 (Projected)
Total Households:	52,586	56,274
<u>Household Income</u>		
Under \$25,000	21,728	22,771
Renters \$25,000–34,999	1,785	1,910
Homeowners \$25,000–34,999	6,310	6,737
Total Under \$35,000	29,823	31,418
\$35,000 – 49,999	8,075	8,720
\$50,000 – 74,999	6,614	7,185
\$75,000 – 99,999	3,355	3,679
\$100,000+	4,719	5,272
Total \$35,000+	22,763	24,856
Total Assisted Living Income-Qualified Households ⁽¹⁾	29,073	31,593
Percentage of Assisted Living Income-Qualified Households	55.3%	56.1%

Source: Nielsen Claritas

(1) Age- and income-qualified households include households (age 75 and over) with income over \$35,000 and homeowners (age 75 and over) with income between \$25,000 and \$34,999 annually.

The following table compares the percentage of assisted living age- and income-qualified households (age 75 and older with annual income of \$35,000 or greater and homeowners with annual incomes between \$25,000 and \$34,999) to total households age 75 and older within the PMA, Florida, and the United States.

Percentage of Age- and Income-Qualified Households to Total Households	PMA	Florida	United States
Year 2014	55.3%	49.1%	49.4 %
Year 2019	56.1%	50.7%	50.8%

Source: Nielsen Claritas

The following table estimates the number of age- and income-qualified individuals living alone and requiring assistance with activities of daily living in the PMA as estimated in 2014, interpolated in 2016 and projected in 2019. Estimates of the percentage of households requiring assistance and the percentage living alone are based on the 2000 Census.

	Estimated Households⁽¹⁾	Percentage Requiring Assistance⁽²⁾	Percentage Living Alone⁽³⁾	Estimated Number of Individuals
2014				
Age-Qualified ⁽⁴⁾	52,586	20.8%	36.7%	4,014
Age- and Income-Qualified ⁽⁵⁾	29,073	20.8%	36.7%	2,219
2016⁽⁶⁾				
Age-Qualified ⁽⁴⁾	54,061	20.8 %	36.7%	4,127
Age- and Income-Qualified ⁽⁵⁾	30,081	20.8%	36.7%	2,296
2019				
Age-Qualified ⁽⁴⁾	56,274	20.8%	36.7%	4,296
Age- and Income-Qualified ⁽⁵⁾	31,593	20.8%	36.7%	2,412

Source: Nielsen Claritas

(1) Based on 2014 estimated and 2019 projected population statistics as provided by Nielsen Claritas.

(2) Percentage requiring assistance is a weighted average of the qualified households and the percentage of the population requiring assistance with activities of daily living for the respective age groups.

(3) Based on Nielsen Claritas demographic estimates.

(4) Age-qualified households are those households age 75 and over.

(5) Age- and income-qualified households include households age 75 and over with annual incomes of at least \$35,000 and homeowners age 75 and over with income between \$25,000 and \$34,999.

(6) Interpolated using 2014 estimated and 2019 projected population statistics as provided by Nielsen Claritas.

Assisted Living Project Penetration Rate

The project penetration rate is the percentage of estimated age- and income-qualified households within the PMA that need to move into the Assisted Living Units and Memory Support Units of the Community in order for the Community to achieve expected occupancy levels. The following table presents project penetration rates for assisted living services.

	Age-Qualified Individuals	Age- and Income- Qualified Individuals
Number of Qualified Individuals	4,127	2,296
Number of Individuals in Existing Comparable Units ⁽¹⁾	891	891
Total Qualified Individuals (b)	5,018	3,187
Number of Planned Units at the Community ⁽²⁾ (a)	57	57
Project Penetration Rate for the PMA (a/b)	1.1%	1.8%

Source: Management and Nielsen Claritas

(1) Reflects the 1,127 existing and planned assisted living and memory support units in the PMA assuming that approximately 85 percent (958 units) have originated from the PMA and a 93 percent occupancy rate (891 units). St. Andrew's and Edgewater Estates have not been included in the assisted living penetration rate analysis because these communities do not accept direct admits into their assisted living units.

(2) Reflects the 72 planned Assisted Living Units and Memory Support Units at the Community, assuming that approximately 85 percent (61 units) originate from the PMA and 93 percent occupancy rate (57 units).

Assisted Living Market Penetration Rate

The assisted living market penetration rate is presented as the percentage of age- and income-qualified individuals that the total market has absorbed or must absorb for the entire market to achieve stabilized occupancy. The assisted living market penetration rate is calculated by dividing the total number of assisted living units, including those planned for the Community, within the PMA by the total number of age- and income-qualified individuals residing within the PMA.

The following table presents market penetration rates for assisted living services.

	Age-Qualified Individuals		Age- and Income- Qualified Individuals	
	2014	2019	2014	2019
Number of Qualified Individuals	4,014	4,296	2,219	2,412
Number of Individuals in Existing Comparable Units ⁽¹⁾	836	836	836	836
Total Qualified Individuals (b)	4,850	5,132	3,055	3,248
Number of Individuals in Existing Comparable Units ⁽¹⁾	836	836	836	836
Number of Planned Units at the Community ⁽²⁾	–	57	–	57
Number of Other Planned Units in the PMA ⁽³⁾	–	55	–	55
Total Units, Including the Community (a)	836	948	836	948
Market Penetration Rate for the PMA (a/b)	17.2%	18.5%	27.4%	29.2%

Source: Management and Nielsen Claritas

- (1) Reflects the 1,058 existing assisted living units and memory support assisted living units assuming that approximately 85 percent (899 units) have originated from the PMA and a 93 percent occupancy rate (836 units). St. Andrew's and Edgewater Estates have not been included in the assisted living penetration rate analysis because these communities do not accept direct admits into their assisted living units.
- (2) Reflects the 72 planned Assisted Living Units and Memory Support Units at the Community, assuming that approximately 85 percent (61 units) originate from the PMA and 93 percent occupancy rate (57 units).
- (3) Reflects the 44 assisted living and 25 memory support units (for a total of 69 units) planned at Allegro Boynton Beach to be available for occupancy in November 2014 assuming approximately 85 percent (59 units) have originated from the PMA and a 93 percent occupancy rate (55 units).

Skilled Nursing Care

The Agency administers the certificate of need (“CON”) process for community nursing home beds, which was established to regulate the construction of new community nursing homes, the addition of new community nursing beds and the conversion of other health care facility bed types to community nursing home beds.

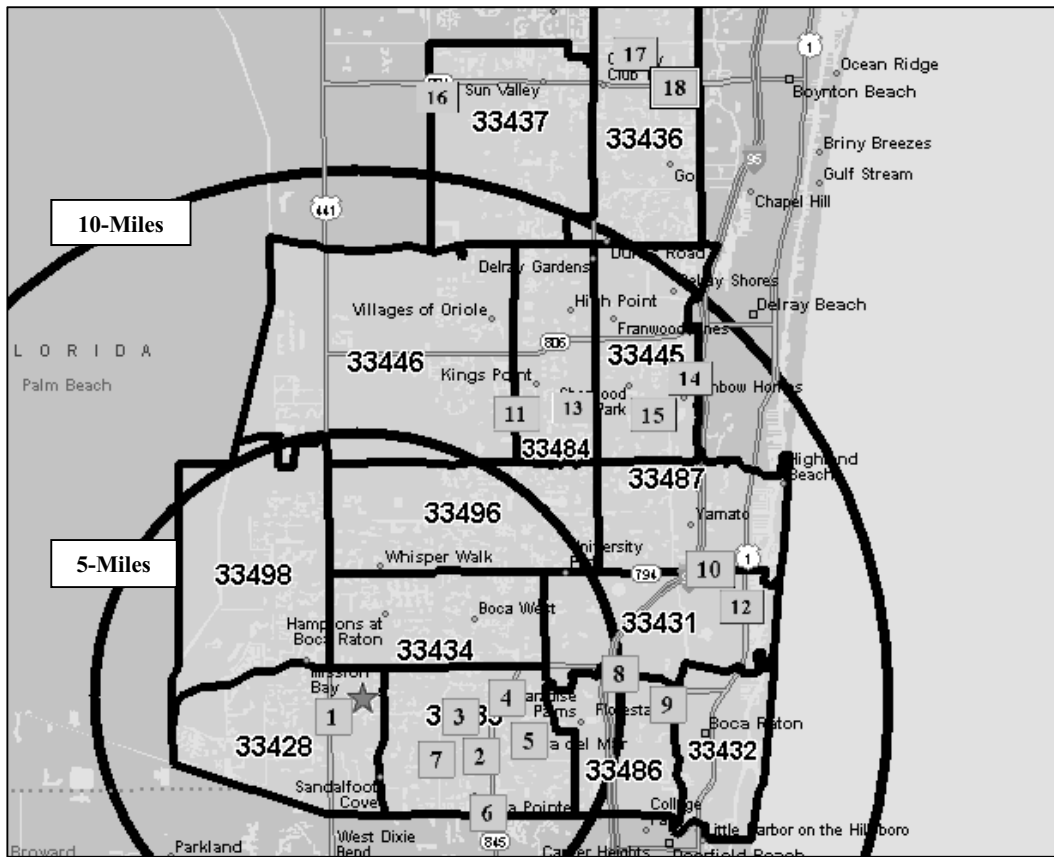
For the purposes of determining bed need projections, Florida is divided into 11 districts statewide. Each area district is then divided into sub districts, which represent the individual counties or groups of counties within each area district. The Florida Agency for Health Care Administration (“AHCA”) determines the nursing bed need for each district within the state twice a year by using a methodology based on a planning horizon of three years, current and projected population estimates, a sub district need determination, and a need formula.

In 2001, the Florida legislature placed a moratorium on the issuance of CONs for additional community nursing home beds until July 1, 2006. In 2006, the legislature extended the moratorium until July 1, 2011. As of July 2011, the moratorium has been extended to July 1, 2016. This excludes nursing beds affiliated with new CCRCs under the sheltered bed waiver regulations of Florida Statute Chapter 651.118.



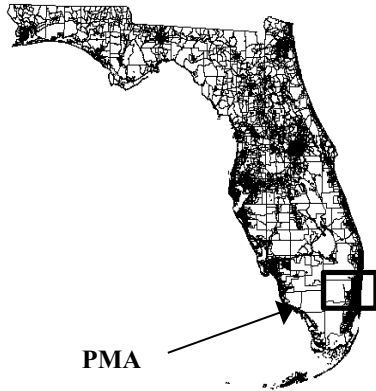
The Community’s CON application for sheltered skilled nursing beds has been filed with AHCA for an expedited review. The Corporation received CON approval on February 4, 2014.

There are 60 nursing beds planned for the Community. Management has defined the primary market area for nursing services as the same PMA as independent living.

The following map depicts the Community and the eighteen skilled nursing facilities within the PMA.



Source: Microsoft MapPoint

<p>Legend</p> <p>  The PMA  The Community </p> <p>Existing Nursing Competition in the PMA</p> <ul style="list-style-type: none"> 1 – Menorah House 2 – Heartland Health Care & Rehab of Boca Raton 3 – Whitehall Boca Raton 4 – Regents Park of Boca Raton 5 – St. Andrew’s 6 – Edgewater Pointe Estates 7 – Stratford Court 8 – Avante at Boca Raton 9 – Boca Raton Rehab Center 10 – ManorCare Health Services-Boca Raton 11 – ManorCare Health Services- Delray 12 – The Fountains Nursing Homes 13 – Lakeview Care Center-Delray 14 – Abbey Delray 15 – Abbey Delray South 16 – Boynton Health Care Center 17 – Boynton Beach Nursing and Rehabilitation 18 – Heartland Health Care Center-Boynton Beach 	<p>Florida</p>  <p>PMA</p> <p>Source: Microsoft MapPoint and MapInfo</p>
---	---

The following table identifies the Community and the eighteen skilled nursing facilities located within the PMA and summarizes the number of units, the percentage occupied and lowest daily rate based on surveys conducted through February 2014.

Table 38
Comparable Nursing Facilities within the PMA

	Driving Miles from the Community	Year Licensed	Number of Nursing Beds	Private Beds	Semi-Private Beds	Percent Occupied	Private Rate	Semi- Private Rate
The Community ⁽¹⁾	–	–	60	60	–	–	\$327	–
Menorah House	0.2	1984	120	6	114	99%	\$270	\$240
Heartland Health Care & Rehab of Boca Raton	3.9	1994	120	33	87	95%	\$369	\$281
Whitehall Boca Raton	4.0	1982	154	14	140	95%	\$370	\$270
Regents Park of Boca Raton	5.1	1988	180	30	150	100%	\$320 – 365	\$275
St. Andrew's Estates ⁽²⁾	5.5	1978	119	33	86	90%	\$329	\$263
Edgewater Pointe Estates	5.6	1983	99	19	80	95%	\$324	\$250
Stratford Court	6.1	1994	60	4	56	95%	\$300	\$275
Avante at Boca Raton	6.8	1985	144	40	104	100%	\$335	\$235
Boca Raton Rehab Center	7.1	1970	120	4	116	100%	\$279	\$247
ManorCare Health Services – Boca Raton ⁽³⁾	9.0	1984	180	92	88	100%	\$324	\$280
ManorCare Health Services – Delray	9.6	1998	120	4	116	100%	\$316	\$287
The Fountains Nursing Home	9.7	1967	51	3	48	73%	\$319	\$280
Lake View Care Center – Delray	10.8	1984	120	12	108	100%	\$260	\$240
Abbey Delray ⁽⁴⁾	12.6	1979	100	30	70	99%	\$333	\$285
Abbey Delray South	12.6	1982	90	12	78	100%	\$325	\$271
Boynton Health Care Center	14.4	1999	81	–	81	99%	–	\$295
Boynton Beach Nursing & Rehabilitation Center	18.1	1998	168	14	154	98%	\$384	\$334
Heartland Health Care Center – Boynton Beach	18.4	1991	120	12	108	100%	\$338	\$286
Total number of beds (excluding the Community)			2,146	362	1,784			
Weighted average occupancy						97%		

Source: Management, surveys and AHCA Nursing Guide through February 2014.

- (1) The daily fees shown for the Community are for Direct Admit Residents and have been deflated 3.5 percent from 2016 rates to reflect 2014 rates for purposes of comparison.
- (2) St. Andrews is renovating its existing nursing center to add 13 private skilled nursing rooms resulting in a total of 68 nursing units for 89 individuals. The St. Andrew's renovation project had resulted in a net decrease of 30 nursing beds. Residents have been moving into the nursing units as renovations are completed.
- (3) Of the 180 nursing beds at Manor Care Health Services – Boca Raton, 32 are located in a secured memory support unit with daily fees ranging from \$306 to \$340.
- (4) Of the 100 nursing beds at Abbey Delray, 15 are located in a secured memory support unit with daily fees equal to the skilled nursing beds.

Planned Nursing Developments

Based on discussions with representatives of the local planning agencies and interviews with existing nursing facilities and retirement communities, other than the Community, Abbey Delray South, approximately 13 miles northeast of the Community, is adding 15 memory support beds to their nursing unit as part of a \$7 million renovation project. The new memory support beds are expected to be available for occupancy in late 2014.

Summary of Significant Accounting Policies(a) Basis of Accounting

The Corporation maintains its accounting and financial records according to the accrual basis of accounting.

(b) Deferred Costs

The marketing costs incurred by the Corporation in connection with acquiring initial entrance fee contracts are capitalized and amortized on a straight-line basis over a period approximating the average life expectancy of the initial Residents occupying the Independent Living Units.

Costs associated with the issuance of the Series 2014 Bonds are assumed to be capitalized and amortized over the expected life of the Series 2014 Bonds using the effective interest method.

(c) Property, Equipment and Depreciation Expense

Property and equipment are recorded at cost. Depreciation expense is calculated on the straight-line method over the estimated useful lives of depreciable assets. The cost of maintenance and repairs is charged to operations as incurred, whereas significant renewals and betterments are capitalized.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, amounts on deposit in banks and highly liquid securities with an original maturity of 90 days or less when purchased, excluding amounts whose use is limited.

(e) Investments

Investments include cash and cash equivalents, mutual funds, common stock, and fixed income funds in the form of U.S. Government and corporate obligations. Management assumes no material changes in fair values that result in material net realized or unrealized gains or losses during the forecast period.

(f) Assets Limited as to Use

Assets limited as to use are assumed to be carried at fair value, which, based on the nature of the underlying securities (assumed to be high-grade debt securities), is assumed to approximate historical cost. Management assumes no material changes in fair values that result in material net realized or unrealized gains or losses during the forecast period.

(g) Investment Income

Investment income, other than that capitalized as part of project costs, is reported as operating revenue unless restricted by donor or law. Management does not project any unrealized gains or losses on investments.

(h) Costs of Borrowing

Interest costs incurred on borrowed funds, net of investment income on project funds, during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets.

(i) Deferred Revenue from Entrance Fees

The non-refundable portion of an Entrance Fee is amortized into income over the estimated remaining life expectancy of the Resident in the Independent Living Units.

(j) Refundable Entrance Fees

The refundable portion of the Entrance Fee is maintained as a liability, reflecting the Corporation's future obligation for payment.

(k) Obligation to Provide Future Services

The Corporation annually calculates the present value of the net cost of future services and the use of facilities to be provided to current Residents and compares that amount with the balance of deferred revenue from Entrance Fees. The obligation to provide future services to Residents represents the estimated net future costs to serve Residents, net of revenue from those Residents, who were parties to a Residence Agreement on the Corporation's fiscal year end. If the present value (discounted at 5.0 percent) of the net cost of future services and use of facilities exceeds the deferred revenue from entrance fees, a liability is recorded.

(l) Taxes

Management has included a provision for property taxes in its forecast and is exempt from income taxes.

Summary of Revenue and Entrance Fee Assumptions***Independent Living Units***

Resident service revenue is based upon the Monthly Fees for services provided to residents of the Independent Living Units and the assumed occupancy of the respective units. Management assumes the Monthly Fees for the Independent Living Units to increase 3.5 percent beginning November 1, 2016, 3.5 percent beginning September 1, 2017 and annually thereafter.

Other revenue consists of revenues from additional Resident meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. These revenues are based upon the assumed occupancies at the Community. Charges for other revenues are assumed to increase 3.5 percent beginning November 1, 2016, 3.5 percent beginning in September 1, 2017 and annually thereafter.

The Independent Living Units are assumed to achieve and maintain a 95.0 percent occupancy level in April 2019 and remain at that level throughout the forecast period. The following table summarizes the assumed utilization of the Independent Living Units.

Year Ending August 31,	Average Units Occupied	Average Units Available	Average Occupancy Percentage
2014	0.0	0.0	0.0%
2015	0.0	0.0	0.0%
2016 ⁽¹⁾	51.0	237.0	21.5%
2017	152.8	237.0	64.5%
2018	197.1	237.0	83.2%
2019	219.8	237.0	92.8%
2020	225.2	237.0	95.0%

Source: Management

(1) The Independent Living Units are expected to become available for occupancy in November 2015 and fill to a 95.0 percent occupancy level over a 42-month period at an average of approximately 5.4 units per month.

The double occupancy percentage in the Independent Living Units is assumed to be 44.0 percent in fiscal year 2016, declining to 31.0 percent in fiscal year 2020 based upon Management's assumptions and information provided by the Actuary.

Residents are assumed to begin moving into the Independent Living Units beginning in November 2015. The assumed monthly move-in pattern is summarized below.

Fiscal Year/Month	Monthly Total	Cumulative Total	Cumulative Percentage
2016			
November	15.00	15.00	6.3%
December	14.00	29.00	12.2%
January	12.00	41.00	17.3%
February	12.00	53.00	22.4%
March	12.00	65.00	27.4%
April	10.00	75.00	31.6%
May	10.00	85.00	35.9%
June	8.00	93.00	39.2%
July	8.00	101.00	42.6%
August	8.00	109.00	46.0%
2017			
September	8.00	117.00	49.4%
October	8.00	125.00	52.7%
November	8.00	133.00	56.1%
December	8.00	141.00	59.5%
January	8.00	149.00	62.9%
February	8.00	157.00	66.2%
March	8.00	165.00	69.6%
April	4.00	169.00	71.3%
May	4.00	173.00	73.0%
June	4.00	177.00	74.7%
July	4.00	181.00	76.4%
August	4.00	185.00	78.1%
2018			
September	2.15	187.15	79.0%
October	2.00	189.15	79.8%
November	2.00	191.15	80.7%
December	2.00	193.15	81.5%
January	2.00	195.15	82.3%
February	2.00	197.15	83.2%
March	2.00	199.15	84.0%
April	2.00	201.15	84.9%
May	2.00	203.15	85.7%
June	2.00	205.15	86.6%
July	2.00	207.15	87.4%
August	2.00	209.15	88.2%

Table 40 (continued)			
Assumed Monthly Move-in for the Independent Living Units (Net of Move-Outs)			
Fiscal Year/Month	Monthly Total	Cumulative Total	Cumulative Percentage
2019			
September	2.00	211.15	89.1%
October	2.00	213.15	89.9%
November	2.00	215.15	90.8%
December	2.00	217.15	91.6%
January	2.00	219.15	92.5%
February	2.00	221.15	93.3%
March	2.00	223.15	94.2%
April	2.00	225.15	95.0%
Total	225.15		95.0%

Source: Management

Assumed Independent Living Turnover

The assumed turnover for the Independent Living Units due to death, withdrawal or transfer to the Health Care Center, and double occupancy of the Independent Living Units has been based, in part, on the report of the Corporation's actuary, CCRC Actuaries, LLC (the "Actuary").

Refunds of Entrance Fees are generated upon death or termination of the Residency Agreement and withdrawal from the Community, subject to the re-occupancy of the vacated Independent Living Units. Entrance Fees may be generated from Independent Living Units turning over without a corresponding refund because the Resident has not withdrawn from the Community, but has permanently transferred to the Health Care Center. The assumed number of refunds for the Independent Living Units is provided by the Actuary.

The following table presents the forecasted initial and attrition Entrance Fees received and the total Entrance Fee refunds.

Years Ending August 31,	2016	2017	2018	2019	2020
Number of Independent Living Entrance Fees Received (Initial)	109.0	76.0	24.2	16.0	-
Independent Living Entrance Fees Received (Initial)	\$64,944	\$43,866	\$14,975	\$10,805	-
Number of Entrance Fees Received (Attrition)	1.8	7.6	14.6	19.6	23.5
Entrance Fees Received (Attrition)	\$1,166	\$5,134	\$10,064	\$13,390	\$17,207
Total number of Entrance Fees refunded	2.3	6.5	10.2	13.7	16.1
Total Entrance Fees refunded	(\$1,236)	(\$3,498)	(\$5,429)	(\$7,238)	(\$9,078)
Entrance Fees Received, Net of Refunds	\$64,874	\$45,502	\$19,610	\$17,497	\$8,129

Source: Management and the Actuary

Management intends to implement an annual Entrance Fee price increase for the Independent Living Units of 3.0 percent beginning November 1, 2016, 3.5 percent beginning September 1, 2017 and annually thereafter.

A Charter Benefit Program is currently being offered to Depositors for the Independent Living Units. Management intends to offer the Charter Benefit Program until commencement of construction of the Community. For purposes of Management's forecast, Management has assumed that approximately 55 percent of first generation residents would utilize the Charter Benefit Program due to cancellations and re-sales at higher, post-construction pricing. Additional details pertaining to the Charter Benefit Program are located in the "Residency Agreement" section of this report.

After commencement of construction of the Community, Management intends to end the Charter Benefit Program and will implement standard pricing which is approximately 5.26 percent higher than Charter pricing. For the remaining first-generation Residents, Management intends to implement a 3.0 percent Entrance Fee price increase November 1, 2016 and 3.5 percent increase annually thereafter. Management's forecast also includes an allowance for entrance fee discounts and fill-up incentives, which could be utilized, if needed, when the Community opens.

Based upon the aforementioned utilization of the Charter Benefit Program the Entrance Fee price increases, and discounts and allowances, Management has assumed an average entrance fee of approximately \$594,000 for the first generation of the independent living Residents of the Community.

Assisted Living and Memory Support Units

Assisted Living Units and Memory Support Units are available to Residents of the Community on a priority basis. In the event the Assisted Living Units and Memory Support Units are fully occupied, the Resident will be provided care at another comparable facility. The Corporation will be responsible for the charges associated with the comparable facility that are above and beyond the charges in the Assisted Living Units and Memory Support Units. The Resident agrees to relocate to the Assisted Living Units or Memory Support Units when a unit becomes available.

Assisted Living Units and Memory Support Units monthly service fees are based on the assumed occupancy of the respective units and are assumed to be generated from services provided to Residents transferring from the Independent Living Units, as well as direct admissions from the local surrounding area. Residents permanently transferring from the Independent Living Units to the Assisted Living Units and Memory Support Units are assumed to pay the then-current Monthly Fee for the Residence plus the cost of two additional meals daily. Management assumes the Assisted Living Units and Memory Support Units Monthly Fees for direct admit residents to increase 3.5 percent November 1, 2016, 3.5 percent September 1, 2017 and annually thereafter.

The Assisted Living Units and Memory Support Units are assumed to achieve and maintain a 92.9 percent occupancy level in October 2017 and July 2017, respectively, and remain at that level throughout the forecast period.

The following table summarizes the assumed utilization of the Assisted Living Units and Memory Support Units during the forecast period.

Table 42
Utilization of Assisted Living Units and Memory Support Units

Year Ending August 31,	Average Number of Units Occupied		Average Number of		Average Occupancy Percentage
	Permanent Transfer	Direct Admit	Assisted Living and Memory Support Units Occupied	Assisted Living and Memory Support Units Available	
2014	0.0	0.0	0.0	0.0	0.0%
2015	0.0	0.0	0.0	0.0	0.0%
2016 ⁽¹⁾	0.2	18.3	18.5	48.0	38.5%
2017	1.5	55.9	57.4	72.0	79.7%
2018	4.1	62.7	66.8	72.0	92.8%
2019	7.5	59.4	66.9	72.0	92.9%
2020	10.7	56.2	66.9	72.0	92.9%

Source: Management and the Actuary

- (1) The Assisted Living Units are assumed to be available for occupancy in January 2016 and fill to a 92.9 percent occupancy level over a 22-month period at an average of 2.03 units per month.
- (2) The Memory Support Units are assumed to be available for occupancy in January 2016 and fill to a 92.9 percent occupancy level over a 14-month period at an average of 1.59 units per month.

The double occupancy percentage in the Assisted Living Units is assumed to be 5.0 percent in fiscal year 2016, and remain constant throughout the forecast period. No double occupancy is assumed for the Memory Support Units.

Health Center

Nursing service fees are based on the assumed occupancy of the Health Center beds and are assumed to be generated from services provided to residents transferring from the Independent Living Units, Assisted Living Units and Memory Support Units. Residents permanently transferring from the Independent Living Units, Assisted Living Units or Memory Support Units to the Health Center are to pay the then-current daily fee for their Residence plus the cost of two additional meals daily.

In addition to the transferred residents, the Health Center is assumed to provide services to Medicare recipients. Management assumes Health Center fees for private beds to increase 3.5 percent November 1, 2016, 3.5 percent September 1, 2017 and annually thereafter and for Medicare beds to increase 2.0% September 1, 2018 and annual thereafter.

The Health Center is assumed to achieve and maintain a 93.0 percent occupancy level in December 2017 and remain at that level throughout the forecast period. The following table summarizes the assumed utilization of the Health Center's nursing beds.

Table 43
Health Center Utilization

Year Ending December 31,	Average Number of Residents				Average Number of		Average Occupancy Percentage
	Permanent Residents	Direct Admit Private Pay	Medicare ⁽²⁾	Temp.	Beds Occupied	Beds Available	
2014	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2015	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
2016 ⁽¹⁾	0.6	7.7	3.2	1.3	12.7	40.0	31.8%
2017	3.7	25.3	11.0	4.0	44.0	60.0	73.3%
2018	10.1	25.7	13.8	5.6	55.2	60.0	92.0%
2019	18.2	16.9	14.0	6.7	55.8	60.0	93.0%
2020	26.1	8.4	14.0	7.3	55.8	60.0	93.0%

Source: Management

- (1) The Health Center is assumed to be available for occupancy in January 2016 and fill to stabilized occupancy of 93.0 percent over a 24-month period at an average of 2.33 beds per month.
- (2) Approximately 15 beds are assumed to be certified for Medicare. No Medicaid utilization has been assumed during the forecast period

Earned Entrance Fees

Earned Entrance Fees are based on the non-refundable portion of the Entrance Fees received each year amortized over the average life expectancy Residents in the Independent Living Units throughout the forecast period. The refundable portion of the Entrance Fee is maintained as a liability, reflecting the Corporation's future obligation for payment.

Turnover of the Independent Living Units has been estimated by Management from information provided by the Actuary and based upon its experience with comparable facilities and the Community's existing market and Depositor information. Entrance Fees for the Independent Living Units are assumed to increase 2.5 percent September 1, 2017, 3.5 percent September 1, 2018 annually thereafter.

Other Income

Other revenue consists of revenues from additional Resident meals and snacks, guest meals, guest apartment rentals, barber and beauty fees, and other miscellaneous sources. These revenues are based upon the assumed occupancies at the Community. Charges for other revenues are assumed to increase 3.0 percent November 1, 2016, 3.5 percent September 1, 2017 and annually thereafter.

Investment Income

Management assumes a 3.0 percent average annual rate of return on the Corporation's unrestricted cash. Based upon information provided by the Underwriter, Management has estimated interest to be earned annually on the Project Fund at 0.35 percent, on the Funded Interest Fund at 0.25 percent, on the Series 2014A Debt Service Reserve Fund at 1.75 percent, on the Series 2014B and Series 2014C Debt Service Reserve Funds at 0.5 percent, on the Series 2014 D-1 Debt Service Reserve Fund at 0.25 percent and on the Series 2014 D-2 Debt Service Reserve Fund at 0.75 percent.

Summary of Expense Assumptions

Operating expenses, with the exception of insurance and property taxes, are estimated by Management and LCS based on its experience with the development and operation of other similar retirement communities. Insurance costs and property taxes were estimated by Management based upon its experience. Staff salaries and benefits are estimated based on prevailing local salary and wage rates and are assumed to increase 3.5 percent annually throughout the forecast period. The costs of employee fringe benefits are assumed to approximate 26 percent of salaries and wages.

The following table summarizes the assumed staffing levels for all departments.

Table 44
Schedule of Assumed Staffing Levels– FY 2020

Department	FTE Totals
Administrative services	8.03
Resident services	2.94
Assisted living services	19.77
Memory support services	13.72
Nursing services	52.34
Building and maintenance	13.23
Dining services	46.62
Housekeeping & laundry services	21.51
Transportation services	1.90
Marketing services	2.00
Total FTEs	182.06

Source: Management and LCS

Other non-salary operating expenses are assumed to include ongoing marketing costs, raw food costs, utilities, supplies, maintenance and security contracts, building and general liability insurance, legal and accounting fees, management fees, property taxes, and other miscellaneous expenses. The cost of these non-salary operating expenses is assumed to increase 3.5 percent annually throughout the forecast period.

Assets Limited as to Use

Permanent financing for the Community is assumed to be obtained from the issuance of the Series 2014 Bonds. The Bond Trustee is assumed to maintain the following funds and accounts for the Series 2014 Bonds in the name of the Corporation under the terms of the Master Indenture and the Bond Trust Indenture:

- (1) Project Fund, to be gross funded at closing from Series 2014 Bonds proceeds to be used to pay construction costs to complete the Community.
- (2) Funded Interest Fund, net funded from Series 2014 Bonds proceeds, to be used to fund interest costs for approximately 23 months.
- (3) Series 2014 Debt Service Reserve Funds are assumed to be funded at closing with Series 2014 Bond proceeds. The Series 2014 Debt Service Reserve Funds associated with each series of the Series 2014 Bonds is assumed to be released and available to pay debt service in the year that the respective series of the Series 2014 Bonds are repaid in full. Deposits into the Debt Service Reserve Fund are to include the following:
 - \$11,065,000 for the Debt Service Reserve Fund for the Series 2014A Bonds;
 - \$1,015,000 for the Debt Service Reserve Fund for the Series 2014B Bonds;
 - \$3,575,000 for the Debt Service Reserve Fund for the Series 2014C Bonds;
 - \$248,000 for the Debt Service Reserve Fund for the Series 2014D-1 Bonds; and
 - \$1,050,000 for the Debt Service Reserve Fund for the Series 2014D-2 Bonds;
- (4) Bond Fund, to contain bond principal and interest payments to be used for payment of debt service on the Series 2014 Bonds.
- (5) Entrance Fee Fund, to be funded with initial Entrance Fees from the Community, available to pay Entrance Fee refunds, fund the Working Capital Fund and to redeem the Series 2014 Bonds.
- (6) Working Capital Fund, to be funded with \$21,000,000 from initial Entrance Fees received, and up to an additional \$5,000,000 from Initial Entrance Fees received, to pay for project costs, operating expenses, deferred development fees, debt service payments or capital expenditures as needed.

Minimum Liquid Reserves ("MLR")

Additional accounts which are required to be maintained in a Continuing Care Escrow Fund by Chapter 651 of the Florida Statutes, and which are not subject to the lien of the Master Indenture, are as follows:

- (1) Statutory Debt Service Reserve Fund, as calculated to meet the "Debt Reserve Requirement" established by Florida Statute 651.035(2)(a) in an amount equal to the annual interest and principal of outstanding debt and property taxes. To the extent that a Debt Service Reserve Fund has been established, the Corporation is not required to fund an additional amount for interest and principal on the Series 2014 Bonds for the Community.
- (2) Statutory Operating Reserve Fund, as calculated to meet the "Operating Reserve Requirement" established by Florida Statute 651.035(2)(c) in an amount equal to 15% of "Total Annual Operating Expenses", excluding, depreciation, amortization, interest, taxes,

insurance and certain extraordinary expenses, as set forth in the annual report filed pursuant to Section 651.026, Florida Statutes. Total Annual Operating Expenses shall be determined by averaging the total annual operating expenses over the preceding three year period, as reported on the Corporation's annual report filing.

- (3) Statutory Renewal and Replacement Fund, as calculated to meet the "Replacement Reserve Requirement" established by Florida Statute 651.035(2)(d) which will be maintained in an amount equal to 15 percent of the Community's accumulated depreciation, not to exceed 15 percent of its average operating expenses during the immediately preceding three-year period.

Statutory Entrance Fee Escrow: Pursuant to Florida Statutes, the Corporation will be required to escrow 75 percent (75%) of Entrance Fees received until payment in full has been received for no less than 70 percent (70%) of the Independent Living Units.

The 25 percent balance of Entrance Fees is allowed to be used for working capital purposes. Upon achieving the above criteria the Corporation will no longer be required to maintain the Entrance Fees in escrow. The plan of finance contemplates utilizing Entrance Fees (when released from escrow) to repay the Series 2014B Bonds, Series 2014C Bonds and Series D-2 Bonds, and a portion of the Development Fee.

Property and Equipment and Depreciation Expense

Management anticipates that the Corporation will incur routine capital additions during the forecast period that are to be capitalized as property and equipment. Depreciation expense for all capital assets is computed based on the straight-line method for buildings and equipment over estimated average useful lives of 40 and 15 years, respectively. Construction-related costs as well as routine capital additions during the forecast period are summarized in the table below.

Table 45
Schedule of Property and Equipment
(In Thousands)

Years Ending August 31,	2014	2015	2016	2017	2018	2019	2020
Property and equipment, gross Beginning balance	\$8,090	\$42,454	\$147,180	\$180,042	\$183,219	\$183,419	\$184,960
Project costs	30,715	90,054	24,825	3,052	-	1,266	-
Capitalized interest	3,649	14,672	7,987	-	-	-	-
Routine capital additions	-	-	50	125	200	275	350
Property and equipment, gross	42,454	147,180	180,042	183,219	183,419	184,960	185,310
Accumulated depreciation	-	-	(3,480)	(7,735)	(12,001)	(16,314)	(20,648)
Property and equipment, net Ending balance	\$42,454	\$147,180	\$176,562	\$175,484	\$171,418	\$168,646	\$164,662

Source: Management

Long-Term Debt and Interest Expense

The Palm Beach County Health Facilities Authority plans to issue \$189,885,000 of tax-exempt revenue bonds and \$24,000,000 of tax-exempt draw down bonds, the proceeds of which are to be lent to the Corporation to pay for the Community construction and other project-related costs. The Series 2014 Bonds are assumed to consist of:

- \$120,885,000 of non-rated tax-exempt long-term fixed rate Series 2014A Bonds;
- \$14,000,000 of non-rated tax-exempt short-term fixed rate Entrance Fee Principal Reduction Series 2014B Bonds (EFPRBs); and
- \$55,000,000 of non-rated tax-exempt short-term fixed rate Entrance Fee Principal Reduction Series 2014C Bonds (EFPRBs); and,
- \$24,000,000 of non-rated tax-exempt draw-down fixed rate Series 2014D Bonds.

The Series 2014A Bonds are assumed to consist of \$120,885,000 of non-rated, tax-exempt fixed rate term bonds with average interest rates ranging from 7.00 to 8.50 percent per annum. Interest on the Series 2014A Bonds is to be payable June 1 and December 1 of each year beginning December 1, 2014. Principal on the Series 2014A Bonds is to be paid annually commencing June 1, 2020 with a final maturity on June 1, 2049.

The Series 2014B Bonds are assumed to consist of \$14,000,000 of non-rated tax-exempt EFPRBs with an average interest rate of 7.25 percent per annum. Interest on the Series 2014B Bonds is to be payable June 1 and December 1 of each year beginning December 1, 2014. The Series 2014B Bonds are assumed to be repaid in full by June 1, 2018.

The Series 2014C Bonds are assumed to consist of \$55,000,000 of non-rated tax-exempt EFPRBs with an average interest rate of 6.5 percent per annum. Interest on the Series 2014C Bonds is to be payable June 1 and December 1 of each year beginning December 1, 2014. The Series 2014C Bonds are assumed to be repaid in full by June 1, 2017.

The Series 2014D Bonds are assumed to consist of \$24,000,000 of non-rated tax-exempt draw-down bonds. The Series D Bonds consist of: \$3,000,000 of long-term fixed rate Series 2014D-1 Bonds with an interest rate of 8.5 percent per annum, anticipated to be redeemed by June 1, 2049; and \$21,000,000 of short-term fixed rate Series 2014D-2 Bonds with an interest rate of 5.25 percent per annum anticipated to be redeemed in full by June 1, 2017.

The Series 2014D Bonds are being issued on a draw-down basis. Hamlin Capital Management, LLC (“Hamlin”) will pay the purchase price of the Series 2014D Bonds in accordance with the Series 2014D Bond Indenture and a Bond Purchase Agreement among the Authority, the Corporation, the Underwriter and Cross Point Capital, LLC. Thereafter, Hamlin is expected to be the holder of the Series 2014D Bonds. The principal amount of the Series 2014D Bonds outstanding and due shall only be the aggregate amount as has been drawn down and interest shall only accrue on such principal amount of Series 2014D Bonds that has actually been drawn.

Principal on the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds is anticipated to be repaid from a portion of the Entrance Fees assumed to be available from initial residents moving into the Community.

The following table presents the assumed annual debt service for the Series 2014 Bonds during the forecast period.

Year Ending August 31,	Series A, B & C Bonds		Series D Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2014	\$ -	\$ -	\$ -	\$ 26	\$ 26
2015	-	14,499	-	499	14,998
2016	-	14,621	-	1,186	15,807
2017	55,000	14,621	21,000	1,174	91,795
2018	14,000	10,792	-	255	25,047
2019	-	10,031	-	255	10,286
2020	1,030	10,031	-	255	11,316
Total	\$70,030	\$74,595	\$21,000	\$3,650	\$169,275

Source: Management and the Underwriter

Related Party Transaction

Through August 31, 2013, CCRC Development has provided financing and paid certain costs associated with the development and construction of the Community on behalf of the Corporation and at times utilized professionals and other entities whose principals are members of the Board of Directors and committees of the Federation to provide various professional services or obtain products. As of August 31, 2013, the Corporation owed \$10,142,271 to CCRC Development for these purposes, and is anticipated to repay this amount with a portion of the proceeds of the Series 2014 Bonds.

Subordinated Note

The Corporation intends to purchase the land from the Federation for an estimated \$14,000,000, at the time of the closing of the Series 2014 Bonds. The Corporation will pay \$12,000,000 for the land with a portion of the proceeds of the Series 2014 Bonds and the Federation will hold a subordinated note for the remaining market value of the land (currently estimated remaining value is \$2,000,000) that will be repaid to the Federation (or its affiliates) following stabilized

occupancy of the Community. The Federation will hold another subordinated note in the amount of \$1,000,000 for past support staff and services provided by the Federation to the Corporation (collectively, the “Subordinated Note”). The total amount of the Subordinate Note, including the remaining value of land and the development services provided by the Federation, is \$3,000,000. Interest will accrue on the note annually at 4.0 percent up to a maximum of the initial principal value of the Subordinated Note.

The loan from the Federation to the Corporation will be an intercompany obligation evidenced by a Subordinated Promissory Note executed by the Corporation in favor of the Federation at the closing of the Series 2014 Bonds. Repayment of the Subordinated Note is subject to the restrictions in the Master Indenture. For purposes of Management’s forecast, Management has assumed that no payment of principal or interest on the Subordinated Note is made during the forecast period.

Current Assets and Current Liabilities

Operating expenses exclude amortization, depreciation, other non-cash expenses and interest expense. Operating revenues include Independent Living Unit Monthly Fees, Assisted Living Unit and Memory Support Unit Monthly Fees, and Health Center service fees. Working capital components have been estimated based on industry standards and Management’s experience as follows:

Cash	30	days operating expenses
Accounts receivable	30	days operating revenues
Inventory	1	days operating expenses
Prepaid expenses	15	days operating expenses
Accounts payable	30	days operating expenses
Other accrued liabilities	14	days operating expenses

Source: Management



DIXON HUGHES GOODMAN LLP
Certified Public Accountants and Advisors

INDEPENDENT ACCOUNTANTS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Federation CCRC Operations Corp.
Boca Raton, Florida

Our examination of the financial forecast presented in the preceding section of this document was made for the purpose of forming an opinion on whether the financial forecast is presented in conformity with AICPA guidelines for the presentation of a forecast and that the underlying assumptions provide a reasonable basis for the forecast. The study was undertaken to evaluate the ability to generate sufficient funds to meet its operating expenses, working capital needs and other financial requirements, including the debt service requirements associated with the proposed Series 2014 Bonds based on Management's assumptions of future operations of the Corporation. However, future events could occur which could adversely affect the financial forecast of the Corporation and its ability to meet debt service requirements. These factors include, among others, legislation and regulatory action, changes in assumptions concerning occupancy, the rate of entrance fee producing unit turnover, per diem rates, financing and operating costs.

The accompanying sensitivity analysis is presented for purposes of additional analysis and is not a required part of the financial forecast. Such information has not been subjected to procedures applied in the examination of the financial forecast and, accordingly, we express no opinion or any other form of assurance on it.

The following supplemental analyses are presented for the purpose of demonstrating the significance of certain assumptions and are not to be considered an all-inclusive list.

Dixon Hughes Goodman LLP

Atlanta, Georgia
February 28, 2014

Sensitivity Analysis I - Occupancy

Occupancy rates can vary depending upon economic conditions, the competitive environment, and Management's ability to execute the marketing and sales plan. The Community's residents are to begin moving into the Independent Living Units in November 2015. Management expects the Community to achieve a 95 percent occupancy level in April 2019 and remain at that level throughout the forecast period.

Sensitivity Analysis IA

The period of time it takes to achieve and maintain stabilized occupancy could be longer than Management's forecast. The data presented in the table below demonstrate the impact of an extension in the assumed move-in period of the Independent Living Units from 42 months to 60 months.

Sensitivity Analysis IB

The data presented in the table below also provide a "Breakeven Analysis" assuming that the Community's stabilized occupancy percentage decreased to a breakeven point such that the Corporation's Maximum Annual Debt Service Coverage Ratio would approximate near 1.00x. In the Breakeven Analysis, the Community's Independent Living Units stabilized occupancy was reduced to "Breakeven" while occupancy in the Assisted Living Units, Memory Support Units, and the Health Center remained as originally forecasted. For purposes of this analysis, certain fixed operating expenses, staffing expenses and forecasted repayment of the Series 2014 Bonds have not been adjusted for reductions of the occupancy of the Independent Living Units.

Sensitivity Analysis IC

The data presented in the table below demonstrates the impact of a lower stabilized occupancy of the Health Care Center, to include the Assisted Living Units, Memory Support Units, and the Health Center nursing beds at the Community, such that a 1.00x Maximum Annual Debt Service Coverage Ratio or zero Days Cash on Hand is achieved in 2020. For purposes of this analysis, certain fixed operating expenses, staffing expenses and forecasted repayment of the Series 2014 Bonds have not been adjusted for reductions of the occupancy of the Community's units.

Table 48
Sensitivity Analysis – I
Estimated Financial Information
For the Year Ending December 31, 2020

	As Forecasted	Sensitivity IA ⁽¹⁾⁽²⁾	Sensitivity IB	Sensitivity IC ⁽²⁾
<i>Independent Living Units:</i>				
Months of Move-in Period	42 months	60 months	36 months	36 months
Stable Occupancy Achieved	April 2019	October 2020	April 2019	April 2019
Occupancy at August 31, 2020	95.0%	94.2%	80.2%	95.0%
Average Move-ins per Month	5.6	3.7	4.5	5.6
<i>Health Care Center:</i>				
Occupancy at August 31, 2020	93.0%	93.0%	93.0%	64.2%
Max Annual Debt Service Coverage Ratio	1.39x	1.33x	1.03x	1.01x
Days Cash on Hand ⁽³⁾	488	428	96	310
Cash to Debt Ratio	41%	37%	16%	29%

Source: Management

- (1) The sensitivity in the liquidity ratios is due to the extended move-in occupancy of the Independent Living Units without a corresponding adjustment to certain fixed operating expenses, staffing expenses or an adjustment to the repayment of the Series 2014 Bonds.
- (2) For purposes of Sensitivity IA, the Independent Living Units are estimated to reach 95% occupancy in October 2020, which is outside of the forecast period.
- (3) For purposes of the sensitivity analysis, Management has not forecasted draws on the Liquidity Support Agreement.

Sensitivity Analysis II – Entrance Fee Cash Flow Predictability

Actual net Entrance Fee cash flow receipts from turnover may vary from Management's assumptions included in the forecast. Estimates regarding turnover of the Independent Living Units are based on average age, percentage of couples, morbidity tables, assumed transfer rates to other levels of care, the historical experience of Management and estimates from the Actuary. Assumptions regarding the timing of Entrance Fee refunds and pricing are also subject to variances. Accordingly, the following analyses have been presented for the purpose of demonstrating the significance of Entrance Fee cash flow assumptions on the financial forecast.

Sensitivity Analysis IIA

The data presented in the table below is provided to demonstrate the impact of assuming no turnover Entrance Fee cash flow receipts or refunds in the stabilized year of 2020.

Sensitivity Analysis IIB

The data presented in the table below is provided to demonstrate the impact of assuming a 25 percent reduction in turnover Entrance Fees received. For purposes of this analysis, the number of turnover Entrance Fees received and number and amount of Entrance Fees refunds paid have not been adjusted.

Sensitivity Analysis IIC

The data presented in the table below is provided to demonstrate the impact of assuming a 10 percent reduction in Entrance Fee pricing, assumed to occur after the opening of the Community in 2016. For the purposes of this analysis, no Entrance Fee or Independent Living Monthly Fee inflation is assumed throughout the remainder of the forecasted years, and the number of turnover Entrance Fees received and number and amount of Entrance Fees refunds paid have not been adjusted.

Table 49
Sensitivity Analysis – II
Estimated Financial Information
For the Year Ending December 31, 2020
(In Thousands)

	As Forecasted	Sensitivity IIA ⁽¹⁾	Sensitivity IIB ⁽²⁾	Sensitivity IIC ⁽³⁾
Turnover Entrance Fee Received	\$ 17,207	-	\$12,906	\$13,698
Entrance Fee Refunds Paid	\$ (9,078)	-	\$ (9,078)	\$ (9,078)
Net Entrance Fees Received	\$ 8,129	-	\$ 3,828	\$4,620
Max Annual Debt Service Coverage Ratio	1.39x	0.67x	0.99x	0.91
Days Cash on Hand ⁽⁴⁾	488	386	333	334
Cash to Debt Ratio	41%	35%	31%	31%

Source: Management

- (1) The sensitivity in the liquidity ratios is due to the assumption of no turnover Entrance Fee cash flow receipts or refunds in the stabilized year of 2020.
- (2) The sensitivity in the liquidity ratios is due to the 25 percent reduction in turnover Entrance Fees received in each of the forecasted years.
- (3) The sensitivity in the liquidity ratios is due to a 10 percent reduction to Entrance Fee pricing after opening in 2016 with no Entrance Fee or Independent Living Monthly Fee inflation assumed throughout the remainder of the forecasted years.
- (4) For purposes of the sensitivity analysis, Management has not forecasted draws on the Liquidity Support Agreement.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C
FORMS OF PRINCIPAL FINANCING DOCUMENTS

[THIS PAGE INTENTIONALLY LEFT BLANK]

MASTER TRUST INDENTURE

between

FEDERATION CCRC OPERATIONS CORP.,
as the Initial Obligated Group Member
and as the Obligated Group Representative,

and

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

Dated as of

_____, 2014

TABLE OF CONTENTS

	Page
GRANTING CLAUSES.....	1
ARTICLE I DEFINITION OF TERMS, CONSTRUCTION AND CERTAIN GENERAL PROVISIONS	4
Section 1.01. Definition of Terms.....	4
Section 1.02. Compliance Certificates and Reports.....	27
Section 1.03. Form of Documents Delivered to Master Trustee	28
Section 1.04. Acts of Holders of Obligations	28
Section 1.05. Notices, etc., to Master Trustee and Obligated Group Members.....	29
Section 1.06. Notices to Holders of Obligations; Waiver.....	30
Section 1.07. Notices to Rating Agencies.....	30
Section 1.08. Effect of Headings and Table of Contents.....	30
Section 1.09. Successors and Assigns.....	30
Section 1.10. Severability Clause	30
Section 1.11. Governing Law	31
ARTICLE II THE OBLIGATIONS.....	32
Section 2.01. Series and Amount of Obligations.....	32
Section 2.02. Appointment of Obligated Group Representative	32
Section 2.03. Execution and Authentication of Obligations	32
Section 2.04. Supplement Creating Obligations.....	33
Section 2.05. Conditions to Issuance of Obligations Hereunder	34
Section 2.06. List of Holders of Obligations	34
Section 2.07. Optional and Mandatory Redemption.....	34
Section 2.08. Mutilated, Destroyed, Lost and Stolen Obligations.....	34
Section 2.09. Cancellation	35
ARTICLE III FUNDS AND ACCOUNTS	36
Section 3.01. Revenue Fund	36
Section 3.02. Reserved.....	37
Section 3.03. Insurance and Condemnation Fund	37
Section 3.04. Investment of Funds.....	37
Section 3.05. Allocation and Release of Investment Income.....	38
Section 3.06. Master Trustee Relieved From Responsibility	38
Section 3.07. Affiliate Payments/Affiliate Subordinated Indebtedness.....	38
ARTICLE IV COVENANTS OF THE OBLIGATED GROUP MEMBERS	39
Section 4.01. Title to Trust Estate and Lien of this Instrument and Mortgage	39
Section 4.02. Further Assurances.....	39
Section 4.03. Recording and Filing.....	39
Section 4.04. Payment of Principal, Premium and Interest	39
Section 4.05. Payment of Taxes and Other Claims	40
Section 4.06. Maintenance of Properties	40

TABLE OF CONTENTS
(continued)

	Page
Section 7.08. Master Trustee May Enforce Claims Without Possession of Obligations.....	79
Section 7.09. Application of Money Collected.....	79
Section 7.10. Limitation on Suits.....	80
Section 7.11. Unconditional Right of Holders of Obligations to Receive Principal, Premium and Interest.....	80
Section 7.12. Restoration of Rights and Remedies.....	81
Section 7.13. Rights and Remedies Cumulative.....	81
Section 7.14. Delay or Omission Not Waiver.....	81
Section 7.15. Control by Holders of Obligations.....	81
Section 7.16. Waiver of Past Defaults	82
Section 7.17. Undertaking for Costs	82
Section 7.18. Waiver of Stay or Extension Laws	82
ARTICLE VIII CONCERNING THE MASTER TRUSTEE.....	83
Section 8.01. Duties and Liabilities of Master Trustee.....	83
Section 8.02. Notice of Defaults.....	84
Section 8.03. Certain Rights of Master Trustee.....	84
Section 8.04. Not Responsible For Recitals or Issuance of Obligations	86
Section 8.05. Master Trustee or Registrar May Own Obligations.....	86
Section 8.06. Money to Be Held in Trust	86
Section 8.07. Compensation and Expenses of Master Trustee	86
Section 8.08. Corporate Master Trustee Required; Eligibility	86
Section 8.09. Resignation and Removal; Appointment of Successor.....	87
Section 8.10. Acceptance of Appointment by Successor	88
Section 8.11. Merger or Consolidation.....	88
Section 8.12. Master Trustee as Related Bond Trustee	89
ARTICLE IX SUPPLEMENTS AND AMENDMENTS.....	90
Section 9.01. Supplements Without Consent of Holders of Obligations.....	90
Section 9.02. Supplements With Consent of Holders of Obligations.....	91
Section 9.03. Execution of Supplements	91
Section 9.04. Effect of Supplement	92
Section 9.05. Obligations May Bear Notation of Changes.....	92
ARTICLE X SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS.....	93
Section 10.01. Satisfaction and Discharge of Master Indenture.....	93
Section 10.02. Obligations Deemed Paid	93
Section 10.03. Application of Trust Money.....	94
Section 10.04. Payment of Related Bonds.....	94

TABLE OF CONTENTS
(continued)

	Page
Section 4.07. Corporate Existence; Status of Obligated Group.....	41
Section 4.08. Preservation of Qualifications.....	41
Section 4.09. Additions to Facilities	42
Section 4.10. Insurance	42
Section 4.11. Debt Service Coverage Ratio Covenant	42
Section 4.12. Damage or Destruction	44
Section 4.13. Condemnation.....	45
Section 4.14. Other Provisions with Respect to Net Proceeds	47
Section 4.15. Financial Statements, Etc.....	47
Section 4.16. Permitted Additional Indebtedness	52
Section 4.17. Securing Permitted Indebtedness	55
Section 4.18. Calculation of Debt Service and Debt Service Coverage	56
Section 4.19. Permitted Transfers of Property.....	58
Section 4.20. Liens on Property.....	60
Section 4.21. Liquidity Covenant	60
Section 4.22. Marketing Covenant.....	61
Section 4.23. Occupancy Covenant.....	62
Section 4.24. Cumulative Cash Operating Loss	64
Section 4.25. Management Company and Marketing Consultant	65
Section 4.26. Rating Application	66
Section 4.27. Transfer of Cash to the Federation/Affiliate Payments	67
Section 4.28. Consultant's Report	67
ARTICLE V CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER.....	68
Section 5.01. Merger, Consolidation, Sale or Conveyance	68
ARTICLE VI MEMBERSHIP IN THE OBLIGATED GROUP	70
Section 6.01. Admission of Obligated Group Members.....	70
Section 6.02. Obligated Group Members	71
Section 6.03. Withdrawal of Obligated Group Members	72
Section 6.04. Successor Obligated Group Representative.....	72
ARTICLE VII REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF SECURED OBLIGATIONS IN EVENT OF DEFAULT	74
Section 7.01. Events of Default	74
Section 7.02. Acceleration of Maturity; Rescission and Annulment.....	75
Section 7.03. [Reserved.].....	75
Section 7.04. Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement.....	76
Section 7.05. Incidents of Sale	77
Section 7.06. Collection of Indebtedness and Suits for Enforcement by Master Trustee	78
Section 7.07. Master Trustee May File Proofs of Claim	78

TABLE OF CONTENTS
(continued)

	Page
ARTICLE XI MISCELLANEOUS PROVISIONS.....	95
Section 11.01. No Personal Liability	95
Section 11.02. Florida Contract	95
Section 11.03. Legal Holidays.....	95
Section 11.04. Benefits of Provisions of Master Indenture and Obligations.....	95
Section 11.05. Execution in Counterparts.....	95
Section 11.06. UCC Financing Statements.....	95

EXHIBIT A – EXISTING LIENS

MASTER TRUST INDENTURE

THIS MASTER TRUST INDENTURE, dated as of _____, 2014 (this "Master Indenture"), is between FEDERATION CCRC OPERATIONS CORP., a Florida not-for-profit corporation, as the initial Obligated Group Member and as the Obligated Group Representative (the "Corporation"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as master trustee (the "Master Trustee").

WITNESSETH:

WHEREAS, the Obligated Group is authorized and deems it necessary and desirable to enter into this Master Indenture for the purpose of providing for the issuance from time to time by the Obligated Group or other Persons electing and being qualified to become Obligated Group Members (as defined herein) of Obligations (as defined herein) to finance or refinance the acquisition or betterment of health care facilities or other facilities, and for other lawful and proper purposes; and

WHEREAS, all acts and things necessary to constitute this Master Indenture a valid indenture and agreement according to its terms have been done and performed, the Obligated Group has duly authorized the execution and delivery of this Master Indenture, and the Obligated Group, in the exercise of the legal right and power invested in it, executes this Master Indenture and proposes to make, execute, issue and deliver Obligations hereunder; and

WHEREAS, the Master Trustee agrees to accept and administer the trusts created hereby,

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, to secure the payment of the principal of (and premium, if any) and interest on the Outstanding Obligations (hereinafter defined) and the performance of the covenants therein and herein contained and to declare the terms and conditions on which the Outstanding Obligations are secured, and in consideration of the premises, of the purchase of the Obligations by the Holders thereof, and of the sum of One Dollar (\$1.00) to the Obligated Group Members in hand paid by the Master Trustee at or before the execution and delivery hereof, the receipt and sufficiency of which are hereby acknowledged, the Obligated Group Members by these presents and the Mortgage (as defined herein) do hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over, and confirm to the Master Trustee, forever, all and singular the following described properties, and grant a security interest therein for the purposes herein expressed, to wit:

GRANTING CLAUSE FIRST

All revenue, accounts receivable, and Gross Revenues of the Obligated Group Members, including without limitation rights to receive payments from third party payors such as Medicare and Medicaid, but except and excluding all such items, whether now owned or hereafter acquired by the Obligated Group Members, which by their terms or by reason of applicable law would become void or voidable if granted, assigned, or pledged hereunder by the Obligated Group Members, or which cannot be granted, pledged, or assigned hereunder without the consent of

42904708/MIAAMI

SUBJECT AND SUBORDINATE, HOWEVER, to the Permitted Encumbrances (as defined herein);

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all the Outstanding Obligations without any priority of any such Obligations over any other such Obligations except as herein otherwise expressly provided;

UPON CONDITION that, if the Obligated Group Members or their successors or assigns shall well and truly pay, or cause to be paid, the principal of (and premium, if any) and interest on the Outstanding Obligations according to the true intent and meaning thereof, or there shall be deposited with the Master Trustee such amounts in such form in order that none of the Obligations shall remain Outstanding as herein defined and provided, and shall pay or cause to be paid to the Master Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the full and final payment of all such sums and amounts secured hereby or upon such deposit, the rights, titles, liens, security interests, and assignments herein granted shall cease, determine, and be void and this grant shall be released by the Master Trustee in due form at the expense of the Obligated Group Members, except only as herein provided; otherwise this grant to be and shall remain in full force and effect;

UPON FURTHER CONDITION as to any property included in the Trust Estate that, upon Request of the Obligated Group Representative accompanied by an Officer's Certificate and an Opinion of Counsel to the effect that the conditions precedent for the disposition of such property set forth in Section 4.19 hereof have been satisfied, the rights, titles, liens, security interests and assignments herein granted shall cease, determine and be void as to such property only and this grant shall be released by the Master Trustee as to such property in due form at the expense of the Obligated Group Members;

ALL THINGS NECESSARY to make this Master Indenture a valid agreement and contract for the security of the Obligations in accordance with the terms of such Obligations and this Master Indenture have been done;

IT IS HEREBY COVENANTED AND DECLARED that the Trust Estate is to be held and applied by the Master Trustee, subject to the further covenants, conditions, and trusts hereinafter set forth, and the Obligated Group Members do hereby covenant and agree to and with the Master Trustee, for the equal and proportionate benefit of all Holders of the Obligations except as herein otherwise expressly provided; and

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Obligations 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 Obligated Group Members have agreed and covenanted, and do hereby agree and covenant, with the Master Trustee for the equal and proportionate benefit of the respective holders from time to time of the Obligations except as herein otherwise expressly provided as follows:

42904708/MIAAMI

other parties whose consent is not secured, or without subjecting the Master Trustee to a liability not otherwise contemplated by the provisions hereof, or which otherwise may not be, or are not, hereby lawfully and effectively granted, pledged, and assigned by the Obligated Group Members, provided that the Obligated Group Members may subject to the lien hereof any such excepted property, whereupon the same shall cease to be excepted property; and

GRANTING CLAUSE SECOND

The Mortgaged Property (as defined herein);

GRANTING CLAUSE THIRD

All of the rights, titles, interests and estates, now owned or hereafter acquired by the Obligated Group Members in and to any and all accounts, chattel paper, goods, documents, instruments, general intangibles, deposit accounts, investment property, equipment, inventory, fixtures, and any and all other personal property of any kind or character defined in and subject to the provisions of the Florida Uniform Commercial Code, including the supporting obligations thereof, proceeds and products of and from any and all of such personal property used in connection with or arising out of the operation and use of the improvements located on the Premises and any substitutions or replacements thereof; and

GRANTING CLAUSE FOURTH

Any amounts on deposit from time to time in any fund or account created hereunder, subject to the provisions of this Master Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein; and

GRANTING CLAUSE FIFTH

Any and all property that may, from time to time hereinafter, by delivery or by writing of any kind, be subjected to the lien and security interest hereof by the Obligated Group Members or by anyone on its behalf (and the Master Trustee is hereby authorized to receive the same at any time as additional security hereunder), which subject to the lien and security interest hereof of any such property as additional security may be made subject to any reservations, limitations, or conditions which shall be set forth in a written instrument executed by the grantor or the person so acting in its behalf or by the Master Trustee respecting the use and disposition of such property or the proceeds thereof;

TO HAVE AND TO HOLD, IN TRUST, all said property, rights, privileges, and franchises of every kind and description, real, personal, or mixed, hereby and by the Mortgage and hereafter (by supplemental instrument or otherwise) granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, set over, or confirmed as aforesaid, or intended, agreed, or covenanted so to be, together with all the appurtenances thereto appertaining (said properties, rights, privileges, leasehold, and franchises including any cash and securities hereafter deposited or required to be deposited with the Master Trustee (other than any such cash which is specifically stated herein not to be deemed part of the Trust Estate) being herein collectively referred to as the "Trust Estate") unto the Master Trustee and its successors and assigns forever;

42904708/MIAAMI

**ARTICLE I
DEFINITION OF TERMS, CONSTRUCTION
AND CERTAIN GENERAL PROVISIONS**

Section 1.01. Definition of Terms. For all purposes of this Master Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) "this Indenture" or "this Master Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof;
- (2) all references in this instrument designated "Articles," "Sections," and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof," and "hereunder" and other words of similar import refer to this Master Indenture as a whole and not to any particular Article, Section, or other subdivision;
- (3) the terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular number; and
- (4) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP applied in accordance with Section 1.02 of this Master Indenture.

"Accountant" means a certified public accountant, or a firm of certified public accountants, who or which is "independent" as that term is defined in Rule 101 and related interpretations of the Code of Professional Ethics of the American Institute of Certified Public Accountants, of recognized standing, who or which does not devote his or its full time to any Member or its Affiliates (but who or which may be regularly retained by a Member or its Affiliates).

"Act" when used with respect to any Holder of Obligations has the meaning specified in Section 1.04.

"Additional Indebtedness" means Indebtedness incurred by any Member subsequent to the issuance of the Series 2014 Obligations.

"Additional Obligation" means any evidence of Indebtedness or evidence of any repayment obligation under any Interest Rate Agreement issued after the issuance of the Series 2014 Obligations, which is authorized to be issued by a Member pursuant to this Master Indenture which has been authenticated by the Master Trustee pursuant to Section 2.03 hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control" when used with respect to any specified Person means the power to direct the policies of such Person, directly or indirectly, whether through the power to appoint and remove its directors, the ownership of voting securities, by contract, or

42904708/MIAAMI

otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Affiliate Payments" means regularly scheduled periodic fees payable by the Corporation or any other Member of the Obligated Group pursuant to any agreements from time to time between any Obligated Group Member and an affiliate that is not otherwise part of the Obligated Group.

"Affiliate Subordinated Indebtedness" means the Federation Subordinated Obligation, fees and other amounts due to an Affiliate of a Member of the Obligated Group for money borrowed, credit extended or payments which are deferred pursuant to Section 3.07(a) hereof or not yet payable at the time of calculation and which are subordinate to payments due on all Obligations issued hereunder in accordance with the written agreements between the Member of the Obligated Group and the Affiliates made in favor of the Master Trustee.

"Affiliation" means any arrangement with an unrelated Person or group of Persons that would result in the Obligated Group being directly or indirectly controlled by or under direct or indirect common control with such Person or group of Persons.

"Annual Budget" means the annual budget of the Obligated Group required to be provided by the Obligated Group Representative pursuant to Section 4.15 hereof.

"Assisted Living Units" means the 48 assisted living units that are part of the Project.

"Authorized Representative" shall mean, with respect to the Obligated Group Representative and each Obligated Group Member, its respective chief executive officer or president, or any other person or persons designated an Authorized Representative thereof by an Officer's Certificate of the Obligated Group Representative or the Obligated Group Member, signed by the respective Designated Officer and delivered to the Master Trustee.

"Balloon Indebtedness" means Long-Term Indebtedness, (i) 25% or more of the original principal of which matures during any consecutive 12 month period, if such maturing principal amount is not required to be amortized below such percentage by mandatory redemption or prepayment prior to such 12 month period so that, following such amortization, the principal amount maturing during such 12-month period will be less than 25% of such original principal amount; and (ii) any portion of the original principal amount of which (1) may be tendered for purchase or redemption prior to maturity at the option of the owner thereof (including any such Indebtedness which is payable on demand within 365 days from the date of incurrence), or (2) is required to be tendered for purchase or redemption (other than for mandatory sinking fund redemption) prior to maturity thereof.

"Board Resolution" of any specified Person means a copy of a resolution certified by the Person responsible for maintaining the records of the Governing Body of such Person to have been duly adopted by the Governing Body of such Person and to be in full force and effect on the date of such certification, and delivered to the Master Trustee.

"Book Value" when used with respect to Property of a Member, means the value of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited financial statements of such Member that have been prepared in accordance with GAAP,

5

42904708/MIAMI

"Construction Index" means the most recent issue of the "Dodge Construction Index for U.S. and Canadian Cities" with reference to the city in which the subject property is located (or, if such Index is not available for such city, with reference to the city located closest geographically to the city in which the subject property is located), or, if such Index is no longer published or used by the federal government in measuring costs under Medicare or Medicaid programs, such other index which is certified to be comparable and appropriate by the Obligated Group Representative in an Officer's Certificate delivered to the Master Trustee and which other index is acceptable to the Master Trustee.

"Construction Monitor" means zumBrunner, Inc., and its successors and assigns.

"Consultant" means a professional consulting, accounting, investment banking or commercial banking firm or individual selected by the Obligated Group Representative having the skill and experience necessary to render the particular report required and having a favorable reputation for such skill and experience, which firm or individual does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof.

"Contributions" means the aggregate amount of all contributions, grants, gifts, bequests and devises actually received in cash or marketable securities by any Person in the applicable fiscal year of such Person and any such contributions, grants, gifts, bequests and devises originally received in a form other than cash or marketable securities by any Person which are converted in such fiscal year to cash or marketable securities.

"Credit Facility" means any Liquidity Facility, letter of credit, bond insurance policy, standby purchase agreement, guaranty, line of credit, surety bond or similar credit or liquidity facility securing any Indebtedness of any Obligated Group Member.

"Credit Facility Agreement" means any agreement between the Obligated Group Representative and the provider of a Credit Facility relating to the issuance of a Credit Facility.

"Cumulative Cash Operating Loss" means, commencing with the earliest date a resident has taken physical possession of one of the living units included in the Project, the sum, on a cumulative basis, of resident service revenues (excluding amortization of Entrance Fees), plus other operating revenues, plus Unrestricted Contributions, plus Entrance Fees (excluding Initial Entrance Fees), plus investment earnings minus (a) Entrance Fees refunded to residents and (b) the aggregate of all Operating Expenses (including development fees) and capital expenditures which are not part of the Project and are paid from moneys other than proceeds of the Series 2014 Bonds excluding (i) depreciation and amortization and other non-cash expenses, and (ii) any cost, fee or expense paid from the proceeds of Series 2014 Bonds or interest earnings thereon.

"Current Value" means (i) with respect to Property, Plant and Equipment: (a) the aggregate fair market value of such Property, Plant and Equipment as reflected in the most recent written report of an appraiser selected by the Obligated Group Representative and, in the case of real property, who is a member of the American Institute of Real Estate Appraisers (MAI), delivered to the Master Trustee (which report shall be dated not more than three years prior to the date as of which Current Value is to be calculated) increased or decreased by a percentage

7

42904708/MIAMI

and when used with respect to Property of all Members, means the aggregate of the values of such Property, net of accumulated depreciation and amortization, as reflected in the most recent audited combined financial statements of the Obligated Group prepared in accordance with GAAP, provided that such aggregate shall be calculated in such a manner that no portion of the value of any Property of any Member is included more than once.

"Business Day" means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Orlando, Florida (or, if different, in the city in which the designated corporate trust office of the Related 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.

"Capital Additions" means all property or interests in property, real, personal and mixed (a) which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the Mortgaged Property and (b) the cost of which is properly capitalized under GAAP.

"Capitalized Lease" means any lease of real or personal property which, in accordance with GAAP, is required to be capitalized on the balance sheet of the lessee.

"Capitalized Rentals" means, as of the date of determination, the amount at which the aggregate Net Rentals due and to become due under a Capitalized Lease under which a Person is a lessee would be reflected as a liability on a balance sheet of such Person.

"Cash and Investments" means the sum of cash, cash equivalents and marketable securities of the Obligated Group Members, including without limitation board-designated assets, and any amounts, if any, on deposit in the Working Capital Fund, the Liquidity Support Fund and the Minimum Liquid Reserve Accounts, but excluding (a) trustee-held funds other than those described above in this definition, (b) donor-restricted funds and (c) any funds pledged or otherwise subject to a security interest for debt other than the Obligations, as shown on the most recent audited or unaudited financial statements of the Obligated Group. For the purposes of calculations hereunder, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

"Chapter 651 Entrance Fee Escrow Agent" means initially Branch Banking and Trust Company, as escrow agent for the Entrance Fee Escrow Account, required to be maintained pursuant to Chapter 651, Florida Statutes.

"Closing Date" means the date of the initial delivery of the Series 2014 Obligations.

"Code" means the Internal Revenue Code of 1986, as amended from time to time and the corresponding provisions, if any, of any successor internal revenue laws of the United States.

"Consent," "Order," and "Request" of any specified Person mean, respectively, a written consent, order, or request signed in the name of such Person by the Chairman of the Governing Body, the President, a Vice President, the Treasurer, an Assistant Treasurer or the Chief Financial Officer of such Person or any other person or persons designated by an Officer's Certificate and delivered to the Master Trustee.

6

42904708/MIAMI

equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated, minus the fair market value (as reflected in such most recent appraiser's report) of any Property, Plant and Equipment included in such report but disposed of since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such report to the date as of which Current Value is to be calculated; plus (b) the Book Value of any Property, Plant and Equipment acquired since the last such report increased or decreased by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from the date of such acquisition to the date as of which Current Value is to be calculated, minus (c) the Book Value of any such Property, Plant and Equipment acquired since the last such report but disposed of; and (ii) with respect to any other Property, the fair market value of such Property.

"Days' Cash on Hand" means, as of the date of calculation, the amount determined by dividing (a) the amount of Cash and Investments on such date by (b) the quotient obtained by dividing Expenses (including interest on Indebtedness but excluding provisions for bad debt amortization, depreciation or any other non-cash expenses) for the trailing twelve months for the periods ending February 28 (or February 29 in a leap year) and August 31, as derived from the quarterly financial statements delivered pursuant to Section 4.15(a)(ii) hereof, by 365.

"Debt Service Coverage Ratio" means, for any period, the ratio of (a) Income Available for Debt Service received during such period to (b) the Maximum Annual Debt Service Requirement on the date of calculation on Long-Term Indebtedness, other than Subordinated Indebtedness. For the purposes of calculating the Debt Service Coverage Ratio for any period during which the interest on any Long-Term Indebtedness is being funded from the proceeds thereof, the Maximum Annual Debt Service Requirement for such Indebtedness shall be disregarded for such period, and the Income Available for Debt Service shall not include interest on any funds established with the proceeds of such Indebtedness. For the purposes of calculating the Debt Service Coverage Ratio for any period which includes the last date to which interest on such Long Term Indebtedness is being capitalized under GAAP or is being paid from the proceeds thereof (the "Capitalized Interest End Date"), the numerator and the denominator of the Debt Service Coverage Ratio shall be calculated as the aggregate of the amounts determined in accordance with the provisions hereof for the respective periods before and after the Capitalized Interest End Date.

"Debt Service Requirements" means, with respect to the period of time for which calculated, the aggregate of the payments required to be made during such period in respect of (i) principal of Long-Term Indebtedness (whether at maturity, as a result of mandatory sinking fund redemption, mandatory prepayment or otherwise), (ii) interest on outstanding Long-Term Indebtedness and (iii) Capitalized Lease Payments; provided that: (a) the amount of such payments for a future period shall be calculated in accordance with the assumptions contained in Section 4.18 hereof; (b) interest shall be excluded from the determination of the Debt Service Requirements to the extent that Funded Interest is available to pay such interest; (c) principal of Indebtedness shall be excluded from the determination of Debt Service Requirements to the extent that amounts are on deposit in an irrevocable escrow and such amounts (including, where appropriate, the earnings or other increment to accrue thereon) are required to be applied to pay such principal and such amounts so required to be applied are sufficient to pay such principal; (d) principal of Indebtedness due in its final year shall be excluded from the determination of Debt

8

42904708/MIAMI

Service Requirements to the extent moneys were initially deposited and are on deposit as of the date of calculation in a debt service reserve fund which required that moneys on deposit in the debt service reserve fund be used to pay a principal payment in the final year of such Indebtedness, and except for the payment to be received from such debt service reserve fund, the Indebtedness would have had approximately level debt service; and (e) principal and interest payments on Subordinated Indebtedness shall be excluded from Debt Service Requirements.

"Debt Service Reserve Fund" means the debt service reserve fund established in any Related Bond Indenture to secure payment of any series of Related Bonds.

"Defeasance Obligations" means:

(1) Direct obligations of the United States of America or obligations to the full and prompt payment of which the full faith and credit of the United States of America is pledged or evidences of ownership of proportionate interests in future interest and principal payments on such obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on such obligations, and which underlying obligations are not available to satisfy any claim of the custodian or any Person claiming through the custodian or to whom the custodian may be obligated; and

(2) Obligations issued or guaranteed by the following instrumentalities or agencies of the United States of America:

- (i) Federal Home Loan Bank System;
- (ii) Export-Import Bank of the United States;
- (iii) Federal Financing Bank;
- (iv) Federal Home Loan Mortgage Company;
- (v) Federal Housing Administration;
- (vi) Federal National Mortgage Association;

(vii) Any other agency or instrumentality of the United States of America created by an Act of Congress which is substantially similar to the foregoing in its legal relationship to the United States of America; and

(3) Obligations described in Section 103(a) of the Code, provision for the payment of the principal of (and premium, if any) and interest on which shall have been made by the irrevocable deposit at least 123 days preceding the date of determination with a bank or trust company acting as a trustee or escrow agent for holders of such obligations of money, or obligations described in clause (1) above, the maturing principal of and interest on which, when due and payable, without reinvestment will provide money, sufficient to pay when due the principal of (and premium, if any) and interest on such obligations, and which money, or obligations described in clause (1) above, are not available to satisfy any other claim, including any claim of the trustee or escrow agent or

9

42904708/MIAMI

Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

"Facilities" means all land, leasehold interests and buildings and all fixtures and equipment (as defined in the Florida Uniform Commercial Code or equivalent statute in effect in the state where such fixtures or equipment are located) of a Person.

"Feasibility Report" means a report prepared and signed by a Consultant, who is an Accountant, setting forth for a forecast period not exceeding five Fiscal Years from the later of the date of the issuance of the Long-Term Indebtedness in question, or the completion of the Capital Additions financed with such Long-Term Indebtedness: (i) forecasted financial statements prepared on the same basis as the Obligated Group's audited financial statements; and (ii) a full explanation of the assumptions and rationale used in preparing such forecasts, including that such forecasts have taken into account the projected utilization of the Obligated Group's Facilities, the rates and charges to patients and residents and such other data and information as may be necessary to support the forecasted financial statements; which shall be accompanied by an opinion of such Consultant that the underlying assumptions provide a reasonable basis for such forecast.

"Federation" means the Jewish Federation of South Palm Beach County, Inc., a Florida not-for-profit corporation.

"Federation Subordinated Obligation" means the Subordinated Obligation issued by the Obligated Group to the Federation pursuant to and described in the Initial Supplemental Indenture.

"Fiscal Year" means any 12 month period beginning on September 1 of any calendar year and ending on August 31 of such calendar year, or such other consecutive 12 month period selected by the Obligated Group Representative as the fiscal year for the Members.

"Fitch" means Fitch Ratings, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Fitch" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group, with written notice to the Master Trustee.

"Funded Interest" means amounts irrevocably deposited in an escrow or other trust account to pay interest on Long-Term Indebtedness or Related Bonds and interest earned on amounts irrevocably deposited in an escrow or other trust account to the extent such interest earned is required to be applied to pay interest on Long-Term Indebtedness or Related Bonds.

"GAAP" means those principles of accounting set forth in pronouncements of the Financial Accounting Standards Board and its predecessors or pronouncements of the American Institute of Certified Public Accountants or those principles of accounting which have other substantial authoritative support and are applicable in the circumstances as of the date of application, as such principles are from time to time supplemented or amended.

11

42904708/MIAMI

any claim of any Person claiming through the trustee or escrow agent or any claim of any Person to whom the Person on whose behalf such irrevocable deposit was made, the trustee, or the escrow agent may be obligated, whether arising out of the insolvency of the Person on whose behalf such irrevocable deposit was made, the trustee or escrow agent or otherwise.

"Designated Officer" means the Chairperson of the Governing Body, President, any Vice President, the Treasurer, Assistant Treasurer, Secretary or Assistant Secretary of the Obligated Group Representative, or any other person or persons so designated by an Officer's Certificate delivered to the Master Trustee.

"Entrance Fee Escrow Account" means the account maintained pursuant to the Entrance Fee Escrow Agreement in order to satisfy the requirements of Sections 651.022(7), 651.023(3) and 651.033(3), Florida Statutes. Any funds on deposit in such account shall not be subject to any liens, charges, judgments, garnishments or creditors' claims against the Obligated Group including, but not limited to, holders of Obligations issued hereunder, except as provided in Section 651.033(1)(d), Florida Statutes, as may be amended from time to time.

"Entrance Fee Escrow Agreement" means the Sinai Residences of Boca Raton Reservation Deposit and Entrance Fee Escrow Agreement dated as of April 12, 2012, by and between the Corporation and the Chapter 651 Entrance Fee Escrow Agent.

"Entrance Fee Fund" means the fund created by Section 2.01 of the Initial Supplemental Indenture.

"Entrance Fees" means fees, other than security deposits, monthly rentals or monthly service charges, paid to a Member by residents of Independent Living Units for the purpose of obtaining the right to reside in those units including any refundable resident deposits described in any lease or similar Residency Agreements with respect to those units, but shall not include any such amounts held in escrow or otherwise set aside pursuant to the requirements of any such agreement prior to the occupancy of the unit covered by such Residency Agreement or pursuant to Chapter 651, Florida Statutes, as amended (which amounts shall be included if and when occupancy occurs and such set-aside is no longer required).

"Event of Default" has the meaning set forth in Article VII hereof.

"Expenses" means, for any period, the aggregate of all expenses calculated under GAAP, including without limitation any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) interest on Long-Term Indebtedness, (b) depreciation and amortization, (c) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (d) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (e) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (f) non-cash expenses or losses, and (g) any development, marketing, operating, or management fees that have been deferred from the year in which they were originally due. If such calculation of Expenses is being made with respect to the Obligated

10

42904708/MIAMI

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

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

"Gross Revenues" means all receipts, revenues, rentals, income, insurance proceeds (including, without limitation, all Medicaid, Medicare and other third party payments), condemnation awards, Entrance Fees and other moneys received by or on behalf of any Obligated Group Member, including (without limitation) revenues derived from (a) the ownership, operation or leasing of any portion of the Facilities (including, without limitation, fees payable by or on behalf of residents of the Facilities) and all rights to receive the same (other than the right to receive Medicaid and Medicare payments), whether in the form of accounts, general intangibles or other rights, and the proceeds of such accounts, general intangibles and other rights, whether now existing or hereafter coming into existence or whether now owned or held or hereafter acquired, and (b) gifts, grants, bequests, donations and contributions heretofore or hereafter made that are legally available to meet any of the obligations of the Obligated Group Member incurred in the financing, operation, maintenance or repair of any portion of the Facilities; provided, however, that there shall be excluded from Gross Revenues (i) any amounts received by an Obligated Group Member as a billing agent for another entity, except for fees received for serving as billing agent, (ii) gifts, grants, bequests, donations and contributions to an Obligated Group Member heretofore or hereafter made, and the income and gains derived therefrom, which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use of payments required under the Master Indenture, (iii) any moneys received by any Obligated Group Member from prospective residents or commercial tenants in order to pay for customized improvements to those Independent Living Units or other areas of the Facilities to be occupied or leased to such residents or tenants, (iv) all deposits made pursuant to Residency Agreements to be held in escrow under Chapter 651, Florida Statutes, and (v) all deposits and/or advance payments made in connection with any leases of the Independent Living Units and received prior to receipt of such certificate and licenses.

"Guaranty" means all obligations of a Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any Primary Obligor in any manner, whether directly or indirectly, including but not limited to obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any Property constituting security therefor; (b) to advance or supply funds: (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition; (c) to purchase securities or other Property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of the Primary Obligor to make payment of the Indebtedness or obligation; or (d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

"Historical Pro Forma Debt Service Coverage Ratio" means, for any period of time, the ratio consisting of a numerator equal to the amount determined by dividing Income Available for Debt Service for that period by the Maximum Annual Debt Service Requirement for the

12

42904708/MIAMI

Indebtedness then outstanding (other than any Indebtedness being refunded with the Indebtedness then proposed to be issued) and the Indebtedness then proposed to be issued and a denominator of one.

"Holder" means a bearer of any Obligation issued in bearer form, and the registered owner of any Obligation issued in registered form.

"Income Available for Debt Service" means for any period, the excess of Revenues over Expenses of the Person or group of Persons involved.

"Indebtedness" means, for any Person, (a) all Guaranties by such Person, (b) all liabilities (exclusive of reserves such as those established for deferred taxes or litigation) recorded or required to be recorded as such on the audited financial statements of such Person in accordance with GAAP, and (c) all obligations for the payment of money incurred or assumed by such Person (i) due and payable in all events or (ii) if incurred or assumed primarily to assure the repayment of money borrowed or credit extended, due and payable upon the occurrence of a condition precedent or upon the performance of work, possession of Property as lessee, rendering of services by others or otherwise; provided that Indebtedness shall not include Indebtedness of one Member to another Member, any Guaranty by any Member of Indebtedness of any other Member, the joint and several liability of any Member on Indebtedness issued by another Member, Interest Rate Agreements or any obligation to repay Entrance Fees or moneys deposited by residents or others with a Member as security for or as prepayment of the cost of care or any rights of residents of life care, elderly housing or similar facilities to endowment or similar funds deposited by or on behalf of such residents.

"Independent Living Units" means, collectively, the 237 independent living units that are part of the Project, and any additional independent living units that are part of any Capital Additions.

"Initial Entrance Fees" means Entrance Fees received upon the initial occupancy of any Independent Living Unit not previously occupied.

"Initial Supplemental Indenture" means Supplemental Indenture Number 1, dated as of _____, 2014, between the Obligated Group Representative and the Master Trustee.

"Initial Underwriter" means, collectively, the Series 2014A/B/C Underwriter and the Series 2014D Underwriter.

"Insurance and Condemnation Fund" means the fund created by Section 3.03 hereof.

"Insurance Consultant" means a person or firm who in the case of an individual is not an employee or officer of any Member and which, in the case of a firm, does not control any Member of the Obligated Group or any Affiliate thereof and is not controlled by or under common control with any Member of the Obligated Group or an Affiliate thereof, appointed by the Obligated Group Representative, qualified to survey risks and to recommend insurance coverage for continuing care and retirement communities and services of the type involved, and having a favorable reputation for skill and experience in such surveys and such recommendations, and which may include a broker or agent with whom any Member transacts business.

13

42904708/MIAMI

"Master Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as master trustee hereunder, and any successor in trust appointed pursuant to Article VIII hereof.

"Maturity" when used with respect to any Indebtedness means the date on which the principal of such Indebtedness or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Maximum Annual Debt Service Requirement" means the largest total Debt Service Requirements for the current or any succeeding Fiscal Year; provided that, for purposes of determining the Maximum Annual Debt Service Requirement, debt service on the final maturity of any Long-Term Indebtedness shall be excluded to the extent such debt service is less than or equal to an amount on deposit in any debt service reserve fund related to such debt, provided, further, that for purposes of determining the Debt Service Requirements for variable rate debt for which a Credit Facility is provided, if the reimbursement agreement for such Credit Facility provides for scheduled redemptions of such variable rate debt, such scheduled redemptions shall be taken into account in determining principal due under such variable rate debt. For the purpose of determining the interest rate on any Long-Term Indebtedness which bears interest at a variable rate, such interest rate shall be assumed in accordance with Section 4.18(a) hereof, plus Credit Facility and remarketing fees; or (2) for the purpose of any historical Maximum Annual Debt Service Requirement, the actual interest paid for the period of determination.

"Memory-Support Units" means the 24 memory-support units that are part of the Project.

"Minimum Liquid Reserve Accounts" means the accounts maintained pursuant to the Agreement for Sinai Residences of Boca Raton Debt Service Reserve Escrow Account, Operating Reserve Escrow Account and Renewal and Replacement Escrow Account, dated as of _____, 2014, among the Obligated Group and U.S. Bank National Association, as acknowledged by the Florida Office of Insurance Regulation, in order to satisfy the minimum liquid reserve requirements of Section 651.035, Florida Statutes. Any funds on deposit in such accounts shall not be subject to any liens, charges, judgments, garnishments or creditors' claims against the Obligated Group including, but not limited to, holders of Obligations issued hereunder, except as provided in Section 651.033(1)(d), Florida Statutes, as may be amended from time to time.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group, with written notice to the Master Trustee.

"Mortgage" means the Mortgage and Security Agreement dated as of _____, 2014 from the Corporation to the Mortgage Trustee, as trustee, for the benefit of the Master Trustee, as it may be supplemented or amended from time to time, and any additional mortgage given by any Obligated Group Member to secure Obligations.

"Mortgage Trustee" means the trustee, at the time, acting under a Mortgage.

15

42904708/MIAMI

"Interest Payment Date" means the Stated Maturity of an installment of interest on the Obligations.

"Interest Rate Agreement" means an interest rate exchange, hedge or similar agreement, expressly identified in an Officer's Certificate of the Obligated Group Representative delivered to the Master Trustee as being entered into in order to hedge the interest payable on all or a portion of any Indebtedness, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g. a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof. An Interest Rate Agreement shall not constitute Indebtedness hereunder.

"Lien" means any mortgage, pledge or lease of, security interest in or lien, charge or encumbrance on any Property of the Person involved in favor of, or which secures any obligation to, any Person other than any Member, and any Capitalized Lease under which any Member is lessee and the lessor is not another Member.

"Liquidity Facility" means a written commitment to provide money to purchase or retire any Indebtedness if (i) on the date of delivery of such Liquidity Facility, the unsecured Long-Term Indebtedness or claims paying ability of the provider of such Liquidity Facility or its parent holding company or other controlling entity is rated at least "A" by a least one of the Rating Agencies and (ii) as of any particular date of determination, no amount realized under such Liquidity Facility for the payment of the principal or the purchase or redemption price of such Indebtedness (exclusive of amounts realized for the payment of accrued interest on such Indebtedness) shall be required to be repaid by the obligor on such Long-Term Indebtedness for a period of at least one year.

"Liquidity Requirement" has the meaning given such term in Section 4.21 hereof.

"Liquidity Support Fund" means the fund created under Section 2.04 of the Initial Supplemental Indenture.

"Long-Term Indebtedness" means, with respect to any Person, (a) all Indebtedness of such Person for money borrowed, credit extended, incurred or assumed which is not Short Term; (b) the Person's Guaranties of Indebtedness which are not Short Term; and (c) Capitalized Rentals under Capitalized Leases entered into by the Person; provided, however, that Indebtedness that could be described by more than one of the foregoing categories shall not in any case be considered more than once for the purpose of any calculation made pursuant to this Master Indenture.

"Manager" shall initially mean Life Care Services LLC and any entity succeeding to its responsibilities in regard to the Project.

"Marketing Consultant" shall initially mean Greenbrier Development, LLC and any entity succeeding to its responsibilities in regard to the Project.

"Master Indenture" means this Master Indenture, as supplemented or amended by all Supplements authorized and executed pursuant to the terms of this Master Indenture.

14

42904708/MIAMI

"Mortgaged Property" means the real property and personal property of the Members of the Obligated Group which is subject to the Mortgage.

"Net Proceeds" means, when used with respect to any insurance (other than the proceeds of business interruption insurance) or condemnation award or sale consummated under threat of condemnation, the gross proceeds from the insurance or condemnation award or sale with respect to which that term is used less all expenses (including attorney's fees, adjuster's fees and any expenses of the Obligated Group or the Master Trustee) incurred in the collection of such gross proceeds.

"Net Rentals" means all fixed rents (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the Property other than upon termination of the lease for a default thereunder) payable under a lease or sublease of real or personal Property excluding any amounts required to be paid by the lessee (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Net Rentals for any future period under any so called "percentage lease" shall be computed on the basis of the amount reasonably estimated to be payable thereunder for such period, but in any event not less than the amount paid or payable thereunder during the immediately preceding period of the same duration as such future period; provided that the amount estimated to be payable under any such percentage lease shall in all cases recognize any change in the applicable percentage called for by the terms of such lease.

"Nursing Beds" means the 60 skilled nursing beds that are part of the Project.

"Obligated Group" means, collectively, all of the Obligated Group Members.

"Obligated Group Member" or "Member" means the Corporation and any other Person who has satisfied the requirements set forth in this Master Indenture for becoming an Obligated Group Member and its successors until any such Person or a successor or transferee Person satisfies the requirements set forth in this Master Indenture for ceasing to be an Obligated Group Member.

"Obligated Group Representative" means the Corporation, or any successor Obligated Group Representative appointed pursuant to Section 6.04 hereof.

"Obligation" means any promissory note, guaranty, lease, contractual agreement to pay money or other obligation of any Obligated Group Member which is authenticated and delivered pursuant to this Master Indenture and which is entitled to the benefits of this Master Indenture.

"Obligation Register" means the register of ownership of the Obligations to be maintained pursuant to this Master Indenture.

"Occupied" means an Independent Living Unit for which a Residency Agreement has been executed and all related Entrance Fees have been paid.

"Officer's Certificate" means a certificate signed, in the case of a certificate delivered by a Member of the Obligated Group, by the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, the President, any Vice President, Director of Finance or any other Authorized Representative of any Member of the Obligated Group or in the case of a certificate

16

42904708/MIAMI

delivered by any other corporation, by the President, any Vice President, Director of Finance or any other officer or agent authorized to sign by resolution of the Governing Body of such corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such certificate shall be evidenced to the satisfaction of the Master Trustee.

“Operating Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including without limitation any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) depreciation and amortization, (b) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (c) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (d) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (e) non-cash expenses or losses, and (f) any development, marketing, operating, or management fees that have been deferred from the year in which they were originally due. If such calculation of Operating Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

“Opinion of Bond Counsel” shall mean an opinion in writing signed by legal counsel selected by the Obligated Group Representative and reasonably acceptable to the Master Trustee who shall be nationally recognized in matters pertaining to the validity of obligations of governmental issuers and the exemption from federal income taxation of interest on such obligations.

“Opinion of Counsel” means a written opinion of counsel who may (except as otherwise expressly provided herein) be counsel to any Obligated Group Member and shall be reasonably acceptable to the Master Trustee.

“Organizational Documents” of any corporation means the articles of incorporation, certificate of incorporation, corporate charter or other document pursuant to which such corporation was organized, and its bylaws, each as amended from time to time, and as to any other Person, means the instruments pursuant to which it was created and which govern its powers and the authority of its representatives to act on its behalf.

“Outstanding” when used with respect to Obligations means, as of the date of determination, all Obligations theretofore authenticated and delivered under this Master Indenture, except:

- (1) Obligations theretofore cancelled and delivered to the Master Trustee or delivered to the Master Trustee for cancellation;
- (2) Obligations for whose payment or redemption money (or Defeasance Obligations to the extent permitted by Section 10.02 of this Master Indenture) shall have theretofore been deposited with the Master Trustee or any Paying Agent for such Obligations in trust for the Holders of such Obligations pursuant to this Master Indenture; provided, that, if such Obligations are to be redeemed, notice of such redemption has been duly given or waived pursuant to this Master Indenture or irrevocable provision for

17

42904708/MIAMI

- (d) this Master Indenture, the Mortgage and any other Lien on Property if such Lien equally and ratably secures all of the Obligations and only the Obligations;
- (e) Liens granted to secure Indebtedness, as permitted by Section 4.17;
- (f) leases which relate to Property of the Obligated Group which is of a type that is customarily the subject of such leases, such as office space for physicians and educational institutions, food and beverage service facilities, gift shops, commercial, beauty shop, banking, radiology, other similar specialty services, pharmacy and similar departments or employee rental apartments; and any leases, licenses or similar rights to use Property whereunder a Member is lessee, licensee or the equivalent thereof upon fair and reasonable terms no less favorable to the lessee or licensee than would obtain in a comparable arm’s length transaction;
- (g) Liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with Section 4.05 hereof;
- (h) utility, access and other easements and rights of way, restrictions, encumbrances and exceptions which do not materially interfere with or materially impair the operation of the Property affected thereby (or, if such Property is not being then operated, the operation for which it was designed or last modified);
- (i) any mechanic’s, laborer’s, materialmen’s, broker’s, appraiser’s, supplier’s or vendor’s Lien or right in respect thereof if payment is not yet due under the contract in question or has been due for less than 60 days, or if such Lien is being contested in accordance with the provisions of this Master Indenture;
- (j) such Liens, defects, irregularities of title and encroachments on adjoining property as normally exist with respect to property similar in character to the Property involved and which do not materially adversely affect the value of, or materially impair, the Property affected thereby for the purpose for which it was acquired or is held by the owner thereof;
- (k) zoning laws and similar restrictions which are not violated by the Property affected thereby;
- (l) statutory rights under Section 291, Title 42 of the United States Code, as a result of what are commonly known as Hill Burton grants, and similar rights under other federal statutes or statutes of the state in which the Property involved is located;
- (m) all right, title and interest of the state where the Property involved is located, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;
- (n) Liens on or in Property given, granted, bequeathed or devised by the owner thereof existing at the time of such gift, grant, bequest or devise, provided that (i) such Liens consist solely of restrictions on the use thereof or the income therefrom, or (ii) such Liens secure Indebtedness which is not assumed by any Member and such Liens

19

42904708/MIAMI

the giving of such notice satisfactory to the Master Trustee has been made pursuant to this Master Indenture; and

(3) Obligations upon transfer of or in exchange for or in lieu of which other Obligations have been authenticated and delivered pursuant to this Master Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Obligations have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Obligations owned by any Obligated Group Member or any Affiliate of any Obligated Group Member shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Master Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Obligations that the Master Trustee knows to be so owned shall be so disregarded. Obligations so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Master Trustee the pledgee’s right so to act with respect to such Obligations and that the pledgee is not an Obligated Group Member or an Affiliate of any Obligated Group Member.

“Paying Agent” means any Person authorized by the Obligated Group Representative to pay the principal of (and premium, if any) or interest on any Obligations on behalf of the Obligated Group.

“Permitted Encumbrances” means this Master Indenture, the Mortgage, any Related Loan Agreement, any Related Bond Indenture and, as of any particular date:

- (a) Liens arising by reason of good faith deposits with a Member in connection with tenders, leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by any Member to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges; any Lien arising by reason of deposits with, or the giving of any form of security to, any governmental agency or body created or approved by law or governmental regulation for any purpose at any time as required by law or governmental regulation as a condition to the transaction of any business or the exercise of any privilege or license, or to enable any Member to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with workers’ compensation, unemployment insurance, pensions or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for corporations participating in such arrangements;
- (b) any Lien described in Exhibit A which is existing on the date of execution of this Master Indenture provided that no such Lien may be extended, renewed or modified to apply to any Property of a Member of the Obligated Group not subject to such Lien on such date, unless such Lien as so extended, renewed or modified otherwise qualifies as a Permitted Encumbrance;
- (c) any Lien on the Property of any Member granted in favor of or securing Indebtedness to any other Member;

18

42904708/MIAMI

- attach solely to the Property (including the income therefrom) which is the subject of such gift, grant, bequest or devise;
- (o) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which any Member shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall be in existence;
 - (p) Liens on moneys deposited by patients or others with a Member as security for or as prepayment of the cost of patient care or any rights of residents of life care, elderly housing or similar facilities to endowment, prepayment or similar funds deposited by or on behalf of such residents;
 - (q) Liens on Property due to rights of third party payors for recoupment of excess reimbursement paid;
 - (r) any security interest in a rebate fund, any depreciation reserve, debt service or interest reserve, debt service, construction fund or any similar fund established pursuant to the terms of any Supplement, Related Bond Indenture or Related Loan Agreement in favor of the Master Trustee, a Related Bond Trustee or the holder of the Indebtedness issued pursuant to such Supplement, Related Bond Indenture or Related Loan Agreement;
 - (s) any Lien on any Related Bond or any evidence of Indebtedness of any Member acquired by or on behalf of any Member which secures an obligation of such Member to the provider of a Credit Facility or Liquidity Facility;
 - (t) any Lien on Property acquired by a Member which Lien secures Indebtedness issued, incurred or assumed by any Member, in connection with and to effect such acquisition or existing Indebtedness which will remain outstanding after such acquisition which Lien encumbers Property other than Property that is pledged pursuant to Granting Clause Second of this Master Indenture, if in any such case the aggregate principal amount of such Indebtedness does not exceed the fair market value subject to such Lien as determined in good faith by the Governing Body of the Member;
 - (u) such Liens, covenants, conditions and restrictions, if any, which do not secure Indebtedness and which are other than those of the type referred to above, and which (i) in the case of Property owned by the Obligated Group on the date of execution of the Master Indenture, do not and will not, so far as can reasonably be foreseen, materially adversely affect the value of the Property currently affected thereby or materially impair the same, and (ii) in the case of any other Property, do not materially impair or materially interfere with the value, operation or usefulness thereof for the purpose for which such Property was acquired or is held by a Member; or
 - (v) such Liens as are required to be granted by Chapter 651, Florida Statutes, as amended.

20

42904708/MIAMI

"Permitted Investments" means dollar denominated investments, to the extent permitted by law, in any of the following:

- (a) Government Obligations;
- (b) debt obligations which are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated by any Rating Agency in one of the three highest categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);
- (c) any bond, debenture, note, participation certificate or other similar obligation which is either (i) issued or guaranteed by the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation, the Federal Farm Credit Bank Association, or (ii) backed by the full faith and credit of the United States of America;
- (d) U.S. denominated deposit account, certificates of deposit and banker's acceptances with domestic commercial banks, including the Master Trustee or its affiliates, which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" by Standard & Poor's, "F-1" by Fitch or "P-1" by Moody's, and which matures not more than 360 days after the date of purchase;
- (e) commercial paper which is rated at the time of purchase within the classification or higher, "A-1" by Standard & Poor's, "F-1" by Fitch or "P-1" by Moody's, and which matures not more than 270 days after the date of purchase;
- (f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation which are, at the time of purchase, rated by any Rating Agency in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise);
- (g) investment agreements with banks that at the time such agreement is executed are rated by any Rating Agency in one of the three highest rating categories assigned by such Rating Agency (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions which, (1) all of the unsecured, direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency at the time such agreement is executed in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (2) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution is rated by any Rating Agency in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by such Rating Agency; provided that if at any time after purchase the provider of the investment agreement drops below the three highest rating categories assigned by such Rating

21

42904708/MIAMI

"Project" means Sinai Residences of Boca Raton, a continuing care retirement community consisting of (a) the Premises, (b) the 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and related common areas, (c) necessary or useful furnishings, equipment and machinery, and (d) such interests in land as may be necessary or suitable for the foregoing, including roads and rights of access, utilities and other necessary site preparation facilities.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired by a Person.

"Property, Plant and Equipment" means all Property of each Member which is classified as property, plant and equipment under GAAP.

"Rating Agency" means Moody's, Standard & Poor's or Fitch.

"Related Bond Indenture" means the Series 2014A/B/C Bond Indenture, the Series 2014D Bond Indenture and any other indenture, bond resolution or other comparable instrument pursuant to which a series of Related Bonds is issued.

"Related Bond Trustee" means the Series 2014A/B/C Bond Trustee, the Series 2014D Bond Trustee and the trustee and its successor in the trust created under any other Related Bond Indenture.

"Related Bonds" means the Series 2014 Bonds and any other revenue bonds or other obligations issued by any state, territory or possession of the United States or any municipal corporation or political subdivision formed under the laws thereof or any constituted authority or agency or instrumentality of any of the foregoing empowered to issue obligations on behalf thereof ("governmental issuer"), pursuant to a single Related Bond Indenture, the proceeds of which are loaned or otherwise made available to any Obligated Group Member in consideration of the execution, authentication and delivery of an Obligation to or for the order of such governmental issuer.

"Related Issuer" means the governmental issuer of any Related Bonds.

"Related Loan Agreement" means the Series 2014A/B/C Loan Agreement, the Series 2014D Loan Agreement and any other loan agreement, financing agreement, credit agreement or other comparable instrument entered into in connection with a series of Related Bonds.

"Required Information Recipient" means the Master Trustee, each Related Bond Trustee, the Initial Underwriter, the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board, and all Bondholders who hold \$500,000 or more of Related Bonds and request such reports in writing (which written request shall include a certification as to such ownership).

"Reserved" means an Independent Living Unit (a) which is Occupied or (b) for which a Member of the Obligated Group has received a deposit equal to not less than 10% of the Entrance Fee related to such Independent Living Unit.

23

42904708/MIAMI

Agency, the provider of the investment agreement must immediately notify the Master Trustee and the investment agreement must, within 30 days, either (1) be assigned to a provider rated in one of the three highest rating categories or (2) be secured by the provider with collateral securities the fair market value of which, in relation to the amount of the investment agreement including principal and interest, is equal to at least 102%; investment agreements with banks or non-bank financial institutions shall not be permitted if no rating is available with respect to debt of the investment agreement provider or the related guarantor of such provider;

(h) repurchase agreements with respect to and secured by Government Obligations or by obligations described in clause (b) and (c) above, which agreements may be entered into with a bank (including without limitation a Related Bond Trustee or the Master Trustee), a trust company, financial services firm or a broker dealer, provided that (i) the Master Trustee or a custodial agent of the Master Trustee has possession of the collateral and that the collateral is, to the knowledge of the Master Trustee, free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than weekly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of a Related Bond Trustee or the Master Trustee's agent; and

(i) shares of a money market mutual fund or other collective investment fund registered under the federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, having assets of at least \$100,000,000 and having a rating AAAM or AAAM-G by a Rating Agency, including money market mutual funds from which the Master Trustee or its affiliates derive a fee for investment advisory or other services to the fund.

The Master Trustee shall be entitled to assume that any investment which at the time of purchase is a Permitted Investment remains a Permitted Investment thereafter, absent receipt of written notice or information to the contrary. To the extent such investment is no longer a Permitted Investment, the Obligated Group Representative shall promptly provide the Master Trustee written notice of such status and the Master Trustee shall proceed to invest such amounts pursuant to Section 3.03 herein.

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

"Place of Payment" for a series of Obligations means a city or political subdivision designated as such pursuant to this Master Indenture or a Supplement.

"Premises" means the real property described in Exhibit A to the Mortgage, as it may be amended from time to time.

"Primary Obligor" means the Person who is primarily obligated on an obligation which is guaranteed by another Person.

22

42904708/MIAMI

"Residency Agreement" means each and every contract, including without limitation any "Reservation Agreement" or "Residency Agreement", as amended from time to time, between an Obligated Group Member and a resident of the Obligated Group's Facilities, including the Project, giving the resident certain rights of occupancy in the Facilities, including, without limitation, the Independent Living Units, assisted living units, skilled nursing beds or specialty care (dementia) beds and providing for certain services to such resident.

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

"Revenue Fund" means the fund created by Section 3.01 hereof.

"Revenues" means, for any period, (a) in the case of any Person providing health care services and/or senior living services, the sum of (i) net patient service revenues and resident service revenues plus (ii) other operating revenues, plus (iii) non-operating revenues (other than Contributions, income derived from the sale of assets not in the ordinary course of business, any gain from the extinguishment of debt or other extraordinary item, earnings which constitute Funded Interest or earnings on amounts which are irrevocably deposited in escrow to pay the principal of or interest on Indebtedness, but including investment income), plus (iv) Unrestricted Contributions, plus (v) Entrance Fees (other than Initial Entrance Fees) received minus (A) Entrance Fees amortized during such Fiscal Year and (B) Entrance Fees refunded to residents; and (b) in the case of any other Person, gross revenues less sale discounts and sale returns and allowances, as determined in accordance with GAAP; but excluding in either case (i) any unrealized gain or loss resulting from changes in the valuation of investment securities or unrealized changes in the value of derivative investments, (ii) any gains on the sale or other disposition of fixed or capital assets not in the ordinary course, (iii) earnings resulting from any reappraisal, revaluation or write up of fixed or capital assets, (iv) any revenues recognized from deferred revenues related to Entrance Fees and (v) insurance (other than business interruption) and condemnation proceeds; provided, however, that if such calculation is being made with respect to the Obligated Group, such calculation shall be made in such a manner so as to exclude any revenues attributable to transactions between any Member and any other Member. For purposes of calculations under the Master Indenture, an Unrestricted Contribution from an Affiliate shall be treated as being made during the period of such calculation so long as the Unrestricted Contribution is made prior to the date the applicable certificate is required to be delivered with respect to such calculation.

"Series 2014 Bonds" means the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D Bonds.

"Series 2014A Bonds" means the Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A.

"Series 2014A/B/C Bond Indenture" means the Indenture of Trust dated as of _____, 2014, between the Palm Beach County Health Facilities Authority and the Series 2014A/B/C Bond Trustee, relating to the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds.

24

42904708/MIAMI

“Series 2014A/B/C Bond Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as trustee under the Series 2014A/B/C Bond Indenture, and any successor in trust appointed pursuant to the Series 2014A/B/C Bond Indenture.

“Series 2014A/B/C Loan Agreement” means the Loan Agreement dated as of _____, 2014, between the Palm Beach County Health Facilities Authority and the Obligated Group, relating to the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds.

“Series 2014A/B/C Underwriter” means Herbert J. Sims & Co., Inc., as initial underwriter of the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds.

“Series 2014B Bonds” means the Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B.

“Series 2014C Bonds” means the Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C.

“Series 2014D Bond Indenture” means the Indenture of Trust dated as of _____, 2014 between the Palm Beach County Health Facilities Authority and the Series 2014D Bond Trustee relating to the Series 2014D Bonds.

“Series 2014D Bonds” means, collectively, the Series 2014D-1 Bonds and the Series 2014D-2 Bonds.

“Series 2014D Bond Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as trustee under the Series 2014D Bond Indenture, and any successor in trust appointed pursuant to the Series 2014D Bond Indenture.

“Series 2014D Loan Agreement” means the Loan Agreement dated as of _____, 2014, between the Palm Beach County Health Facilities Authority and the Obligated Group, relating to the Series 2014D Bonds.

“Series 2014D Underwriter” means, collectively, Herbert J. Sims & Co., Inc. and Cross Point Capital LLC, as initial underwriters of the Series 2014 Bonds.

“Series 2014D-1 Bonds” means the Palm Beach County Health Facilities Authority Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Subseries 2014D-1.

“Series 2014D-2 Bonds” means the Palm Beach County Health Facilities Authority Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Subseries 2014D-2.

“Series 2014 Obligations” means the Series 2014A Obligation, the Series 2014B Obligation, the Series 2014C Obligation and the Series 2014D Obligation issued by the Obligated Group pursuant to and described in the Initial Supplemental Indenture.

25

42904708/MIAMI

“Unrestricted Contributions” means Contributions which are not restricted in any way that would prevent their application to the payment of debt service on Indebtedness of the Person receiving such Contributions.

“Working Capital Fund” means the fund created under Section 2.02 of the Initial Supplemental Indenture.

Section 1.02. Compliance Certificates and Reports.

Whenever the amount or date of any of the following is a condition to the taking of any action permitted hereby,

(a) Estimated Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any future Fiscal Year shall be established by a certificate or report of a Consultant stating the amount of such estimated item based upon assumptions provided by such Person and stating that such assumptions are, in the opinion of the Consultant, reasonable.

(b) any of:

- (1) Revenues, Expenses, Cash and Investments and Income Available for Debt Service of any Person for any prior Fiscal Year or period,
- (2) Maximum Annual Debt Service of any Person, and
- (3) principal of and interest on any Indebtedness

shall be established by an Officer’s Certificate of the Obligated Group Representative stating the amount of such item and that such amounts have been derived from either the most recent financial statements of the Obligated Group delivered to the Master Trustee pursuant to Section 4.15 hereof or, for any period other than a prior Fiscal Year, from the internally prepared financial statements of the Obligated Group for such period;

(c) the anticipated date of completion of any construction project of any Person shall be established by an Officer’s Certificate of the Obligated Group Representative; and

(d) securities shall include any amounts invested in marketable securities, whether classified as short term or long term assets.

All calculations required to be made hereunder with respect to the Obligated Group shall be made after elimination of intercompany items on a combined basis. 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 hereof, shall be determined or made in accordance with GAAP in effect on the date hereof, 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 hereof or at the time in effect) except that assets, liabilities, items of income and expenses of Affiliates which are not included in the Obligated Group shall not be taken into account, and except where such principles are inconsistent with the requirements of this Master Indenture; provided,

27

42904708/MIAMI

“Short Term,” when used in connection with Indebtedness, means having an original maturity less than or equal to one year and not renewable at the option of the debtor for a term greater than one year beyond the date of original issuance.

“Stable Occupancy” means the first full month following the first full Fiscal Year in which all these conditions have been met: (a) the aggregate average annual occupancy of the Independent Living Units that are part of the Project is equal to or greater than 85%, and (b) all the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, and are no longer outstanding.

“Standard & Poor’s” means Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Obligated Group Representative, with written notice to the Master Trustee.

“State” means the State of Florida.

“Stated Maturity” when used with respect to any Indebtedness or any installment of interest thereon means any date specified in the instrument evidencing such Indebtedness or such installment of interest as a fixed date on which the principal of such Indebtedness or any installment thereof or the fixed date on which such installment of interest is due and payable.

“Subordinated Indebtedness” means (i) Affiliate Subordinated Indebtedness and (ii) any promissory note, guaranty, lease, contractual agreement to pay money or other obligation meeting the requirements of Section 4.16(a)(viii).

“Subordinated Obligation” means an Obligation that evidences Subordinated Indebtedness.

“Supplement” means an indenture supplemental to, and authorized and executed pursuant to the terms of, this Master Indenture.

“Tax Exempt Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

“Threshold Amount” means the greater of (a) 3% of Book Value or, at the option of the Obligated Group Representative, the Current Value of the Property, Plant and Equipment of the Obligated Group or (b) \$1,000,000 plus an amount equal to \$1,000,000 multiplied by a percentage equal to the aggregate percentage increase or decrease in the Construction Index from its level as of _____, 2014.

“Trust Estate” has the meaning given such term in the Granting Clauses hereof.

26

42904708/MIAMI

however, that there shall not be included in any calculation of any item otherwise required to be included in such calculation with respect to any Person which has withdrawn or is withdrawing from the Obligated Group.

Section 1.03. Form of Documents Delivered to Master Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of any officer of a Person may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, in so far as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of a specified Person stating that the information with respect to such factual matters is in the possession of such Person, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Master Indenture, they may, but need not, be consolidated and form one instrument.

Section 1.04. Acts of Holders of Obligations.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Master Indenture to be given or taken by Holders of Obligations may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders of Obligations in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Master Trustee, and, where it is hereby expressly required, to the Obligated Group Representative. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders of Obligations signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of unregistered Obligations, shall be sufficient for any purpose of this Master Indenture and conclusive in favor of the Master Trustee and the Obligated Group Members, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution

28

42904708/MIAMI

thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

The amount of Obligations held in bearer form held by any Person executing any such instrument or writing as a Holder of Obligations, the numbers of such Obligations, and the date of his holding the same, may be proved by the production of such Obligations or by a certificate executed, as depository, by any trust company, bank, banker or member of a national securities exchange (wherever situated), if such certificate is in form satisfactory to the Master Trustee, showing that at the date therein mentioned such Person had on deposit with such depository, or exhibited to it, the Obligations held in bearer form therein described; or such facts may be proved by the certificate or affidavit of the Person executing such instrument or writing as a Holder of Obligations, if such certificate or affidavit is in form satisfactory to the Master Trustee. The Master Trustee and the Obligated Group Members may assume that such ownership of any Obligation held in bearer form continues until (1) another certificate bearing a later date issued in respect of the same Obligation is produced, or (2) such Obligation is produced by some other Person, or (3) such Obligation is registered as to principal or is surrendered in exchange for an Obligation in registered form, or (4) such Obligation is no longer Outstanding.

(c) The fact and date of execution of any such instrument or writing and the amount and numbers of Obligations held in bearer form held by the Person so executing such instrument or writing may also be proved in any other manner which the Master Trustee deems sufficient; and the Master Trustee may in any instance require further proof with respect to any of the matters referred to in this Section.

(d) The ownership of Obligations in registered form shall be proved by the Obligation Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Obligation shall bind every future Holder of the same Obligation and the Holder of every Obligation issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Master Trustee or the Obligated Group Members in reliance thereon, whether or not notation of such action is made upon such Obligation.

Section 1.05. Notices, etc., to Master Trustee and Obligated Group Members. Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders of Obligations or other document provided or permitted by this Master Indenture to be made upon, given or furnished to, or filed with,

(1) the Master Trustee by any Holder of Obligations or by any specified Person shall be sufficient for every purpose hereunder if actually received by the U.S. Bank National Association, 225 E. Robinson Street, Suite 250, Orlando, Florida 32801, Attention: Corporate Trust Services;

(2) the Obligated Group Members by the Master Trustee or by any Holder of Obligations shall be sufficient for every purpose hereunder if in writing and e-mailed or mailed, first class postage prepaid, to the Obligated Group Representative addressed to it

Section 1.11. Governing Law. This Master Indenture shall be construed in accordance with and governed by the laws of the State.

[End of Article I]

at 9901 Donna Klein Boulevard, Boca Raton, Florida 33428, Attention: President, or at any other address previously furnished in writing to the Master Trustee by the Obligated Group Representative; or

(3) any Obligated Group Member by the Master Trustee or by any Holder of Obligations shall be sufficient for every purpose hereunder if in writing and mailed, registered or certified first class postage prepaid, to the Obligated Group Member addressed to it at the address specified in the Supplement executed by such Obligated Group Member or at any other address previously furnished in writing to the Master Trustee by such Obligated Group Member.

Section 1.06. Notices to Holders of Obligations; Waiver. Where this Master Indenture provides for notice to Holders of Obligations of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first class postage prepaid, to each Holder of such Obligations, at his address as it appears on the Obligation Register, not later than the latest date, and not earlier than the earliest date, prescribed for the transmission of such notice. Where this Master Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders of Obligations shall be filed with the Master Trustee.

Section 1.07. Notices to Rating Agencies. If any of the Series 2014 Bonds are then rated by a Rating Agency, the Obligated Group Representative shall give prompt notice to such Rating Agency of any of the following events:

- (a) any Event of Default hereunder;
- (b) the incurrence by any Obligated Group Member of any Long-Term Indebtedness;
- (c) any addition to or withdrawal from the Obligated Group; and
- (d) any Interest Rate Agreement entered into by any Obligated Group Member.

Section 1.08. Effect of Headings and Table of Contents. The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 1.09. Successors and Assigns. All covenants and agreements in this Master Indenture by the Obligated Group Members shall bind their respective successors and assigns, whether so expressed or not.

Section 1.10. Severability Clause. In case any provision in this Master Indenture or in the Obligations 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.

ARTICLE II THE OBLIGATIONS

Section 2.01. Series and Amount of Obligations.

(a) Obligations shall be issued under this Master Indenture in series created by Supplements permitted hereunder. Each series shall be designated to differentiate the Obligations of such series from the Obligations of any other series. No Obligation issued hereunder shall be secured on a basis senior to other Obligations (other than Obligations which constitute Subordinate Indebtedness); provided, however, that the provision of an Interest Rate Agreement, a Credit Facility or the establishment of a debt service reserve fund or account for the benefit of the Holders of certain Obligations, shall not be considered as the providing of security for such Obligations. The number of series of Obligations that may be created under this Master Indenture is not limited. The aggregate principal amount of Obligations of each series that may be created under this Master Indenture is not limited except as restricted by Supplement and the provisions of Article IV of this Master Indenture.

(b) Any Obligated Group Member proposing to incur Indebtedness, other than the Series 2014 Obligations, whether evidenced by Obligations issued pursuant to a Supplement or by evidences of Indebtedness issued pursuant to documents other than this Master Indenture, shall give written notice of its intention to incur such Indebtedness, including in such notice the amount of Indebtedness to be incurred, to the Obligated Group Representative and the other Obligated Group Members. The Obligated Group Representative shall provide the Master Trustee with a copy of any such notice it receives prior to the date such Indebtedness is to be incurred. Any such Obligated Group Member, other than the Obligated Group Representative, proposing to incur such Indebtedness other than the Series 2014 Obligations, shall obtain the written consent of the Obligated Group Representative, which consent shall be evidenced by an Officer's Certificate of the Obligated Group Representative filed with the Master Trustee or an endorsement to such Indebtedness signed by the Obligated Group Representative. The Series 2014 Obligations are issued simultaneously with the execution and delivery hereof.

Section 2.02. Appointment of Obligated Group Representative. Each Obligated Group Member, by becoming an Obligated Group Member, irrevocably appoints the Obligated Group Representative as its agent and true and lawful attorney in fact and grants to the Obligated Group Representative (a) full and exclusive power to execute Supplements authorizing the issuance of Obligations or series of Obligations, (b) full and exclusive power to execute Obligations for and on behalf of the Obligated Group and each Obligated Group Member, (c) full and exclusive power to execute Supplements on behalf of the Obligated Group and each Obligated Group Member pursuant to Sections 9.01 and 9.02 hereof, and (d) full power to prepare, or authorize the preparation of, any and all documents, certificates or disclosure materials reasonably and ordinarily prepared in connection with the issuance of Obligations hereunder, or Related Bonds associated therewith, and to execute and deliver such items to the appropriate parties in connection therewith.

Section 2.03. Execution and Authentication of Obligations. All Obligations shall be executed for and on behalf of the Obligated Group and the Obligated Group Members by an Authorized Representative of the Obligated Group Representative. The signature of any such Authorized Representative may be manual or may be mechanically or photographically

reproduced on the Obligation. If any Authorized Representative whose signature appears on any Obligation ceases to be such Authorized Representative before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such Authorized Representative had remained in office until such delivery. Each Obligation shall be manually authenticated by an authorized officer of the Master Trustee, without which authentication no Obligation shall be entitled to the benefits hereof.

The Master Trustee's authentication certificate shall be substantially in the following form:

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This [Obligation] is one of the Obligations referred to in the aforementioned Master Indenture.

Date of Authentication: _____

Master Trustee

By: _____
Authorized Signatory

Section 2.04. Supplement Creating Obligations. The Obligated Group Representative (on behalf of the Obligated Group and the Obligated Group Members) and the Master Trustee may from time to time enter into a Supplement in order to create Obligations hereunder. Each Supplement authorizing the issuance of Obligations shall specify and determine the date of the Obligations, the principal amount thereof, the purposes for which such Obligations are being issued, the form, title, designation, and the manner of numbering or denominations, if applicable, of such Obligations, the date or dates of maturity of such Obligations, the rate or rates of interest (or method of determining the rate or rates of interest) and premium, if any, borne by such Obligations, the arrangement for place and medium of payment, and any other provisions deemed advisable or necessary. Each Obligation shall be issuable, shall be transferable and exchangeable and shall be subject to redemption as specified in this Master Indenture and in the Supplement. Any Obligation to be held by a Related Bond Trustee in connection with the issuance of Related Bonds shall be in the principal amount equal to the aggregate principal amount of such Related Bonds and shall be registered in the name of the Related Bond Trustee as assignee of the issuer of the Related Bonds. Unless an Obligation has been registered under the Securities Act of 1933, as amended (or similar legislation subsequently enacted), each such Obligation shall be endorsed with a legend which shall read substantially as follows: "This [describe Obligation] has not been registered under the Securities Act of 1933 or any state securities law (or any such similar subsequent legislation);" provided, however, such legend shall not be required if the Master Trustee is provided with an Opinion of Counsel to the effect that such legend is not required.

A Supplement and the Obligations issued thereunder may contain, as applicable, provisions relating to a Credit Facility, as well as any and all compatible provisions necessary in order to make the Obligations meet the requirements of the provider of such Credit Facility. Similarly, a Supplement may provide for Obligations to be issued in fixed or variable rate forms,

33

4290470/8/MIAMI

Obligation has been acquired by a bona fide purchaser, the Obligated Group Representative shall execute and upon its request the Master Trustee shall authenticate and deliver in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Obligation, a new Obligation of like tenor, series, interest rate and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Obligation has become or is about to become due and payable, the Obligated Group Representative in its discretion may, instead of issuing a new Obligation, pay such Obligation.

Upon the issuance of any new Obligation under this Section, the Obligated Group Representative and the Master Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Master Trustee) connected therewith.

Every new Obligation issued pursuant to this Section in lieu of any destroyed, lost or stolen Obligation shall constitute an original additional contractual obligation of the maker thereof, whether or not the destroyed, lost or stolen Obligation shall be at any time enforceable by anyone, and shall be entitled to all the benefits and security of this Master Indenture equally and proportionately with any and all other Obligations duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Obligations.

Section 2.09. Cancellation. All Obligations surrendered for payment, redemption, transfer or exchange shall, if delivered to any Person other than the Master Trustee, be delivered to the Master Trustee and, if not already canceled or required to be otherwise delivered by the terms of the Supplement authorizing the series of Obligations of which such Obligation is a part, shall be promptly canceled by it. The Obligated Group Representative may at any time deliver to the Master Trustee for cancellation any Obligations previously authenticated and delivered hereunder, which the Obligated Group Representative may have acquired in any manner whatsoever, and all Obligations so delivered shall be promptly canceled by the Master Trustee. No Obligations shall be authenticated in lieu of or in exchange for any Obligations canceled as provided in this Section, except as expressly permitted by this Master Indenture. All canceled Obligations held by the Master Trustee shall be treated by the Master Trustee in accordance with its current document retention policies.

[End of Article II]

35

4290470/8/MIAMI

as the case may be, with such tender and redemption provisions as may be deemed necessary for the issuance thereof and provide for the execution of required documents necessary for such purposes, and may specifically subordinate payment, remedies and any other provisions of the Obligations issued thereunder to the provisions of any other Obligations.

Section 2.05. Conditions to Issuance of Obligations Hereunder. With respect to Obligations created hereunder, simultaneously with or prior to the execution, authentication and delivery of Obligations pursuant to this Master Indenture:

(a) The Obligated Group Representative (on behalf of the Obligated Group and the Obligated Group Members) and the Master Trustee shall have entered into a Supplement as provided in Section 2.04 hereof, and all requirements and conditions to the issuance of such Obligations set forth in the Supplement and in this Master Indenture, including, without limitation, the provisions of Section 4.16 hereof (provided that such provisions shall not be applicable to the Series 2014 Obligations), shall have been complied with and satisfied, as provided in an Officer's Certificate of the Obligated Group Representative, a copy of which shall be delivered to the Master Trustee; and

(b) The Obligated Group Representative shall have delivered to the Master Trustee an Opinion of Counsel to the effect that (1) registration of such Obligations under the Securities Act of 1933, as amended, and qualification of this Master Indenture or the Supplement under the Trust Indenture Act of 1939, as amended, is not required, or, if such registration or qualification is required, that all applicable registration and qualification provisions of said acts have been complied with, and (2) this Master Indenture and the Obligations are valid, binding and enforceable obligations of each of the Obligated Group Members in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance and other laws affecting creditors' rights generally, usual equity principles and other customary exclusions.

Section 2.06. List of Holders of Obligations. The Master Trustee shall keep on file at its office the Obligation Register which shall consist of a list of the names and addresses of the Holders of all Obligations. After reasonable notice to the Master Trustee, at reasonable times and under reasonable regulations established by the Master Trustee, the Obligation Register may be inspected and copied by any Obligated Group Member, the Holder of any Obligation or the authorized representative thereof, provided that the ownership by such Holder and the authority of any such designated representative shall be evidenced to the satisfaction of the Master Trustee.

Section 2.07. Optional and Mandatory Redemption. Obligations of each series shall be subject to optional and mandatory redemption in whole or in part and may be redeemed prior to maturity, as provided in the Supplement creating such series, but not otherwise.

Section 2.08. Mutilated, Destroyed, Lost and Stolen Obligations. If (i) any mutilated Obligation is surrendered to the Master Trustee, or the Obligated Group Representative and the Master Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Obligation, and (ii) there is delivered to the Master Trustee such security or indemnity as may be required by the Master Trustee to save it and the Obligated Group Representative harmless, then, in the absence of notice to the Obligated Group Representative or the Master Trustee that such

34

4290470/8/MIAMI

ARTICLE III
FUNDS AND ACCOUNTS

Section 3.01. Revenue Fund.

(a) If an Event of Default under Section 7.01(a) of this Master Indenture shall occur and continue for a period of five days, the Master Trustee shall open a fund called "Revenue Fund – Sinai Residences of Boca Raton Project" and each Obligated Group Member shall deposit with the Master Trustee all Gross Revenues of such Obligated Group Member (except to the extent otherwise provided by or inconsistent with any instrument creating any Permitted Encumbrances) during each succeeding month, beginning on the first day thereof and on each day thereafter, until no default under Section 7.01(a) of this Master Indenture or in the payment of any other Obligations then exists.

(b) On the fifth (5th) 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 shall 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 the Master Trustee under this Master Indenture;

SECOND: To an operating account designated by the Obligated Group Representative (which shall not be subject to the lien of this 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 Subordinated Obligations 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;

FOURTH: To restore any deficiency in a Debt Service Reserve Fund established under a Related Bond Indenture;

FIFTH: If the amounts then due and unpaid upon all Obligations other than Subordinated Obligations have been paid in full, to the payment of the amounts then due and unpaid upon any Subordinated Obligations for principal (and premium, if any) and interest, without preference or priority of any kind except as provided in the Supplement pursuant to which such Subordinated Obligations were issued; and

SIXTH: any amounts remaining shall be deposited in the Surplus Account of the Revenue Fund.

(c) The moneys held in the Surplus Account (i) may be used to pay any of items FIRST through FIFTH above and (ii) may be released to the Obligated Group so long as (A) there are no deficiencies in the Debt Service Reserve Fund and all required deposits have been

36

4290470/8/MIAMI

made into the Minimum Liquid Reserve Accounts, (B) the Obligated Group met the covenants in Sections 4.11, 4.21, 4.22, 4.23, and 4.24 herein for the most recent Fiscal Year and is in compliance with all State regulations regarding the Obligated Group's liquidity position, and (C) no Event of Default has then occurred and is continuing.

(d) The money deposited to the Revenue Fund, together with all investments thereof and investment income therefrom, shall be held in trust and applied solely as provided in this Section and in Section 7.09 hereof. Pending disbursements of the amounts on deposit in the Revenue Fund, the Master Trustee shall promptly invest and reinvest such amounts in accordance with Section 3.04 hereof. All such investments shall have a maturity not greater than 91 days from date of purchase.

(e) Except as described in Section 3.01(a) herein, each Obligated Group Member shall be entitled to full possession and use of its Gross Revenues other than Entrance Fees required to be transferred to the Master Trustee for deposit in the Entrance Fee Fund pursuant to Section 2.01 of the Initial Supplemental Indenture.

(f) If the Revenue Fund is in effect and there are not sufficient funds to pay items First through Fourth, or if the Revenue Fund is not in effect and the Obligated Group does not have sufficient Revenues in its operating account to pay items First through Fourth, money will be withdrawn from the following funds in the following order of priority. Prior to the admission of residents to the Project, moneys shall be withdrawn first from the Liquidity Support Fund, then from the Debt Service Reserve Fund. Following the admission of residents to the Project, first from the Working Capital Fund, second from the Liquidity Support Fund, and third from the Debt Service Reserve Fund.

Section 3.02. Reserved.

Section 3.03. Insurance and Condemnation Fund. There is hereby established with the Master Trustee a trust fund to be designated the "Insurance and Condemnation Fund – Sinai Residences of Boca Raton Project," which shall be used solely for the purposes set forth in this Section. The Master Trustee shall deposit in the Insurance and Condemnation Fund the Net Proceeds of insurance or condemnation proceeds to be used as provided in Section 4.12 or 4.13 hereof, as applicable.

Section 3.04. Investment of Funds. Any moneys held by the Master Trustee hereunder as part of any fund or account established under this Master Indenture shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to rely). If the Master Trustee does not receive written investment instructions from the Obligated Group Representative, the Master Trustee shall invest such monies in (i) in the definition of Permitted Investments. Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee at such times as it is anticipated that moneys from the particular fund will be required for the purposes of this Master Indenture. For the purpose of any investment or reinvestment under this Section, 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. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its respective affiliates.

37

42904708/MIAMI

ARTICLE IV COVENANTS OF THE OBLIGATED GROUP MEMBERS

Section 4.01. Title to Trust Estate and Lien of this Instrument and Mortgage. Each Obligated Group Member has good and indefeasible title to its portion of the Trust Estate free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except Permitted Encumbrances. Each Obligated Group Member represents that it has the right to mortgage or grant a security interest in its portion of the Trust Estate and will warrant and defend to Master Trustee, the title and the lien of this Indenture and the Mortgage as a valid and enforceable mortgage thereon or security interest therein, subject to Permitted Encumbrances. This Indenture and the Mortgage constitute valid and subsisting liens on the Trust Estate, all in accordance with the terms hereof, subject to Permitted Encumbrances

Section 4.02. Further Assurances. Each Obligated Group Member, upon the request of the Master Trustee, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of this Master Indenture and the Mortgage to subject the Trust Estate to the liens and security interests of the Master Indenture and the Mortgage.

Section 4.03. Recording and Filing. In addition to the rights granted under Section 11.06 hereof, each Obligated Group Member hereby authorizes the Master Trustee at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law to perfect the security interest in the Trust Estate granted to the Master Trustee. For purposes of such filings, each Obligated Group Member agrees to furnish any information requested by the Master Trustee promptly upon request by the Master Trustee. The Obligated Group also ratifies its authorization for the Master Trustee to have filed any initial financing statements, amendments thereto and continuation statements, if filed prior to the date of this Master Indenture. Each Obligated Group Member hereby irrevocably constitutes and appoints the Master Trustee and any officer or agent of the Master Trustee, with full power of substitution, as its true and lawful attorneys in fact with full irrevocable power and authority in the place and stead of such Obligated Group Member or in the Obligated Group Member's own name to execute in the Obligated Group Member's name any documents and otherwise to carry out the purposes of this Section 4.03, to the extent that the Obligated Group Member's authorization above is not sufficient. To the extent permitted by law, each Obligated Group Member hereby ratifies all acts said attorneys in fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable. Information concerning the security interest herein granted may be obtained at the addresses of the Obligated Group Representative and the Master Trustee as set forth in Section 1.05 of this Master Indenture.

Section 4.04. Payment of Principal, Premium and Interest. The Obligated Group Representative will duly and punctually pay the principal of (and premium, if any) and interest on the Obligations in accordance with the terms of the Obligations and this Master Indenture.

Each Obligated Group Member hereby jointly and severally unconditionally guarantees the full and timely payment of the principal of, and premium, if any, and interest on all Outstanding Obligations which such Person has not created or otherwise made (and on which such Person is not otherwise primarily liable) in accordance with the terms thereof, whether at

39

42904708/MIAMI

The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Master Indenture. The Master Trustee shall make copies of such records available to the Obligated Group Representative, upon its reasonable written request.

Section 3.05. Allocation and Transfers of Investment Income. Any investments in any fund or account shall be held by or under the control of the Master Trustee and shall be deemed at all times a part of the fund or account from which the investment was made. Any loss resulting from such investments shall be charged to such fund or account.

Section 3.06. Master Trustee Relieved From Responsibility. The Master Trustee shall be fully protected in relying upon any Obligated Group Representative Request relating to investments in any fund, and shall not be liable for any losses or prepayment penalties as a result of complying with any such Obligated Group Representative Request, and shall not be required to ascertain any facts with respect to such Request.

Section 3.07. Affiliate Payments/Affiliate Subordinated Indebtedness.

(a) A Member of the Obligated Group will not make Affiliate Payments or payments on Affiliate Subordinated Indebtedness, unless the following conditions are satisfied: (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the average Debt Service Coverage Ratio is not less than 1.35 for the preceding twelve months, and the Debt Service Coverage Ratio will not be less than 1.20 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio on the basis of the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (iii) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (iv) after the proposed payment the Days' Cash on Hand will not be less than 200 based on the written statement of the Accountant calculating the Days' Cash on Hand required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing under this Master Indenture.

(b) All Affiliate Payments shall be subordinated to all payments due on any Obligations Outstanding.

[End of Article III]

38

42904708/MIAMI

Stated Maturity, declaration of acceleration, call for redemption or otherwise. Such guaranty shall not be affected, modified or impaired upon the happening from time to time of any event, other than the payment of such Obligations (or provision therefor), including, without limitation, any of the following, whether or not with notice to, or the consent of, the guarantor:

(a) the waiver, compromise, settlement, release or termination by any Person of the obligations evidenced by such Obligations or any covenant or security in support thereof;

(b) the failure to give notice to the guarantor of the occurrence of an event of default under the terms and provisions of this Master Indenture or any agreement under which such Obligations are created, assumed, guaranteed or secured;

(c) any failure, omission, or delay on the part of the Master Trustee or the Holder of such Obligations to enforce, assert or exercise any right, power or remedy conferred on the Master Trustee or such Holder in this Master Indenture or any other agreement under which such Obligations are created, assumed, guaranteed or secured;

(d) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshaling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization or arrangement under bankruptcy or similar laws, composition with creditors or readjustment of, or other similar proceedings affecting any such guarantor or any other obligor on Obligations;

(e) the invalidity, irregularity, illegality, unenforceability, or lack of value of, or any defect in any of the Obligations so guaranteed or any collateral security therefor; or

(f) to the extent permitted by law, any event or action that would, in the absence of this Section, result in the release or discharge by operation of laws of such guarantor from the performance or observance of any obligation, covenant, or agreement contained in this Master Indenture.

Section 4.05. Payment of Taxes and Other Claims. Each Obligated Group Member will pay or discharge or cause to be paid or discharged before the same shall become delinquent, (1) all taxes, assessments, and other governmental charges lawfully levied or assessed or imposed upon it or upon its income, profits, or property, and (2) all lawful claims for labor, materials, and supplies which, if unpaid, might by law become a lien upon its property; provided, however, that no such Person shall be required to pay and discharge or cause to be paid and discharged any such tax, assessment, governmental charge, or claim to the extent that the amount, applicability, or validity thereof shall currently be contested in good faith by appropriate proceedings and such Person shall have established and shall maintain adequate reserves on its books for the payment of the same.

Section 4.06. Maintenance of Properties. Each Obligated Group Member will cause all its properties used or useful in the conduct of its business to be maintained and kept in good condition, repair, and working order and supplied with all necessary equipment, ordinary wear and tear, casualty, condemnation, and acts of God excepted. Each Obligated Group Member will cause to be made all necessary repairs, renewals, replacements, betterments, and improvements thereof, all as in the judgment of the Obligated Group Representative may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted

40

42904708/MIAMI

at all times; provided, however, that nothing in this Section shall prevent any such Person from discontinuing the operation and maintenance of any of its properties if such discontinuance is, in the judgment of such Person (and in the opinion of the Governing Body of such Person if the property involved is any substantial part of the properties of such Person taken in the aggregate), desirable in the conduct of its business and not disadvantageous in any material respect to the Holders of the Obligations.

Section 4.07. Corporate Existence; Status of Obligated Group.

(a) Subject to Section 5.01, each Obligated Group Member will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory), and franchises; provided, however, that no Person shall be required to preserve any right or franchise if the Governing Body of such Person shall determine that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Obligations.

(b) The Corporation's exact legal name is correctly set forth at the beginning of this Master Indenture, and the Corporation is an organization of the type specified in the first paragraph of this Master Indenture. The Corporation is formed or incorporated in or organized under the laws of the State of Florida and is duly authorized to conduct business in the State. The Corporation will not cause or permit any change to be made in its name or identity unless the Corporation shall have first notified the Master Trustee in writing of such change at least 30 days prior to the effective date of such change, and shall have first taken all action required by the Master Trustee for the purpose of perfecting or protecting the lien and security interest of the Master Trustee. The place where the Corporation keeps its books and records, including recorded data of any kind or nature, regardless of the medium or recording, including software, writings, plans, specifications and schematics, has been for the preceding two months and will continue to be the address of the Corporation set forth in Section 1.05 hereof (unless the Corporation notifies the Master Trustee in writing at least 30 days prior to the date of such change).

(c) Each Obligated Group Member covenants and agrees to take all action necessary to preserve its status as a Tax-Exempt Organization.

Section 4.08. Preservation of Qualifications. Each Obligated Group Member will not allow any permit, right, license, franchise or privilege so long as it is necessary for the ownership or operation of the Trust Estate as a continuing care retirement community to lapse or be forfeited. If an Obligated Group Member becomes a provider of services under and a participant in the Medicare or Medicaid program or any successor program thereto or any program by a federal, state or local government providing for payment or reimbursement for services rendered for health care, such Obligated Group Member shall use its commercially reasonable efforts to remain fully qualified as a provider of services and a participant in such program; provided, however, that no Obligated Group Member shall be required to maintain any such qualification if (i) the Governing Board of such Person shall determine that the maintenance of such qualification is not in the best economic interest of such Person and (ii) at least 30 days prior to the discontinuance of such qualification, such Person shall notify the Initial Underwriter of such proposed discontinuance and shall provide the Initial Underwriter with a written explanation of the basis for such determination.

Section 4.09. Additions to Facilities. Any additions, improvements and extensions to the Facilities of any Member and repairs, renewals and replacements thereof, including (without limitation) any capital improvements, shall upon their acquisition become part of such Facilities.

Section 4.10. Insurance. Each Member shall maintain, or cause to be maintained at its sole cost and expense, insurance with respect to its Property, the operation thereof and its business against such casualties, contingencies and risks (including but not limited to public liability and employee dishonesty) and in amounts not less than is customary in the case of corporations engaged in the same or similar activities and similarly situated in the State and as is adequate to protect its Property and operations. The Master Trustee shall be listed as a loss payee or additional insured under each insurance policy of each Member while any Obligations remain Outstanding. The Members of the Obligated Group shall deliver a certificate of an Insurance Consultant or Insurance Consultants to the Master Trustee on the Closing Date which indicates that the insurance then being maintained by the Members meets the standards described above.

The Obligated Group Representative shall annually review the insurance each Member maintains as to whether such insurance is customary and adequate. In addition, the Obligated Group Representative shall, at least once every two Fiscal Years with respect to commercial insurance and at least once every Fiscal Year with respect to self-insurance (commencing with its Fiscal Year ending two Fiscal Years following the completion of the Project), cause a certificate of an Insurance Consultant or Insurance Consultants to be delivered to the Master Trustee within 120 days of the applicable Fiscal Year which indicates that the insurance then being maintained by the Members meets the standards described above. The Obligated Group Representative shall cause copies of its review, or the certificates of the Insurance Consultant or Insurance Consultants, as the case may be, to be delivered promptly to the Master Trustee. The Obligated Group or any Member may self-insure if the Insurance Consultant or Insurance Consultants determine(s) that such self-insurance meets the standards set forth in the first sentence of this paragraph and is prudent under the circumstances; provided, however, that no Member of the Obligated Group shall self-insure any of its Property, Plant and Equipment.

Naming of the Master Trustee as a loss payee or additional insured under any insurance policy, or the furnishing to the Master Trustee of information relating thereto, shall not impose upon the Master Trustee any responsibility or duty to approve the form of such policy, the qualifications of the company issuing same or any other matters relating thereto.

Section 4.11. Debt Service Coverage Ratio Covenant.

(a) Each Member covenants and agrees to operate all of its Facilities on a revenue producing basis and to charge such fees and rates for its Facilities and services and to exercise such skill and diligence, including obtaining payment for services provided, as to provide income from its Property 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 hereunder to the extent permitted by law. Each Member further covenants and agrees 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 this Section.

The Members covenant and agree that the Obligated Group Representative will calculate the Debt Service Coverage Ratio of the Obligated Group (i) for each fiscal quarter, commencing with the earlier of (1) the first fiscal quarter following Stable Occupancy, or (2) the fiscal quarter ending August 31, 2020, based on unaudited financial statements for the four consecutive fiscal quarters ending with such fiscal quarter (provided that for the first three fiscal quarters that the Debt Service Coverage Ratio is required to be computed, the Debt Service Coverage Ratio may be calculated, at the option of the Obligated Group Representative, on an annualized basis from the first day of the first fiscal quarter for which such ratio is required to be computed), and (ii) for each Fiscal Year, based on audited financial statements, commencing with the first Fiscal Year during which the Debt Service Coverage Ratio is required to be computed for each fiscal quarter, and will deliver a copy of such calculation to the Persons to whom such report is required to be delivered under Section 4.15.

(b) If the Debt Service Coverage Ratio of the Obligated Group for any calculation date is less than 1.20, the Obligated Group Representative, at the Obligated Group's expense, shall retain a Consultant within 30 days following the calculation described herein 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 Debt Service Coverage Ratio to at least 1.20 for the following Fiscal Year. Notwithstanding anything herein to the contrary, Life Care Services LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Notwithstanding anything herein to the contrary, for first fiscal year in which the Debt Service Coverage Ratio is to be calculated pursuant to (a) above, the Debt Service Coverage Ratio for such fiscal year shall be not less than 1.10.

(c) Within 60 days of retaining any such Consultant, the Obligated Group Representative shall cause a copy of the Consultant's report and recommendations, if any, to be filed with each Member and each Required Information Recipient. Each Member shall 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. This Section shall not be construed to prohibit any Member from serving indigent patients to the extent required for such Member to continue its qualification as a Tax Exempt Organization or from serving any other class or classes of patients without charge or at reduced rates so long as such service does not prevent the Obligated Group from satisfying the other requirements of this Section.

(d) If the Obligated Group fails to achieve a Debt Service Coverage Ratio of 1.20 for a Fiscal Year but did achieve a Debt Service Coverage Ratio of at least 1.00 in the immediately preceding Fiscal Year or such calculation was not required, such failure shall not constitute an event of default under the Master Indenture if (i) the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a report and adopting a plan and (ii) 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. Failure by the Obligated Group to comply with (i) or (ii) of the preceding sentence may become an Event of Default, with the giving of notice pursuant to Section 7.01(b).

If the Obligated Group fails to achieve a Debt Service Coverage Ratio of at least 1.00 at the end of any Fiscal Year, such failure shall constitute an Event of Default under this Master Indenture.

Section 4.12. Damage or Destruction. Each Member agrees to notify the Master Trustee immediately in the case of the destruction of its Facilities or any portion thereof as a result of fire or other casualty, or any damage to such Facilities or portion thereof as a result of fire or other casualty, the Net Proceeds of which are estimated to exceed the Threshold Amount. If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid directly to the Member suffering such casualty or loss. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months after receipt thereof to (i) repair, replace or restore the damaged or destroyed Facilities, (ii) acquire or construct additional capital assets for any one or more Members, or (iii) repay the principal portion of any Indebtedness incurred by any one or more Members of the Obligated Group to acquire or construct capital assets or refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the Threshold Amount, the Member suffering such casualty or loss shall deposit or cause to be deposited such Net Proceeds, when and as received, with the Master Trustee and within 12 months after the date on which the Net Proceeds are finally determined, elect by written notice to the Master Trustee one of the following three options:

(a) **Option A Repair and Restoration.** Such Member may elect to replace, repair, reconstruct, restore or improve any of the Facilities of the Obligated Group or repay Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event such Member shall proceed forthwith to replace, repair, reconstruct, restore or improve Facilities of the Obligated Group or to acquire additional Facilities and will apply the Net Proceeds of any insurance relating to such damage or destruction received from the Master Trustee to the payment or reimbursement of the costs of such replacement, repair, reconstruction, restoration, or improvement or to the repayment of such Indebtedness. So long as an Event of Default has not occurred and is continuing hereunder, any Net Proceeds of insurance relating to such damage or destruction received by the Master Trustee shall be released from time to time by the Master Trustee to such Member substantially in accordance with the procedures set forth in Section 4.14 of the Series 2014A/B/C Loan Agreement, Section 4.14 of the Series 2014D Loan Agreement and upon the receipt by the Master Trustee of:

(i) financial projections, which may be prepared by management, demonstrating that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements, and pay necessary Operating Expenses until completion of the replacement, repair, reconstruction, restoration, or improvement;

(ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such replacement, repair, reconstruction, restoration, or improvement and stating that, based on signed construction contracts, such Net Proceeds, together with any other moneys

legally available for such purposes, will be sufficient to complete such replacement, repair, reconstruction, restoration, or improvement; and

(iii) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Request by an independent architect.

It is further understood and agreed that in the event such Member shall elect this Option A, such Member shall complete the replacement, repair, reconstruction, restoration, improvement and acquisition of the Facilities, whether or not the Net Proceeds of insurance received for such purposes are sufficient to pay for the same.

(b) **Option B Prepayment of Obligations.** Such Member may elect to have all of the Net Proceeds payable as a result of such damage or destruction applied to the prepayment of the Obligations other than Subordinated Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations other than Subordinated Obligations on a pro rata basis among all such Obligations Outstanding. Upon the payment in full of all Obligations other than Subordinated Obligations, the Master Trustee may apply such Net Proceeds to the prepayment of Subordinated Obligations.

(c) **Option C Partial Restoration and Partial Prepayment of Obligations.** Such Member may elect to have a portion of such Net Proceeds applied to the replacement, repair, reconstruction, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds with the remainder of such Net Proceeds to be applied to prepay Obligations other than Subordinated Obligations on a pro rata basis among all such Obligations Outstanding, in which event such Net Proceeds to be used for replacement, repair, reconstruction, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.12 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section.

Notwithstanding the foregoing, the proceeds of business interruption insurance shall be paid directly to the applicable Obligated Group Member and are not subject to the provisions of this Section.

Section 4.13. Condemnation. The Master Trustee shall cooperate fully with the Members in the handling and conduct of any prospective or pending condemnation proceedings with respect to their Facilities or any part thereof. Each Member hereby irrevocably assigns to the Master Trustee, as its interests may appear, all right, title and interest of such Member in and to any Net Proceeds of any award, compensation or damages payable in connection with any such condemnation or taking, or payment received in a sale transaction consummated under threat of condemnation (any such award, compensation, damages or payment being hereinafter referred to as an "award"), which exceeds the Threshold Amount.

45

4290470/B/M/AMI

Obligations other than Subordinated Obligations, the Master Trustee may apply such Net Proceeds to the prepayment of Subordinated Obligations.

(c) **Option C Partial Restoration and Partial Prepayment of Obligations.** Such Member may elect to have a portion of such Net Proceeds of the award applied to the repair, replacement, restoration and improvement of the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds, with the remainder of such Net Proceeds to be applied to the prepayment of Obligations other than Subordinated Obligations on a pro rata basis among all such Obligations Outstanding, in which event such Net Proceeds to be used for repair, replacement, restoration, improvement and acquisition shall be applied as set forth in subparagraph (a) of this Section 4.13 and such Net Proceeds to be used for prepayment of the Obligations shall be applied as set forth in subparagraph (b) of this Section.

Section 4.14. Other Provisions with Respect to Net Proceeds. Net Proceeds deposited with the Master Trustee shall be credited to the Insurance and Condemnation Fund and be invested or reinvested by the Master Trustee as directed in writing by the Obligated Group Representative in Permitted Investments subject to any Member's right to receive the same pursuant to Sections 4.12 and 4.13 hereof. If any Member elects to proceed under either Section 4.12(a) or (c) or 4.13(a) or (c), any amounts in respect of such Net Proceeds not so paid to such Member shall be used to prepay Obligations as set forth in either Section 4.12(b) or 4.13(b).

Section 4.15. Financial Statements, Etc.

The Members covenant that they will keep or cause to be kept proper books of records and accounts in which full, true and correct entries will be made of all dealings or transactions of or in relation to the business and affairs of the Obligated Group in accordance with GAAP consistently applied except as may be disclosed in the notes to the audited financial statements referred to in subparagraph (b) below. To the extent that GAAP would require consolidation of certain financial information of entities which are not Members of the Obligated Group with financial information of one or more Members, consolidated financial statements prepared in accordance with GAAP which include information with respect to entities which are not Members of the Obligated Group may be delivered in satisfaction of the requirements of this Section 4.15 so long as: (i) supplemental information in sufficient detail to separately identify the information with respect to the Members of the Obligated Group is delivered to the Master Trustee with the audited financial statements; (ii) such supplemental information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements delivered to the Master Trustee and, in the opinion of the Accountant, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole; and (iii) such supplemental information is used for the purposes hereof or for any agreement, document or certificate executed and delivered in connection or pursuant to this Master Indenture. At least thirty (30) days prior to the first day of each Fiscal Year, the Obligated Group will prepare the Annual Budget for the following Fiscal Year, and amendments thereof within 30 days after board approval. If the Obligated Group fails to prepare the Annual Budget for any Fiscal Year, the Annual Budget for the preceding Fiscal Year will continue in effect until the Annual Budget is prepared for the remainder of the applicable Fiscal Year. The Obligated Group agrees that while the Liquidity Support Agreement dated _____, 2014 (the "Liquidity Support

47

4290470/B/M/AMI

If such Net Proceeds do not exceed the Threshold Amount, such Net Proceeds may be paid to the Member in question. The Members covenant that they will expend or contract to expend an amount not less than the amount of any such Net Proceeds within 24 months of the receipt thereof to (i) restore, replace or repair the condemned Facilities, (ii) acquire or construct additional capital assets, or (iii) repay the principal portion of Indebtedness incurred by one or more Members of the Obligated Group to acquire or construct capital assets or to refinance Indebtedness incurred for such purpose.

In the event such Net Proceeds exceed the Threshold Amount, the Member in question shall deposit or cause to be deposited such Net Proceeds, when and as received, with the Master Trustee and within 12 months after the date on which the Net Proceeds are finally determined elect by written notice of such election to the Master Trustee one of the following three options:

(a) **Option A Repairs and Improvements.** The Member may elect to use the Net Proceeds of the award for restoration or replacement of or repairs and improvements to the Facilities of the Obligated Group or the acquisition of additional Facilities for the Obligated Group or the repayment of Indebtedness incurred for any such purpose pending the receipt of such Net Proceeds. In such event, so long as an Event of Default has not occurred and is continuing hereunder, such Member shall have the right to receive such Net Proceeds from the Master Trustee from time to time substantially in accordance with the procedures set forth in Section 4.14 of the Series 2014A/B/C Loan Agreement, Section 4.14 of the Series 2014D Loan Agreement and upon the receipt by the Master Trustee of:

(i) financial projections, which may be prepared by management, demonstrating that the Obligated Group will have sufficient funds, including the proceeds of business interruption insurance, to pay all Debt Service Requirements, and pay necessary Operating Expenses until completion of the replacement, repair, reconstruction, restoration, or improvement;

(ii) the Request of such Member specifying the expenditures made or to be made or the Indebtedness incurred in connection with such restoration, replacement, repairs, improvements and acquisitions and stating that, based on signed construction contracts, such Net Proceeds, together with any other moneys legally available for such purposes, will be sufficient to complete such restoration, replacement, repairs, improvements and acquisition; and

(iii) if such expenditures were or are to be made or such Indebtedness was incurred for the construction or renovation of Facilities, the written approval of such Request by an independent architect.

(b) **Option B Prepayment of Obligations.** Such Member may elect to have such Net Proceeds of the award applied to the prepayment of the Obligations other than Subordinated Obligations. In such event such Member shall, in its notice of election to the Master Trustee, direct the Master Trustee to apply such Net Proceeds, when and as received, to the prepayment of Obligations other than Subordinated Obligations on a pro rata basis among all such Obligations Outstanding. Upon the payment in full of all

46

4290470/B/M/AMI

Agreement") between the Federation and U.S. Bank National Association, in its capacity as Master Trustee remains in effect, it will provide the Federation with the proposed Annual Budget prior to its adoption.

(a) The Obligated Group Representative will furnish or cause to be furnished to each Required Information Recipient, the following:

(i) A monthly statement of the Obligated Group as soon as practicable after the information is available but in no event more than 45 days after the completion of such month, including:

(A) Prior to the issuance of a certificate of occupancy for the first building containing Independent Living Units, (I) a calculation of the marketing levels for the Project as of the end of such month, including the number of Independent Living Units that have been sold or cancelled during that month and on an aggregate basis; (II) a copy of the report prepared by the Construction Monitor; (III) a report by the Obligated Group Representative on the progress of the construction by no later than the 15th day of each month, showing the dollar amount and percentage of completion for each stage of construction of the Project, comparing such amounts to the amounts estimated in the schedule of values and the construction progress schedule delivered at closing, estimating the amount of funds required to complete the Project, and certifying that the amount available in the Construction Fund, together with anticipated investment earnings, will be sufficient to pay the costs of completing the Project; (IV) unaudited financial reports on the development costs of the Project incurred during that month and on an aggregate basis; (V) statements of the balances for each fund and account required to be established hereunder or under the Liquidity Support Agreement or under any Related Bond Indenture as of the end of such month (obtained from the applicable trustee), all in reasonable detail and certified by an officer of the Obligated Group Representative; and (VI) if such month is the last month of the fiscal quarter, a calculation of compliance with the Marketing Requirements and Occupancy Requirements, and a calculation of Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated hereunder, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative, and

(B) After the issuance of a certificate of occupancy for the first building containing Independent Living Units, (I) a calculation of the marketing levels for the Project as of the end of such month, including the number of Independent Living Units that have been sold or cancelled during that month and on an aggregate basis; (II) occupancy levels of the Project as of the end of such month including the number of Independent Living Units that were occupied and vacated during that month and on an aggregate basis; (III) a summary statement on the status of construction until the issuance of the last certificate of occupancy for the Project; (IV) unaudited financial reports on the development costs incurred during that month and on an aggregate basis until the issuance of the last certificate of occupancy for the Project; (V) an unaudited statement of revenues

48

4290470/B/M/AMI

and expenses and statement of cash flows of the Obligated Group for such month and an unaudited balance sheet of the Obligated Group as of the end of such month, showing a comparison to the current Annual Budget; (VI) statements of the balances for each fund and account required to be established hereunder or under the Liquidity Support Agreement or under any Related Bond Indenture as of the end of such month (obtained from the applicable trustee), all in reasonable detail and certified by an officer of the Obligated Group Representative; and (VII) a calculation of compliance with the Marketing Requirements and Occupancy Requirements, and a calculation of Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated hereunder, all prepared in reasonable detail and certified, subject to year-end adjustment, by an officer of the Obligated Group Representative, and

(C) The Obligated Group Representative does not need to deliver any monthly statement of the Obligated Group described in this subsection (i) after Stable Occupancy;

(ii) Beginning with the first full fiscal quarter following Stable Occupancy, 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 compliance with the Marketing Requirements, Occupancy Requirements, Days' Cash on Hand, and Debt Service Coverage Ratio, for such fiscal quarter if required to be calculated by Sections 4.11, 4.21, 4.22 and 4.23 hereof, all prepared in reasonable detail and certified, subject to year end adjustment, by an officer of the Obligated Group Representative. Such financial statements and calculations shall be accompanied by a comparison to the Annual Budget provided pursuant to this Section;

(iii) If the Debt Service Coverage Ratio of the Obligated Group for any Fiscal Year is less than 1.20 and the Days' Cash on Hand of the Obligated Group is less than the Liquidity Requirement for any Testing Date as provided in this Master Indenture, the Obligated Group will deliver the financial information and the calculations described in paragraph (ii) above on a monthly basis within 45 days of the end of each month until the Debt Service Coverage Ratio of the Obligated Group is at least 1.20 and the Days' Cash on Hand of the Obligated Group is at least equal to the applicable Liquidity Requirement;

(iv) Within 150 days of the end of each Fiscal Year, an annual audited financial report of the Obligated Group prepared by an Accountant, including a combined and an unaudited combining balance sheet as of the end of such Fiscal Year and 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 Accountant preparing such report containing calculations of the Obligated Group's Debt Service Coverage Ratio for said Fiscal Year and the Days' Cash on Hand of the Obligated Group at the end of such Fiscal Year if required to be calculated by Sections 4.11 and 4.21

49

42904708/MIAMI

thereof) as shall from time to time be designated by the Master Trustee or such Related Bond Trustee;

(x) Upon withdrawal of any funds from the Liquidity Support Fund, the Corporation shall notify the Master Trustee and each Required Information Recipient;

(xi) within 30 days of any revision of the schedule of Entrance Fees or Monthly Service Fees being charged or quoted to residents or prospective residents of the Project, a report on the amounts of such revised Entrance Fees or Monthly Service Fees for each type of unit setting forth the reasons for such revision and, if applicable, the reason why any increases in such fees forecasted in the Feasibility Study have not been made; and

(xii) notice within ten (10) Business Days of the occurrence of any of the material events required to be reported to the MSRB pursuant to the Continuing Disclosure Agreement.

(b) The Members also agree that, within 10 days after its receipt thereof, the Obligated Group Representative will file with the Master Trustee and each Required Information Recipient a copy of each Consultant's report or counsel's opinion required to be prepared under the terms of this Master Indenture.

(c) The Obligated Group Representative shall give prompt written notice of a change of Accountants by the Obligated Group to the Master Trustee and each Related Bond Trustee. The notice shall state (i) the effective date of such change; (ii) whether there were any unresolved disagreements with the former Accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which the former Accountants claimed would have caused them to refer to the disagreement in a report on the disputed matter, if it was not resolved to their satisfaction; and (iii) such additional information relating thereto as such Related Bond Trustee or the Master Trustee may reasonably request.

(d) Without limiting the foregoing, each Member will permit, upon reasonable notice, the Master Trustee or any such Related Bond Trustee (or such persons as they may designate) to visit and inspect, at the expense of such Person, its Property and to discuss the affairs, finances and accounts of the Obligated Group with its officers and Accountants, all at such reasonable times and locations and as often as the Master Trustee or such Related Bond Trustee may reasonably desire.

(e) The Obligated Group Representative may designate a different Fiscal Year for the Members of the Obligated Group by delivering a notice to the Master Trustee designating the first and last day of such new Fiscal Year and whether or not there will be any interim fiscal period (the "Interim Period") of a duration of greater than or less than 12 months preceding such new Fiscal Year. The Members covenant that they will furnish to the Master Trustee and each Related Bond Trustee, as soon as practicable after they are available, but in no event more than 150 days after the last day of such Interim Period, a financial report for such Interim Period certified by an Accountant selected by the Obligated Group Representative covering the operations of the Obligated Group for such Interim Period and containing a combined balance sheet as of the end of such Interim Period and a combined statement of changes in fund balances

51

42904708/MIAMI

hereof, and a statement that such Accountant has no knowledge of any default under this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof; provided, however, that the report of the Accountant shall be subject to and restricted by any then current recommendations and/or pronouncements of the American Institute of Certified Public Accountants;

(v) On or before the date of delivery of the financial reports referred to in subsection (iii) 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 this Master Indenture or, if not, specifying all such defaults and the nature thereof, (B) calculating and certifying the marketing, occupancy, Cumulative Cash Operating Loss, Days' Cash on Hand, and Debt Service Coverage Ratio, if required to be calculated for such Fiscal Year by Sections 4.11, 4.21, 4.22, 4.23 and 4.24 hereof, as of the end of such month or Fiscal Year, as appropriate, and (C) beginning with the first Fiscal Year following Stable Occupancy, attaching (I) information about occupancy of the Independent Living Units, including a comparison to prior year's occupancy, (II) the sources of revenue for the Nursing Beds, (III) the turnover statistics with respect to the Independent Living Units, (IV) changes in any services offered to the residents of the Project, and (V) that the Project is in compliance with the requirements of Chapter 651, Florida Statutes, as amended;

(vi) On or before the date of delivery of the financial reports referred to in subsections (ii) and (iii) above, a management's discussion and analysis of results for the applicable fiscal period;

(vii) Subject to industry standards relating to the financing of facilities similar to the Project, the Obligated Group shall use its best efforts to make available one or more representatives reasonably acceptable to the Bondholders and the Master Trustee for a quarterly telephone conference call with the Bondholders and the Master Trustee to discuss the financial results of the preceding quarter and such other matters as are relevant or are reasonably requested by the Bondholders and the Master Trustee. The Obligated Group shall post notice of such calls to Electronic Municipal Market Access System ("EMMA") maintained by the Municipal Securities Rulemaking Board (the "MSRB") at least two weeks prior to the scheduled date of each call;

(viii) Any correspondence to or from the Internal Revenue Service concerning the status of each Obligated Group Member as a Tax Exempt Organization or with respect to the tax exempt status of the Series 2014 Bonds, promptly upon receipt;

(ix) Such additional information as the Master Trustee or any Related Bond Trustee may reasonably request concerning any Member in order to enable the Master Trustee or such Related Bond Trustee to determine whether the covenants, terms and provisions of this 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 shall, 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

50

42904708/MIAMI

and changes in financial position for such Interim Period and a combined statement of revenues and expenses for such Interim Period, showing in each case in comparative form the financial figures for the comparable period in the preceding Fiscal Year, together with a separate written statement of the Accountant preparing such report containing a calculation of the Obligated Group's Debt Service Coverage Ratio for the Interim Period and a statement that such Accountant has obtained no knowledge of any default by any Member in the fulfillment of any of the terms, covenants, provisions or conditions of this Master Indenture, or if such Accountant shall have obtained knowledge of any such default or defaults, they shall disclose in such statement the default or defaults and the nature thereof (but such Accountant shall not be liable directly or indirectly to anyone for failure to obtain knowledge of any default).

(f) Delivery of such reports, information and documents described in this Section 4.15 to the Master Trustee is for informational purposes only, and the Master Trustee's receipt thereof shall not constitute notice to it of any information contained therein or determinable from information contained therein, including compliance by the Obligated Group or the Members with any of its or their covenants hereunder, as to which the Master Trustee is entitled to rely exclusively on Officer's Certificates.

Section 4.16. Permitted Additional Indebtedness. So long as any Obligations are outstanding, the Obligated Group will not incur any Additional Indebtedness (whether or not incurred through the issuance of Additional Obligations) other than as permitted in this Master Indenture.

(a) **Long-Term Indebtedness.** If no Event of Default shall have occurred and then be continuing, an Obligated Group Member may incur or assume additional Long-Term Indebtedness for such lawful purposes of such Obligated Group Member as shall be specified in reasonable detail in a certified resolution of such Obligated Group Member; provided that, on or before the date on which any Long-Term Indebtedness, whether secured or unsecured, is to be incurred or assumed, the Obligated Group Representative shall deliver to the Master Trustee:

(i) **Historical Pro Forma Test.** Except as provided in paragraphs (ii) through (viii) below, an Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25 and that the Obligated Group was in compliance with the Liquidity Requirement.

(ii) **Historical Test and Forecast.** In lieu of the requirements of paragraph (i) above,

(A) An Officer's Certificate stating that the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding Fiscal Year (without taking into account the Long-Term Indebtedness to be incurred) was not less than 1.25 and that the Obligated Group was in compliance with the Liquidity Requirement; and

(B) A Feasibility Report stating that (a) the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.25 for (i) the first complete Fiscal

52

42904708/MIAMI

Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and (b) the Obligated Group is forecasted to be in compliance with the Liquidity Requirement.

(iii) **Pro Forma Test.** In lieu of the requirements of paragraphs (i) and (ii) above, a Feasibility Report stating that the Debt Service Coverage Ratio of the Obligated Group (taking into account the Long-Term Indebtedness to be incurred) is expected to be not less than 1.35 for (i) the first complete Fiscal Year following the Fiscal Year during which the Capital Addition financed with such Long-Term Indebtedness is expected to be placed into service, or (ii) if the Long-Term Debt will finance a Capital Addition that includes additional Independent Living Units or health care beds, the earlier of (1) the first complete Fiscal Year for which the additional units achieve average occupancy of 85% or (2) the first complete Fiscal Year that begins at least 18 months after the date such additional units are expected to be placed in service, and the Obligated Group is forecasted to be in compliance with the Liquidity Requirement.

(iv) **Limit Based on Revenues.** Commencing one year after the certificate of occupancy has been issued with respect to the Project, in lieu of the requirements of paragraphs (i) through (iii) above, an Officer's Certificate showing that the proposed Long-Term Indebtedness, together with all Long-Term Indebtedness incurred pursuant to this paragraph (iv) which is then outstanding and which is not covered by an Officer's Certificate or Feasibility Report delivered pursuant to paragraphs (i) through (iii) above, does not exceed 5% of Revenues of the Obligated Group for the immediately preceding Fiscal Year.

(v) **Completion Indebtedness.** In the case of Long-Term Indebtedness incurred or assumed to finance the completion of the Project or a Capital Addition, in lieu of the requirements of paragraphs (i) through (iv) above, so long as the scope of the Project or such Capital Addition is not being changed, either (A) an Officer's Certificate showing that the principal amount of the proposed Long-Term Indebtedness does not exceed 10% of the principal amount of the Long-Term Indebtedness originally incurred to finance the Project or such Capital Addition or (B) a Feasibility Report stating that the forecasted Debt Service Coverage Ratio of the Obligated Group for each of the two Fiscal Years immediately following the completion of the Project or such Capital Addition will be not less than what such Debt Service Coverage Ratio would have been without the incurrence of such Indebtedness.

(vi) **Refunding Indebtedness.** In lieu of the requirements of paragraphs (i) through (v) above, in the case of Long-Term Indebtedness incurred to refinance outstanding Long-Term Indebtedness, either (A) an Officer's Certificate showing that the Maximum Debt Service Requirement on the proposed Long-Term Indebtedness does not exceed 110% of the Maximum Debt Service Requirement on the Long-Term Indebtedness to be refinanced.

53

42904708/MIAMI

to ten percent (10%) of Revenues of the Obligated Group for the preceding Fiscal Year. Any such Short-Term Indebtedness must, for a period of at least 30 consecutive days during each Fiscal Year, be less than 3% of Revenues for the preceding Fiscal Year. Short-Term Indebtedness in excess of such 3% limit shall be permitted to remain Outstanding only if permitted to exist under this Master Indenture as Long-Term Indebtedness.

Each Member covenants that prior to, or as soon as reasonably practicable after, the incurrence of Indebtedness by such Member for money borrowed or credit extended, or the equivalent thereof, after the date of issuance of the Series 2014 Obligations, it will deliver to the Master Trustee an Officer's Certificate which identifies the Indebtedness incurred, identifies the subsection of this Section 4.16 pursuant to which such Indebtedness was incurred, demonstrates compliance with the provisions of such subsection and attaches a copy of the instrument evidencing such Indebtedness.

Each Member agrees that, prior to incurring Additional Indebtedness for money borrowed from or credit extended by entities other than Related Issuers, sellers of real or personal property for purchase money debt, lessors of such property or banks or other institutional lenders, it will provide the Master Trustee with an Opinion of Counsel acceptable to the Master Trustee to the effect that, to such counsel's knowledge, such Member has complied in all material respects with all applicable state and federal laws regarding the sale of securities in connection with the incurrence of such Additional Indebtedness (including the issuance of any securities or other evidences of indebtedness in connection therewith); provided, however, that this requirement shall not apply to Indebtedness incurred pursuant to paragraph (a)(iv) of this Section 4.16.

The provisions of this Master Indenture notwithstanding, the Members of the Obligated Group may not incur any Additional Indebtedness the proceeds of which will be used for the acquisition of real Property or the construction of any Facilities unless the right, title and interest in any assets to be financed or refinanced with the proceeds of such Additional Indebtedness and the real estate upon which such assets will be located have been mortgaged and assigned to the Master Trustee pursuant to a Mortgage in substantially the form of the Mortgage and such assets and real estate are not subject to any other Lien except for Permitted Encumbrances.

Section 4.17. Securing Permitted Indebtedness. As long as no Event of Default has occurred and is continuing, any Indebtedness permitted to be incurred or assumed as provided in Section 4.16 may be secured only as hereinafter provided:

(a) **Parity Obligations.** The Obligated Group may secure Long-Term Indebtedness incurred or assumed pursuant to Section 4.16(a), other than pursuant to 4.16(a)(iv) or 4.16(a)(viii), as an Obligation equally and ratably secured with all other Obligations issued under this Master Indenture, provided that (i) in the case of Long-Term Indebtedness incurred under 4.16(a)(v), only if the Indebtedness which originally financed the Project or Capital Addition was an Obligation, and (ii) in the case of Long-Term Indebtedness incurred under 4.16(a)(vi), only if the original Long-Term Indebtedness being refunded was an Obligation.

(b) **Other Secured Long-Term Indebtedness.** Any Long-Term Indebtedness incurred pursuant to Section 4.16 that has not been secured as provided under subsection (a) above may be secured only as follows:

55

42904708/MIAMI

(vii) **Future Phase Indebtedness.** In lieu of the requirements of paragraphs (i) through (vi) above, in the case of additional Long-Term Indebtedness for the construction of new Independent Living Units (a "Future Phase") if (A) at least 70% of the Independent Living Units to be constructed as the Future Phase have been reserved with executed Residency Agreements and deposits at least equal to 10% of the Entrance Fee shall have been received for such units; (B) there is a guaranteed maximum price or stipulated construction contract for the Future Phase; (C) the Obligated Group is in compliance with all then applicable covenants contained herein and with the requirements of Chapter 651, Florida Statutes, as amended, (D) all required deposits have been made in the Entrance Fee Fund; (E) if the Project is not yet complete, an Architect's certificate stating that the construction of the Project is not more than 30 days behind schedule, and not more than 3% over budget (including a pro rata portion of the Project contingency, based on the percentage of completion of construction), provided that Holders of a majority in principal amount of the Outstanding Obligations (other than Subordinated Obligations) may waive this requirement; and (F) a Feasibility Report shows that the Debt Service Coverage Ratio of the Obligated Group for the two Fiscal Years following the completion of the Future Phase will be at least 1.25 and the Days' Cash on Hand at the end of the first Fiscal Year in which the average occupancy of such Independent Living Units is forecasted to reach 85% will be at least 200.

(viii) **Subordinated Indebtedness.** In lieu of the requirements of paragraphs (i) through (vii) above, Subordinated Indebtedness may be incurred without limit, so long as all Subordinate Indebtedness is evidenced by a Subordination Obligation issued pursuant to a Supplement to this Master Indenture, including the Initial Supplemental Indenture or is unsecured, payments are permitted no more often than quarterly and:

(A) No payment may be made in any quarter on any Subordinate Indebtedness unless: (i) all Short-Term Indebtedness has been paid in full; (ii) the Debt Service Coverage Ratio of the Obligated Group for the immediately preceding four consecutive fiscal quarters was not less than 1.35; (iii) there is no deficiency in any Debt Service Reserve Fund; (iv) the Days' Cash on Hand, after giving effect to such payment, will be not less than 300; (v) the average occupancy of the Independent Living Units has been at least 90% for the preceding 12 months; (vi) all required deposits have been made to the Minimum Liquid Reserve Accounts; and (vii) no Event of Default has occurred and is continuing; and

(B) Payments not permitted to be paid on Subordinate Indebtedness pursuant to the preceding paragraphs will be deferred without additional interest, until all of the conditions described above have been met for payment on such Subordinate Indebtedness.

(C) The relative priority of payment of Subordinated Obligations shall be provided for the Supplement pursuant to which such Subordinated Obligations are issued.

(b) **Short-Term Indebtedness.** The Obligated Group may, from time to time, incur, assume or allow to remain Outstanding at any time Short-Term Indebtedness in any amount up

54

42904708/MIAMI

(i) by a lien on and security interest in any Property or interest in Property, real, personal or mixed, of the Obligated Group other than the Mortgaged Property or the Gross Revenues; or

(ii) by a purchase money security interest in fixtures and equipment made part of the Mortgaged Property or by a security interest given to refinance a purchase money security interest.

(c) **Security for Short-Term Indebtedness and Working Capital Debt.** Any Short-Term Indebtedness or any Long-Term Indebtedness which is incurred for the purpose of providing working capital may be secured by a security interest on the Gross Revenues (but not the Mortgaged Property) on a parity with the security interest created by this Master Indenture, and if so secured, the agreement for the repayment of such Short-Term Indebtedness and instruments evidencing or securing the same shall provide that: (i) any event of default thereunder shall be an Event of Default hereunder; and (ii) if any event of default shall have occurred with respect to such Short-Term Indebtedness, the holder thereof shall be entitled only to such rights to exercise, consent to or direct the exercise of remedies as are available to the Master Trustee, and that all such remedies are except as otherwise provided in this Master Indenture, to be exercised solely by the Master Trustee for the equal and ratable benefit of the holders of all Obligations and all Indebtedness so secured. Any agreement for the repayment of such Indebtedness and instruments evidencing or securing the same shall provide for notices to be given to the Master Trustee regarding defaults by the Obligated Group, and shall specify the rights of the Master Trustee to pursue remedies upon the receipt of such notice, and the sharing of the rights of the Master Trustee to control the exercise of remedies with the holder of such indebtedness.

(d) **Security for Subordinated Indebtedness.** The Obligated Group may secure Subordinated Indebtedness incurred or assumed pursuant to Section 4.16(a)(viii) as a Subordinated Obligation with a lien on the Trust Estate that is subordinate to the lien on the Trust Estate securing all other Obligations issued under this Master Indenture.

Section 4.18. Calculation of Debt Service and Debt Service Coverage.

(a) For the purpose of determining the interest rate on Long-Term Indebtedness which bears interest at a variable rate, such interest rate shall be assumed to be: (1) for the purpose of determining whether such Long-Term Indebtedness may be incurred, the rate estimated by a Consultant to be in effect on Indebtedness of comparable terms and creditworthiness at the time of such incurrence; or (2) for the purpose of Long-Term Indebtedness Outstanding, the higher of (a) the average interest rate on such Long-Term Indebtedness for the preceding calendar year or (b) the rate then in effect on such Long-Term Indebtedness.

(b) The Debt Service Requirements on the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds shall be deemed to be the interest requirements on such Series 2014B Bonds, Series 2014C Bonds and Series 2014D-2 Bonds and the principal thereon shall be disregarded.

56

42904708/MIAMI

(c) For the purpose of determining the Debt Service Requirements on any Long-Term Indebtedness incurred to finance a Capital Addition, the admission to which is subject to Residency Agreements, there shall be applied as a credit against the principal amount of such Long-Term Indebtedness the amount of Entrance Fees or other moneys which are forecasted to be used (other than from the proceeds of Long-Term Indebtedness) to pay the principal of such Long-Term Indebtedness during the forecast period covered by a Feasibility Report, provided that no such forecast period shall extend more than five full Fiscal Years beyond the date of completion of the Capital Additions being financed with such Long-Term Indebtedness or, in the case of Long-Term Indebtedness issued or incurred for refinancing purposes, five full Fiscal Years beyond the date of issuance thereof.

(d) For the purpose of determining the Debt Service Requirements on that portion of Long-Term Indebtedness which constitutes Balloon Indebtedness, at the option of the Obligated Group Representative (and in lieu of the provisions of the preceding paragraph, if applicable):

(i) If such Balloon Indebtedness is less than 5% of Revenues of the Obligated Group for the Fiscal Year preceding the date it is incurred, the Debt Service Requirements on such Long-Term Indebtedness shall be deemed to be those if such Long-Term Indebtedness were amortized over a term of 15 years, based on level payments of principal and interest, using an interest rate estimated by a Consultant to be in effect on debt of comparable terms and creditworthiness;

(ii) If the Debt Service Coverage Ratio of the Obligated Group for the preceding Fiscal Year was at least 1.35 and Days' Cash on Hand at the end of the last Fiscal Year, and as of the most recent fiscal quarter, was at least 220, the Debt Service Requirements on such Long-Term Indebtedness shall be deemed to be those which would be payable if such Long-Term Indebtedness were amortized over a term of 20 years, based on level payments of principal and interest, using an interest rate estimated by a Consultant to be in effect on debt of comparable terms and creditworthiness;

(iii) If the Obligated Group received an enforceable commitment for funding new Long-Term Indebtedness to repay such prior Indebtedness, the Debt Service Requirements shall be deemed to be those of the new Long-Term Indebtedness obligation;

(iv) If such Long-Term Indebtedness is secured by a Credit Facility in an amount at least equal to the principal amount of such Long-Term Indebtedness, the Debt Service Requirements shall be deemed to be those which will become due from the Obligated Group assuming such Credit Facility is drawn upon to pay such Long-Term Indebtedness at any maturity of such Balloon Indebtedness; and

(v) If such Long-Term Indebtedness does not meet any of the requirements of subparagraphs (i), (ii), (iii) or (iv) above, or if such Balloon Indebtedness matures within 12 months of the date of calculation, the Debt Service Requirements shall include the full amount of principal stated to be due in any year on such Long-Term Indebtedness.

(e) For the purpose of determining whether any particular Guaranty may be incurred, it shall be assumed that 100% of the Indebtedness guaranteed is Long-Term Indebtedness of the

57

4290470/B/MIAMI

(b) Transfers aggregating in any Fiscal Year not more than 3% of net Property, Plant and Equipment (as shown on last audit) and not more than 7.5% of net Property, Plant and Equipment in any period of three consecutive Fiscal Years.

(c) Transfers of tangible Property at any one time in excess of 3% of net Property, Plant and Equipment provided that (i) the required Cumulative Cash Operating Loss Covenant, Debt Service Coverage Ratio and Days' Cash on Hand Ratio are being met and all required deposits to the Minimum Liquid Reserve Accounts have been made, (ii) an Architect certifies the transfer will not materially adversely affect use or operation of the Facilities of the Obligated Group, and (iii) either:

(i) an Accountant has provided the Obligated Group, in writing, with a calculation showing that if such transfer had been made at the beginning of the last Fiscal Year, the Debt Service Coverage Ratio of the Obligated Group would have been at least 90% of the actual ratio and not less than 1.35; or

(ii) a Consultant forecasts that the Debt Service Coverage Ratio of the Obligated Group for the two Fiscal Years following the transfer will be at least 90% of the actual ratio for the preceding Fiscal Year and not less than 1.35.

The proceeds from the sale of any tangible Property shall, at the option of the Obligated Group Representative, be used to purchase replacement Property, to finance Capital Additions, to repay Obligations or shall be deposited in the Working Capital Fund.

(d) Cash and Investments may not be transferred to any Person who is not a Member (other than the repayment of Subordinated Obligations for which the tests of Sections 4.16(a)(viii)(A) and (B) and 4.27 shall apply) unless (i) the Minimum Liquid Reserve Accounts are fully funded, (ii) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been repaid in full, and (iii) an Accountant provides the Obligated Group with pro forma calculations showing that if the transfer had been made at the beginning of the prior Fiscal Year, the Debt Service Coverage Ratio for such Fiscal Year would have been at least 1.35 and the Days' Cash on Hand Ratio at the end of such Fiscal Year would have been at least 300.

(e) Transfers from a Member to another Member.

(f) To any Person, if prior to such sale, lease or other disposition there is delivered to the Master Trustee an Officer's Certificate of a Member stating that, in the judgment of the signer, such Property has, or within the next succeeding 24 calendar months is reasonably expected to, become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable or unnecessary and the sale, lease or other disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining Property.

(g) To any Person if such Property consists solely of assets which are specifically restricted by the donor or grantor to a particular purpose which is inconsistent with their use for payment on the Obligations.

For avoidance of doubt, it is understood that this Section 4.19 does not prohibit: (i) any transfer of cash by a Member in payment of any of its Obligations, Indebtedness and liabilities, the incurring of which Obligation, Indebtedness or liability did not or would not, either

59

4290470/B/MIAMI

guarantor under such Guaranty. For the purpose of calculating any historical Debt Service Requirements, the guarantor's Debt Service Requirements under a Guaranty shall be deemed to be the actual amount paid on such Guaranty by the guarantor. For any other purpose, a guarantor shall be considered liable only for 20% of the annual debt service requirement on the Indebtedness guaranteed; provided, however, if the guarantor has been required by reason of its guaranty to make a payment in respect of such Indebtedness within the immediately preceding 24 months, the guarantor shall be considered liable for 100% of the annual debt service requirement on the Indebtedness guaranteed.

(f) Each Member may elect to have Indebtedness issued pursuant to one provision of Section 4.16 reclassified as having been incurred under another provision of Section 4.16, by demonstrating compliance with such other provision on the assumption that such Indebtedness is being reissued on the date of delivery of the materials required to be delivered under such other provision. From and after such demonstration, such Indebtedness shall be deemed to have been incurred under the provision with respect to which such compliance has been demonstrated until any subsequent reclassification of such Indebtedness.

(g) Anything herein to the contrary notwithstanding, any portion of any Indebtedness of any Member for which an Interest Rate Agreement has been obtained by such Member shall be deemed to bear interest for the period of time that such Interest Rate Agreement is in effect at a net rate which takes into account the interest payments made by such Member on such Indebtedness and the payments made or received by such Member on such Interest Rate Agreement; provided that the long term credit rating of the provider of such Interest Rate Agreement (or any guarantor thereof) is in one of the three highest rating categories of any Rating Agency (without regard to any refinements of gradation of rating category by numerical modifier or otherwise) or is at least as high as that of the Obligated Group. In addition, so long as any Indebtedness is deemed to bear interest at a rate taking into account an Interest Rate Agreement, any payments made by a Member on such Interest Rate Agreement shall be excluded from Expenses and any payments received by a Member on such Interest Rate Agreement shall be excluded from Revenues, in each case, for all purposes of this Master Indenture.

Section 4.19. Permitted Transfers of Property. Each Member agrees that it will not sell, lease, donate, transfer or otherwise dispose (including without limitation any involuntary disposition) of Property (either real or personal property, including Cash and Investments) unless the Obligated Group Representative determines that the Property has been sold, leased, donated, transferred or otherwise disposed of in one or more of the following transfers or other dispositions of Property:

(a) Payments for goods and services in arm's length transactions, investments in marketable securities and transfers of Property replaced in the ordinary course of business, provided that in the case of any transfer of Property (other than payment for goods and services or investments) in the ordinary course of business, at least 15 days prior written notice shall be given to the Trustee of any such transfer of Property having a book value in excess of 1% of net book value of all of the net Property, Plant and Equipment of the Obligated Group.

58

4290470/B/MIAMI

immediately or with the giving of notice, the passage of time or both, result in the occurrence of an Event of Default; (ii) the making of loans to residents for their financial assistance; or (iii) the expenditure by the Obligated Group of the proceeds of gifts, grants, bequests, donations or contributions heretofore or hereafter made which are designated by the donor at the time made for certain specific purposes other than described in clauses (i) and (ii) of this sentence.

Section 4.20. Liens on Property. Each Member covenants that it will not create or permit to be created or remain and, at its cost and expense, promptly discharge or terminate all Liens on its Property or any part thereof which are not Permitted Encumbrances.

Section 4.21. Liquidity Covenant. The Obligated Group covenants that it will calculate the Days' Cash on Hand of the Obligated Group as of February 28 (or February 29 in a leap year) and August 31 of each Fiscal Year, commencing with the first such date after Stable Occupancy (each such date being a "Testing Date"). The Obligated Group shall deliver an Officer's Certificate setting forth such calculation as of February 28 (or February 29 in a leap year) to the Master Trustee not less than 45 days after such February 28 (or February 29 in a leap year), and include such calculation as of August 31 in the Officer's Certificate delivered pursuant to Section 4.15 hereof.

Each Obligated Group Member is required to conduct its business so that on each Testing Date the Obligated Group shall have no less than 180 Days' Cash on Hand on each Testing Date (the "Liquidity Requirement").

If the amount of Days' Cash on Hand as of any Testing Date is less than the Liquidity Requirement and 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 delivered pursuant to Section 4.15 hereof, the Obligated Group Representative shall, within 30 days after delivery of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase the Days' Cash on Hand to the Liquidity Requirement for future periods. Notwithstanding anything herein to the contrary, Life Care Services LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date such Consultant is retained. Each Member of the Obligated Group shall 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 Member) and permitted by law.

Notwithstanding any other provision of this Master Indenture to the contrary, failure of the Obligated Group to achieve the required Liquidity Requirement for any Fiscal Year shall not constitute an Event of Default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above retaining a Consultant and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Obligated Group Representative) and permitted by law.

60

4290470/B/MIAMI

Section 4.22. Marketing Covenant. Beginning with the first full fiscal quarter following the fiscal quarter in which the Series 2014 Bonds are issued, and ending with the first full fiscal quarter following Stable Occupancy, the Obligated Group will use its best efforts to maintain the percentage of Independent Living Units that are part of the Project which are Reserved (the "Percentage of Reserved Independent Living Units") at or above the applicable levels set forth below, which determinations shall be measured as of the last day of the applicable quarter (the "Marketing Requirements"). The applicable Marketing Requirements shall as follows:

Quarter Ending	Percentage of Reserved Living Independent Units (%)	
	#Units	Percent
08/31/14	166	70.0%
11/30/14	168	70.9
02/28/15	170	71.7
05/31/15	172	72.6
08/31/15	174	73.4
11/30/15	176	74.3
02/29/16	178	75.1
05/31/16	180	75.9
08/31/16	182	76.8
11/30/16	184	77.6
02/28/17	186	78.5
05/31/17	188	79.3
08/31/17	191	80.6
11/30/17	194	81.9
02/28/18	197	83.1
05/31/18	201	84.8
08/31/18	204	86.1
11/30/18	207	87.3
02/28/19	210	88.6
05/31/19 and thereafter	214	90.3

If the Percentage of Reserved Independent Living Units for any fiscal quarter is less than the applicable Marketing Requirement set forth above for that fiscal quarter, the Corporation is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, a marketing report (a "Management Marketing Report") that includes the following information: (a) the Percentage of Reserved Independent Living Units, including the number of reservations and cancellations of Independent Living Units during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Corporation, of the number of reservations of Independent Living Units expected in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Marketing Report is being prepared; and (c) a description of the sales and marketing plan of the Corporation.

If the Percentage of Reserved Independent Living units is less than the Marketing Requirement for two successive fiscal quarters, the Corporation is required to retain a Consultant

61

4290470/8/MIAMI

Occupancy Quarter	Occupancy Requirements	
	#Units	Percent
16 and thereafter	214	90.3

If the Percentage of Units Occupied for any Occupancy Quarter is less than the Occupancy Requirement set forth above for that Occupancy Quarter, the Corporation is required to submit to the Master Trustee, within 30 days of the end of such fiscal quarter, (a) an occupancy report (a "Management Occupancy Report") that includes the following information: (i) the Percentage of Units Occupied and (ii) the number of reservations and cancellations of Independent Living Units that are part of the Project during the immediately preceding fiscal quarter and on an aggregate basis; (b) a forecast, prepared by management of the Corporation, of the number of Independent Living Units that are part of the Project expected to be Occupied in the fiscal quarter immediately succeeding the fiscal quarter with respect to which the Management Occupancy Report is being prepared; and (c) a description of the sales and marketing plan of the Corporation.

If the Percentage of Units Occupied for any two consecutive fiscal quarters is less than the Occupancy Requirement set forth above for those fiscal quarters, the Corporation is required to retain a Consultant within thirty (30) days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Units Occupied to the Occupancy Requirement set forth above for future periods. Notwithstanding anything herein to the contrary, Greenbrier Development, LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Within 60 days of retaining any such Consultant, the Corporation 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. Each Member is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of such Member) and permitted by law. The Obligated Group will not be required to obtain a Consultant's report in any two consecutive fiscal quarters.

Failure of the Obligated Group to achieve the Occupancy Requirement for any Occupancy Quarter will not constitute an Event of Default under this Master Indenture if the Obligated Group takes all action necessary to comply with the procedures set forth above for preparing a Management Occupancy Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Section 4.24. Cumulative Cash Operating Loss. The Obligated Group covenants that during the period (a) commencing with (i) the first fiscal quarter ending after the earliest date a resident has taken physical possession of one of the Independent Living Units included in the Project (the "Initial Occupancy Date") if such date is more than 30 days prior to the end of such fiscal quarter or (ii) the first full fiscal quarter ending after the Initial Occupancy Date if such Initial Occupancy Date is less than 30 days prior to the end of a fiscal quarter, and (b) ending with the fiscal quarter immediately preceding Stable Occupancy (Cumulative Cash Operating Loss is not required to be calculated following Stable Occupancy), it will calculate its Cumulative Cash Operating Loss as of the end of each fiscal quarter. Each Member is required

63

4290470/8/MIAMI

within 30 days thereafter to make recommendations regarding the actions to be taken to increase the Percentage of Reserved Independent Living Units to the Marketing Requirements set forth herein for future periods. Notwithstanding anything herein to the contrary, Greenbrier Development, LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. Within 60 days of retaining any such Consultant, the Corporation 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. Each Member is required to follow each recommendation of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Board of such Member) and permitted by law. The Obligated Group will not be required to obtain a Consultant's report in any two consecutive fiscal quarters.

Failure of the Obligated Group to achieve the Marketing Requirements for any fiscal quarter 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 Management Marketing Report or obtaining a Consultant's report and adopting a plan and follows each recommendation contained in such Consultant's report to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by law.

Section 4.23. Occupancy Covenant. The Obligated Group covenants that for each fiscal quarter (a) commencing with the first fiscal quarter which ends not less than 60 days following the issuance of the first certificate of occupancy for the first building containing Independent Living Units that are part of the Project, and (b) ending with the first full fiscal quarter following Stable Occupancy (each an "Occupancy Quarter"), the Obligated Group will use its best efforts to have Occupied the percentage of the total number of all Independent Living Units that are part of the Project (the "Percentage of Units Occupied") at or above the requirements set forth below, which levels shall be measured as of the last day of the applicable Occupancy Quarter (the "Occupancy Requirements"):

Occupancy Quarter	Occupancy Requirements	
	#Units	Percent
1	15	6.3%
2	40	16.9
3	75	31.6
4	105	44.3
5	130	54.9
6	146	61.6
7	158	66.7
8	168	70.9
9	176	74.3
10	182	76.8
11	188	79.3
12	192	81.0
13	198	83.5
14	206	86.9
15	210	88.6

62

4290470/8/MIAMI

to conduct its business so that as of the end of each such testing quarter the Obligated Group will have a Cumulative Cash Operating Loss not more than the amount set forth below:

Quarter	Cumulative Cash	Operating Loss
First	\$ 5,200,000	\$ 3,291,944
Second	6,700,000	4,216,078
Third	13,000,000	9,552,584
Fourth	17,000,000	13,169,513
Fifth	20,400,000	16,146,997
Sixth	23,400,000	18,580,303
Seventh	25,600,000	20,666,893
Eighth	26,800,000	21,883,128
Ninth	27,800,000	22,931,759
Tenth	28,600,000	23,893,199
Eleventh	29,000,000	24,772,093
Twelfth	29,300,000	25,557,327
Thirteenth	29,600,000	26,258,702
Fourteenth	29,800,000	26,880,625
Fifteenth and thereafter	30,000,000	27,483,409

If, as of any testing date, the Cumulative Cash Operating Loss of the Obligated Group is greater than the amounts required above, the Obligated Group Representative shall, within 30 days after receipt of the Officer's Certificate disclosing such deficiency, deliver an Officer's Certificate to the Master Trustee setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth steps to be taken designed to achieve the required level of Cumulative Cash Operating Loss for future periods.

If, as of any two consecutive testing dates, the Cumulative Cash Operating Loss is greater than the levels set forth above required, the Obligated Group Representative shall, within 30 days after receipt of the Officer's Certificate disclosing such deficiency, retain a Consultant to make recommendations with respect to the rates, fees and charges of the Obligated Group and the Obligated Group's methods of operation and other factors affecting its financial condition in order to increase Cumulative Cash Operating Loss to the required level for future periods. Notwithstanding anything herein to the contrary, Life Care Services LLC may provide the recommendations provided for in the previous sentence upon the first covenant breach described herein. A copy of the Consultant's report and recommendations, if any, shall be filed with each Member and each Required Information Recipient within 60 days after the date the Consultant is retained. Each Member of the Obligated Group shall 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 Member) and permitted by law. The Obligated Group shall not be required to obtain a Consultant's report more than one time in any six month period.

Notwithstanding any other provision of the Master Indenture, failure of the Obligated Group to achieve the required Cumulative Cash Operating Loss level will not constitute an Event of Default under the Master Indenture if the Obligated Group takes all action necessary to comply with the required procedures for preparing a report and adopting a plan and follows each recommendation contained in such report to the extent feasible (as determined by the Governing Body of the Obligated Group Representative) and permitted by law.

64

4290470/8/MIAMI

Section 4.25. Management Company and Marketing Consultant. The Obligated Group is required to engage a Manager and a Marketing Consultant (which may be the same firm) at all times so long as any Obligation remains outstanding. The Obligated Group, or an Affiliate thereof, may serve as Manager of the Project if (1) (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the Obligated Group has achieved a 1.30 Debt Service Coverage Ratio for six consecutive fiscal quarters, (iii) the Obligated Group has 200 Days' Cash on Hand for six consecutive quarters; (iv) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at required levels, (v) the Project has Stable Occupancy for the most recent six fiscal quarters, (vi) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and (vii) no Event of Default has occurred and is continuing hereunder, and (2) the Obligated Group provides the Master Trustee with written confirmation from the auditor of the financial statements of the Obligated Group that there are no material weaknesses, material control issues or other adverse material negative findings in the financial statement of the Obligated Group. In lieu of (1) or (2) in the precedent sentence the Obligated Group may obtain consent from the Holders of a majority of Bonds. Except as provided below, the Members of the Obligated Group shall be required to retain a new Manager or Marketing Consultant or both, if:

- (i) the Obligated Group fails to make any payment on the Obligations when due; or
- (ii) the Obligated Group fails to maintain a Debt Service Coverage Ratio of at least 1.00 as shown on any two (2) successive quarterly unaudited financial statements; or
- (iii) the Obligated Group fails to meet the required Debt Service Coverage Ratio by the end of the second fiscal quarter following the date the Consultant's report is required as described above under Section 4.11(c) hereof; or
- (iv) the Obligated Group fails to meet the required Occupancy Requirements by the end of the second Occupancy Quarter following the date a report and plan are required as described above under Section 4.23; or
- (v) the Obligated Group fails to meet the required Marketing Requirements by the end of the second fiscal quarter following the date a report and plan are required as described above under Section 4.22; or
- (vi) the Obligated Group fails to meet the Cumulative Cash Operating Loss requirement by the end of the second fiscal quarter following the date a report and plan are required as described above under Section 4.24; or
- (vii) the Obligated Group fails to meet the Liquidity Requirement by the end of the second fiscal quarter following the date a report and plan are required as described above under Section 4.21.

Whenever the Obligated Group is required to retain a new Manager or Marketing Consultant, as described above, the Obligated Group Representative shall immediately retain a Consultant who shall, within 30 days of the event requiring appointment of a new Manager and/or Marketing Consultant, submit to the Master Trustee, a list of two or more Persons experienced in the management, or marketing, as the case may be, of assisted living facilities of

65

42904708/MIAMI

Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (vii) the Obligated Group is in compliance with Chapter 651, Florida Statutes, as amended; and (viii) no Event of Default has occurred and is continuing hereunder. If the Obligated Group is in compliance with requirements of the preceding sentence, the Obligated Group can transfer 50% of the cash reserves greater than 300 Days' Cash on Hand and 100% of the amount greater than 375 Days' Cash on Hand or the lesser of the most recently published BBB median ratio for either Fitch or Standard & Poor's to the Federation or an Affiliate.

Section 4.28. Consultant's Report. Whenever a Consultant is required to be engaged under the Master Indenture the Consultant (including the specific individuals), the scope of the engagement will include, among other things, an analysis of potential strategic transactions and the Master Trustee and beneficial owners of the Series 2014 Bonds will be given access to the Consultant. Within 21 days after a Consultant is required to be retained, the Corporation will retain, at its expense, a Consultant to submit a written report and recommendations with respect to improvements or changes in the operations and management of the Corporation, which report shall state the extent to which prior recommendations (if any) of the Consultant may not have been complied with by the Corporation. The recommendations of the Consultant may include a recommendation as to whether the existing management should continue to be retained. A copy of such report shall be submitted to the Master Trustee and to each Required Information Recipient as soon as practicable but in no event later than 60 days after the date on which a Consultant is required to be retained. The Corporation shall follow the recommendations of the Consultant to the extent feasible (as determined in the reasonable judgment of the Governing Body of the Corporation) and permitted by applicable law.

[End of Article IV]

67

42904708/MIAMI

a type and size similar to the Project. If the Obligated Group is required to retain a new Manager or Marketing Consultant under the circumstances described above, the Obligated Group shall retain as Manager and/or Marketing Consultant a Person from the list submitted by the Consultant. In the event that a new Manager or Marketing Consultant is appointed by the Obligated Group Representative at any time when the Debt Service Coverage Ratio or the Occupancy Requirements is less than the level required pursuant to the Master Indenture, the provisions of the Master Indenture shall not be applied to require the further appointment of another Manager or Marketing Consultant until the new Manager or Marketing Consultant has been employed for at least twelve months.

Notwithstanding the foregoing, the Obligated Group shall not be required to retain a new Manager or Marketing Consultant if the Master Trustee receives, within 30 days of the event requiring appointment of a new Manager or Marketing Consultant:

- (i) a written report (prepared by a Consultant, but not by the Manager or Marketing Consultant) containing sufficient detail to support the conclusions made therein and concluding (a) that the failure of the Obligated Group to comply with the Debt Service Coverage Ratio Covenant, the Occupancy Requirement, the Liquidity Requirement, the Marketing Requirements, and/or the Cumulative Cash Operating Loss requirement is primarily due to factors outside the control of the present Manager or Marketing Consultant, or (b) that retaining a new Manager or Marketing Consultant is not likely to materially improve the Obligated Group's ability to comply with such requirements; and
- (ii) a certificated copy of the Governing Body of each Member of the Obligated Group stating that the performance by the Manager or Marketing Consultant of its duties is satisfactory and setting forth the reasons supporting retention of the present Manager or Marketing Consultant.

Section 4.26. Rating Application. The Obligated Group Representative covenants that it will seek at its expense a rating of the Series 2014 Bonds from any Rating Agency each year after a determination is made by the Obligated Group Representative in consultation with the Initial Underwriter that an investment grade rating is reasonably obtainable, until achievement of an investment grade rating, provided that if during any such year the Obligated Group Representative receives a preliminary indication from such Rating Agency that the Series 2014 Bonds will not be assigned an investment grade rating, the Obligated Group Representative shall withdraw any request for such year to have such Rating Agency assign a rating to the Series 2014 Bonds.

Section 4.27. Transfer of Cash to the Federation/Affiliate Payments. The Obligated Group may not make any payments, other than for the Federation Subordinated Obligation, or other transfer of cash to the Federation unless (i) the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full, (ii) the average Debt Service Coverage Ratio of the Obligated Group for the preceding twelve months was not less than 1.30; (iii) there is no deficiency in any Debt Service Reserve Fund or the Minimum Liquid Reserve Accounts; (iv) the average Days' Cash on Hand for the preceding twelve months was not less than 200; (v) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (vi) the Independent Living

66

42904708/MIAMI

ARTICLE V CONSOLIDATION, MERGER, CONVEYANCE AND TRANSFER

Section 5.01. Merger, Consolidation, Sale or Conveyance.

(a) Each Member agrees that it will not merge into, or consolidate with, one or more Persons who are not Members, or allow one or more of such Persons to merge into it, or sell or convey all or substantially all of its Property to any Person who is not a Member, unless:

(i) Any successor Person to such Member (including without limitation any purchaser of all or substantially all the Property of such Member) is a Person organized and existing under the laws of the United States of America or a state thereof and shall execute and deliver to the Master Trustee an appropriate instrument, satisfactory to the Master Trustee, containing the agreement of such successor Person to assume, jointly and severally, the due and punctual payment of the principal of, premium, if any, and interest on all Obligations according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Master Indenture to be kept and performed by such Member;

(ii) Immediately after such merger or consolidation, or such sale or conveyance, no Member would be in default in the performance or observance of any covenant or condition of any Related Loan Agreement or this Master Indenture;

(iii) The Master Trustee receives an Officer's Certificate showing that (A) immediately after such merger or consolidation, sale or conveyance, (I) the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available would be not less than 1.20 or (II) that such Debt Service Coverage Ratio of the Obligated Group is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such merger or consolidation, sale or conveyance and (B) immediately after such merger or consolidation, sale or conveyance, (I) the Obligated Group would be in compliance with the Liquidity Requirement for the most recent quarter after adjustment for the change or (II) that such calculation of the Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such merger or consolidation, sale or conveyance; provided that in lieu of such Officer's Certificate, the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to such merger or consolidation; and

(iv) If all amounts due or to become due on all Related Bonds have not been fully paid to the holders thereof or fully provided for, there shall be delivered to the Master Trustee an Opinion of Bond Counsel to the effect that under then existing law the consummation of such merger, consolidation, sale or conveyance would not adversely affect the validity of such Related Bonds or the exemption otherwise available from federal or state income taxation of interest payable on such Related Bonds.

68

42904708/MIAMI

(b) In case of any such consolidation, merger, sale or conveyance and upon any such assumption by the successor Person, such successor Person shall succeed to and be substituted for its predecessor, with the same effect as if it had been named herein as such Member. Each successor, assignee, surviving, resulting or transferee Person of a Member must agree to become, and satisfy the conditions described in Section 6.01 hereof to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status. Any successor Person to such Member thereupon may cause to be signed and may issue in its own name Obligations hereunder and such Member shall be released from its obligations hereunder and under any Obligations, if such Member shall have conveyed all Property owned by it (or all such Property shall be deemed conveyed by operation of law) to such successor Person. All Obligations so issued by such successor Person hereunder shall in all respects have the same legal rank and benefit under this Master Indenture as Obligations theretofore or thereafter issued in accordance with the terms of this Master Indenture as though all of such Obligations had been issued hereunder by such prior Member without any such consolidation, merger, sale or conveyance having occurred.

(c) In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in Obligations thereafter to be issued as may be appropriate.

(d) The Master Trustee may rely upon an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance, and any such assumption, has been effected in accordance with the provisions of the Master Indenture summarized under this caption.

[End of Article V]

69

42904708/MIAMI

Fiscal Year during which such Person's entry into the Obligated Group occurs and (y) there shall be excluded from Expenses any Expenses related to Property of such Person transferred or otherwise disposed of by such Person since the beginning of the Fiscal Year during which such Person's entry into the Obligated Group occurs;

(ii) an Opinion of Counsel in form and substance acceptable to the Master Trustee to the effect that (x) the instrument described in Section 6.01(b) above has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of such Person, enforceable in accordance with its terms, subject to customary exceptions for bankruptcy, insolvency and other laws generally affecting enforcement of creditors' rights and application of general principles of equity and (y) the addition of such Person to the Obligated Group will not adversely affect the status as a Tax Exempt Organization of any Member which otherwise has such status;

(iii) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the admission of such Person to the Obligated Group will not result in a lower rating on such series of Related Bonds; and

(iv) if all amounts due or to become due on all Related Bonds have not been paid to the holders thereof and provision for such payment has not been made in such manner as to have resulted in the defeasance of all Related Bond Indentures, an Opinion of Bond Counsel to the effect that under then existing law the consummation of such transaction would not adversely affect the validity of any Related Bonds or any exemption from federal or state income taxation of interest payable on such Bonds otherwise entitled to such exemption.

Each successor, assignee, surviving, resulting or transferee Person of a Member must agree to become, and satisfy the above described conditions to becoming, a Member of the Obligated Group prior to any such succession, assignment or other change in such Member's corporate status.

Section 6.02. Obligated Group Members. Upon any Person's becoming an Obligated Group Member as provided in Section 6.01:

(a) the Master Trustee may pursue any remedies consequent upon an Event of Default against any Obligated Group Member, or all of them, without notice to, demand upon or joinder of (and without in any way releasing) any of the others, or against any one or more or all of them at the same time or at different times;

(b) any right of contribution or right acquired by subrogation by any Obligated Group Member against any other Obligated Group Member arising out of the payment of Indebtedness shall be subordinated to the rights of the Master Trustee and the Holders of Obligations; and

(c) each Obligated Group Member shall designate the Obligated Group Representative as its attorney in fact with full power of substitution to perform, satisfy, and discharge every obligation, covenant, duty or liability to be performed on the part of the Obligated Group Member hereunder.

71

42904708/MIAMI

ARTICLE VI MEMBERSHIP IN THE OBLIGATED GROUP

Section 6.01. Admission of Obligated Group Members. Any other Person may become a Member of the Obligated Group if:

(a) Such Person is a business entity;

(b) Such Person shall execute and deliver to the Master Trustee a Supplement in a form acceptable to the Master Trustee which shall be executed by the Master Trustee and the Obligated Group Representative, containing the agreement of such Person (i) to become a Member of the Obligated Group and thereby to become subject to compliance with all provisions of this Master Indenture and (ii) unconditionally and irrevocably (subject to the right of such Person to cease its status as a Member of the Obligated Group pursuant to the terms and conditions of Section 6.03 hereof) to jointly and severally make payments upon each Obligation;

(c) The Obligated Group Representative and each Member shall have approved the admission of such Person to the Obligated Group; and

(d) The Master Trustee shall have received

(i) an Officer's Certificate of the Obligated Group Representative which (A) demonstrates that (1) immediately upon such Person becoming a Member of the Obligated Group, (I) the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available, after adjustment for the addition of the new Member, would be not less than 1.20, or (II) that such Debt Service Coverage Ratio of the Obligated Group with such Person is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year without such Person becoming a Member of the Obligated Group, and (2) immediately upon such Person becoming a Member of the Obligated Group, (I) the Obligated Group would be in compliance with the Liquidity Requirement based on the most recent quarterly financial statements delivered to the Master Trustee pursuant to Section 4.15 hereof or (II) that such calculation of the Days Cash on Hand of the Obligated Group is greater than such calculation would be without such Person becoming a Member of the Obligated Group; (B) states that prior to and immediately after such Person becoming a Member of the Obligated Group, no Event of Default exists hereunder and no event shall have occurred which with the passage of time or the giving of notice, or both, would become such an Event of Default; and (C) prior to and immediately after such Person becoming a Member of the Obligated Group, the Members would not be in default in the performance or observance of any covenant or condition to be performed or observed hereunder; provided that in lieu of the requirements of clause (A), the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to the admission of such Person to the Obligated Group; and provided further that in making the calculation called for by subsection (d)(i) above, (x) there shall be excluded from Revenues any Revenues generated by Property of such Person transferred or otherwise disposed of by such Person since the beginning of the

70

42904708/MIAMI

Section 6.03. Withdrawal of Obligated Group Members. Each Member covenants that it will not take any action, corporate or otherwise, which would cause it or any successor thereto into which it is merged or consolidated under the terms of the Master Indenture to cease to be a Member of the Obligated Group unless prior to cessation of such status there is delivered to the Master Trustee:

(a) an Opinion of Bond Counsel to the effect that, under then existing law, the cessation by the Member of its status as a Member will not adversely affect the validity of any Related Bond or any exemption from federal or state income taxation of interest payable thereon to which such Bond would otherwise be entitled;

(b) an Officer's Certificate of the Obligated Group Representative to the effect that (i) immediately after such cessation the Debt Service Coverage Ratio of the Obligated Group for the most recent Fiscal Year for which financial statements that have been reported upon by an Accountant are available, after adjustment for the removal of the Member, would be not less than 1.20 or that such Debt Service Coverage Ratio of the Obligated Group is greater than the Debt Service Coverage Ratio of the Obligated Group was for such Fiscal Year prior to such cessation; (ii) immediately after such cessation, the Obligated Group would be in compliance with the Liquidity Requirement for the most recent quarter after adjustment for the removal of the Member, or that such calculation of Days Cash on Hand of the Obligated Group is greater than such calculation would be immediately prior to such cessation; and (iii) prior to and immediately after such cessation, no Event of Default exists hereunder and no event has occurred which with the passage of time or the giving of notice, or both, would become such an Event of Default; provided that in lieu of the requirements of (i), the Obligated Group Representative may deliver to the Master Trustee a Feasibility Report or Officer's Certificate necessary to support the incurrence of one dollar of Long-Term Indebtedness pursuant to Section 4.16(a)(i), (ii) or (iii), after giving effect to the withdrawal of such Member from the Obligated Group.

(c) an Opinion of Counsel in form and substance acceptable to the Master Trustee to the effect that the cessation by such Member of its status as a Member will not adversely affect the status as a Tax Exempt Organization of any Member which otherwise has such status;

(d) evidence from each Rating Agency then maintaining a rating on any series of Related Bonds to the effect that the cessation of such status will not result in a lower rating on such series of Related Bonds; and

(e) a consent in writing from the Obligated Group Representative and each Member to the withdrawal by the withdrawing Member.

Section 6.04. Successor Obligated Group Representative. The Corporation shall serve as the Obligated Group Representative until such time as the Corporation either (i) withdraws from the Obligated Group in accordance with this Article VI or (ii) delivers to the Master Trustee its resignation as the Obligated Group Representative. The Corporation covenants to fulfill all of the duties of the Obligated Group Representative under this Master Indenture. The Corporation agrees that it shall not withdraw from the Obligated Group or resign as Obligated Group Representative until the Corporation has appointed another Obligated Group Representative and such successor Obligated Group Representative has accepted its duties in writing. Each Obligated Group Member by becoming an Obligated Group Member

72

42904708/MIAMI

acknowledges that the Obligated Group Representative has certain powers and duties under this Master Indenture, including, but not limited to binding all Obligated Group Members to joint and several liability on all Obligations issued hereunder, and authorizes the Obligated Group Representative to exercise such powers and carry out such duties.

[End of Article VI]

ARTICLE VII REMEDIES OF THE MASTER TRUSTEE AND HOLDERS OF SECURED OBLIGATIONS IN EVENT OF DEFAULT

Section 7.01. Events of Default. Event of Default, as used herein, shall mean any of the following events, whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) default in the payment of the principal of (or premium, if any) or interest on any Obligation (other than Subordinated Obligations) when it becomes due and payable at its Maturity and the continuance of such default beyond the period of grace, if any, provided in the instrument creating such Obligation; or

(b) any Obligated Group Member shall fail duly to observe or perform any other covenant or agreement (other than a covenant or agreement whose performance or observance is elsewhere in this Section specifically dealt with) on the part of such Person contained in this Master Indenture for a period of 60 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Obligated Group Representative by the Master Trustee, or to the Obligated Group Representative and the Master Trustee by the Holders of at least 25% in aggregate principal amount of Obligations then Outstanding; provided that if any such default can be cured by such Obligated Group Member but cannot be cured within the 60 day curative period described above, it shall not constitute an Event of Default if corrective action is instituted by such Obligated Group Member within such 60 day period and diligently pursued until the default is corrected; or

(c) a decree or order by a court having jurisdiction in the premises shall have been entered adjudging any Obligated Group Member a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization or arrangement of any Obligated Group Member under the Federal Bankruptcy Code or any other similar applicable Federal or state law, and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of any Obligated Group Member or of its property, or for the winding up or liquidation of its affairs, shall have been entered, and such decree or order shall have remained in force undischarged and unstayed for a period of 90 days; or

(d) any Obligated Group Member shall institute proceedings to be adjudicated a voluntary bankrupt, or shall consent to the institution of a bankruptcy proceeding against it, or shall file a petition or answer or consent seeking reorganization or arrangement under the Federal Bankruptcy Code or any other similar applicable Federal or state law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or trustee or assignee in bankruptcy or insolvency of it or of its Trust Estate, or shall make assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due, or action shall be taken by the Governing Body of any Obligated Group Member in furtherance of any of the aforesaid purposes; or

73

4290470/8/MIAMI

(e) a final judgment for an amount not otherwise covered by insurance, in excess of \$100,000.00 which is not covered by insurance or as to which the insurer has given notice of a denial of coverage) is rendered against an Obligated Group Member and, within ten (10) days after entry thereof, such judgment has not been discharged or execution thereof stayed pending appeal or if, within ten (10) days after the expiration of any such stay, such judgment has not been discharged; or

(f) the Master Trustee has received written notice that an event of default, as therein defined, under any instrument under which Obligations may be incurred or secured, or under any Related Bond Indenture, has occurred and is continuing beyond the applicable period of grace, if any.

Section 7.02. Acceleration of Maturity; Rescission and Annulment. If an Event of Default occurs and is continuing, then and in every such case the Master Trustee or the Holders of not less than 25% in principal amount of the Outstanding Obligations except Subordinated Obligations may declare the principal of all the Obligations to be due and payable immediately, by a notice in writing to the Obligated Group Representative and all of the Holders of Obligations (and to the Master Trustee if given by Holders of Obligations), and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Master Trustee as hereinafter in this Article provided, the Holders of a majority in principal amount of the Outstanding Obligations except Subordinated Obligations (or the Outstanding Obligations securing the Related Bonds), by written notice to the Obligated Group Representative and the Master Trustee, may rescind and annul such declaration and its consequences if:

(a) one or more Obligated Group Members has paid or deposited with the Master Trustee a sum sufficient to pay:

(1) all overdue installments of interest on all Obligations,

(2) the principal of (and premium, if any, on) any Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Obligations, and

(3) all sums paid or advanced by the Master Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel; and

(b) all Events of Default, other than the non payment of the principal of Obligations which have become due solely by such acceleration, have been cured or waived as provided in Section 7.16.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Section 7.03. [Reserved.]

75

4290470/8/MIAMI

74

4290470/8/MIAMI

Section 7.04. Transfer, Assignment, Lease and Other Dispositions; Suits for Enforcement.

In case an Event of Default shall occur and be continuing, the Master Trustee, in its discretion may, subject to the provisions of Section 7.18:

(a) protect and enforce its rights and the rights of the Master Trustee under this Indenture by a suit, action, or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted in this Indenture or for the enforcement of any other legal, equitable, or other remedy, as the Master Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Master Trustee, or

(b) as to all or part of the personal property (tangible or intangible) and fixtures included in the Trust Estate (such portion of the Trust Estate herein referred to as the "Collateral"),

(i) proceed under the Florida Uniform Commercial Code and exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Florida Uniform Commercial Code, including, without limitation, the right and power to sell, at public or private sale or sale, or otherwise dispose of, lease, or utilize, the Collateral and any part or parts thereof in any manner authorized or permitted under the Florida Uniform Commercial Code after default by a debtor, and, to the extent permitted by law, the Corporation and each other Member expressly waives any notice of sale or other disposition of the Collateral and any other rights and remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of the Master Trustee existing after default hereunder, and, to the extent any such notice is required and cannot be waived, the Corporation and each other Member agrees that if such notice is mailed, postage prepaid, to the Master Trustee at its address set out in Section 1.05 hereof at least ten days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of said notice,

(ii) take possession of the Collateral and enter upon any premises where the same may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and take any action deemed necessary or appropriate or desirable by the Master Trustee, at its option and in its discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized,

(iii) transfer at any time to itself or to its nominee the Collateral, or any part thereof, and receive the money, income proceeds, or benefits attributable or accruing thereto and hold the same as security for the Outstanding Obligations or apply same as herein provided, and

(iv) require the Members to assemble the Collateral and make it available to the Master Trustee at a place to be designated by the Master Trustee that is reasonably convenient to all parties.

76

4290470/8/MIAMI

The Master Trustee shall be fully subrogated to the rights of all vendor's lienholders and other lienholders whose indebtedness is paid in whole or in part from proceeds of Obligations.

The filing of a suit to foreclose any lien, mortgage, or security interest hereunder or under the Mortgage shall never be considered an election so as to preclude foreclosure under any power of sale contained herein or in the Mortgage after dismissal of such a suit.

Section 7.05. Incidents of Sale.

Upon any sale of any of the Trust Estate, whether pursuant to judicial proceedings or otherwise, to the extent permitted by law:

(a) any Holder or Holders of Obligations or the Master Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain, and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Obligations or claims for interest thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Obligations, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(b) the Master Trustee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale, and instrument of assignment and transfer of the property sold;

(c) the Master Trustee is hereby irrevocably appointed the true and lawful attorney of each Member, in its name and stead, to make all necessary deeds, bills of sale, and instruments of assignment and transfer of the property thus sold; and for that purpose it may execute all necessary deeds, bills of sale, and instruments of assignment and transfer, and may substitute one or more persons, firms, or corporation with like power, each Member hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but if so requested by the Master Trustee or by any purchaser, any Member shall ratify and confirm any such sale or transfer by executing and delivering the Master Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer, and release as may be designated in any such request;

(d) rights, titles, interests, claims, and demands whatsoever, either at law or in equity or otherwise, of the Members of, in, and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against each of the Members and their respective successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof by, through, or under the Members or their respective successors and assigns; and

(e) receipt of the Master Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representative shall not, after paying such purchase money and receiving such receipt, be obligated to see to the application of such purchase money, or be in any wise answerable for any loss, misapplication, or non application thereof.

77

4290470/8/MIAMI

irrespective of whether the Master Trustee shall have made any demand on the Obligated Group Members for the payment of overdue principal, premium, or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Obligations and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Master Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel which shall be deemed an administrative claim) and of the Holders of Obligations allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator, custodian, or other similar official in any such judicial proceeding is hereby authorized by each Holder of Obligations to make such payments to the Master Trustee, and in the event that the Master Trustee shall consent to the making of such payments directly to the Holders of Obligations, to pay to the Master Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Master Trustee, its agents and counsel, and any other amounts due the Master Trustee under this Master Indenture which shall be deemed an administrative claim.

Nothing herein contained shall be deemed to authorize the Master Trustee to authorize or consent to or accept or adopt on behalf of any Holder of Obligations any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Holder thereof, or to authorize the Master Trustee to vote in respect of the claim of any Holder of Obligations in any such proceeding.

Section 7.08. Master Trustee May Enforce Claims Without Possession of Obligations. All rights of action and claims under this Master Indenture or the Obligations may be prosecuted and enforced by the Master Trustee without the possession of any of the Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Master Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements, and advances of the Master Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Obligations in respect of which such judgment has been recovered.

Section 7.09. Application of Money Collected. Any money collected by the Master Trustee pursuant to this Article and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Master Trustee, its agents and counsel, and any taxes, assessments, or liens prior to the lien of this Indenture and the Mortgage, except any thereof subject to which such sale shall have been made), whether made under any power of sale granted herein or in the Mortgage or pursuant to judicial proceedings, together with any other sums then held by the Master Trustee as part of the Trust Estate, shall be deposited in the Revenue Fund created by this Master Indenture, shall be applied in the order specified in Section 3.01, at the date or dates fixed by the Master Trustee and, in case of the

79

4290470/8/MIAMI

Upon a sale of substantially all the Trust Estate, whether made under the power of sale hereby granted or pursuant to judicial proceedings, the Obligated Group Representative will permit, to the extent permitted by law, the purchaser thereof and its successors and assigns to take and use the names of the Members and to carry on business under such name or any variant thereof and to use and employ any and all other trade names, brands, and trademarks of the Members; and in such event, upon written request of such purchaser, its successors, or its assigns, any Member will, at the expense of the purchaser, change its name in such manner as to eliminate any similarity.

Section 7.06. Collection of Indebtedness and Suits for Enforcement by Master Trustee. The Obligated Group Members covenant (subject to any notice and grace periods contained herein) that if:

(a) default is made in the payment of any installment of interest on any Obligation when such interest becomes due and payable, or

(b) default is made in the payment of the principal of (or premium, if any, on) any Obligation at the maturity thereof,

each Obligated Group Member will, upon demand of the Master Trustee, pay to it, for the benefit of the Holders of such Obligations, the whole amount then due and payable on such Obligations for principal (and premium, if any) and interest, with interest at the rate borne by or otherwise set forth in the Obligations upon the overdue principal (and premium, if any); and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Master Trustee, its agents and counsel.

If the Obligated Group Members fail to pay any of the foregoing amounts forthwith upon demand, the Master Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, and may prosecute such proceeding to judgment or final decree, and may enforce the same against the Obligated Group Members or any other obligor upon the Obligations and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Obligated Group Members or any other obligor upon the Obligations, wherever situated.

If an Event of Default occurs and is continuing, the Master Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Obligations by such appropriate judicial proceedings as the Master Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Master Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

Section 7.07. Master Trustee May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition, or other judicial proceeding relative to the Obligated Group Members or any other obligor upon the Obligations or the property of the Obligated Group Members or of such other obligor or their creditors, the Master Trustee (irrespective of whether the principal of the Obligations shall then be due and payable as therein expressed or by declaration or otherwise and

78

4290470/8/MIAMI

distribution of such money on account of principal (or premium, if any), upon presentation of the Obligations and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid.

In the event the Master Trustee incurs expenses or renders services in any proceedings which result from the occurrence or continuance of an Event of Default under Section 7.01(c) or 7.01(d) hereof, or from the occurrence of any event which, by virtue of the passage of time, would become such Event of Default, 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 7.10. Limitation on Suits. No Holder of any Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(a) such Holder has previously given written notice to the Master Trustee of a continuing Event of Default;

(b) the Holders of not less than 25% in principal amount of the Outstanding Obligations other than Subordinated Obligations shall have made written request to the Master Trustee to institute proceedings in respect of such Event of Default in its own name as Master Trustee hereunder;

(c) such Holder or Holders have offered to the Master Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the Master Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(e) no direction inconsistent with such written request has been given to the Master Trustee during such 60 day period by the Holders of a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations; it being understood and intended that no one or more Holders of Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Master Indenture to affect, disturb or prejudice the rights of any other Holders of Obligations, or to obtain or to seek to obtain priority or preference over any other Holders (except Holders of Subordinated Obligations) or to enforce any right under this Master Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders of Obligations (except the Holders of Subordinated Obligations).

(f) Notwithstanding any provision of this Section to the contrary, if an Event of Default occurs and is continuing, no Holder of any Subordinated Obligation shall have any right to institute any proceeding, judicial or otherwise, with respect to this Master Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder until all Obligations other than Subordinated Obligations have been paid in full.

Section 7.11. Unconditional Right of Holders of Obligations to Receive Principal, Premium and Interest. Notwithstanding any other provision in this Master Indenture, the Holder of any Obligation shall have the right which is absolute and unconditional to receive

80

4290470/8/MIAMI

payment of the principal of (and premium, if any) and (subject to Section 2.07) interest on such Obligation on the respective Stated Maturities expressed in such Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder; provided, however, that if an Event of Default occurs and is continuing, no Holder of any Subordinated Obligation shall institute suit for the enforcement of any such payment until all Obligations other than Subordinated Obligations have been paid in full.

Section 7.12. Restoration of Rights and Remedies. If the Master Trustee or any Holder of Obligations has instituted any proceeding to enforce any right or remedy under this Master Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Master Trustee or to such Holder of Obligations, then and in every such case the Obligated Group Members, the Master Trustee and the Holders of Obligations shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Master Trustee and the Holders of Obligations shall continue as though no such proceeding had been instituted.

Section 7.13. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Master Trustee or to the Holders of Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 7.14. Delay or Omission Not Waiver. No delay or omission of the Master Trustee or of any Holder of any Obligation to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Master Trustee or to the Holders of Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Master Trustee or by the Holders of Obligations, as the case may be.

Section 7.15. Control by Holders of Obligations. The Holders of a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee or exercising any trust or power conferred on the Master Trustee, provided that:

- (a) such direction shall not be in conflict with any rule of law or with this Master Indenture,
- (b) the Master Trustee may take any other action deemed proper by the Master Trustee which is not inconsistent with such direction; and

81

4290470/8/MIAMI

ARTICLE VIII CONCERNING THE MASTER TRUSTEE

Section 8.01. Duties and Liabilities of Master Trustee.

(a) Except during the continuance of an Event of Default, the Master Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Master Indenture and no implied covenants or obligations shall be read into this Master Indenture against the Master Trustee.

(b) In case any Event of Default has occurred and is continuing, the Master Trustee shall exercise such of the rights and powers vested in it by this Master Indenture, and use the same degree of care and skill in their exercise, as a reasonably prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Master Indenture shall be construed to relieve the Master Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except, that:

- (1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;
- (2) the Master 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 Master Trustee was negligent in ascertaining the pertinent facts;
- (3) the Master 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 holders of not less than a majority in aggregate principal amount of Obligations then Outstanding other than Subordinated Obligations relating to the time, method, and place of conducting any proceeding for any remedy available to the Master Trustee, or exercising any trust or power conferred upon the Master Trustee, under this Master Indenture;
- (4) no provision of this Master Indenture shall require the Master Trustee to expend or risk its 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 the repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it; and
- (5) in the absence of bad faith on its part, the Master Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Master Trustee and conforming to the requirements of this Master Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Master Trustee, the Master Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Master Indenture.

83

4290470/8/MIAMI

(c) the Master Trustee shall not be required to act on any direction given to it pursuant to this Section until indemnity as set forth in Section 8.03(e) hereof is provided to it by such Holders.

Section 7.16. Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations may on behalf of the Holders of all the Obligations waive any past default hereunder and its consequences, except a default

(a) in the payment of the principal of (or premium, if any) or interest on any Obligation, or

(b) in respect of a covenant or provision hereof which under Article IX cannot be modified or amended without the consent of the Holder of each Outstanding Obligation affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Master Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 7.17. Undertaking for Costs. All parties to this Master Indenture agree, and each Holder of any Obligation 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 Master Indenture, or in any suit against the Master Trustee for any action taken or omitted by it as Master 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 Master Trustee, to any suit instituted by any Holder of Obligations, or group of Holders of Obligations, holding in the aggregate more than 10% in principal amount of the Outstanding Obligations, or to any suit instituted by any Holder of Obligations for the enforcement of the payment of the principal of (or premium, if any) or interest on any Obligation on or after the respective Stated Maturities expressed in such Obligation (or, in the case of redemption, on or after the redemption date).

Section 7.18. Waiver of Stay or Extension Laws. Each Obligated Group Member covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Master Indenture; and each Obligated Group Member (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay, or impede the execution of any power herein granted to the Master Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

[End of Article VII]

82

4290470/8/MIAMI

(d) Whether or not therein expressly so provided, every provision of this Master Indenture relating to the conduct or affecting the liability of or affording protection to the Master Trustee shall be subject to the provisions of this Section.

Section 8.02. Notice of Defaults. Within 60 days after the occurrence of any default hereunder of which the Master Trustee is deemed to have knowledge as provided in Section 8.03(h) hereof, the Master Trustee shall transmit by mail to all Holders of Obligations, notice of such default, unless such default shall have been cured or waived; provided, however, that except in the case of a default in the payment of the principal of (or premium, if any) or interest on any Obligations or in the payment of any sinking or purchase fund installment, the Master Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of the Master Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Obligations; and provided, further, that in the case of any default of the character specified in Section 7.01(b) no such notice to Holders of Obligations shall be given until at least 30 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 8.03. Certain Rights of Master Trustee. Except as otherwise provided in Section 8.01:

(a) The Master Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and shall not be required to verify the accuracy of any information or calculations required to be included therein or attached thereto;

(b) Any request or direction of any Person mentioned herein shall be sufficiently evidenced by a Request of such Person; and any resolution of the Governing Body of any Person may be evidenced to the Master Trustee by a Board Resolution of such Person;

(c) Whenever in the administration of this Master Indenture the Master Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Master Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) The Master Trustee may consult with counsel or other professionals and the written advice of such counsel, other professional, or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) The Master Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Master Indenture at the request or direction of any of the Holders of Obligations pursuant to the provisions of this Master Indenture, unless such Holders shall have provided to the Master Trustee security or indemnity satisfactory to it against the costs, expenses, and liabilities which might be incurred by it in connection with such request or direction;

84

4290470/8/MIAMI

(f) The Master Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, coupon, or other paper or document but the Master Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Master Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records, and premises of the Obligated Group Members and each other obligor on the Obligations, personally or by agent or attorney;

(g) The Master Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Master Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care hereunder;

(h) The Master Trustee shall not be deemed to have knowledge of any default (as defined in Section 8.02 hereof) hereunder, except an Event of Default under Section 7.01(a) hereof, unless a Responsible Officer has actually received notice of such default in writing from any Obligated Group Member or the Holder of any Obligation, referencing the Obligations and describing such default;

(i) The permissive right of the Master Trustee to do things enumerated in this Master Indenture shall not be construed as a duty (except as otherwise herein provided). It shall not be the duty of the Master Trustee, except as herein provided, to see that any duties or obligations herein imposed upon any Obligated Group Member or any other Person are performed, and the Master Trustee shall not be liable or responsible for the failure of any Obligated Group Member or any other Person to perform any act required of it or them by this Master Indenture;

(j) The Master Trustee is not required to give any bond or surety with respect to the performance of its duties or the exercise of its powers under this Master Indenture;

(k) In the event the Master Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of holders of Obligations, each representing less than a majority in aggregate principal amount of the Obligations Outstanding other than Subordinated Obligations, the Master Trustee, in its sole discretion, may determine what action, if any, shall be taken;

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

(m) Except for information provided by the Master Trustee concerning the Master Trustee, the Master Trustee shall have no responsibility for any information in any offering memorandum or other disclosure material distributed with respect to the Obligations, and the Master Trustee shall have no responsibility for compliance with any state or federal securities laws in connection with the Obligations.

85

4290470/B/MIAMI

purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Master Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign promptly in the manner and with the effect hereinafter specified in this Article.

Section 8.09. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Master Trustee and no appointment of a successor Master Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Master Trustee under Section 8.10.

(b) The Master Trustee may resign at any time by giving written notice thereof to the Obligated Group Representative. If an instrument of acceptance by a successor Master Trustee shall not have been delivered to the Master Trustee within 30 days after the giving of such notice of resignation, the resigning Master Trustee may petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(c) The Master Trustee may be removed (i) if no Event of Default has occurred and is continuing under this Master Indenture, then by act of the Obligated Group Representative delivered to the Master Trustee and (ii) at any time by act of the Holders of a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations delivered to the Master Trustee and to the Obligated Group Representative.

(d) If at any time:

(1) the Master Trustee shall cease to be eligible under Section 8.08 and shall fail to resign after written request therefor by the Obligated Group Representative or by any Holder of Obligations, or

(2) the Master Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Master Trustee or of its property shall be appointed or any public officer shall take charge or control of the Master Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (A) the Obligated Group Representative by written request may remove the Master Trustee, or (B) subject to Section 7.17, any Holder of Obligations who has been a bona fide Holder of an Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Master Trustee and the appointment of successor Master Trustee.

(e) If the Master Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Master Trustee for any cause, the Obligated Group Representative, by an Obligated Group Representative Request, shall promptly appoint a successor Master Trustee. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Master Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations delivered to the Obligated Group Representative and the retiring Master Trustee, the successor Master Trustee so appointed shall, forthwith upon its acceptance of

87

4290470/B/MIAMI

Section 8.04. Not Responsible For Recitals or Issuance of Obligations. The recitals contained herein and in the Obligations (other than the certificate of authentication on such Obligations) shall be taken as the statements of the Obligated Group Members, and the Master Trustee assumes no responsibility for their correctness. The Master Trustee makes no representations as to the validity or sufficiency of this Master Indenture or of the Obligations. The Master Trustee shall not be accountable for the use or application by the Obligated Group Members of any of the Obligations or of the proceeds of such Obligations. The Master Trustee is not a party to, and is not responsible for, and makes no representation with respect to matters set forth in any preliminary official statement, official statement, or similar document prepared and distributed in connection with the transactions contemplated in this Master Indenture.

Section 8.05. Master Trustee or Registrar May Own Obligations. The Master Trustee, any Paying Agent, registrar, or any other agent of the Obligated Group Members, in its individual or any other capacity, may become the owner or pledgee of Obligations and may otherwise deal with the Obligated Group Members with the same rights it would have if it were not Master Trustee, Paying Agent, Obligation registrar, or such other agent.

Section 8.06. Money to Be Held in Trust. All money received by the Master Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Master Trustee shall be under no liability for interest on any money received by it hereunder other than such interest as it expressly agrees to pay.

Section 8.07. Compensation and Expenses of Master Trustee. The Obligated Group Members agree:

(a) to pay to the Master Trustee from time to time reasonable compensation for all services rendered by it hereunder;

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

(c) each Obligated Group Member shall indemnify the Master Trustee for, and hold it harmless against any loss, liability or expense incurred by it without negligence or bad faith on its part, arising out of and in connection with the acceptance or administration of this trust, including the reasonable 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 hereunder.

Section 8.08. Corporate Master Trustee Required; Eligibility. There shall at all times be a Master Trustee hereunder which shall be a banking corporation, bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by Federal or State banking authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the

86

4290470/B/MIAMI

such appointment, become the successor Master Trustee and supersede the successor Master Trustee appointed by the Obligated Group Representative. If no successor Master Trustee shall have been so appointed by the Obligated Group Representative or the Holders of Obligations and accepted appointment in the manner hereinafter provided, any Holder of Obligations who has been a bona fide Holder of an Obligation for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Master Trustee.

(f) The Obligated Group Representative shall give notice of each resignation and each removal of the Master Trustee and each appointment of a successor Master Trustee by mailing written notice of such event by first class mail, postage prepaid, to the registered Holders of Obligations at their addresses as shown in the Obligation Register. Each notice shall include the name and address of the designated corporate trust office of the successor Master Trustee.

Section 8.10. Acceptance of Appointment by Successor. Every successor Master Trustee appointed hereunder shall execute, acknowledge and deliver to the Obligated Group Representative and to the retiring Master Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Master Trustee shall become effective and such successor Master Trustee, without any further act, deed, or conveyance, shall become vested with all the rights, powers, trusts, and duties of the retiring Master Trustee; but, on request of the Obligated Group Representative or the successor Master Trustee, unless otherwise provided by Section 8.11 hereof, such retiring Master Trustee shall, upon payment of its charges and the amounts due to it hereunder, execute and deliver an instrument transferring to such successor Master Trustee all the rights, powers, and trusts of the retiring Trustee, and shall duly assign, transfer, and deliver to the successor Master Trustee all property and money held by such retiring Master Trustee hereunder. Upon request of any such successor Master Trustee (except its rights under Section 8.07 hereof or any other indemnification provided hereunder), the Obligated Group Representative shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Master Trustee all such rights, powers, and trusts.

No successor Master Trustee shall accept its appointment unless at the time of such acceptance such successor Master Trustee shall be qualified and eligible under this Article. The indemnity provided for in Section 8.07(c) herein shall continue to be binding upon the Members of the Obligated Group for the benefit of the retiring or removed Master Trustee.

Section 8.11. Merger or Consolidation. Any entity into which the Master Trustee may be merged or with which it may be consolidated, or any entity resulting from any merger or consolidation to which the Master Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Master Trustee, shall be the successor Master Trustee hereunder, provided such entity shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Obligations shall have been authenticated, but not delivered, by the Master Trustee then in office, any successor by merger or consolidation to such authenticating Master Trustee may adopt such authentication and deliver the Obligations so authenticated with the same effect as if such successor Master Trustee had itself authenticated such Obligations.

88

4290470/B/MIAMI

Section 8.12. Master Trustee as Related Bond Trustee. The Master Trustee may serve as Related Bond Trustee under any Related Bond Indenture so long as the Master Trustee is the Related Bond Trustee for all outstanding Related Bonds. If an entity other than the Master Trustee becomes a Related Bond Trustee, the Master Trustee hereby agrees to promptly resign from its role as Master Trustee or Related Bond Trustee, at its option, on its own motion and a successor Master Trustee or Related Bond Trustee, as appropriate, shall be appointed and qualified as set forth in Section 8.09 hereof or in the Related Bond Indenture.

[End of Article VIII]

89

42904708/MIAMI

Section 9.02. Supplements With Consent of Holders of Obligations. With the consent of the Holders of not less than a majority in principal amount of the Outstanding Obligations other than Subordinated Obligations, by Act of said Holders delivered to the Obligated Group Representative and the Master Trustee, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee may enter into Supplements for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Master Indenture or of modifying in any manner the rights of the Holders of the Obligations under this Master Indenture; provided, however, that no such Supplement shall, without the consent of the Holder of each Outstanding Obligation affected thereby,

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Obligations or any date for mandatory redemption thereof, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change any Place of Payment where, or the coin or currency in which, any Obligations or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the redemption date), or

(b) reduce the percentage in principal amount of the Outstanding Obligations, the consent of whose Holders is required for any such Supplement, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of this Master Indenture or certain defaults hereunder and their consequences) provided for in this Master Indenture, or

(c) modify any of the provisions of this Section or Section 7.16, except to increase any such percentage or to provide that certain other provisions of this Master Indenture cannot be modified or waived without the consent of the Holder of each Obligation affected thereby.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (a), (b) and (c) above may be made with respect to an Outstanding Obligation, with the consent of the holders of at least eighty percent (80%) in aggregate principal amount of all Outstanding Related Bonds related to such Obligation; provided, however, any such amendment shall not result in a change in preference or priority of any Obligation or Related Bonds over any other Obligation or Related Bonds (other than Subordinated Indebtedness and subordinated Related Bonds) and no such amendment described in clauses (a), (b), or (c) shall result in a disproportionate change, reduction or modification with respect to any Related Bonds.

It shall not be necessary for any Act of Holders of Obligation under this Section to approve the particular form of any proposed Supplement, but it shall be sufficient if such Act shall approve the substance thereof.

Section 9.03. Execution of Supplements. In executing, or accepting the additional trusts created by, any Supplement permitted by this Article or the modifications thereby of the trusts created by this Master Indenture the Master Trustee shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental is authorized or permitted by this Master Indenture and that all conditions precedent thereto have been complied with. In connection with the execution and delivery of a Supplement pursuant to Section 9.01(c), the Master Trustee, in its discretion, may determine

91

42904708/MIAMI

ARTICLE IX SUPPLEMENTS AND AMENDMENTS

Section 9.01. Supplements Without Consent of Holders of Obligations. Without the consent of the Holders of any Obligations, each Obligated Group Member, when authorized by a Board Resolution, and the Master Trustee at any time may enter into one or more Supplements for any of the following purposes:

(a) to evidence the succession of another Person to an Obligated Group Member, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of an Obligated Group Member as permitted by this Master Indenture or to evidence additions to, or withdrawals from, membership in the Obligated Group in accordance with the provisions of Article VI hereof;

(b) to add to the covenants of the Obligated Group Members for the benefit of the Holders of Obligations, or to surrender any right or power herein conferred upon the Obligated Group Members, or to add to the Events of Default enumerated in Section 7.01;

(c) to cure any ambiguity or to correct or supplement any provision herein that may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Master Indenture that shall not be inconsistent with this Master Indenture, provided such action shall not adversely affect the interests of the Holders of Obligations;

(d) to modify or supplement this Master Indenture in such manner as may be necessary or appropriate to qualify this Master Indenture under the Trust Indenture Act of 1939 as then amended, or under any similar Federal or State statute or regulation, including provisions whereby the Master Trustee accepts such powers, duties, conditions and restrictions hereunder and the Obligated Group Members undertake such covenants, conditions or restrictions additional to those contained in this Master Indenture as would be necessary or appropriate so to qualify this Master Indenture; provided, however, that nothing herein contained shall be deemed to authorize inclusion in this Master Indenture or in any Supplements provisions referred to in Section 316(a)(2) of said Trust Indenture Act or any corresponding provision provided for in any similar statute hereafter in effect;

(e) to create and provide for the issuance of Obligations as permitted hereunder;

(f) to increase or maintain any credit rating assigned to any Series of Related Bonds by a Rating Agency so long as no Obligation issued hereunder shall be secured on a basis senior to other Obligations except Subordinated Obligations;

(g) to change Section 4.15 hereof to permit the financial statements required therein to more accurately reflect the financial position and operations of the Obligated Group; and

(h) to make any amendment to any provision of this Master Indenture or to any Supplement which is only applicable to Obligations issued thereafter or which will not apply so long as any Obligation then Outstanding remains Outstanding.

90

42904708/MIAMI

whether or not in accordance with such Section the Holders of the Bond Obligations would be affected by such Supplement, and any such determination shall be binding and conclusive on the Members of the Obligated Group and the Holders of the Obligations. The Master Trustee may receive and be entitled to rely upon an Opinion of Counsel as conclusive evidence as to whether the Holders of the Obligations would be so affected by any such Supplement. The Master Trustee may, but shall not (except to the extent required in the case of a Supplement entered into under Section 9.01(d)) be obligated to, enter into any such Supplement which affects the Master Trustee's own rights, duties or immunities under this Master Indenture or otherwise.

Section 9.04. Effect of Supplement. Upon the execution of any Supplement under this Article, this Master Indenture shall, with respect to each series of Obligations to which such Supplement applies, be modified in accordance therewith, and such Supplement shall form a part of this Master Indenture for all purposes, and every Holder of Obligations thereafter or (except to the extent provided pursuant to Section 9.01(h)) theretofore authenticated and delivered hereunder shall be bound thereby.

Section 9.05. Obligations May Bear Notation of Changes. Obligations authenticated and delivered after the execution of any Supplement pursuant to this Article may bear a notation in form approved by the Master Trustee as to any matter provided for in such Supplement. If the Obligated Group Representative or the Master Trustee shall so determine, new Obligations so modified as to conform, in the opinion of the Master Trustee and the Obligated Group Representative, to any such Supplement may be prepared and executed by the applicable Obligated Group Member and authenticated and delivered by the Master Trustee in exchange for Obligations then Outstanding.

[End of Article IX]

92

42904708/MIAMI

ARTICLE X
SATISFACTION AND DISCHARGE OF INDENTURE; UNCLAIMED MONEYS

Section 10.01. Satisfaction and Discharge of Master Indenture. If at any time the Obligated Group Members shall have paid or caused to be paid the principal of (and premium, if any) and interest on all the Obligations Outstanding hereunder, as and when the same shall have become due and payable, and if the Obligated Group Members shall also pay or provide for the payment of all other sums payable hereunder by each Obligated Group Member then this Master Indenture shall cease to be of further effect (except as to (1) rights of registration of transfer and exchange, (2) substitution of mutilated, defaced, or apparently destroyed, lost or stolen Obligations, (3) rights of Holders to receive payments of principal thereof (and premium, if any) and interest thereon, (4) the rights, remaining obligations, if any, and immunities of the Master Trustee hereunder and (5) the rights of the Holders as beneficiaries hereof with respect to the property so deposited with the Master Trustee payable to all or any of them) and the Master Trustee, on the Obligated Group Representative's Request accompanied by an Officer's Certificate and an Opinion of Counsel (both to the effect that all conditions precedent in this Master Indenture relating to the satisfaction and discharge of this Master Indenture have been satisfied) and at the cost and expense of the Obligated Group Representative, shall execute proper instruments acknowledging satisfaction of and discharging this Master Indenture.

Notwithstanding the satisfaction and discharge of this Master Indenture, the obligations of the Obligated Group Members to the Master Trustee under Section 8.07 and, if funds shall have been deposited with the Master Trustee pursuant to Section 10.02, the obligations of the Master Trustee under Section 10.03 shall survive.

Section 10.02. Obligations Deemed Paid. Obligations of any series shall be deemed to have been paid if (a) (1) in case such Obligations are to be redeemed on any date prior to their Stated Maturity, the Obligated Group Representative by Obligated Group Representative Request shall have given to the Master Trustee in form satisfactory to it irrevocable instructions to give notice of redemption of such Obligations on said redemption date, (2) there shall have been deposited with the Master Trustee either money sufficient, or Defeasance Obligations the principal of and the interest on which will provide money sufficient without reinvestment (as established by an Officer's Certificate delivered to the Master Trustee accompanied by a report of an Accountant setting forth the calculations upon which such Officer's Certificate is based), to pay when due the principal of (and premium, if any) and interest due and to become due on said Obligations on and prior to the redemption date or Stated Maturity thereof, as the case may be, and (3) in the event said Obligations are not by their terms subject to redemption within the next 45 days, the Obligated Group Representative by Obligated Group Representative Request shall have given the Master Trustee in form satisfactory to it irrevocable instructions to give a notice to the Holders of such Obligations that the deposit required by (2) above has been made with the Master Trustee and that said Obligations are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which money is to be available for the payment of the principal of (and premium, if any) and interest on said Obligations or (b) such Obligations are delivered to the Master Trustee by the Related Bond Trustee together with instructions from the Obligated Group Representative directing the Master Trustee to retire and cancel such Obligations.

93

42904708/MIAMI

ARTICLE XI
MISCELLANEOUS PROVISIONS

Section 11.01. No Personal Liability. No recourse under this Master Indenture or any Obligations shall be had against any officer, director, agent or employee, as such, past, present, or future, of any Obligated Group Member, any Affiliate, the Master Trustee or of any successor corporation; it being expressly understood that this Master Indenture and the obligations incurred hereunder are solely obligations of the entities named herein as obligors, and that no personal liability whatever shall attach to such persons or any of them, under this Master Indenture or any Obligations; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such person because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants, or agreements contained in this Master Indenture or in any Obligations are hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Master Indenture and the issue of such Obligations.

Section 11.02. Florida Contract. This Master Indenture and the Obligations shall be deemed to be contracts made under the laws of the State, and for all purposes shall be construed in accordance with the laws of the State applicable to contracts made and to be performed in the State.

Section 11.03. Legal 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 Master Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the nominal date provided in this Master Indenture.

Section 11.04. Benefits of Provisions of Master Indenture and Obligations. Nothing in this Master Indenture or in the Obligations, expressed or implied, shall give or be construed to give any Person, other than the parties hereto, and the Holders of such Obligations, any legal or equitable right, remedy, or claim under or in respect of this Master Indenture, or under any covenant, condition, and provision herein contained; all its covenants, conditions, and provisions being for the sole benefit of the parties hereto and of the Holders of such Obligations.

Section 11.05. Execution in Counterparts. This Master Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 11.06. UCC Financing Statements. The Members of the Obligated Group hereby expressly grant to the Master Trustee the full right and authority to file any Uniform Commercial Code financing statement, continuation statement or amendment that may be required by law or is, necessary to maintain any security interest granted by the Obligated Group to the Master Trustee pursuant to this Master Indenture. Notwithstanding anything to the contrary contained herein, the Master Trustee shall not be responsible for any initial filings of any financial statements or the information contained therein (including the exhibits thereto), the perfection of any such security interests, or the accuracy of sufficiency of any description of collateral in such filings, and unless the Master Trustee shall have been notified by the Obligated Group that any such initial filing or description of collateral was or has become defective, the

95

42904708/MIAMI

Section 10.03. Application of Trust Money. The Defeasance Obligations and money deposited with the Master Trustee pursuant to Section 10.02 and principal or interest payments on any such Defeasance Obligations shall be held in trust, shall not be sold or reinvested, and shall be applied by it, in accordance with the provisions of the Obligations and this Master Indenture, to the payment, either directly or through any Paying Agent (including the Obligated Group Representative acting as Paying Agent) as the Master Trustee may determine, to the Persons entitled thereto, of the principal (and premium, if any) and interest for whose payment such money or Defeasance Obligations were deposited; provided that, upon delivery to the Master Trustee of an Officer's Certificate (accompanied by the report of an Accountant setting forth the calculations upon which such Officer's Certificate is based) establishing that the money and Defeasance Obligations on deposit following the taking of the proposed action will be sufficient for the purposes described in clause (2) of Section 10.02, any money received from principal or interest payments on Defeasance Obligations deposited with the Master Trustee or the proceeds of any sale of such Defeasance Obligations, if not then needed for such purpose, shall, upon Obligated Group Representative Request be reinvested, to the extent practicable, in other Defeasance Obligations or disposed of as requested by the Obligated Group Representative. For purposes of any calculation required by this Article, any Defeasance Obligation which is subject to redemption at the option of its issuer, the redemption date for which has not been irrevocably established as of the date of such calculation, shall be assumed to cease to bear interest at the earliest date on which such obligation may be redeemed at the option of the issuer and the principal of such obligation shall be assumed to be received at its stated maturity.

Section 10.04. Payment of Related Bonds. Notwithstanding any other provision of this Article X, no Obligation will be considered paid or deemed to have been paid unless the Related Bonds, if any, have been paid or deemed paid pursuant to the Related Bond Indenture.

[End of Article X]

94

42904708/MIAMI

Master Trustee shall be fully protected in relying on such initial filing and descriptions in filing any financing or continuation statement(s) pursuant to this Section. The Obligated Group shall be responsible for and shall pay any reasonable expenses, including legal fees incurred under this section.

[End of Article XI]

96

42904708/MIAMI

IN WITNESS WHEREOF, the parties hereto have caused this Master Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first above written.

EXHIBIT A
EXISTING LIENS

FEDERATION CCRC OPERATIONS CORP., as
the initial Obligated Group Member and as the
Obligated Group Representative

By: _____
President

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

By: _____
Authorized Signatory

4290470/8/MIAMI

[Signature Page to Master Trust Indenture]

4290470/8/MIAMI

A-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

FEDERATION CCRC OPERATIONS CORP.,
as an Obligated Group Member and as the Obligated Group Representative

AND

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

SUPPLEMENTAL INDENTURE NUMBER 1

Dated as of _____, 2014

Relating to
Palm Beach County Health Facilities Authority
Revenue Bonds
(Sinai Residences of Boca Raton Project)
Series 2014

Consisting of:

\$ _____ Series 2014A
\$ _____ Entrance Fee Principal Redemption BondsSM Series 2014B
\$ _____ Entrance Fee Principal Redemption BondsSM Series 2014C
 \$ _____ Draw Down Bonds Subseries 2014D-1
 \$ _____ Draw Down Bonds Subseries 2014D-2

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

	Page
ARTICLE I DEFINITION OF TERMS	4
Section 1.01. Definitions	4
ARTICLE II FUNDS	6
Section 2.01. Entrance Fee Fund	6
Section 2.02. Working Capital Fund	9
Section 2.03. Reserved	10
Section 2.04. Liquidity Support Fund	10
Section 2.05. Use of Moneys in Funds	11
Section 2.06. Investment of Funds	12
Section 2.07. Allocation and Transfers of Investment Income	12
Section 2.08. Master Trustee Relieved From Responsibility	12
ARTICLE III SERIES 2014A OBLIGATION	13
Section 3.01. Series 2014A Obligation	13
Section 3.02. Form of Series 2014A Obligation	13
Section 3.03. Prepayment of Series 2014A Obligation	13
Section 3.04. Additional Prepayment of Series 2014A Obligation	13
Section 3.05. Credit on Series 2014A Obligation	13
Section 3.06. Effect of Prepayment of Series 2014A Obligation	14
Section 3.07. Partial Prepayment of Series 2014A Obligation	14
ARTICLE IV SERIES 2014B OBLIGATION	15
Section 4.01. Series 2014B Obligation	15
Section 4.02. Form of Series 2014B Obligation	15
Section 4.03. Prepayment of Series 2014B Obligation	15
Section 4.04. Additional Prepayment of Series 2014B Obligation	15
Section 4.05. Credit on Series 2014B Obligation	16
Section 4.06. Effect of Prepayment of Series 2014B Obligation	16
Section 4.07. Partial Prepayment of Series 2014B Obligation	16
ARTICLE V SERIES 2014C OBLIGATION	17
Section 5.01. Series 2014C Obligation	17
Section 5.02. Form of Series 2014C Obligation	17
Section 5.03. Prepayment of Series 2014C Obligation	17
Section 5.04. Additional Prepayment of Series 2014C Obligation	17
Section 5.05. Credit on Series 2014C Obligation	17
Section 5.06. Effect of Prepayment of Series 2014C Obligation	18
Section 5.07. Partial Prepayment of Series 2014C Obligation	18
ARTICLE VI SERIES 2014D OBLIGATION	19
Section 6.01. Series 2014D Obligation	19
Section 6.02. Form of Series 2014D Obligation	19

SUPPLEMENTAL INDENTURE NUMBER 1

THIS SUPPLEMENTAL INDENTURE NUMBER 1 (this “Supplemental Indenture”), dated as of _____, 2014, between **FEDERATION CCRC OPERATIONS CORP.**, as an Obligated Group Member and as the Obligated Group Representative (the “Obligated Group Representative”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America (the “Master Trustee”),

WITNESSETH:

WHEREAS, the Obligated Group Representative and the Master Trustee have entered into a Master Trust Indenture dated as of _____, 2014 (the “Master Indenture”); and

WHEREAS, the Palm Beach County Health Facilities Authority (the “Issuer”) has contemporaneously herewith issued its (i) Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A in the aggregate principal amount of \$ _____ (the “Series 2014A Bonds”), (ii) Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B in the aggregate principal amount of \$ _____ (the “Series 2014B Bonds”), and (iii) Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C in the aggregate principal amount of \$ _____ (the “Series 2014C Bonds”), under an Indenture of Trust dated as of _____, 2014 (the “Series A/B/C Bond Indenture”), between the Issuer and U.S. Bank National Association, as bond trustee (the “Series A/B/C Bond Trustee”); and

WHEREAS, the Issuer has also contemporaneously herewith issued its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 in the aggregate principal amount of \$ _____ (the “Series 2014D-1 Bonds”) and its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Subseries 2014D-2 in the aggregate principal amount of \$ _____ (the “Series 2014D-2 Bonds”) and, together with the Series 2014D-1 Bonds, the “Series 2014D Bonds”), under an Indenture of Trust dated as of _____, 2014 (the “Series 2014D Bond Indenture”), between the Issuer and U.S. Bank National Association, as bond trustee (the “Series 2014D Bond Trustee”); and

WHEREAS, the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D Bonds are collectively referred to herein as the “Series 2014 Bonds”; and

WHEREAS, the Series 2014 Bonds are being issued to (i) finance the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land in Palm Beach County, Florida to be known as Sinai Residences of Boca Raton (the “Project”), (ii) currently refund the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project) (collectively, the “Refunded Notes”), (iii) fund the applicable debt service reserve fund, (iv) fund

Section 6.03. Prepayment of Series 2014D Obligation	19
Section 6.04. Additional Prepayment of Series 2014D Obligation	19
Section 6.05. Credit on Series 2014D Obligation	19
Section 6.06. Effect of Prepayment of Series 2014D Obligation	20
Section 6.07. Partial Prepayment of Series 2014D Obligation	20
ARTICLE VII FEDERATION SUBORDINATED OBLIGATION	21
Section 7.01. Federation Subordinated Obligation	21
Section 7.02. Form of Federation Subordinated Obligation	21
ARTICLE VIII PRIORITY OF PAYMENTS	22
Section 8.01. Priority of Payment of the Federation Subordinated Obligation	22
Section 8.02. Place of Payment	22

EXHIBIT A – FORM OF SERIES 2014 OBLIGATIONS

EXHIBIT B – FORM OF FEDERATION SUBORDINATED OBLIGATION

applicable capitalized interest and (v) pay a portion of the cost of issuance of the Series 2014 Bonds; and

WHEREAS, pursuant to the Loan Agreement dated as of _____, 2014 (the “Series 2014A/B/C Loan Agreement”), between the Issuer and the Obligated Group Representative, the Obligated Group Representative has agreed to issue the Series 2014A Obligation (as hereinafter defined), the Series 2014B Obligation (as hereinafter defined) and the Series 2014C Obligation (as hereinafter defined) created by this Supplemental Indenture to evidence the obligation of the Obligated Group Representative to make the payments required under the Series 2014A/B/C Loan Agreement with respect to the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds, respectively; and

WHEREAS, pursuant to the Loan Agreement dated as of _____, 2014 (the “Series 2014D Loan Agreement”), between the Issuer and the Obligated Group Representative, the Obligated Group Representative has also agreed to issue the Series 2014D Obligation (as hereinafter defined) created by this Supplemental Indenture to evidence the obligation of the Obligated Group Representative to make the payments required under the Series 2014D Loan Agreement with respect to the Series 2014D Bonds; and

WHEREAS, the Series 2014A Obligation, the Series 2014B Obligation, the Series 2014C Obligation and the Series 2014D Obligation are collectively referred to herein as the “Series 2014 Obligations”; and

WHEREAS, the Obligated Group Representative also has agreed to issue the Federation Subordinated Obligation (as hereinafter defined) created by this Supplemental Indenture to evidence the obligations of the Obligated Group Representative to the Federation under the Land Purchase Agreement, the Development Services Agreement and the Liquidity Support Agreement (as such terms are hereinafter defined); and

WHEREAS, the Obligated Group Representative is authorized by law and by the Master Indenture, and deems it necessary and desirable, to issue and deliver the Series 2014 Obligations and the Federation Subordinated Obligation pursuant to the Master Indenture; and

WHEREAS, pursuant to the terms of the Master Indenture, each of the Obligated Group Members will be jointly and severally liable for payment of the Series 2014 Obligations and the Federation Subordinated Obligation; and

WHEREAS, all acts and things necessary to make the Series 2014 Obligations and the Federation Subordinated Obligation authorized by this Supplemental Indenture, when executed by the Obligated Group Representative for and on behalf of the Obligated Group and each Obligated Group Member and authenticated and delivered by the Master Trustee as provided in the Master Indenture and this Supplemental Indenture, the valid, binding and legal obligation of each Obligated Group Member, and to constitute these presents, together with the Master Indenture, a valid indenture and agreement according to its terms and the terms of the Master Indenture, have been done and performed and the execution of this Supplemental Indenture and the issuance hereunder and under the Master Indenture of the Series 2014 Obligations and the Federation Subordinated Obligation created by this Supplemental Indenture have in all respects

been duly authorized, and the Obligated Group Representative, for and on behalf of the Obligated Group and each Obligated Group Member, in the exercise of the legal right and power vested in it, executes this Supplemental Indenture and proposes to make, execute, issue and deliver the Series 2014 Obligations and the Federation Subordinated Obligation created hereby;

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Series 2014 Obligations and the Federation Subordinated Obligation authorized hereby are authenticated, issued and delivered, and in consideration of the premises and the purchase and acceptance of the Series 2014 Obligations and the Federation Subordinated Obligation created hereby by the holders thereof, the Obligated Group Representative, on behalf of the Obligated Group Members, covenants and agrees with the Master Trustee as follows:

3

42904759/MIAMI

of Operating Expenses is being made with respect to the Obligated Group, any such expenses attributable to transactions between any Member and any other Member shall be excluded.

“Series 2014A Obligation” means the Obligation created by Article III hereof.

“Series 2014B Obligation” means the Obligation created by Article IV hereof.

“Series 2014C Obligation” means the Obligation created by Article V hereof.

“Series 2014D Obligation” means the Obligation created by Article VI hereof.

“Working Capital Fund” means the fund created by Section 2.02 hereof.

[End of Article I]

5

42904759/MIAMI

**ARTICLE I
DEFINITION OF TERMS**

Section 1.01. Definitions.

The following terms, except where the context indicates otherwise, shall have the respective meanings set forth below. Capitalized terms used in this Supplemental Indenture that are not defined as set forth below or as otherwise defined herein shall have the meanings assigned to them in the Master Indenture.

“Bond Documents” means the Series 2014A/B/C Loan Agreement, the Series 2014D Loan Agreement, the Series 2014 A/B/C Bond Indenture, the Series 2014D Bond Indenture, the Master Indenture, this Supplemental Indenture, the Series 2014 Obligations, and the Mortgage.

“Development Services Agreement” means the Development Services Agreement dated _____, 2014 by and between the Corporation and the Federation.

“Entrance Fee Fund” means the fund created by Section 2.01 hereof.

“Entrance Fee Unit” means the independent living units that are part of the Project and are offered for occupancy on an Entrance Fee basis.

“Federation” means the Jewish Federation of South Palm Beach County, Inc., a Florida not-for-profit corporation.

“Federation Subordinated Obligation” the Subordinated Obligation from the Obligated Group to the Federation.

“Land Purchase Agreement” means the Land Purchase Agreement dated _____, 2014 by and between the Corporation and the Federation.

“Liquidity Support Agreement” means the Agreement dated the date of issuance of the Series 2014 Bonds between the Liquidity Support Provider and the Master Trustee.

“Liquidity Support Fund” means the fund created under Section 2.04 hereof.

“Liquidity Support Provider” means the Federation, and its successors and assigns.

“Operating Expenses” means, for any period, the aggregate of all expenses calculated under GAAP, including without limitation any accrual for taxes, assessments and insurance, incurred by the Person or group of Persons involved during such period, but excluding (a) depreciation and amortization, (b) extraordinary expenses, losses on the sale of assets other than in the ordinary course of business and losses on the extinguishment of debt or termination of pension plans, (c) any expenses resulting from a forgiveness of or the establishment of reserves against Indebtedness of an Affiliate which does not constitute an extraordinary expense, (d) losses resulting from any reappraisal, revaluation or write down of assets other than bad debts, (e) non-cash expenses or losses, and (f) any development, marketing, operating, or management fees that have been deferred from the year in which they were originally due. If such calculation

4

42904759/MIAMI

**ARTICLE II
FUNDS**

Section 2.01. Entrance Fee Fund.

(a) The Master Trustee shall establish and maintain a separate fund to be known as the “Entrance Fee Fund – Sinai Residences of Boca Raton Project” (the “Entrance Fee Fund”). All moneys received by the Master Trustee and held in the Entrance Fee Fund pursuant to this Section 2.01 shall be trust funds under the terms of this Supplemental Indenture and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Supplemental Indenture and the Master Indenture. The investment of the moneys held in the Entrance Fee Fund shall be subject to yield restriction as provided in the Tax Agreement (as defined in the Series 2014A/B/C Loan Agreement and the Series 2014D Loan Agreement) until the Obligated Group Representative delivers an opinion of nationally recognized municipal bond counsel (which counsel and opinion are in a form acceptable to the Master Trustee) to the Master Trustee to the effect that no such yield restriction is required to maintain any exemption from federal income taxation to which the interest on any Related Bonds would otherwise be entitled.

(b) The Members of the Obligated Group hereby agree that each portion of an Initial Entrance Fee received by the Members of the Obligated Group shall be transferred to the Master Trustee within five Business Days of the receipt thereof as follows:

(i) prior to the release described in subsection (d) below, each transfer shall also be accompanied by (A) a copy of the related entrance fee receipt forwarded to the Chapter 651 Entrance Fee Escrow Agent (an “Entrance Fee Receipt”), and (B) written directions from the Obligated Group Representative to the Master Trustee indicating the amount of such Initial Entrance Fee that is to be deposited to the Entrance Fee Fund (the “Discretionary Amount”) and the amount of such Initial Entrance Fee that is to be transferred to the Chapter 651 Entrance Fee Escrow Agent for deposit to the Entrance Fee Escrow Account (the “Escrowed Amount”), such Discretionary Amount shall be deposited and applied by the Master Trustee in accordance with subsection (c) below;

(ii) upon the release described in subsection (d) below, the Initial Entrance Fees so released and received by the Master Trustee shall be deposited and applied in accordance with subsection (d) below; and

(iii) After the release described in subsection (d) below, the Initial Entrance Fees received by the Master Trustee shall be deposited and applied in accordance with subsection (c) below.

The Master Trustee shall be entitled to conclusively rely on the determination of the Obligated Group Representative as to the allocation of the Initial Entrance Fee between the amounts to be deposited to the Entrance Fee Fund and the Entrance Fee Escrow Account and shall have no duty

6

42904759/MIAMI

or obligation to review or verify any of the information or calculations set forth in the Entrance Fee Receipt, except to confirm receipt of the amount set forth therein.

(c) The Discretionary Amount shall be deposited to the Entrance Fee Fund and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund and Entrance Fee Escrow Account. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, to the Working Capital Fund until the amount transferred to the Working Capital Fund, including all prior transfers, equals \$21,000,000.

THIRD: On each February 15, May 15, August 15 and November 15 (or, if such day is not a Business Day, then on the next succeeding Business Day) (each, an "Entrance Fee Transfer Date") an amount not to exceed \$3,000,000 in the aggregate shall be transferred to the Entrance Fee Redemption Account established under Section 3.02 of the Series 2014D Bond Indenture.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD above have been made, at the written request of the Obligated Group Representative, if any of the moneys have been withdrawn from the Working Capital Fund, to make an additional deposit to the Working Capital Fund in an aggregate amount not to exceed \$5,000,000, provided that the amount on deposit therein after such transfer does not exceed \$21,000,000;

(d) Once the Escrowed Amount, together with any other amount on deposit in the Entrance Fee Escrow Account, is released pursuant to the terms of the Entrance Fee Escrow Agreement, the Obligated Group Representative shall direct the Chapter 651 Entrance Fee Escrow Agent to use such released moneys to fund the Minimum Liquid Reserve Accounts to their required level and then direct the Chapter 651 Entrance Fee Escrow Agent to transfer the remaining amount to the Master Trustee for deposit to the Entrance Fee Fund (such directions to be provided in writing to the Chapter 651 Entrance Fee Escrow Agent with a copy to the Master Trustee) and shall be applied by the Master Trustee within two (2) Business Days of receipt in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a

7

42904759/MIAMI

The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (c) FOURTH and (d) THIRD above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

THIRD: While any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each an Entrance Fee Transfer Date, the amount remaining shall be transferred to the applicable Entrance Fee Redemption Account established under Section 3.02 of the applicable Bond Indenture.

(f) Notwithstanding anything in the Master Indenture or this Supplemental Indenture to the contrary, on each Entrance Fee Transfer Date the Master Trustee shall transfer Initial Entrance Fees first to the Entrance Fee Redemption Account established under Section 3.02 of the Series 2014D Bond Indenture until all of the Series 2014D-2 Bonds are paid in full and then to the Entrance Fee Redemption Account established under Section 3.02 of the Series 2014A/B/C Bond Indenture to be applied as set forth therein, it being understood that redemption of the Series 2014B Bonds from funds in the Entrance Fee Redemption Account established under the Series 2014A/B/C Bond Indenture shall not begin until the Series 2014C Bonds are paid in full.

(g) After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been redeemed or otherwise paid in full (as established by an Officer's Certificate of the Obligated Group Representative delivered to the Master Trustee) and no Event of Default has occurred and is continuing, the Members of the Obligated Group need not deposit any Entrance Fees into the Entrance Fee Fund. Upon the satisfaction of such conditions, any amounts on deposit in the Entrance Fee Fund shall be remitted to the Obligated Group Representative and the Entrance Fee Fund shall be closed.

Section 2.02. Working Capital Fund.

(a) The Master Trustee shall establish and maintain a separate fund to be known as the "Working Capital Fund - Sinai Residences of Boca Raton Project" (the "Working Capital Fund"). All moneys held in the Working Capital Fund shall be trust funds under the terms of this Supplemental Indenture and the Master Indenture for the benefit of all of the Obligations Outstanding under the Master Indenture (except as otherwise provided) and shall not be subject to lien or attachment of any creditor of any Member of the Obligated Group. Such moneys shall be held in trust and applied in accordance with the provisions of this Supplemental Indenture and the Master Indenture. The Working Capital Fund shall be funded initially in the amount of \$21,000,000 with Initial Entrance Fees deposited in the Entrance Fee Fund and transferred to the Working Capital Fund pursuant to Section 2.01 hereof.

(b) Moneys in the Working Capital Fund shall be disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven (7) days of receipt by the

9

42904759/MIAMI

corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds. The Obligated Group Representative shall also provide a copy of such Officer's Certificate to the Chapter 651 Entrance Fee Escrow Agent.

SECOND: If no pending disbursement under FIRST, while any Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, amounts shall be transferred as provided in subsection (f) below to the applicable Entrance Fee Redemption Account established under Section 3.02 of the applicable Bond Indenture.

THIRD: To the Working Capital Fund, at the written request of the Obligated Group Representative, an amount not greater than the difference between the aggregate amount transferred under (c) FOURTH above and \$5,000,000; provided that the amount on deposit in the Working Capital Fund after such transfer does not exceed \$21,000,000.

FOURTH: After the transfers described in paragraphs FIRST, SECOND and THIRD of this subsection (d) above have been made, while any Series 2014B Bonds, Series 2014C Bonds or Series 2014D-2 Bonds remain Outstanding, on each Entrance Fee Transfer Date, the amount remaining shall be transferred as provided in subsection (f) below to the applicable Entrance Fee Redemption Account established under Section 3.02 of the applicable Bond Indenture.

After the transfers described above have been made, thereafter the Master Trustee shall review the amount on deposit in the Entrance Fee Fund in accordance with subsection (e) below.

(e) After the release of Initial Entrance Fees by the Chapter 651 Entrance Fee Escrow Agent as described in subsection (d) above, all Initial Entrance Fees received by the Master Trustee will be deposited to the Entrance Fee Fund and on the first Business Day of each month thereafter (each, a "Review Date") the Master Trustee shall review the amount on deposit in the Entrance Fee Fund and shall apply moneys on deposit therein in the following order of priority, as follows:

FIRST: To the Obligated Group Representative to pay refunds required by Residency Agreements for which the Obligated Group Representative has not received a corresponding replacement Entrance Fee with respect to the applicable Entrance Fee Unit. Such disbursements shall be made upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative certifying that the Obligated Group Representative is required by a Residency Agreement to pay refunds within the next thirty (30) days, and the amount of such refunds to be funded from the Entrance Fee Fund. Such Officer's Certificate of the Obligor shall be furnished to the Master Trustee at least one (1) Business Day before the Master Trustee is required to apply the funds.

8

42904759/MIAMI

Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that (i) such moneys will be used to pay (a) costs of completing the Project, (b) operating expenses of the Project, including, but not limited to, any development and marketing fees, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations, but not to reimburse amounts disbursed from the Liquidity Support Fund or advanced under the Liquidity Support Agreement, and (ii) such moneys are anticipated to be expended in the calendar month following the month in which such Officer's Certificate is submitted, together with an itemized budget describing the uses for which such moneys are needed and the amount needed for each such use. After all of the Series 2014B Bonds, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full and no Event of Default has occurred and is continuing, any amount on deposit in the Working Capital Fund will be remitted to the Obligated Group Representative and the Working Capital Fund will be closed.

Section 2.03. Reserved.

Section 2.04. Liquidity Support Fund.

(a) The Master Trustee shall establish and maintain a separate fund to be known as the "Liquidity Support Fund - Sinai Residences of Boca Raton Project" (the "Liquidity Support Fund"). The Master Trustee shall deposit the moneys it receives from the Liquidity Provider in the Liquidity Support Fund, which deposit shall initially be equal to \$6,000,000 (the "Initial Deposit") consisting of contributions from the Liquidity Support Provider.

(b) If no moneys are available in the Working Capital Fund, moneys in the Liquidity Support Fund shall be disbursed by the Master Trustee to or for the account of the Obligated Group Representative within seven (7) days of receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Representative to the effect that such moneys will be used to pay (a) operating expenses of the Obligated Group, (b) the costs of completing the Project, (c) the costs of needed repairs to the Project, (d) the costs of capital improvements to the Project, (e) judgments against the Obligated Group, (f) refunds of Entrance Fees, as required by the Residency Agreements pursuant to which such Entrance Fees were received, or (g) amounts due on any Indebtedness of the Obligated Group, including without limitation, the Series 2014 Obligations.

(c) Any moneys held by the Master Trustee in the Liquidity Support Fund shall be invested by the Master Trustee, upon the written direction of the Liquidity Support Provider, in Permitted Investments. If the Master Trustee has not received written direction from the Liquidity Provider regarding the investment of the Liquidity Support Fund, moneys held in the Liquidity Support Fund shall be invested or reinvested by the Master Trustee in Permitted Investments described in paragraph (i) of the definition of Permitted Investments. All investments shall be made so as to mature on or prior to the date or dates that moneys therefrom are anticipated to be required. The Master Trustee shall not be liable or responsible for any loss resulting from such investments. Investment income on the amounts on deposit in the Liquidity Support Fund shall be retained therein.

10

42904759/MIAMI

(d) Upon meeting the following conditions, the moneys remaining in the Liquidity Support Fund will be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed: (i) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (ii) the Obligated Group has achieved an average Debt Service Coverage Ratio of not less than 1.30 for the preceding eighteen months; (iii) the Obligated Group has had at least an average of 200 Days' Cash on Hand for the preceding eighteen months; (iv) the Independent Living Units that are part of the Project have had an average occupancy for the preceding eighteen months of not less than 90%; (v) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding twelve months of not less than 85%; (vi) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels, (vii) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended, and the closure of the Liquidity Support Fund would not cause the Obligated Group to not be in compliance with Chapter 651, Florida Statutes, as amended, and (viii) there is no Event of Default under any Bond Documents. If all tests other than (iii) above have been satisfied for eight consecutive fiscal quarters, the Corporation may request the Master Trustee to transfer to the Corporation moneys from the Liquidity Support Fund sufficient to satisfy (iii) above and the balance remaining therein shall be disbursed to the Liquidity Support Provider and the Liquidity Support Fund will be closed. The Master Trustee may conclusively rely upon an Officer's Certificate of the Obligated Group Representative that the conditions set forth in this Section 2.04 have been met and shall have no duty to verify compliance with such conditions other than (i) and (viii) above.

Section 2.05. Use of Moneys in Funds.

(a) The amounts held in the following funds shall be used in the following order of priority:

FIRST, amounts held in the Working Capital Fund;

SECOND, amounts held in the Liquidity Support Fund; and

THIRD, the Debt Service Reserve Fund created under the applicable Bond Indenture.

(b) The Obligated Group shall not draw on the Minimum Liquid Reserve Accounts until the Working Capital Fund and the Liquidity Support Fund are fully depleted and if no advances under the Liquidity Support Agreement are available for such purpose.

Section 2.06. Investment of Funds.

(a) Any moneys held by the Master Trustee hereunder as part of any fund or account established under this Supplemental Indenture (other than the Liquidity Support Fund) shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of an Obligated Group Representative Request (upon which the Master Trustee is entitled to rely). Any moneys held by the Liquidity Support Fund shall be invested or reinvested by the Master Trustee in Permitted Investments upon the receipt of written instructions from a Liquidity Provider (upon which the Master Trustee is entitled to rely). If the Obligated Group

11

42904759/M/AMM

ARTICLE III SERIES 2014A OBLIGATION

Section 3.01. Series 2014A Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled "Federation CCRC Operations Corp. Series 2014A Obligation" (the "Series 2014A Obligation"). The Series 2014A Obligation, in the principal amount of \$ _____, shall be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 3.02. Form of Series 2014A Obligation.

The Series 2014A Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated _____, 2014, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2014A Obligation, payable on the first day of each June and December in each year, and shall be substantially in the form attached as Exhibit A hereto.

Section 3.03. Prepayment of Series 2014A Obligation.

The Series 2014A Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part or on June 1, 20__ or on any date thereafter, at the option of the Obligated Group Representative, on behalf of the Obligated Group, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Series 2014A Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Series 2014A/B/C Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Series 2014A/B/C Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Series 2014A/B/C Bond Indenture with respect to such Series 2014A Bonds. Any prepayment of the principal of the Series 2014A Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Series 2014A Bonds redeemed with the proceeds of such prepayment.

Section 3.04. Additional Prepayment of Series 2014A Obligation.

The Series 2014A Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Obligated Group Representative pursuant to Sections 4.12 and 4.13 of the Master Indenture.

Section 3.05. Credit on Series 2014A Obligation.

If the Obligated Group Representative (i) shall have elected to apply the Series 2014A Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Series 2014A/B/C Bond Indenture, (ii) shall

13

42904759/M/AMM

Representative or Liquidity Provider do not provide investment instructions, the Master Trustee shall invest such monies in (i) in the definition of Permitted Investments in the Master Indenture. Any such investments shall be held by or under the control of the Master Trustee and shall mature, or be redeemable at the option of the Master Trustee at such times as it is anticipated that moneys from the particular fund will be required for the purposes of this Supplemental Indenture. For the purpose of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the Obligated Group is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation. Any Permitted Investments may be purchased from or sold to the Master Trustee or any of its respective affiliates.

(b) The Master Trustee shall keep or cause to be kept proper and detailed books of record and account containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys held under this Supplemental Indenture. The Master Trustee shall make copies of such records available to the Obligated Group, upon its reasonable written request.

Section 2.07. Allocation and Transfers of Investment Income.

Any investment earnings in the Entrance Fee Fund shall be retained in the Entrance Fee Fund. Any investment earnings in the Working Capital Fund shall be retained in the Working Capital Fund. Any investment earnings in the Liquidity Support Fund shall be retained in the Liquidity Support Fund.

Section 2.08. Master Trustee Relieved From Responsibility.

The Master Trustee shall be fully protected in relying upon any Obligated Group Representative Request relating to investments in any fund, and shall not be liable for any losses or prepayment penalties as a result of complying with any such Obligated Group Representative Request, and shall not be required to ascertain any facts with respect to such Request.

[End of Article II]

12

42904759/M/AMM

have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Series 2014A/B/C Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2014A Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Corporation and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2014A Obligation on the same date as the sinking fund payment date under the Series 2014A/B/C Bond Indenture for the sinking fund requirement in payment of which the Series 2014A Bonds have been applied, and the principal amount of the Series 2014A Obligation created hereby due on such date will be reduced accordingly.

Section 3.06. Effect of Prepayment of Series 2014A Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Series 2014A/B/C Loan Agreement, the Series 2014A Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2014A Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2014A Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 3.07. Partial Prepayment of Series 2014A Obligation.

In the event of a partial redemption of the Series 2014A Obligation created hereby pursuant to Section 3.01 hereof, the amount of installments of such Series 2014A Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2014A Obligation shall have been paid in full.

[End of Article IV]

14

42904759/M/AMM

**ARTICLE IV
SERIES 2014B OBLIGATION**

Section 4.01. Series 2014B Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled "Federation CCRC Operations Corp., Series 2014B Obligation" (the "Series 2014B Obligation"). The Series 2014B Obligation, in the principal amount of \$ _____, may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 4.02. Form of Series 2014B Obligation.

The Series 2014B Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated _____, 2014, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2014B Obligation, payable on the first day of each June and December in each year, and shall be substantially in the form attached as Exhibit A hereto.

Section 4.03. Prepayment of Series 2014B Obligation.

The Series 2014B Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part on June 1, 20__ or on any date thereafter, at the option of the Obligated Group Representative, on behalf of the Obligated Group, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Series 2014B Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Series 2014A/B/C Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Series 2014A/B/C Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Series 2014A/B/C Bond Indenture with respect to such Series 2014B Bonds. Any prepayment of the principal of the Series 2014B Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Series 2014B Bonds redeemed with the proceeds of such prepayment. No prepayment of the Series 2014B Obligation and the Series 2014B Bonds shall occur until the Series 2014C Obligation and the Series 2014C Bonds and the Series 2014D Obligation, solely with respect to the Series 2014D-2 Bonds, and the Series 2014D-2 Bonds have been paid in full.

Section 4.04. Additional Prepayment of Series 2014B Obligation.

The Series 2014B Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Obligated Group Representative pursuant to Sections 4.12 and 4.13 of the Master Indenture.

15

42904759/M/AMM

**ARTICLE V
SERIES 2014C OBLIGATION**

Section 5.01. Series 2014C Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled "Federation CCRC Operations Corp., Series 2014C Obligation" (the "Series 2014C Obligation"). The Series 2014C Obligation, in the principal amount of \$ _____, may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 5.02. Form of Series 2014C Obligation.

The Series 2014C Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated _____, 2014, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2014C Obligation, payable on the first day of each June and December in each year, and shall be substantially in the form attached as Exhibit A hereto.

Section 5.03. Prepayment of Series 2014C Obligation.

The Series 2014C Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part on June 1, 20__ or on any date thereafter, at the option of the Obligated Group Representative, on behalf of the Obligated Group, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Series 2014C Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Series 2014A/B/C Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Series 2014A/B/C Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Series 2014A/B/C Bond Indenture with respect to such Series 2014C Bonds. Any prepayment of the principal of the Series 2014C Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Series 2014C Bonds redeemed with the proceeds of such prepayment.

Section 5.04. Additional Prepayment of Series 2014C Obligation.

The Series 2014C Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Obligated Group Representative pursuant to Sections 4.12 and 4.13 of the Master Indenture.

Section 5.05. Credit on Series 2014C Obligation.

If the Obligated Group Representative (i) shall have elected to apply the Series 2014C Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Series 2014A/B/C Bond Indenture, (ii) shall

17

42904759/M/AMM

Section 4.05. Credit on Series 2014B Obligation.

If the Obligated Group Representative (i) shall have elected to apply the Series 2014B Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Series 2014A/B/C Bond Indenture, (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Series 2014A/B/C Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2014B Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group Representative and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2014B Obligation on the same date as the sinking fund payment date under the Series 2014A/B/C Bond Indenture for the sinking fund requirement in payment of which the Series 2014B Bonds have been applied, and the principal amount of the Series 2014B Obligation created hereby due on such date will be reduced accordingly.

Section 4.06. Effect of Prepayment of Series 2014B Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Series 2014A/B/C Loan Agreement, the Series 2014B Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2014B Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2014B Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 4.07. Partial Prepayment of Series 2014B Obligation.

In the event of a partial redemption of the Series 2014B Obligation created hereby pursuant to Section 4.01 hereof or a change in the interest rate on the Series 2014B Bonds, the amount of installments of such Series 2014B Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2014B Obligation shall have been paid in full.

[End of Article IV]

16

42904759/M/AMM

have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Series 2014A/B/C Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2014C Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group Representative and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2014C Obligation on the same date as the sinking fund payment date under the Series 2014A/B/C Bond Indenture for the sinking fund requirement in payment of which the Series 2014C Bonds have been applied, and the principal amount of the Series 2014C Obligation created hereby due on such date will be reduced accordingly.

Section 5.06. Effect of Prepayment of Series 2014C Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Series 2014A/B/C Loan Agreement, the Series 2014C Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2014C Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2014C Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 5.07. Partial Prepayment of Series 2014C Obligation.

In the event of a partial redemption of the Series 2014C Obligation created hereby pursuant to Section 5.01 hereof or a change in the interest rate on the Series 2014C Bonds, the amount of installments of such Series 2014C Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2014C Obligation shall have been paid in full.

[End of Article V]

18

42904759/M/AMM

**ARTICLE VI
SERIES 2014D OBLIGATION**

Section 6.01. Series 2014D Obligation.

There is hereby created as an Obligation under the Master Indenture a promissory note to be known and entitled "Federation CCR Operations Corp., Series 2014D Obligation" (the "Series 2014D Obligation"). The Series 2014D Obligation, in the principal amount of \$ _____, may be executed, authenticated and delivered in accordance with Article II of the Master Indenture.

Section 6.02. Form of Series 2014D Obligation.

The Series 2014D Obligation created hereby shall be in the form of a fully registered Obligation without coupons, shall be dated _____, 2014, shall bear interest from its date on the principal balance thereof in the amount set forth in such Series 2014D Obligation, payable on the first day of each June and December in each year, and shall be substantially in the form attached as Exhibit A hereto.

Section 6.03. Prepayment of Series 2014D Obligation.

The Series 2014D Obligation created hereby and its principal installments shall be subject to prepayment, in whole or in part or on June 1, 20__ or on any date thereafter, at the option of the Obligated Group Representative, on behalf of the Obligated Group, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of Outstanding Series 2014D Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Series 2014D Bond Indenture, and to pay all fees and expenses and all Administration Expenses, as defined in the Series 2014D Loan Agreement, and all fees, costs and expenses of the Master Trustee and the Bond Trustee, accrued and to be accrued to the date of discharge of the Series 2014D Bond Indenture with respect to such Series 2014D Bonds. Any prepayment of the principal of the Series 2014D Obligation shall be credited against the scheduled principal payment corresponding to the maturity or sinking fund redemption date for the Series 2014D Bonds redeemed with the proceeds of such prepayment.

Section 6.04. Additional Prepayment of Series 2014D Obligation.

The Series 2014D Obligation created hereby and its principal installments shall also be subject to prepayment, in whole or in part at any time, at the option of the Obligated Group Representative, on behalf of the Obligated Group, as elected by the Obligated Group Representative pursuant to Sections 4.12 and 4.13 of the Master Indenture.

Section 6.05. Credit on Series 2014D Obligation.

If the Obligated Group Representative (i) shall have elected to apply the Series 2014D Bonds that have been redeemed or otherwise acquired by the Obligated Group Members or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Series 2014D Bond Indenture, (ii) shall have

19

42904759/MIAMI

**ARTICLE VII
FEDERATION SUBORDINATED OBLIGATION**

Section 7.01. Federation Subordinated Obligation.

There is hereby created as Subordinated Obligations under the Master Indenture a promissory note to be known and entitled "Jewish Federation of South Palm Beach County, Inc. - Subordinated Obligation" (the "Federation Subordinated Obligation"). The Federation Subordinated Obligation, in the maximum principal amount of \$14,000,000, may be executed, authenticated and delivered in accordance with Article II of the Master Indenture. The Federation Subordinated Obligation shall be payable in accordance with Section 8.01 hereof. The Federation Subordinated Obligation is a Subordinated Obligation.

Section 7.02. Form of Federation Subordinated Obligation.

The Federation Subordinated Obligation created hereby shall be in the form of a Fully Registered Obligation without coupons, shall be dated _____, 2014, shall bear interest from its date on the principal balance thereof in the amount set forth in such Federation Subordinated Obligation, payable on the first day of each March, June, September and December in each year, subject to the requirements set forth in Section 8.01 hereof, and shall be substantially in the form attached as Exhibit B hereto.

[End of Article VII]

21

42904759/MIAMI

delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Series 2014D Bond Indenture, and (iii) the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2014D Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group Representative and the other Obligated Group Members shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on the Series 2014D Obligation on the same date as the sinking fund payment date under the Series 2014D Bond Indenture for the sinking fund requirement in payment of which the Series 2014D Bonds have been applied, and the principal amount of the Series 2014D Obligation created hereby due on such date will be reduced accordingly.

Section 6.06. Effect of Prepayment of Series 2014D Obligation.

If the Obligated Group Representative shall have complied with the notice requirements of the Series 2014D Loan Agreement, the Series 2014D Obligation or portion thereof specified in such notice shall become due and payable on the date and at the place stated in such notice at the principal amount thereof, together with interest thereon accrued to the date fixed for prepayment or redemption, and on and after such date fixed for prepayment or redemption (unless the Obligated Group Members shall default in the payment of the Series 2014D Obligation at the prepayment or redemption price, together with interest accrued to the date fixed for prepayment or redemption) interest on the Series 2014D Obligation or portion thereof so called for prepayment or redemption shall cease to accrue.

Section 6.07. Partial Prepayment of Series 2014D Obligation.

In the event of a partial redemption of the Series 2014D Obligation created hereby pursuant to Section 6.01 hereof or a change in the interest rate on the Series 2014D Bonds, the amount of installments of such Series 2014D Obligation coming due after such redemption shall, to the extent appropriate and with the approval of the Master Trustee, be adjusted and set forth in a new schedule of payments prepared by certified public accountants so that, upon the due payment of all installments thereafter, the entire unpaid principal amount of and interest on such Series 2014D Obligation shall have been paid in full.

[End of Article VI]

20

42904759/MIAMI

**ARTICLE VIII
PRIORITY OF PAYMENTS**

Section 8.01. Priority of Payment of the Federation Subordinated Obligation.

The Federation Subordinated Obligation constitutes a Subordinated Obligations within the meaning of the Master Indenture and, subject to the conditions set forth below, are payable under item FIFTH of Section 3.01 of the Master Indenture. The Federation Subordinated Obligation is subject to payment on the first day of each March, June, September and December. Payments of principal and accrued interest on the Federation Subordinated Obligation are subject to the Conditions Precedent to Payment as further set forth in Federation Subordinated Obligation and Section 3.07 of the Master Indenture.

Section 8.02. Place of Payment.

The place of payment for the Series 2014 Obligations shall be the Orlando, Florida, designated corporate trust office of U.S. Bank National Association.

[End of Article VIII]

22

42904759/MIAMI

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed by persons thereunto duly authorized, as of the day and year first written above.

FEDERATION CCRC OPERATIONS CORP., as Obligated Group Representative, on behalf of the Obligated Group

By: _____ [Title]

U.S. BANK NATIONAL ASSOCIATION, as Master Trustee

By: _____ Authorized Signatory

STATE OF FLORIDA

COUNTY OF _____

This instrument was acknowledged before me on _____, by _____, who is the _____ of Federation CCRC Operations Corp., a Florida nonprofit corporation, for and on behalf of said corporation.

[SEAL]

Notary Public, State of Florida

STATE OF FLORIDA

COUNTY OF _____

This instrument was acknowledged before me on _____, by _____, who is a _____ of U.S. Bank National Association, a national banking association, for and on behalf of said organization.

[SEAL]

Notary Public, State of Florida

This Obligation is issued for the purpose of securing the payment of the principal of, premium, if any, and interest on the Palm Beach County Health Facilities Authority [Revenue Bonds] [Entrance Fee Principal Redemption BondsSM] (Sinai Residences of Boca Raton Project) Series 2014[A][B][C][D] (the "Series 2014[A][B][C][D] Bonds"). The Series 2014[A][B][C][D] Bonds are being issued under the laws of the State of Florida, including particularly the Chapters 154, Part III, and 159, Part II, Florida Statutes, as amended (the "Act"), and an Indenture of Trust dated as of _____, 2014 (the "Bond Indenture"), between the Issuer and the Bond Trustee, for the purpose of (i) financing a portion of the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land in Palm Beach County, Florida to be known as Sinai Residences of Boca Raton (the "Project"), (ii) [currently refunding the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project)], (iii) funding a debt service reserve fund, (iv) funding capitalized interest and (v) paying cost of issuance.

Concurrently with the issuance of this Obligation, the Obligated Group is issuing additional parity Obligations pursuant to the Master Indenture to be designated the Federation CCRC Operations Corp., Series 2014[A][B][C][D] Obligation, the Federation CCRC Operations Corp., Series 2014[A][B][C][D] Obligation and the Federation CCRC Operations Corp., Series 2014[A][B][C][D] Obligation (collectively, the "Other Obligations"). The Other Obligations are being issued for the purpose of securing the repayment obligations of the Obligated Group Representative with respect to the Palm Beach County Health Facilities Authority [Revenue Bonds] [Entrance Fee Principal Redemption BondsSM] (Sinai Residences of Boca Raton Project) Series 2014[A][B][C], the Palm Beach County Health Facilities Authority [Revenue Bonds] [Entrance Fee Principal Redemption BondsSM] (Sinai Residences of Boca Raton Project) Series 2014[B][C][D], and the Palm Beach County Health Facilities Authority [Draw Down Revenue] [Entrance Fee Principal Redemption] BondsSM (Sinai Residences of Boca Raton Project) Series 2014[B][C][D], respectively (collectively, the "Other Bonds"). The Other Bonds are being issued under the laws of the State of Florida, including particularly the Act, for the purpose of (i) financing a portion of the cost of the Project, (ii) [refunding the Refunded Notes], (iii) funding a debt service reserve fund, (iv) funding capitalized interest, and (v) paying a portion of the cost of issuance.

Copies of the Master Indenture are on file at the corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holder of this Obligation, the terms and conditions on which, and the purposes for which, this Obligation is issued and the rights, duties and obligations of the Obligated Group and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Obligation, assents.

Any amounts in either account of the Bond Fund (as defined in the Loan Agreement) at the close of business of the Bond Trustee on the day immediately preceding any payment date on this Obligation in excess of the aggregate amount then required to be contained in such account

EXHIBIT A

FORM OF SERIES 2014 OBLIGATIONS

THIS OBLIGATION HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAW

FEDERATION CCRC OPERATIONS CORP. SERIES 2014[A][B][C][D] OBLIGATION

FEDERATION CCRC OPERATIONS CORP., as an obligated group member and the obligated group representative (the "Obligated Group Representative"), for value received, hereby promises to pay to the PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY, or registered assigns, at the Orlando, Florida, designated corporate trust office of U.S. Bank National Association, as Bond Trustee (the "Bond Trustee"), the principal sum of \$ _____ in installments on the 1st day of each June as set forth on Schedule A attached hereto and incorporated herein, and to pay interest on the unpaid principal balance hereof on the 1st day of each June and December in the amounts as set forth on Schedule A attached hereto and incorporated herein.

Principal of, premium, if any, and interest on this Obligation are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts.

The principal hereof, premium, if any, and interest hereon shall be payable in immediately available funds by depositing the same with the Bond Trustee, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, as herein defined, as provided in the Bond Indenture, as herein defined.

This Obligation is issued in the principal amount of \$ _____, is dated _____, 2014 and is designated as the "Federation CCRC Operations Corp. Series 2014[A][B][C][D] Obligation" (the "Obligation"), and together with all other Obligations issued under the Master Indenture hereinafter defined, excluding any and all Subordinated Obligations, the "Obligations" issued under and pursuant to Supplemental Indenture Number 1 dated as of _____, 2014 (the "Supplemental Indenture"), supplementing and amending the Master Trust Indenture dated as of _____, 2014 (the "Master Trust Indenture"), between the Obligated Group Representative and U.S. Bank National Association, as Master Trustee (the "Master Trustee"), and delivered pursuant to a Loan Agreement between the Palm Beach County Health Facilities Authority (the "Issuer") and the Obligated Group, dated as of _____, 2014 (the "Loan Agreement"). The Master Indenture, as supplemented and amended by the Supplemental Indenture, is herein called the "Master Indenture." Pursuant to the terms of the Master Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Obligation and all other Obligations.

of such Bond Fund shall be credited against the payments due by the Obligated Group Representative and the other Obligated Group Members on such next succeeding principal or interest payment date on this Obligation and the Other Obligations.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Indenture) and of the holders of the Obligations in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under the Master Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Obligation or Obligations over any other Obligation or Obligations, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the holder of such Obligation. Any such consent by the holder of this Obligation shall be conclusive and binding upon such holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Obligation.

[In the manner and with the effect provided in the Master Indenture, this Obligation and its principal installments will be subject to prepayment and redemption prior to maturity, in whole at any time, or in part or June 1, 20__ or on any date thereafter from time to time at the option of the Obligated Group Representative, without premium, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of outstanding Series 2014A Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to the Series 2014A Bonds.]

[With respect to principal due on or after June 1, 20__, if the Obligated Group Representative (i) shall have elected to apply a Series 2014A Bond or Series 2014A Bonds that have been redeemed or otherwise acquired by the Obligated Group Representative or the Issuer and delivered to the Bond Trustee for cancellation by the Bond Trustee, in payment of all or a part of a sinking fund requirement under the Bond Indenture and (ii) shall have delivered written notice to the Issuer and a copy thereof to the Bond Trustee in accordance with the provisions of Section 5.02 of the Bond Indenture, and the Issuer shall have received a credit against such sinking fund requirement in the amount of 100% of the principal amount of the Series 2014A Bond or Series 2014A Bonds thus applied, then the Bond Trustee shall promptly notify the Master Trustee, whereupon the Obligated Group shall receive a credit, equal to the credit received by the Issuer, in respect of the payment of principal due on this Obligation on the same date as the sinking fund payment date under the Bond Indenture for the sinking fund requirement in payment of which the Series 2014A Bond or Series 2014A Bonds have been applied, and the principal amount of this Obligation due on such date will be reduced accordingly.]

[In the manner and with the effect provided in the Master Indenture, this Obligation and its principal installments will be subject to prepayment and redemption prior to maturity, in whole or in part on June 1, ____ or on any date thereafter, at the option of the Obligated Group Representative, without premium, upon payment of a sum, in cash and/or obligations, sufficient, together with any other cash and/or obligations held by the Bond Trustee and available for such purpose, to cause an equal aggregate principal amount of outstanding Series 2014[B][C][D] Bonds to be deemed to have been paid within the meaning of Section 7.01 of the Bond Indenture and to pay all fees and expenses and all Administration Expenses, as defined in the Loan Agreement, accrued and to be accrued to the date of discharge of the Bond Indenture with respect to the Series 2014[B][C][D] Bonds.]

Any redemption, either in whole or in part, shall be made upon not more than 60 nor less than 30 days' notice [and in the case of the Other Bonds, 10 days] in the manner and upon the terms and conditions provided in the Master Indenture. If this Obligation shall have been duly called for redemption and payment of the redemption price, together with interest accrued thereon to the date fixed for redemption, shall have been made or provided for, as more fully set forth in the Master Indenture, interest on this Obligation shall cease to accrue from the date fixed for redemption, and from and after such date this Obligation shall be deemed not to be Outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture, and the holder hereof shall have no rights in respect of this Obligation other than payment of the redemption price, together with accrued interest to the date fixed for redemption.

Upon the occurrence of certain "Events of Default", as defined in the Master Indenture, the principal of all outstanding Obligations may be declared due and payable, and thereupon shall become due and payable as provided in the Master Indenture.

The holder of this Obligation shall have no right to enforce the provisions of the Master Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Master Indenture.

This Obligation shall be registered on the register to be maintained by the Master Trustee and this Obligation shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Obligation a new registered Obligation without coupons, registered in the name of the transferee.

The Obligated Group Representative and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the person in whose name this Obligation is registered as the absolute owner hereof for all purposes; and none of the Obligated Group Representative and the other Obligated Group Members, the Master Trustee, and any paying agent, shall be affected by any notice to the contrary. All payments made to the registered owner

A-4

42904759/MIAMI

[Form of Endorsement By Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Indenture) hereby certifies that, pursuant to the provisions of the Master Indenture, the Obligated Group Representative and all other Obligated Group Members referred to and defined in the Master Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Series 2014A Obligation are identified on Schedule I attached hereto.

Any Person (as defined in the Master Indenture) who shall satisfy the conditions set forth in the Master Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Obligation shall thereupon and thereafter likewise be jointly and severally obligated on this Obligation, whether or not the name of such person shall appear on or be added to Schedule I.

If any person who is on the date of execution and delivery of this Obligation, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such person shall thereupon and thereafter be released from any further liability or obligation on this Obligation and under the Master Indenture, whether or not the name of such person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to each Related Bond Trustee (as defined in the Master Indenture) and to all other holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Indenture.

FEDERATION CCRC OPERATIONS
CORP., as Obligated Group Representative

By: _____
[Title]

A-6

42904759/MIAMI

hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Obligation.

No covenant or agreement contained in this Obligation or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the board of directors of any of the Obligated Group Members nor any officer executing this Obligation shall be liable personally on this Obligation or be subject to any personal liability or accountability by reason of the issuance of this Obligation.

This Obligation shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Obligation shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligated Group Representative has caused this Obligation to be executed on behalf of the Obligated Group by the manual or facsimile signature of its [Title].

FEDERATION CCRC OPERATIONS
CORP. as Obligated Group Representative

By: _____
[Title]

A-5

42904759/MIAMI

[Form of Master Trustee's Certificate of Authentication]

This Obligation is one of the Obligations referred to in the aforementioned Master Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Master Trustee

By: _____
Authorized Signatory

Date of Authentication:

[Form of Schedule I]

Members of the Obligated Group

Name:

Federation CCRC Operations Corp.

Address for Notices

Federation CCRC Operations Corp.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: President

A-7

42904759/MIAMI

Pay to the order of U.S. Bank National Association, as Bond Trustee for the owners of the Series 2014[A][B][C][D] Bonds hereinabove mentioned, without warranty and without recourse against the undersigned except warranty of good title, warranty that the Issuer has not assigned this Obligation to a person or entity other than the Bond Trustee, and that the original principal amount thereof remains unpaid hereunder.

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

By: _____ Authorized Signatory

FORM OF FEDERATION SUBORDINATED OBLIGATION

THIS OBLIGATION HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR ANY STATE SECURITIES LAW

JEWISH FEDERATION OF SOUTH PALM BEACH COUNTY, INC. - SUBORDINATED OBLIGATION

FEDERATION CCRC OPERATIONS CORP., as an obligated group member (the "Obligor") and the obligated group representative (the "Obligated Group Representative"), for value received, hereby promises to pay to JEWISH FEDERATION OF SOUTH PALM BEACH COUNTY, INC., or registered assigns, at the Orlando, Florida, designated corporate trust office of U.S. Bank National Association as Master Trustee (the "Master Trustee"), the principal sum of \$ _____ in installments on the 1st day of each March, June, September and December, and to pay interest on the unpaid principal balance at a rate of six percent (4%) per annum on the 1st day of each March, June, September and December. This Obligation shall mature on June 1, 20__.

Principal of and interest on this Obligation are payable in any coin or currency of the United States of America which, at the respective times of payment, is legal tender for the payment of public and private debts. Except for payments payable from the Liquidity Support Fund permitted under Section 2.04(b) of the Supplemental Indenture, no payment of principal or interest shall be made on this Obligation unless the following conditions have been satisfied: (a) the Series 2014B, the Series 2014C Bonds and the Series 2014D-2 Bonds have been paid in full; (b) the average Debt Service Coverage Ratio is not less than 1.35 for the preceding twelve months, and the Debt Service Coverage Ratio will not be less than 1.20 based on the written statement of the Accountant calculating the Debt Service Coverage Ratio on the basis of the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (c) the Debt Service Reserve Fund and the Minimum Liquid Reserve Accounts are funded at their required levels; (d) after the proposed payment the Days' Cash on Hand will not be less than 200 based on the written statement of the Accountant calculating the Days' Cash on Hand required to accompany the annual audited financial statements after taking into account the proposed payment as if made in the preceding Fiscal Year; (e) the Independent Living Units that are part of the Project have had an average occupancy for the preceding twelve months of not less than 90%; (f) the Independent Living Units, the Assisted Living Units, the Memory-Support Units and the Nursing Beds that are part of the Project collectively have had an average occupancy for the preceding six months of not less than 85%; (g) the Obligated Group is then in compliance with Chapter 651, Florida Statutes, as amended; and (h) no Event of Default has occurred and is continuing under the Master Indenture (collectively, the "Conditions Precedent to Payment"). This Obligation is also payable in accordance with Article VIII of the hereinafter defined Supplemental Indenture.

The principal hereof and interest hereon shall be payable in immediately available funds by depositing the same with the Master Trustee, at or prior to the opening of business on the date the same shall become due and payable, and by giving notice of payment to the Master Trustee, including a certificate of the Obligated Group Representative stating that the Conditions Precedent to Payment have been satisfied. All payments received by the Master Trustee shall be applied to all interest due and then to the outstanding principal amount.

This Obligation is issued in the principal amount of \$ _____, is dated _____, 2014 and is designated as "Jewish Federation of South Palm Beach County, Inc. - Subordinated Obligation" (the "Obligation"), and together with all other Subordinated Obligations issued under the Master Indenture hereinafter defined, the "Subordinated Obligations" issued under and pursuant to Supplemental Indenture Number 1 dated as of _____, 2014 (the "Supplemental Indenture") supplementing and amending the Master Trust Indenture dated as of _____, 2014 (the "Master Indenture"), between the Obligated Group Members (as defined in the Master Indenture) and the Master Trustee.

Pursuant to the terms of the Master Indenture, each of the Obligated Group Members described therein will be jointly and severally liable for the payment of this Obligation and all other Subordinated Obligations.

Copies of the Master Indenture are on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, with respect to the nature and extent of the rights of the holder of this Obligation, the terms and conditions on which, and the purposes for which, this Obligation is issued and the rights, duties and obligations of the Obligor and the Master Trustee under the Master Indenture, to all of which the holder hereof, by acceptance of this Obligation, assents.

To the extent permitted by and as provided in the Master Indenture, modifications or changes of the Master Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Obligated Group Members (as defined in the Master Indenture) and of the holders of the Obligations (as defined in the Master Indenture) in any particular may be made with the consent of the Master Trustee and the Obligated Group Members and, in certain circumstances, with the consent of the holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under the Master Indenture. No such modification or change shall be made which will reduce the percentage of the Obligations, the consent of the holders of which is required to consent to such supplemental indenture, or permit a preference or priority of any Subordinate Obligations over any other Subordinate Obligations, or which will affect a change in the times, amount and currency of payment of the principal of, and premium, if any, or interest on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon, without the consent of the holder of such Obligation. Any such consent by the holder of this Obligation shall be conclusive and binding upon such holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Obligation.

In the manner and with the effect provided in the Master Indenture, this Obligation and its principal payments will be subject to prepayment prior to maturity, in whole at any time at the option of the Obligated Group, without penalty, upon satisfaction of the Conditions Precedent to

Payment and payment of a sum, in cash, sufficient, together with any other cash and/or obligations held by the Master Trustee and available for such purpose equal to the principal amount of this Obligation outstanding and any accrued interest to such prepayment date. Interest on this Obligation shall cease to accrue from the date fixed for prepayment in whole, and from and after such date this Obligation shall be deemed not to be Outstanding, as defined in the Master Indenture, and shall no longer be entitled to the benefits of the Master Indenture, and the holder hereof shall have no rights in respect of this Obligation other than payment of the outstanding principal, together with accrued interest to the date fixed for prepayment.

This Obligation shall be registered on the register to be maintained by the Master Trustee and this Obligation shall be transferable only upon said register at said office by the registered owner or by his duly authorized attorney. Such transfer shall be without charge to the holder hereof, but any taxes or other governmental charges required to be paid with respect to the same shall be paid by the holder requesting such transfer as a condition precedent to the exercise of such privilege. Upon any such transfer, the Obligated Group Representative shall execute and the Master Trustee shall authenticate and deliver in exchange for this Obligation a new registered Obligation without coupons, registered in the name of the transferee.

The Obligor and the other Obligated Group Members, the Master Trustee and any paying agent may deem and treat the person in whose name this Obligation is registered as the absolute owner hereof for all purposes; and neither the Obligor and the other Obligated Group Members, any paying agent, the Master Trustee nor any Obligation registrar shall be affected by any notice to the contrary. All payments made to the registered owner hereof shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on this Obligation.

No covenant or agreement contained in this Obligation or the Master Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of any of the Obligated Group Members in his individual capacity, and neither the Board of Directors of any of the Obligated Group Members nor any officer executing this Obligation shall be liable personally on this Obligation or be subject to any personal liability or accountability by reason of the issuance of this Obligation.

This Obligation shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Obligation shall have been authenticated by execution by the Master Trustee, or its successor as Master Trustee, of the Certificate of Authentication inscribed hereon.

IN WITNESS WHEREOF, the Obligor has caused this Obligation to be executed in its name and on its behalf by the manual or facsimile signature of its [Title].

FEDERATION CCRC OPERATIONS CORP. as Obligated Group Representative

By: _____
[Title]

[Form of Endorsement By Obligated Group Representative]

The undersigned Obligated Group Representative (as defined in the within mentioned Master Indenture) hereby certifies that, pursuant to the provisions of the Master Indenture, the Obligor on this Federation Subordinated Obligation and all other Obligated Group Members referred to and defined in the Master Indenture are jointly and severally obligated hereon. The Obligated Group Members as of the date of execution and delivery of this Federation Subordinated Obligation, including the Obligor hereon, are identified on Schedule I attached hereto.

Any person (as defined in the Master Indenture) who shall satisfy the conditions set forth in the Master Indenture and become an Obligated Group Member subsequent to the date of execution and delivery of this Federation Subordinated Obligation shall thereupon and thereafter likewise be jointly and severally obligated on this Federation Subordinated Obligation, whether or not the name of such person shall appear on or be added to Schedule I.

If any person (including the Obligor hereon) who is on the date of execution and delivery of this Federation Subordinated Obligation, or who shall thereafter become, an Obligated Group Member and thus jointly and severally obligated hereon, shall satisfy the conditions set forth in the Master Indenture for withdrawal from the Obligated Group and shall withdraw from the Obligated Group pursuant to written release executed by the Master Trustee, such person shall thereupon and thereafter be released from any further liability or obligation on this Federation Subordinated Obligation and under the Master Indenture, whether or not the name of such person shall appear on or be deleted from Schedule I.

Promptly after any such withdrawal and release, the Master Trustee shall give written notice thereof by mail to all other holders of Obligations at their last addresses as they shall appear upon the register maintained as provided in the Master Indenture. Such notice may set forth, in addition to other matters deemed by the Master Trustee to be properly included therein, a statement that Outstanding Obligations must be presented to the Master Trustee for notation of such withdrawal and release thereon or surrendered to the Master Trustee in exchange for one or more substitute Obligations delivered pursuant to the provisions of the Master Indenture.

FEDERATION CCRC OPERATIONS CORP., as Obligated Group Representative

By: _____
[Title]

B-4

42904759/MAMI

B-5

42904759/MAMI

[Form of Master Trustee's Certificate of Authentication]

This is the Federation Subordinated Obligation referred to in the aforementioned Master Indenture.

Date of Authentication:

U.S. BANK NATIONAL ASSOCIATION, as Master Trustee ;

By: _____
Authorized Signatory

[Form of Schedule I]

Members of the Obligated Group

Name

Federation CCRC Operations Corp.

Address for Notices

Federation CCRC Operations Corp.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: President

B-6

42904759/MAMI

42904759/MAMI

B-7

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

TO

**U.S. BANK NATIONAL ASSOCIATION,
AS BOND TRUSTEE**

**INDENTURE OF TRUST
DATED AS OF _____, 2014**

**PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT)
SERIES 2014**

CONSISTING OF:

\$ _____ SERIES 2014A

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM SERIES 2014B

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM SERIES 2014C

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS.....	5
Section 1.01. Definitions.....	5
Section 1.02. Recital Incorporation.....	5
ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS.....	6
Section 2.01. Authorized Amount of Series 2014 Bonds.....	6
Section 2.02. All Bonds Equally and Ratably Secured; Bonds Not an Obligation of Issuer.....	6
Section 2.03. Authorization of Series 2014 Bonds.....	6
Section 2.04. Execution of Bonds, Signatures.....	8
Section 2.05. Registration and Exchange of Bonds; Persons Treated as Owners.....	8
Section 2.06. Lost, Stolen, Destroyed, and Mutilated Bonds.....	9
Section 2.07. Delivery of Series 2014 Bonds.....	9
Section 2.08. Bond Trustee's Authentication Certificate.....	10
Section 2.09. Issuance of Additional Bonds.....	10
Section 2.10. Requirements for Authentication and Delivery of Additional Bonds.....	11
Section 2.11. Cancellation and Destruction of Bonds By the Bond Trustee.....	12
Section 2.12. Book Entry Only System.....	12
Section 2.13. Successor Securities Depository; Transfers Outside Book Entry Only System.....	13
Section 2.14. Payments to Cede & Co.....	14
ARTICLE III REVENUES AND FUNDS.....	15
Section 3.01. Application of Proceeds of Series 2014 Bonds.....	15
Section 3.02. Creation of the Bond Fund.....	16
Section 3.03. Payments into the Bond Fund.....	17
Section 3.04. Use of Moneys in the Entrance Fee Redemption Account, Principal Account and the Interest Account.....	17
Section 3.05. Custody of the Bond Fund.....	17
Section 3.06. Construction Fund.....	17
Section 3.07. Completion Certificate.....	18
Section 3.08. Creation of the Debt Service Reserve Fund.....	18
Section 3.09. Payments into the Debt Service Reserve Fund.....	19
Section 3.10. Use of Moneys in the Debt Service Reserve Fund.....	19
Section 3.11. Custody of the Debt Service Reserve Fund.....	20
Section 3.12. Nonpresentation of Bonds.....	20
Section 3.13. Bond Trustee's and Paying Agents' Fees, Charges, and Expenses.....	20
Section 3.14. Moneys to be Held in Trust.....	20
Section 3.15. Repayment to the Corporation from the Funds.....	21

TABLE OF CONTENTS

(continued)

	Page
Section 3.16. Rebate Fund.....	21
Section 3.17. Cost of Issuance Fund.....	23
ARTICLE IV COVENANTS OF THE ISSUER.....	24
Section 4.01. Performance of Covenants; Authority.....	24
Section 4.02. Payments of Principal, Premium, If Any, and Interest.....	24
Section 4.03. Supplemental Indentures; Recordation of Bond Indenture and Supplemental Indentures.....	24
Section 4.04. Lien of Bond Indenture.....	25
Section 4.05. Rights Under the Agreement.....	25
Section 4.06. Tax Covenants.....	25
Section 4.07. Change in Law.....	26
ARTICLE V REDEMPTION OF BONDS.....	27
Section 5.01. Optional Redemption of Series 2014 Bonds.....	27
Section 5.02. Sinking Fund Redemption.....	27
Section 5.03. Method of Selection of Bonds in Case of Partial Redemption.....	29
Section 5.04. Notice of Redemption.....	29
Section 5.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue.....	30
Section 5.06. Cancellation.....	31
Section 5.07. Partial Redemption of Fully Registered Bonds.....	31
Section 5.08. Extraordinary Optional Redemption.....	31
Section 5.09. Purchase in Lieu of Redemption.....	31
Section 5.10. Intentionally Omitted.....	32
Section 5.11. Entrance Fee Redemption.....	32
Section 5.12. Mandatory Redemption upon Completion of the Project.....	33
ARTICLE VI INVESTMENTS.....	34
Section 6.01. Investment of Bond Fund, Construction Fund, Cost of Issuance Fund, and Debt Service Reserve Fund Moneys.....	34
Section 6.02. Allocation and Transfers of Investment Income.....	34
Section 6.03. Valuation of Permitted Investments.....	35
Section 6.04. Brokerage Confirmations.....	35
ARTICLE VII DISCHARGE OF BOND INDENTURE.....	36
Section 7.01. Discharge of the Bond Indenture.....	36
ARTICLE VIII DEFAULTS AND REMEDIES.....	38
Section 8.01. Events of Default.....	38
Section 8.02. Remedies on Events of Default.....	38
Section 8.03. Majority of Bondholders May Control Proceedings.....	39
Section 8.04. Rights and Remedies of Bondholders.....	40
Section 8.05. Application of Moneys.....	40

TABLE OF CONTENTS

(continued)

	Page
Section 8.06. Bond Trustee May Enforce Rights Without Bonds.....	42
Section 8.07. Bond Trustee to File Proofs of Claim in Receivership, Etc.....	42
Section 8.08. Delay or Omission No Waiver.....	42
Section 8.09. Discontinuance of Proceedings on Default, Position of Parties Restored.....	42
Section 8.10. Enforcement of Rights.....	43
Section 8.11. Undertaking for Costs.....	43
Section 8.12. Waiver of Events of Default.....	43
Section 8.13. Intercreditor Provisions.....	43
ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS.....	45
Section 9.01. Duties of the Bond Trustee.....	45
Section 9.02. Fees and Expenses of Bond Trustee and Paying Agent.....	48
Section 9.03. Resignation or Replacement of Bond Trustee.....	48
Section 9.04. Conversion, Consolidation or Merger of Bond Trustee.....	49
Section 9.05. Designation and Succession of Paying Agent.....	50
Section 9.06. Filing of Financing Statements.....	50
ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE AGREEMENT.....	51
Section 10.01. Supplemental Indentures Not Requiring Consent of Bondholders.....	51
Section 10.02. Supplemental Indentures Requiring Consent of Bondholders.....	51
Section 10.03. Execution of Supplemental Indenture.....	52
Section 10.04. Consent of Corporation.....	53
Section 10.05. Amendments, Etc., of the Agreement Not Requiring Consent of Bondholders.....	53
Section 10.06. Amendments, Etc., of the Agreement Requiring Consent of Bondholders.....	53
ARTICLE XI MISCELLANEOUS.....	55
Section 11.01. Evidence of Signature of Bondholders and Ownership of Bonds.....	55
Section 11.02. No Personal Liability.....	55
Section 11.03. Limited Obligation.....	55
Section 11.04. Parties Interested Herein.....	56
Section 11.05. Titles, Headings, Etc.....	56
Section 11.06. Severability.....	56
Section 11.07. Governing Law.....	56
Section 11.08. Execution of Counterparts.....	57
Section 11.09. Notices.....	57
Section 11.10. Payments Due on Holidays.....	58
EXHIBIT A – FORM OF SERIES 2014 BONDS	

INDENTURE OF TRUST

THIS INDENTURE OF TRUST dated as of _____, 2014, between the **PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY**, or its successors or assigns, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "Issuer"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America and having a designated corporate trust office in _____, Florida, as Bond Trustee, being authorized to accept and execute trusts of the character herein set out (in such capacity, together with any successor Bond Trustee, the "Bond Trustee"),

WITNESSETH:

WHEREAS, Federation CCRC Operations Corp., a Florida not-for-profit corporation authorized to conduct business in the State of Florida (the "Corporation"), has applied for the assistance of the Issuer in the financing of the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land in Palm Beach County, Florida to be known as "Sinai Residences of Boca Raton" (as more particularly defined herein, the "Project"); and

WHEREAS, the financing of the Project will promote significant development of health care facilities in Palm Beach County, Florida; and

WHEREAS, the Issuer has authorized the issuance of its Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A (the "Series 2014A Bonds") in an aggregate principal amount of \$_____, its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B (the "Series 2014B Bonds") in an aggregate principal amount of \$_____, and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (the "Series 2014C Bonds" and, together with the Series 2014A Bonds and the Series 2014B Bonds, the "Series 2014 Bonds") in an aggregate principal amount of \$_____, for the purposes described herein; and

WHEREAS, concurrently with the issuance of the Series 2014 Bonds, the Issuer has authorized the issuance of its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 (the "Series 2014D-1 Bonds") in an aggregate principal amount of \$_____, and its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Subseries 2014D-2 (the "Series 2014D-2 Bonds" and, together with the Series 2014D-1 Bonds, the "Series 2014D Bonds") in an aggregate principal amount of \$_____, under a separate indenture of trust, which Series 2014D Bonds are secured by an Obligation issued under the Master Indenture on a parity basis with the Series 2014 Obligations; and

WHEREAS, the Series 2014 Bonds and the Series 2014D Bonds are being issued to (i) finance the Project, (ii) currently refund the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-

Development Project) (collectively, the "Refunded Notes"), (iii) fund the applicable debt service reserve funds, (iv) fund applicable capitalized interest, and (v) pay the applicable costs of issuance of the Series 2014 Bonds and the Series 2014D Bonds; and

WHEREAS, the Issuer has duly entered into a Loan Agreement, dated as of _____, 2014, with the Corporation (the "Agreement") specifying the terms and conditions of a loan by the Issuer to the Corporation of the proceeds of the Series 2014 Bonds to provide for financing of the Project and of the payment by the Corporation to the Issuer of amounts sufficient for the payment of the principal of and interest on the Series 2014 Bonds and certain related expenses; and

WHEREAS, in order to provide for the authentication and delivery of the Series 2014 Bonds, to establish and declare the terms and conditions upon which the Series 2014 Bonds are to be issued and secured and to secure the payment of the principal thereof and interest thereon, the Issuer has authorized the execution and delivery of this Indenture of Trust (hereinafter sometimes referred to as the "Bond Indenture"); and

WHEREAS, all acts and proceedings required by law necessary to make the Series 2014 Bonds, when executed by the Issuer, authenticated and delivered by the Bond Trustee and duly issued, the valid, binding and legal limited obligations of the Issuer, and to constitute this Bond Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Bond Indenture have been in all respects duly authorized; and

WHEREAS, the Series 2014 Bonds, the Bond Trustee's Authentication Certificate and the Assignment are to be substantially in the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this Bond Indenture; and

WHEREAS, all things necessary to make the Series 2014 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 2014 Bonds by the Owners thereof and of the sum of One Dollar to it duly paid by the Bond Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding under this Bond Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Bond Indenture and has granted, bargained, sold, warranted, alienated, remised, released, conveyed, assigned, pledged, set over, and confirmed, and by these presents does grant, bargain, sell, warrant, alien, remise,

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:

release, convey, assign, pledge, set over, and confirm unto the Bond Trustee forever, all and singular the following described property, franchises, and income:

1. All of the Issuer's right, title and interest in and to any Obligation delivered by the Corporation to the Issuer pursuant to the Agreement; and

2. 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

3. Amounts on deposit from time to time in the Bond Fund, Debt Service 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

4. 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 Obligation may come into the possession of or control of the Bond Trustee or a receiver appointed pursuant to Article VIII hereof, as such additional security; and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Bonds, and to hold and apply all such property subject to the terms hereof.

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

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

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

**ARTICLE I
DEFINITIONS**

Section 1.01. Definitions. All defined words and phrases used in this Bond Indenture shall have the meaning given and ascribed to such words and phrases in Article I of the Agreement. In addition, the following words and terms shall have the following meanings in this Bond Indenture unless the context otherwise requires:

"Senior Secured Bonds" means, collectively, any Bonds issued under this Bond Indenture and any bonds issued under the Series 2014D Bonds Indenture which are secured by Obligations issued on a parity basis under the Master Indenture.

"Series 2014D Bond Indenture" shall mean the Indenture of Trust dated as of _____, 2014 by and between the Authority and the Series 2014D Bond Trustee and relating to the Series 2014D Bonds.

"Series 2014D Bond Trustee" shall mean U.S. Bank National Association, in its capacity as bond trustee under the Series 2014D Bond Indenture and any successor trustee under the Series 2014D Bond Indenture.

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

[End of Article I]

**ARTICLE II
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS**

Section 2.01. Authorized Amount of Series 2014 Bonds. No Series 2014 Bonds may be issued under this Bond Indenture except in accordance with this Article. The total original principal amount of Series 2014A Bonds that may be issued hereunder is hereby expressly limited to \$ _____, the total original principal amount of Series 2014B Bonds that may be issued hereunder is expressly limited to \$ _____, and the total original principal amount of Series 2014C Bonds that may be issued hereunder is expressly limited to \$ _____.

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 2014 Bonds.

(a) There is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as the "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A." The Series 2014A Bonds shall be numbered consecutively upward from RA-1.

(b) The Series 2014A Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2014A Bond. The Series 2014A Bonds shall bear interest on the basis of a 360 day year composed of twelve 30 day months payable each June 1 and each December 1, beginning _____, 1, 20____, at the rates per annum and shall mature on June 1 in the years and principal amounts as follows:

Year	Amount	Interest Rate (%)
20__	\$ _____	_____
20__	_____	_____
20__	_____	_____

(c) There is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as the "Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption Bonds SM (Sinai Residences of Boca Raton Project) Series 2014B." The Series 2014B Bonds shall be numbered consecutively upward from RB-1.

to the person who is the registered owner of such Series 2014 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 2014 Bonds not less than ten 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 2014 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 its authorized signatory and its corporate seal shall be thereunto affixed and attested by an authorized signatory. The signatures of such authorized signatories and the seal of the Issuer may be in facsimile. In case any officer who shall have signed any of the Bonds shall cease to hold such office and any of such Bonds shall have been authenticated by the Bond Trustee or delivered or sold, such Bonds with the signatures thereto affixed may, nevertheless, be authenticated by the Bond Trustee, and delivered, and may be sold by the Issuer, as though the person or persons who signed such Bonds had remained in office.

Section 2.05. Registration and Exchange of Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and for the transfer of the Bonds as provided in this Bond Indenture to be kept by the Bond Trustee which is hereby appointed the bond registrar of the Issuer for the Series 2014 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.

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 hereby 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.

(d) The Series 2014B Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2014B Bond. The Series 2014B Bonds shall bear interest on the basis of a 360 day year composed of twelve 30 day months payable each June 1 and each December 1, beginning _____, 1, 20____, at the rate per annum and shall mature on June 1 in the year and principal amount as follows:

Year	Amount	Interest Rate (%)
20__	\$ _____	_____

(e) There is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as the "Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption Bonds SM (Sinai Residences of Boca Raton Project) Series 2014C." The Series 2014C Bonds shall be numbered consecutively upward from RC-1.

(f) The Series 2014C Bonds shall bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the Delivery Date of the Series 2014C Bond. The Series 2014C Bonds shall bear interest on the basis of a 360 day year composed of twelve 30 day months payable each June 1 and each December 1, beginning _____, 1, 20____, at the rate per annum and shall mature on June 1 in the year and principal amount as follows:

Year	Amount	Interest Rate (%)
20__	\$ _____	_____

(g) The Series 2014 Bonds shall be issued in Authorized Denominations and shall be dated the date of issuance. The Series 2014 Bonds are subject to prior redemption as herein set forth and shall be substantially in the form and tenor set forth in Exhibit A hereto, with appropriate variations, omissions, and insertions as are permitted or required by this Bond Indenture.

(h) The principal of, premium, if any, and interest on the Series 2014 Bonds shall be payable in lawful money of the United States of America at the Payment Office of the Bond Trustee, or at the designated corporate trust office of its successor, and if such Bonds are not then registered in the name of DTC or its nominee, upon presentation and surrender of the Series 2014 Bonds. Payment of interest on any Series 2014 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. 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 2014 Bonds. Any such interest not so timely paid or duly provided for shall cease to be payable

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 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 Corporation 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 Corporation or the Bond Trustee in connection therewith.

Section 2.07. Delivery of Series 2014 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 2014 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 2014 Bonds there shall be filed with and delivered to the Bond Trustee at least:

(a) A Certified Resolution authorizing the execution and delivery of the Agreement and this Bond Indenture and the issuance of the Series 2014 Bonds.

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

(c) The Series 2014 Obligations, duly executed and authenticated and duly assigned and payable to the Bond Trustee.

(d) A request and authorization to the Bond Trustee on behalf of the Issuer and signed by its authorized signatory to authenticate and deliver the Series 2014 Bonds to the purchasers therein identified upon payment to the Bond Trustee but for the account of the Issuer of a sum specified in such request and authorization, together with instructions as to the disposition of the proceeds of the Series 2014 Bonds.

(e) An Opinion of Counsel to the Issuer to the effect that the Series 2014 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 each of the instruments to which the Issuer is a party has been duly and validly authorized, executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, subject to customary qualifications on enforceability.

(f) An Opinion of Bond Counsel to the effect that the interest payable on the Tax Exempt 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 set forth in Exhibit A hereto. 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 officer 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 Corporation 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 Corporation 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 Obligations 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 Debt Service Reserve Fund relating to such Additional Bonds of additional Debt Service Reserve Fund Obligations which, together with amounts then contained in the other accounts in the Debt Service Reserve Fund will equal the Debt Service 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 Corporation deem

10

4290448/6/MIAMI

(ix) 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 Obligation or Obligations.

(f) Additional Obligations. A Obligation or Obligations executed by the Corporation which shall:

(i) 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

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

(g) Debt Service Reserve Fund. For deposit into a separate account in the Debt Service Reserve Fund relating to such Additional Bonds, Debt Service Reserve Fund Obligations which will equal the Debt Service Reserve Fund Requirement on such Additional Bonds, as shall be set forth in the supplemental bond indenture relating to such Additional Bonds.

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 Corporation 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 the 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

12

4290448/6/MIAMI

desirable. All Additional Bonds shall be secured in the same manner as and rank on a parity with the Series 2014 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 Corporation. 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) Corporation's Certificate. A certificate of the Corporation stating (i) that no default exists under the Agreement, the Master Indenture or this Bond Indenture, (ii) that the Corporation approves the issuance and delivery of such Additional Bonds and (iii) any other matters to be approved by the Corporation pursuant to Section 4.1 of the Agreement and this Section 2.10.

(b) Certified Resolution. A Certified Resolution 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:

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

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

(iii) the maturity date or dates thereof,

(iv) 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,

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

(vi) provisions as to redemption,

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

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

11

4290448/6/MIAMI

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 and sole 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.

(i) In the event that the Corporation 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 Corporation, 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.

(ii) 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

13

4290448/6/MIAMI

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.

[End of Article II]

14

4290448/MIAMI

(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(d).

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(iv) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014C Bonds.

(d) The Issuer agrees to authorize the issuance of Additional Bonds upon 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 (iii) 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 Corporation and the Issuer.

(e) If the Corporation is not in default hereunder, the Issuer agrees, on request of the Corporation, from time to time, subject to satisfying the requirements of the Act, to use its reasonable efforts to issue the amount of Additional Bonds specified by the Corporation; 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 Corporation, and provided further that (1) the Corporation 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 Debt Service Reserve Fund of additional Debt Service Reserve Fund Obligations which, together with amounts at that time contained in the Debt Service 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 Corporation and the Master Trustee shall have entered into a supplement to the Master Indenture whereby the Corporation issues an Obligation 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 "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Bond Fund" (the "Bond Fund"). There are hereby created by the Issuer and ordered established with the Bond Trustee three separate accounts within the Bond Fund to be designated as the Principal Account, the Interest Account and the Entrance Fee Redemption Account, respectively.

16

4290448/MIAMI

ARTICLE III REVENUES AND FUNDS

Section 3.01. Application of Proceeds of Series 2014 Bonds.

(a) The Issuer will sell and cause to be delivered to the initial purchasers thereto the Series 2014A Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

(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(d).

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(iv) Deposit with the trustee for the Refunded Notes, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(v) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014A Bonds.

(b) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2014B Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

(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(d).

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d).

(iv) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014B Bonds.

(c) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2014C Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

15

4290448/MIAMI

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. Moneys on deposit in the Entrance Fee Redemption Account shall be used to pay the redemption price of the Series 2014B Bonds and the Series 2014C Bonds on each Entrance Fee Redemption Date as provided in Section 5.11 hereof.

Section 3.03. Payments into the Bond Fund.

(a) There shall be deposited into the Principal Account or the Interest Account, as and when received, (i) all payments on the Obligations, (ii) all moneys transferred to the Bond Fund from the Debt Service Reserve Fund pursuant to Section 3.10 hereof, (iii) all other moneys required to be deposited therein pursuant to the Agreement, and (iv) all other moneys received by the Bond Trustee when accompanied by directions 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.

(b) There shall be deposited into the Entrance Fee Redemption Account all moneys received by the Bond Trustee from the Master Trustee on each Entrance Fee Transfer Date pursuant to Section 2.01 of the Supplemental Indenture for deposit therein. When all of the Series 2014B Bonds and Series 2014C Bonds have been paid in full, any money remaining in the Entrance Fee Redemption Account will be deposited in the Entrance Fee Fund, or if the Entrance Fee Fund has been closed will be delivered to the Corporation, and the Entrance Fee Redemption Account shall be closed.

Section 3.04. Use of Moneys in the Entrance Fee Redemption Account, Principal Account and the Interest Account. Except as provided in Sections 3.15 and 8.05 hereof, moneys in the Entrance Fee Redemption Account shall be used solely for the payment of the principal of and interest on the Series 2014B and Series 2014C Bonds. The Series 2014C Bonds shall be redeemed in full prior to any redemption of the Series 2014B Bonds pursuant to this Section and Section 5.11 hereof. Except as provided in Sections 3.15, 5.01 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 based upon the outstanding principal amounts thereof.

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 "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Construction Fund" (the "Construction Fund"). There are hereby created by the Issuer and ordered established with the Bond Trustee two

17

4290448/MIAMI

separate accounts within the Construction Fund to be designated as the Funded Interest Account and the Project Account. Moneys in the Construction Fund shall be used to pay Costs of constructing the Project or as hereinafter provided. Under no circumstances shall moneys in the Construction Fund be used to pay Cost of Issuance.

(b) In the event there are insufficient moneys in the Interest Account of the Bond Fund to pay interest on the Bonds when due, the Bond Trustee shall transfer moneys in the Funded Interest Account of the Construction Fund to the Interest Account of the Bond Fund to pay such interest when due. Moneys in the Funded Interest Account of the Construction Fund shall be used to pay investment management fees as set forth in a written request of the Corporation to the Bond Trustee. The Bond Trustee shall disburse moneys in the Project Account of the Construction Fund as provided in Section 4.1 of the Agreement. Subject to Section 3.06(e) hereof, 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 Principal Account and shall be used to redeem Bonds in accordance with Section 5.12 hereof.

(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 certificates, the Bond Trustee shall pay the amount requested to the extent that the Corporation is entitled to payment pursuant to the Agreement and the Disbursement 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, except as otherwise provided herein, no moneys may be paid out of the Project Account 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 Agreement and this Bond Indenture.

Section 3.07. Completion Certificate. The Corporation shall provide the Bond Trustee the Completion Certificate required to be delivered under Section 4.2(b) of the Agreement.

Section 3.08. Creation of the Debt Service Reserve Fund.

(a) There is hereby created and established with the Bond Trustee a trust fund designated as the "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Debt Service Debt Service Reserve Fund" (the "Debt Service Reserve Fund").

(b) There shall be created three accounts within the Debt Service Reserve Fund: (i) a Series 2014A Account, (ii) a Series 2014B Account, and (iii) a Series 2014C Account.

(c) Moneys on deposit in the Debt Service Reserve Fund shall be used to provide a reserve for the payment of the principal of and interest on the Bonds.

18

4290448/6/MIAMI

shall use the moneys on deposit in the Debt Service Reserve Fund to pay such principal or redemption price of the Bonds.

Section 3.11. Custody of the Debt Service Reserve Fund. The Debt Service 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 Debt Service Reserve Fund to the Bond Fund to pay the principal of and interest on the Bonds 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 Debt Service Reserve Fund.

Section 3.12. Nonpresentment of Bonds. In the event that any Bonds shall not be presented for payment when the principal thereof or interest thereon becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof shall have been deposited into the Bond Fund or otherwise made available to the Bond Trustee for deposit therein as provided in Section 3.03 hereof, all liability of the Issuer to the owner or owners thereof for the payment of such Bonds shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Bond Trustee to hold such fund or funds, without liability for interest thereon, for the benefit of the Owner or Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on 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, to the extent required by law, transfer such funds to the state treasury of the State of Florida, in which case the owner of such Bonds shall look only to such state for payment, or, in the alternative, to the extent permitted by law, the Bond Trustee shall, upon request in writing by the Corporation, return such funds to the Corporation 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 Corporation. 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 Corporation for payment, and then only to the extent of the amount so repaid by the Bond Trustee. The Corporation 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 Corporation 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 attorneys' fees) of the Bond Trustee and each Paying Agent, as and when the same become due, upon the submission by the Bond Trustee and each Paying Agent of a statement therefor.

Section 3.14. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee under any provision of this Bond Indenture (except moneys in the Rebate Fund) shall be held by the Bond Trustee in trust for the purposes specified in this Bond Indenture, and except for moneys deposited with or paid to the Bond Trustee for the redemption

20

4290448/6/MIAMI

Section 3.09. Payments Into the Debt Service Reserve Fund. In addition to the deposits required by Section 3.01 hereof, there shall be deposited into the Debt Service Reserve Fund any Debt Service Reserve Fund Obligations delivered by the Corporation to the Bond Trustee pursuant to Section 5.6 of the Agreement. In addition, there shall be deposited into the Debt Service Reserve Fund all moneys required to be transferred thereto pursuant to Section 6.02 hereof, and all other moneys received by the Bond Trustee when accompanied by directions that such moneys are to be paid into the Debt Service Reserve Fund. There shall also be retained in the Debt Service Reserve Fund all interest and other income received on investments of Debt Service Reserve Fund moneys to the extent provided in Section 6.02 hereof.

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

(a) Except as provided herein and in Section 3.15 hereof, moneys in the Debt Service Reserve Fund shall be used solely for the payment of the principal of and interest on the Bonds in the event moneys in the Bond Fund, Funded Interest Account of the Construction Fund, the Working Capital Fund and the Liquidity Support Fund are insufficient to make such payments when due, whether on an interest payment date, redemption date, maturity date, acceleration date or otherwise. Subject to paragraph (b) below, monies in the Series 2014A Account shall only be available to pay debt service on the Series 2014A Bonds, the monies in the Series 2014B Account shall only be available to pay debt service on the Series 2014B Bonds and the monies in the Series 2014C Account shall only be available to pay debt service on the Series 2014C 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 Debt Service Reserve Fund Obligations in the Debt Service Reserve Fund shall, subject to the provisions of Section 3.16 hereof, be transferred by the Bond Trustee to the Principal Account and applied in accordance with Section 8.05 hereof. In the event of the redemption of any series of Bonds, any Debt Service Reserve Fund Obligations on deposit in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement on the Bonds to be Outstanding immediately after such redemption shall, 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 June 1 and December 1 in each year, any earnings on the Debt Service Reserve Fund Obligations on deposit in the Debt Service Reserve Fund that are in excess of the Debt Service Reserve Fund Requirement shall be transferred during the construction period for any Project into the Funded Interest Account of the Construction Fund created 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.

(c) On the final maturity date of any series of Bonds, any Debt Service Reserve Fund Obligations in the Debt Service Reserve Fund in excess of the Debt Service Reserve Fund Requirement after giving effect to such maturity shall be used to pay the principal of and interest on such series of Bonds on such final maturity date.

(d) If at any time moneys in the Debt Service Reserve Fund are sufficient to pay the principal or redemption price of all Bonds then Outstanding, the Bond Trustee

19

4290448/6/MIAMI

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 Corporation from the Funds. Any amounts remaining in the Bond Fund, Debt Service Reserve Fund or Construction Fund after payment in full of the Bonds (or after making provision for such payment), the fees and expenses of the Bond Trustee and the Paying Agents (including attorneys' fees, if any), the Administration Expenses, and all other amounts required to be paid hereunder and under the Agreement shall be paid to the Corporation upon the termination of the Agreement.

Section 3.16. Rebate Fund.

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

(b) Within 60 days after the close of each fifth "Bond Year," the Bond Trustee shall receive from the Corporation a computation in the form of a certificate of an officer of the Corporation of the amount of "Excess Earnings," if any, for the period beginning on the date of delivery of the Tax Exempt Bonds and ending at the close of such "Bond Year" and the Corporation shall pay to the Bond Trustee for deposit into the Rebate Fund an amount equal to the difference, if any, between the amount then in the Rebate Fund and the Excess Earnings so computed. The term "Bond Year" means with respect to the Tax Exempt Bonds each one-year period ending on the anniversary of the date of delivery of the Tax Exempt Bonds or such other period as may be elected by the Issuer in accordance with the Regulations and notice of which election has been given to the Bond Trustee. If, at the close of any Bond Year, the amount in the Rebate Fund exceeds the amount that would be required to be paid to the United States of America under paragraph (d) below if the Tax Exempt Bonds had been paid in full, such excess may, at the request of the Corporation, be transferred from the Rebate Fund and paid to the Corporation.

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

(i) the excess of --

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

21

4290448/6/MIAMI

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

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

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

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

(e) The amounts to be computed, paid, deposited or disbursed under this section shall be determined by the Corporation acting on behalf of the Issuer within thirty days after each Bond Year after the date of issuance of each issue or series of Tax Exempt Bonds. By such date, the Corporation shall also notify, in writing, the Bond Trustee and the Issuer of the determinations the Corporation has made and the payment to be made pursuant to the provisions of this section. Upon written request of any registered owner of Tax Exempt Bonds, the Corporation shall furnish to such registered owner of Tax Exempt Bonds a certificate (supported by reasonable documentation, which may include calculation by Bond Counsel or by some other service organization) showing compliance with this section and other applicable provisions of section 148 of the Code.

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

(g) If the Bond Trustee shall declare the principal of the Tax Exempt Bonds and the interest accrued thereon immediately due and payable as the result of an Event of Default specified in this Bond Indenture, or if the Tax Exempt Bonds are optionally or mandatorily prepaid or redeemed prior to maturity as a whole in accordance with their terms, any amount remaining in any of the trust funds hereunder shall be transferred to the Rebate Fund to the extent that the amount therein is less than the Excess Earnings computed by the Corporation as of the date of such acceleration or redemption, and the balance of such amount shall be used immediately by the Bond Trustee for the purpose of

paying principal of, redemption premium, if any, and interest on the Tax Exempt Bonds when due. In furtherance of such intention, the Issuer hereby authorizes and directs its Authorized Signatory to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Tax Exempt Bonds.

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

(i) Notwithstanding any of the provisions of this Section, the Bond Trustee shall have no duty or responsibility with respect to the Rebate Fund except to follow the specific written instructions of the Corporation and in no event shall the Bond Trustee have any obligation to fund any amounts payable under this Section 3.16.

Section 3.17. Cost of Issuance Fund. There is hereby created and established with the Bond Trustee a trust fund designated as the "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton 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. Within 6 months of the date of issuance of the Series 2014 Bonds, 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.

[End of Article III]

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 Board of Directors 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 Corporation 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, including particularly and without limitation the Act, to issue the Series 2014 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 2014 Obligations 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 2014 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 2014 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 Obligations, 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 or requiring or obligating the Issuer to pay the Bonds from any source other than the pledged revenues and security as provided herein.

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. The Bond Trustee, at the Corporation's expense, will, as directed by the Corporation, cause all continuation statements and all supplements to any financing statement or continuation statement and other instruments as may be required, at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and all rights of the Bond Trustee hereunder.

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

Section 4.06. Tax Covenants.

(a) The Issuer covenants and agrees that until the final maturity of the Tax Exempt Bonds, based upon the Corporation's covenants in Section 4.9 of the Agreement, it will not knowingly take any action, use any money on deposit in any fund or account maintained in connection with the Tax Exempt Bonds, whether or not such money was derived from the proceeds of the sale of the Tax Exempt Bonds or from any other source, in a manner that would cause the Tax Exempt Bonds to be arbitrage bonds, within the meaning of Section 148 of the Code. In the event the Corporation notifies the Issuer that it is necessary to restrict or limit the yield on the investment of moneys held by the Bond Trustee pursuant to this Bond Indenture, or to use such moneys in any certain manner to avoid the Tax Exempt Bonds being considered arbitrage bonds, the Issuer at the written direction and expense of the Corporation shall deliver to the Bond Trustee appropriate written instructions of the Issuer, in which event the Bond Trustee shall take such action as instructed to restrict or limit the yield on such investment or to use such moneys in accordance with such instructions.

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

(c) The Issuer will not knowingly use any portion of the proceeds of the Tax Exempt Bonds, including any investment income earned on such proceeds, directly or indirectly, to make or finance loans to Persons who are not Exempt Persons. For purposes of the preceding sentence, a loan to an organization described in Section 501(c)(3) of the

upon the registration books (other than the Entrance Fee Redemption of the Series 2014B Bond and the Series 2014C Bonds, as provided in Section 5.11 hereof), in each case not more than 60 nor less than 30 days (and in the case of Entrance Fee Redemption of the Series 2014B Bonds and the Series 2014C Bonds pursuant to Section 5.11 hereof, ten 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: (A) to any owner of \$1,000,000 or more in principal amount of Series 2014 Bonds and (B) to the Municipal Securities Rulemaking Board's Electronic Municipal Marketplace Access website; and (2) to any securities depository registered as such pursuant to the Securities Exchange Act of 1934, as amended, that is an owner of Series 2014 Bonds to be redeemed so that such notice is received at least two days prior to such mailing date. An additional notice of redemption shall be given by certified mail, postage prepaid, mailed not less than 60 nor more than 90 days after the redemption date to any owner of Series 2014 Bonds selected for redemption that has not surrendered the Series 2014 Bonds called for redemption, at the address as the same shall last appear upon the registration books.

Notwithstanding the foregoing, upon the written direction of the Corporation, the notice of redemption for optional redemption pursuant to Section 5.01 hereof shall contain a statement to the effect that the redemption of the Series 2014 Bonds is conditioned upon the receipt by the Bond Trustee, prior to the date fixed for such redemption, of amounts equal to the redemption price of the Series 2014 Bonds to be redeemed, and that if such moneys shall not have been so received, the notice will be of no force and effect and the Issuer shall not be required to redeem such Series 2014 Bonds and such Series 2014 Bonds shall not become due and payable.

All notices of redemption shall state:

- (a) the redemption date,
- (b) the redemption price,
- (c) the identification, including complete designation (including series) and issue date of the Series 2014 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 2014 Bonds to be redeemed,
- (d) that on the redemption date the redemption price will become due and payable upon each such Series 2014 Bonds, and that interest thereon shall cease to accrue from and after said date,
- (e) the name and address of the Bond Trustee and any paying agent for such Series 2014 Bonds, including the place where such Series 2014 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, that failure to give any such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2014 Bonds.

Section 5.05. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the business day prior to the redemption date specified in the notice of redemption,

30

4290448/6/MIAMI

Purchase in lieu of redemption shall be available to all Series 2014 Bonds called for optional redemption or for such lesser portion of such Series 2014 Bonds as constitute authorized denominations. The Issuer shall, at the direction of the Corporation, direct the Bond Trustee to purchase all or such lesser portion of the Series 2014 Bonds so called for redemption. Any such direction to the Bond Trustee must be in writing, state either that all the Series 2014 Bonds called for redemption are to be purchased or, if less than all of the Series 2014 Bonds called for redemption are to be purchased, identify those Series 2014 Bonds to be purchased by maturity date and outstanding principal amount in authorized denominations, and be received by the Bond Trustee no later than 12:00 noon one Business Day prior to the scheduled redemption date thereof.

If so directed, the Bond Trustee shall purchase such Series 2014 Bonds on the date which otherwise would be the redemption date of such Series 2014 Bonds. Any of the Series 2014 Bonds called for redemption that are not purchased in lieu of redemption shall be redeemed as otherwise required by the Bond Indenture on such redemption date.

On or prior to the scheduled redemption date, any direction given to the Bond Trustee shall, at the direction of the Corporation, be withdrawn by the Issuer by written notice to the Bond Trustee. Subject generally to the Bond Indenture, should a direction to purchase be withdrawn, the scheduled redemption of such Series 2014 Bonds shall occur.

The purchase shall be made for the account of the Corporation or its designee.

The purchase price of the Series 2014 Bonds shall be equal to the outstanding principal of, accrued and unpaid interest on and the redemption premium, if any, which would have been payable on such Series 2014 Bonds on the scheduled redemption date for such redemption. To pay the purchase price of such Series 2014 Bonds, the Bond Trustee shall use such funds (A) deposited by the Corporation with the Bond Trustee for such purpose and (B) funds, if any, held under the Bond Indenture that the Bond Trustee would have used to pay the outstanding principal of, accrued and interest on and the redemption premium, if any, that would have been payable on the redemption of such Series 2014 Bonds on the scheduled redemption date. The Bond Trustee shall not purchase the Series 2014 Bonds pursuant to the above provisions if by no later than the redemption date, sufficient moneys have not been deposited with the Bond Trustee, or such moneys are deposited but are not available.

No notice of the purchase in lieu of redemption shall be required to be given to the Bondholders (other than the notice of redemption otherwise required under the Bonds).

Section 5.10. Intentionally Omitted.

Section 5.11. Entrance Fee Redemption.

- (a) The Series 2014B Bonds and the Series 2014C Bonds are subject to redemption on each Entrance Fee Redemption Date from funds on deposit in the Entrance Fee Redemption Account at a redemption price equal to the principal amount of Series 2014B Bonds or Series 2014C Bonds being redeemed, plus accrued interest to the date fixed for redemption. Funds on deposit in the Entrance Fee Redemption Account shall be applied first to redeem the Series 2014C Bonds and second to redeem the Series 2014B Bonds. Redemption of the Series 2014B Bonds from funds on deposit in the

32

4290448/6/MIAMI

amount of money sufficient to redeem all Series 2014 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. If at the time of mailing of notice of any optional redemption moneys sufficient to redeem all of the Series 2014 Bonds called for redemption are not on deposit with the Bond Trustee, such notice may state that it is conditional in that it is subject to the deposit of moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited. On the redemption date the principal amount of each Series 2014 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 2014 Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any such Series 2014 Bonds. From and after such date of redemption (such notice having been given and such deposit having been made), the Series 2014 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 retained 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 Corporation, 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. The Bonds shall be subject to optional redemption by the Issuer at the direction of the Corporation prior to their scheduled maturities, in whole or in part (proportionally among each series) 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 and the Corporation 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 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 Corporation under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

Section 5.09. Purchase in Lieu of Redemption. If any Series 2014 Bond is called for optional redemption in whole or in part, the Issuer shall, at the direction of the Corporation, elect to have such Series 2014 Bond purchased in lieu of redemption.

31

4290448/6/MIAMI

Entrance Fee Redemption Account shall not begin until the Series 2014C Bonds have been paid in full.

- (b) The principal amount of Series 2014B Bonds or Series 2014C Bonds to be redeemed on an Entrance Fee Redemption Date shall be equal to the largest Authorized Denomination of the Series 2014B Bonds or Series 2014C Bonds for which the redemption price thereof is on deposit in the Entrance Fee Redemption Account on the day following the immediately preceding Entrance Fee Transfer Date.

- (c) As soon as practicable after each Entrance Fee Redemption Date pursuant to this Section, the Bond Trustee shall give notice to the Master Trustee of the principal amount of the Series 2014B Bonds or Series 2014C Bonds redeemed on such date, together with the principal amount of the Series 2014B Bonds or Series 2014C Bonds that remains Outstanding after such redemption.

Section 5.12. Mandatory Redemption upon Completion of the Project. The Series 2014 Bonds are subject to mandatory redemption, on a pro rata basis, in whole or in part on any date for which timely notice of redemption can be given by the Bond Trustee following a Completion Date at a redemption price equal to the aggregate principal amount of the Series 2014 Bonds to be redeemed plus accrued interest to the redemption date, without premium, to the extent Surplus Construction Fund Moneys are transferred to the Principal Account of the Bond Fund.

[End of Article V]

ARTICLE VI
INVESTMENTS

Section 6.01. Investment of Bond Fund, Construction Fund, Cost of Issuance Fund, and Debt Service Reserve Fund Moneys. Any moneys held as part of the Bond Fund, Construction Fund, Cost of Issuance Fund, or Debt Service Reserve Fund shall be invested or reinvested by the Bond Trustee at the written request and direction of the Corporation (upon which the Bond Trustee is entitled to rely) in Permitted Investments. All Permitted Investments shall be either subject to redemption at any time at a fixed value at the option of the owner thereof or shall mature or be marketable not later than the business day prior to the date on which the proceeds are expected to be expended. For the purpose of any investment or replacement under this Section, the Permitted Investments shall be deemed to mature at the earliest date on which the Corporation 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. In order to comply with the directions of the Corporation, 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 Corporation may instruct the Bond Trustee, in lieu of a liquidation or redemption of investments in the fund or account needing funds, to exchange such investment for investments in another fund or account that may be liquidated at no, or at reduced, loss. The Bond Trustee shall be under no liability for interest on any moneys received hereunder.

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 the Corporation or for the 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 Funded Interest Account of the Construction Fund, the Cost of Issuance Fund or the Project Account of the Construction Fund shall be credited to the Funded Interest Account of the Construction Fund until such Funded Interest Account of the Construction Fund expires, and thereafter, 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 any Reserve Account of the Debt Service Reserve Fund, in which case such interest or other gain shall be paid into such Reserve Account forthwith.

(c) Any interest or other gain realized as a result of any investments or reinvestments of moneys in the Debt Service Reserve Fund shall be credited to the Debt

34

4290448/6/MIAMI

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 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 Corporation, 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 Corporation any surplus in the Bond Fund, Debt Service 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 Corporation shall have given to the Bond Trustee in form satisfactory to it irrevocable written instructions to give on a date in accordance with the provisions of Section 5.04 hereof notice of redemption of such Bonds on said redemption date, such notice to be given in accordance with the provisions of Section 5.04 hereof, (ii) there shall have been deposited with the Bond Trustee (or another Paying Agent) either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, or any other Person other than the holder thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Bond Trustee or any Paying Agent at the same time (including the Bond Fund and the Debt Service Reserve Fund), shall be sufficient, in the opinion of an independent certified public accountant, to pay when due the principal of, premium, if any, and interest due and to become due on said Bonds on or prior to the redemption date or maturity date thereof, as the case may be, and (iii) in the event that said Bonds are not by their terms subject to redemption within the next 45 days, the Corporation 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 Corporation accompanied by an Opinion of Bond Counsel

36

4290448/6/MIAMI

Service Reserve Fund if a deficiency exists therein at that time. If a deficiency does not exist in the Debt Service Reserve Fund at that time, such interest or other gain on other amounts paid into the Debt Service Reserve Fund shall be paid during the construction period for any Project for deposit into the Funded Interest Account of the Construction Fund created in connection with the issuance of Bonds for such Project or if after the completion of such construction period, for deposit into the Interest Account of the Bond Fund 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 to the Corporation a full and complete statement of all receipts and disbursements of Permitted Investments in any Fund and Account covering such period.

(b) The Bond Trustee shall also furnish on or before January 1 and July 1 of each year a statement of the assets contained in each Fund and Account. Assets will be valued at market value as of December 31 and June 30, respectively, by the Bond Trustee in such statement in accordance with the normal valuation procedures of the Bond Trustee. A separate delivery of the information will not be required if the information is displayed in the information delivered pursuant to Section 6.03(a) above.

(c) On a monthly basis the Bond Trustee shall furnish to the Corporation a full and complete statement of all receipts of the interest earned on Permitted Investments in any Fund and account covering such period.

Section 6.04. Brokerage Confirmations. The Issuer acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Bond Trustee will furnish the Issuer and the Corporation periodic cash transaction statements that include detail for all investment transactions made by the Bond Trustee hereunder.

[End of Article VI]

35

4290448/6/MIAMI

and a verification report showing the adequacy of such other funds to pay principal of, premium, if any, and interest on such Bonds, 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.

[End of Article VII]

37

4290448/6/MIAMI

**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 in its part in this Bond Indenture or in the Bonds contained, which failure shall continue for a period of 60 days after written notice specifying such failure and requesting that it be remedied, is given to the Issuer and the Corporation by the Bond Trustee or to the Issuer, the Corporation 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 Corporation 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 Obligation has been declared due and payable immediately by the Master Trustee, by notice in writing given to the Issuer and the Corporation, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Bond Trustee shall give notice to the Bondholders in the same manner as a notice of redemption under Article V hereof, stating the date upon which the Obligations 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 Obligations and the Bonds has been declared due and payable immediately, the declaration of the acceleration of the Obligations 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 Corporation 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;

38

4290448/6/MIAMI

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

40

4290448/6/MIAMI

(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 Corporation 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.

Subject to Section 8.03 hereof, if any Event of Default shall have occurred and if requested 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 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.

39

4290448/6/MIAMI

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 pursuant to this Section into any Account of the Bond Fund from any Reserve Account of the Debt Service 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 first to the reasonable fees and expenses of the Bond Trustee arising from the Event of Default and then to payment of principal of and interest on the series of Bonds related to such Reserve Account.

41

4290448/6/MIAMI

(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 Corporation 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 Corporation, 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 Corporation 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 Corporation 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.

42

4290448/6/MIAMI

Series 2014 Bonds and the Series 2014D Bonds, the Bond Trustee further acknowledges and agrees as follows:

(a) On any scheduled principal or interest payment date on the Series 2014 Bonds, if the Bond Trustee does not receive funds sufficient to make a scheduled principal or interest payment for the Series 2014 Bonds, the Bond Trustee shall notify the Series 2014D Bond Trustee in writing of such deficiency.

(b) On any scheduled principal or interest payment date on the Series 2014 Bonds, if the Bond Trustee shall receive notice from the Series 2014D Bond Trustee that it did not receive funds sufficient to make a scheduled principal or interest payment for the Series 2014D Bonds, the Bond Trustee shall cooperate with the Series 2014D Bond Trustee regarding any transfers of funds to the Series 2014D Bond Trustee so that any corresponding principal and interest payments to be applied under this Bond Indenture and the Series 2014D Bond Indenture, as applicable, shall be applied pro rata based on the principal amount of the Series 2014 Bonds and the Series 2014D Bonds then currently outstanding.

(c) In connection with any optional or extraordinary mandatory redemption under this Bond Indenture, the Bond Trustee, upon being provided with notice of such redemption, shall promptly notify the Series 2014D Bond Trustee of such redemption and shall cooperate with the Series 2014D Bond Trustee to avoid any disparate treatment of the Series 2014 Bonds and the related Obligation under the Master Indenture.

[End of Article VIII]

44

4290448/6/MIAMI

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 Obligations 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 Obligations. 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 Obligations and the Agreement shall constitute an agency appointment coupled with an interest on the part of the Bond Trustee which, for all purposes of this Bond Indenture, shall be irrevocable and shall survive and continue in full force and effect notwithstanding the bankruptcy or insolvency of the Issuer or its default hereunder or on the Bonds. Subject to Section 9.01 hereof, in exercising such right and the rights given the Bond Trustee under this Article VIII, the Bond Trustee shall take such action as, in the judgment of the Bond Trustee, would best serve the interests of the Bondholders, taking into account the provisions of the Master Indenture, together with the security and remedies afforded to owners of Obligations.

Section 8.11. Undertaking for Costs. All parties to this Bond 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 access 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 Corporation under Section 4.4 of the Agreement.

Section 8.13. Intercreditor Provisions. The Bond Trustee acknowledges and agrees that the Series 2014 Bonds and the Series 2014D Bonds are both secured by Obligations issued under the Master Indenture, which Obligations are intended to be secured on a parity basis under the Master Indenture. In consideration of the parity security of the Obligations securing all of the

43

4290448/6/MIAMI

ARTICLE IX CONCERNING THE BOND TRUSTEE AND PAYING AGENTS

Section 9.01. Duties of the Bond Trustee. The Bond Trustee hereby accepts the trust imposed upon it by this Bond Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Bond Indenture against the Bond Trustee:

(a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing 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 execute any of the trusts or powers hereof and perform any of its duties hereunder, either directly or by or through attorneys, agents, receivers, other professionals, 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, other professionals, and employees as may reasonably be employed in connection with the trust hereof. The Bond Trustee may act upon an Opinion of Counsel or the advice of other professionals 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 or the advice of other professionals.

(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 official statement, or similar document prepared and distributed in connection with the sale of the Bonds. The Bond Trustee may become the owner of the Bonds with the same rights which it would have if not Bond Trustee.

(e) The Bond Trustee shall be protected in acting upon any notice, request, consent, certificate, order, 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 Corporation mentioned herein shall be sufficiently evidenced by a written request, order, or consent signed in the name of the Issuer or the Corporation, by the Issuer Representative, or the

45

4290448/6/MIAMI

Corporation, as the case may be. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or matter or as to the sufficiency or validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely and shall be protected in acting or refraining to act upon a certificate signed on behalf of the Issuer or the Corporation by the Issuer Representative or the Corporation or such other person as may be designated for such purpose by Certified Resolution as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

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

(i) 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;

(ii) 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 pursuant to Section 8.02 hereof 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

(iii) 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

46

4290448/6/MIAMI

(o) In acting or omitting to act pursuant to the provisions of the Agreement or the Disbursement 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.

Section 9.02. Fees and Expenses of Bond Trustee and Paying Agent. The Issuer agrees, but solely from any funds received from the Corporation 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) reasonably and necessarily made or incurred by the Bond Trustee, such Paying Agent or such other agent in connection with such services as and when the same become due as provided in Section 3.13 hereof; and

(b) to reimburse the Bond Trustee upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bond Trustee in accordance with any provisions of this Bond Indenture (including the reasonable compensation, expenses, and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the negligence or bad faith of the Bond Trustee. The foregoing shall not affect the prescribed application of moneys after an Event of Default set forth in Section 8.05 hereof.

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 Debt Service 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 Debt Service 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 Corporation 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) at any time 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

48

4290448/6/MIAMI

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 Corporation 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) 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. The Bond Trustee shall have no duty to advance its own funds for any reason or to take any action for which it has not been adequately indemnified or which might be contrary to applicable law.

(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 or the Disbursement Agreement upon the Issuer, the Corporation, or other Persons are performed. The Bond Trustee shall not be liable or responsible because of the failure of the Issuer, the Corporation, or other Persons to perform any act required of them pursuant to the terms of this Bond Indenture.

47

4290448/6/MIAMI

Default hereunder has not occurred and is continuing, by an instrument in writing executed by the Corporation.

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 Board of Directors, appoint a successor until a new successor shall be appointed by the Bondholders as herein authorized. The Issuer upon making such appointment shall forthwith give notice thereof to each Bondholder and to the Corporation, which notice may be given concurrently with the notice of resignation given by any resigning Bond Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the owners of at least a majority in Aggregate Principal Amount of the Bonds 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 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 (except as provided in Section 9.04 hereof), 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, except for the predecessors rights to any indemnity provided to it. The predecessor Bond Trustee 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 Corporation 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

49

4290448/6/MIAMI

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 Corporation 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.

Section 9.06. Filing of Financing Statements. The Obligated Group shall file or record or cause to be filed or recorded all financing statements that are required in order fully to protect and preserve the security interests granted to the Bond Trustee herein and the priority thereof and the rights and powers of the Bond Trustee in connection therewith. The Bond Trustee shall file or record or cause to be filed or recorded all continuation statements for the purpose of continuing without lapse the effectiveness of (i) those financing statements which shall have been filed at or prior to the issuance of the Series 2014 Bonds in connection with the security for the Series 2014 Bonds and (ii) any previously filed continuation statements that shall have been filed as required herein. The Bond Trustee shall deliver to the Corporation or its designee all such continuation statements as may be required for the purposes specified in the preceding sentence. Upon the filing of any such financing statement or continuation statement the Corporation shall immediately notify the Issuer and the Bond Trustee that the same has been accomplished.

[End of Article IX]

50

4290448/6/MIAMI

interest on, or a reduction of a premium payable upon any redemption of, any Bond, without the consent of the owner of such Bond.

(b) The deprivation of the owner of any Bond then Outstanding of the lien created by this Bond Indenture and the Master 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.

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

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

If at any time the Issuer shall request the Bond Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to costs, fees and expenses (including attorneys' fees), cause notice of the proposed execution of such supplemental indenture to be mailed to the registered owners of the Bonds at their addresses as the same last appear on the registration books. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated 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

52

4290448/6/MIAMI

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:

First. 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.

Second. 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.

Third. To subject to this Bond Indenture additional revenues, properties, or collateral.

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

Fifth. To set forth the terms and conditions of Additional Bonds issued pursuant to Sections 2.09 and 2.10 hereof.

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

Seventh. To maintain the extent to which the interest on the Series 2014 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

51

4290448/6/MIAMI

immunities under this Bond Indenture. The Bond Trustee shall be entitled to receive, and shall be fully protected in 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 clause Second of Section 10.01 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 Corporation, 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 Corporation. Anything herein to the contrary notwithstanding, a supplemental indenture under this Article shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such supplemental indenture unless the Corporation 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 Corporation 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 Corporation 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 Corporation shall request the consent of the Bond Trustee to any such proposed amendment, change, or modification of the Agreement, the Bond Trustee shall, upon being

53

4290448/6/MIAMI

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 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 Corporation, 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.

[End of Article X]

54

4290448/6/MIAMI

connection with the Agreement, the Bonds or the Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under the Agreement.

The Bond Trustee hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the payments made by the Corporation to the Bond Trustee pursuant to the Agreement, together with investment income on certain funds and accounts held by the Bond Trustee under the Bond Indenture, and hereby agrees that if the payments to be made under the Agreement shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then the Bond Trustee shall give notice to the Corporation in accordance with Article VIII of the Bond Indenture to pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal of, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Notwithstanding anything to the contrary in this Bond Indenture, the Issuer shall have no obligation to and instead the Bond Trustee may, without further direction from the Issuer, take any and all steps, actions and proceedings, to enforce any or all rights of the Issuer (other than those specifically retained by the Issuer pursuant to the Bond Indenture) under the Bond Indenture or the Agreement, including, without limitation, the rights to enforce the remedies upon the occurrence and continuation of an Event of Default and the obligations of the Corporation under the Agreement.

Section 11.04. Parties Interested Herein. With the exception of rights herein expressly conferred on the Corporation, 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. The Series 2014D Bond Trustee is a third party beneficiary under this Bond Indenture with respect to the provisions of Sections 8.13 and 10.02 hereof.

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.

56

4290448/6/MIAMI

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 proceeding 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, member, 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. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds, except from revenues and other moneys and assets received by the Bond Trustee pursuant to the Agreement. Neither the faith and credit nor the taxing power of the State or any political subdivision thereof, nor the faith and credit of the Issuer or any member is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in

55

4290448/6/MIAMI

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, teletype, or similar telecommunications, which is confirmed promptly in writing;

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

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

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

Palm Beach County Health Facilities Authority
c/o Haile, Shaw & Pfaffenberger, P.A.
660 U.S. Highway One, Third Floor
North Palm Beach, Florida 33408
Attention: John F. Flanigan, Esq.
Telephone: (561) 627-8100
Telecopier: (561) 522-7603

Obligor:

Federation CCRC Operations Corp.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: President
Telephone: (561) 852-3100
Telecopier:

Bond Trustee:

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services
Telephone: (407) 835-3810
Telecopier: (407) 835-3814

C-54

57

4290448/6/MIAMI

Series 2014D Bond Trustee:

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services
Telephone: (407) 835-3810
Telecopier: (407) 835-3814

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, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the nominal date provided in this Bond Indenture.

[End of Article XI]

IN WITNESS WHEREOF, Palm Beach County Health Facilities Authority has caused this Bond Indenture to be executed on its behalf by its Authorized Signatory, and U.S. Bank National Association has caused this Bond Indenture to be executed on its behalf by its duly authorized officer to evidence its acceptance of the trusts hereby created, all as of the date first above written.

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

By: _____ Authorized Signatory

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

By: _____ Authorized Signatory

ACKNOWLEDGED AND AGREED TO BY:

U.S. BANK, NATIONAL ASSOCIATION, as Series 2014D Bond Trustee, solely with respect to Section 8.13 of this Bond Indenture

By: _____ Authorized Signatory

EXHIBIT A

FORM OF SERIES 2014 BONDS

(FORM OF SERIES 2014A BOND)

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT)
SERIES 2014A

No. RA-_____ \$ _____

Interest Rate Maturity Date Delivery Date Dated Cusip
_____% _____, ____ _____, 2014 _____, 2014 _____

REGISTERED OWNER: _____
PRINCIPAL AMOUNT: _____ DOLLARS

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY, or its successors and assigns, duly organized and existing under the laws of the State of Florida (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Series 2014A Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and December 1 of each year, commencing _____ 1, 20____, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Series 2014A 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 set forth above.

THIS SERIES 2014A BOND IS A LIMITED OBLIGATION OF THE ISSUER AND IS NOT A DEBT OR LIABILITY OF ANY MEMBER OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OTHER THAN THE ISSUER. THIS SERIES 2014A BOND DOES NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, ANY MEMBER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THIS SERIES 2014A BOND. THIS SERIES 2014A BOND IS PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR ITS PAYMENT IN ACCORDANCE WITH THE BOND INDENTURE AND THE AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2014A BONDS NOR THE FAITH AND CREDIT OF THE ISSUER SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES 2014A BOND. THE ISSUER HAS NO TAXING POWER.

This Series 2014A Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Chapters 154, Part III and 159, Part II, Florida Statutes, as amended. This Series 2014A 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.

The principal of and premium, if any, on this Series 2014A Bond are payable upon the presentation and surrender hereof at the _____, Florida, trust office of U.S. Bank National Association, as bond trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of _____, 2014 (the "Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Series 2014A 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 Series 2014A 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. 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 Series 2014A 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 Series 2014A 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.

This Series 2014A 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 Series 2014A 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 Series 2014A Bonds will be the responsibility of the Securities Depository as set forth in the Bond Indenture.

This Series 2014A Bond is one of a duly authorized issue of bonds of the Issuer dated _____, 2014, known as "Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A" (the "Series 2014A 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 Federation CCRC Operations

Corp., a Florida not-for-profit corporation authorized to conduct business in the State of Florida as "Sinai Residences of Boca Raton" (the "Corporation"), to be used to finance the cost of a continuing care retirement community located in Palm Beach County, Florida (the "Project"), refund the Refunded Notes, fund a debt service reserve fund, fund capitalized interest and pay a portion of the cost of issuance.

To provide for its loan repayment obligations, the Corporation has issued its Series 2014A Obligation (the "Series 2014A Obligation") in connection with a Loan Agreement dated as of _____, 2014, between the Issuer and the Corporation (the "Agreement"). The Series 2014A Obligation is issued pursuant to a Master Trust Indenture dated as of _____, 2014, between the Corporation and U.S. Bank National Association, as master trustee (the "Master Trustee") and a Supplemental Indenture Number 1, dated as of _____, 2014 between the Corporation and the Master Trustee (collectively, the "Master Indenture"). Pursuant to the Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2014A Obligation. The Issuer, on behalf of the Corporation, has also issued its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B in the aggregate principal amount of \$ _____ (the "Series 2014B Bonds") and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C in the aggregate principal amount of \$ _____ (the "Series 2014C Bonds") under the Bond Indenture, which will be on a parity with the Series 2014A Bonds and will also be secured by parity obligations issued under the Master Indenture. Additional obligations on a parity with the Series 2014A Obligation and the other parity obligations 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.

This Series 2014A Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the Agreement. The Series 2014A 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, member, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, members, incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Series 2014A 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 Series 2014A 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 2014A Bonds, the Series 2014B Bonds and the Series 2014C 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 2014A Bonds, the Series 2014B Bonds, the Series 2014C 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 Series 2014A Bonds, and the terms and conditions upon which the Series 2014A Bonds are, and are to be, secured.

The Series 2014A Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Series 2014A Bonds maturing on and after June 1, 20____, are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on June 1, 20____ or on any date thereafter, at the redemption price equal to the principal amount of such Series 2014A Bonds to be redeemed, together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Series 2014A Bonds maturing on June 1, 20____, June 1, 20____, and June 1, 20____ are subject to mandatory sinking fund redemption from amounts deposited to the Principal Account of the Bond Fund established pursuant to the Bond Indenture by the Corporation, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date fixed for redemption, on December 1 in each of the years and amounts as follows:

The Series 2014A Bonds maturing on June 1, 20____ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
20____		20____	
20____		20____	‡
20____			

‡ Maturity

The Series 2014A Bonds maturing on June 1, 20____ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	‡

‡ Maturity

The Series 2014A Bonds maturing on June 1, 20____ are required to be redeemed on June 1, in amounts and at a price of par plus accrued interest to the redemption date, as follows:

Year	Amount	Year	Amount
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	
20____		20____	‡

‡ Maturity

At the option of the Corporation 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 2014A Bonds or portions thereof of the same maturity, in an Aggregate Principal Amount desired by the Corporation, which may be credited against the next succeeding or any other sinking fund redemption date designated in writing by the Corporation, or (ii) specify a principal amount of Series 2014A 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 Corporation and not theretofore applied as a credit against any sinking fund redemption obligation. Any such Series 2014A Bonds shall be credited against the next succeeding or any other sinking fund redemption date designated in writing by the Corporation.

Extraordinary Optional Redemption. The Series 2014A Bonds are subject to optional redemption by the Issuer at the direction of the Corporation prior to their scheduled maturities, in whole or in part (proportionally among each series) 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 Corporation 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 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 Corporation under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

The Series 2014A Bonds are subject to mandatory redemption in whole or in part on any date for which timely notice of redemption can be given by the Bond Trustee following a Completion Date (as defined in the Agreement) at a redemption price equal to the aggregate principal amount of the Series 2014A Bonds to be redeemed plus accrued interest to the redemption date, without premium, to the extent Surplus Construction Fund Moneys (as defined in the Agreement) are transferred to the Principal Account of the Bond Fund.

If less than all Series 2014A Bonds are to be optionally redeemed, the Corporation may select the maturities eligible for redemption which are to be redeemed. If less than all Series 2014A Bonds of a single maturity are to be redeemed, the selection shall be made by the Securities Depository or by lot by the Bond Trustee. Notice of the call for any redemption shall be given by the Bond Trustee by sending a copy of the redemption notice by mail not more than 60 nor less than 30 days prior to the redemption date to the registered owner of each Series 2014A Bond to be redeemed as shown on the registration records kept by the Bond Trustee, as provided in the Bond Indenture. All Series 2014A 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.

In lieu of redeeming the Series 2014A Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2014A Bonds to purchase Series 2014A Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2014A Bonds are also subject to purchase in lieu of optional redemption as described in the Bond Indenture.

The Series 2014A Bonds are issuable as fully registered Bonds in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Series 2014A Bonds are exchangeable for an equal principal amount of fully registered Series 2014A 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 Series 2014A 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 principal office of the Bond Trustee upon surrender of this Series 2014 Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2014A Bond of authorized denomination or denominations for the same Aggregate Principal Amount and maturity 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 2014A Bond after the mailing of notice calling such Series 2014A 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 2014A 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 2014A Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Series 2014A 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 Series 2014A 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 Series 2014A 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 Series 2014A Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3% in aggregate principal amount of the Series 2014A Bonds then Outstanding. Any such consent by the owner of this Series 2014A Bond shall be conclusive and binding upon such owner and upon all future owners of this Series 2014A Bond and of any Bond issued upon the transfer or exchange of this Series 2014A Bond whether or not notation of such consent is made upon this Series 2014A Bond.

A-7

4290448/6/MIAMI

IN WITNESS WHEREOF, the Palm Beach County Health Facilities Authority has caused this Series 2014A Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

(SEAL) By: _____
Authorized Signatory

Attest:

Authorized Signatory

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2014A Bonds referred to in the within mentioned Bond Indenture.

Date of Authentication: U.S. Bank National Association,
as Bond Trustee

By: _____
Authorized Signatory

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

A-9

4290448/6/MIAMI

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 Series 2014A Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS SERIES 2014A 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.

A-8

4290448/6/MIAMI

[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 2014A BOND FORM] ***

C-57

4290448/6/MIAMI

A-10

(FORM OF SERIES 2014B BOND)

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF BOCA RATON PROJECT)
SERIES 2014B

No. RB- _____ \$ _____

Interest Rate _____ Maturity Date _____, 20____ Delivery Date _____, 2014 Dated _____, 2014 Cusip _____

REGISTERED OWNER: _____, 20____, _____, 2014 _____, 2014 _____

PRINCIPAL AMOUNT: _____ DOLLARS

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY, or its successors and assigns, duly organized and existing under the laws of the State of Florida (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Series 2014B Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and December 1 of each year, commencing _____, 20____, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Series 2014B 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 set forth above.

THIS SERIES 2014B BOND IS A LIMITED OBLIGATION OF THE ISSUER AND IS NOT A DEBT OR LIABILITY OF ANY MEMBER OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OTHER THAN THE ISSUER. THIS SERIES 2014B BOND DOES NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, ANY MEMBER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THIS SERIES 2014B BOND. THIS SERIES 2014B BOND IS PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR ITS PAYMENT IN ACCORDANCE WITH THE BOND INDENTURE AND THE AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2014B BONDS NOR THE FAITH AND CREDIT OF THE ISSUER SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES 2014B BOND. THE ISSUER HAS NO TAXING POWER.

This Series 2014B Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Chapters 154, Part III and 159, Part II, Florida Statutes, as amended. This Series 2014B 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.

A-11

4290448/6/MIAMI

To provide for its loan repayment obligations, the Corporation has issued its Series 2014B Obligation (the "Series 2014B Obligation") in connection with a Loan Agreement dated as of _____, 2014, between the Issuer and the Corporation (the "Agreement"). The Series 2014B Obligation is issued pursuant to a Master Trust Indenture dated as of _____, 2014, between the Corporation and U.S. Bank National Association, as master trustee (the "Master Trustee") and a Supplemental Indenture Number 1, dated as of _____, 2014 between the Corporation and the Master Trustee (collectively, the "Master Indenture"). Pursuant to the Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2014B Obligation. The Issuer, on behalf of the Corporation, has also issued its Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A in the aggregate principal amount of \$ _____ (the "Series 2014A Bonds") and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C in the aggregate principal amount of \$ _____ (the "Series 2014C Bonds") under the Bond Indenture, which will be on a parity with the Series 2014B Bonds and will also be secured by parity obligations issued under the Master Indenture. Additional obligations on a parity with the Series 2014B Obligation and the other parity obligations 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.

This Series 2014B Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the Agreement. The Series 2014B 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, member, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, members incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Series 2014B 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 Series 2014B 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 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds. Such additional

A-13

4290448/6/MIAMI

The principal of and premium, if any, on this Series 2014B Bond are payable upon the presentation and surrender hereof at the _____, Florida, trust office of U.S. Bank National Association, as trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of _____, 2014 (the "Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Series 2014B 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 Series 2014B 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. 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 Series 2014B 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 Series 2014B 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.

This Series 2014B 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 Series 2014B 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 Series 2014B Bonds will be the responsibility of the Securities Depository as set forth in the Bond Indenture.

This Series 2014B Bond is one of a duly authorized issue of bonds of the Issuer dated _____, 2014, known as "Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B" (the "Series 2014B 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 Federation CCRC Operations Corp., a Florida not-for-profit corporation authorized to conduct business in the State of Florida as "Sinai Residences of Boca Raton" (the "Corporation"), to be used to finance the cost of a continuing care retirement community located in Palm Beach County, Florida (the "Project"), fund a debt service reserve fund, fund capitalized interest and pay a portion of the cost of issuance.

A-12

4290448/6/MIAMI

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 2014A Bonds, the Series 2014B Bonds and the Series 2014C 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 Series 2014B Bonds, and the terms and conditions upon which the Series 2014B Bonds are, and are to be, secured.

The Series 2014B Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Series 2014B Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on any date on and after June 1, 20____, at a redemption price equal to the principal amount of such Series 2014B Bonds to be redeemed, together with accrued interest to the redemption date.

Entrance Fee Redemption. [TO COME]

Extraordinary Optional Redemption. The Series 2014B Bonds are subject to optional redemption by the Issuer at the direction of the Corporation prior to their scheduled maturities, in whole or in part (proportionally among each series) 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 Corporation 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 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 Corporation under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

The Series 2014B Bonds are subject to mandatory redemption in whole or in part on any date for which timely notice of redemption can be given by the Bond Trustee following a Completion Date (as defined in the Agreement) at a redemption price equal to the aggregate principal amount of the Series 2014B Bonds to be redeemed plus accrued interest to the

A-14

4290448/6/MIAMI

redemption date, without premium, to the extent Surplus Construction Fund Moneys (as defined in the Agreement) are transferred to the Principal Account of the Bond Fund.

If less than all Series 2014B Bonds are to be optionally redeemed, the Corporation may select the maturities eligible for redemption which are to be redeemed. If less than all Series 2014B Bonds of a single maturity are to be redeemed, the selection shall be made by the Securities Depository or by lot by the Bond Trustee. Notice of the call for any redemption shall be given by the Bond Trustee by sending a copy of the redemption notice by mail not more than 60 nor less than 30 days (except in the case of Entrance Fee Redemption, 10 days) prior to the redemption date to the registered owner of each Series 2014B Bond to be redeemed as shown on the registration records kept by the Bond Trustee, as provided in the Bond Indenture. All Series 2014B 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.

In lieu of redeeming the Series 2014B Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2014B Bonds to purchase Series 2014B Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2014B Bonds are also subject to purchase in lieu of optional redemption as described in the Bond Indenture.

The Series 2014B Bonds are issuable as fully registered Bonds in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Series 2014B Bonds are exchangeable for an equal principal amount of fully registered Series 2014B 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 Series 2014B 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 principal office of the Bond Trustee upon surrender of this Series 2014B Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2014B Bond of authorized denomination or denominations for the same Aggregate Principal Amount and maturity will be issued to the transferee in exchange hereof, 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 2014B Bond after the mailing of notice calling such Series 2014B 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 2014B 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

A-15

4290448/6/MIAMI

IN WITNESS WHEREOF, the Palm Beach County Health Facilities Authority has caused this Series 2014B Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

(SEAL) By: _____
Authorized Signatory

Attest:

Authorized Signatory

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2014A Bonds referred to in the within mentioned Bond Indenture.

Date of Authentication: U.S. Bank National Association,
as Bond Trustee

By: _____
Authorized Signatory

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

A-17

4290448/6/MIAMI

principal of, premium, if any, and interest on this Series 2014B Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Series 2014B 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 Series 2014B 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 Series 2014B 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 Series 2014B Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3% in aggregate principal amount of the Series 2014B Bonds then Outstanding. Any such consent by the owner of this Series 2014B Bond shall be conclusive and binding upon such owner and upon all future owners of this Series 2014B Bond and of any Bond issued upon the transfer or exchange of this Series 2014B Bond whether or not notation of such consent is made upon this Series 2014B Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and issuance of this Series 2014B Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS SERIES 2014B 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.

A-16

4290448/6/MIAMI

[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 2014B BOND FORM] ***

(FORM OF SERIES 2014C BOND)

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF BOCA RATON PROJECT)
SERIES 2014C

No. RC- _____ \$ _____
Interest Rate Maturity Date Delivery Date Dated Cusip
_____% _____, 20____, _____, 2014 _____, 2014 _____

REGISTERED OWNER:
PRINCIPAL AMOUNT: _____ DOLLARS

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY, or its successors and assigns, duly organized and existing under the laws of the State of Florida (the "Issuer"), for value received, promises to pay, from the sources described herein, to the registered owner specified above, or registered assigns, the principal amount specified above, on the maturity date specified above (unless this Series 2014C Bond shall have been called for prior redemption) and to pay, from such sources, interest on said sum on June 1 and June 1 of each year, commencing _____, 20____, at the interest rate specified above, until payment of the principal hereof has been made or provided for. This Series 2014C 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 set forth above.

THIS SERIES 2014C BOND IS A LIMITED OBLIGATION OF THE ISSUER AND IS NOT A DEBT OR LIABILITY OF ANY MEMBER OF THE ISSUER, THE STATE OF FLORIDA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF OTHER THAN THE ISSUER. THIS SERIES 2014C BOND DOES NOT, DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE, IN ANY MANNER, ANY MEMBER OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY TAX OR TO MAKE ANY APPROPRIATION FOR PAYMENT OF THIS SERIES 2014C BOND. THIS SERIES 2014C BOND IS PAYABLE SOLELY FROM THE FUNDS PLEDGED FOR ITS PAYMENT IN ACCORDANCE WITH THE BOND INDENTURE AND THE AGREEMENT. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF ANY MEMBER, ANY POLITICAL SUBDIVISION APPROVING THE ISSUANCE OF THE SERIES 2014C BONDS NOR THE FAITH AND CREDIT OF THE ISSUER SHALL BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON, THIS SERIES 2014C BOND. THE ISSUER HAS NO TAXING POWER.

This Series 2014C Bond and the series of Bonds of which it is a part have been authorized and issued pursuant to the laws of the State, including particularly Chapters 154, Part III and 159, Part II, Florida Statutes, as amended. This Series 2014C 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.

A-19

4290448/MIAMI

To provide for its loan repayment obligations, the Corporation has issued its Series 2014C Obligation (the "Series 2014C Obligation") in connection with a Loan Agreement dated as of _____, 2014, between the Issuer and the Corporation (the "Agreement"). The Series 2014C Obligation is issued pursuant to a Master Trust Indenture dated as of _____, 2014, between the Corporation and U.S. Bank National Association, as master trustee (the "Master Trustee") and a Supplemental Indenture Number 1, dated as of _____, 2014 between the Corporation and the Master Trustee (collectively, the "Master Indenture"). Pursuant to the Master Indenture, the Corporation has pledged and granted a security interest in the Gross Revenues (as defined in the Master Indenture) to the Master Trustee to secure the Series 2014C Obligation. The Issuer, on behalf of the Corporation, has also issued its Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A in the aggregate principal amount of \$ _____ (the "Series 2014A Bonds") and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B in the aggregate principal amount of \$ _____ (the "Series 2014B Bonds") under the Bond Indenture, which will be on a parity with the Series 2014C Bonds and will also be secured by parity obligations issued under the Master Indenture. Additional obligations on a parity with the Series 2014C Obligation and the other parity obligations 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.

This Series 2014C Bond and the claims for interest hereon are payable only out of the revenues derived by the Issuer pursuant to the Agreement. The Series 2014C 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, member, incorporator, officer, agent, employee, or representative as such, past, present or future, of the Issuer, either directly or through the Issuer or otherwise, for the payment for or to the Issuer or for or to the registered owner of any Bond issued thereunder or otherwise, of any sum that may be due and unpaid by the Issuer upon any such Bond.

Neither the directors, members, incorporators, officers, agents, employees or representatives of the Issuer past, present or future, nor any person executing this Series 2014C 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 Series 2014C 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 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds. Such additional

A-21

4290448/MIAMI

The principal of and premium, if any, on this Series 2014C Bond are payable upon the presentation and surrender hereof at the _____, Florida, trust office of U.S. Bank National Association, as trustee, or at the designated corporate trust office of its successor in trust (the "Bond Trustee") under an Indenture of Trust dated as of _____, 2014 (the "Bond Indenture") by and between the Issuer and the Bond Trustee. Interest on this Series 2014C 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 Series 2014C 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. 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 Series 2014C 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 Series 2014C 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.

This Series 2014C 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 Series 2014C 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 Series 2014C Bonds will be the responsibility of the Securities Depository as set forth in the Bond Indenture.

This Series 2014C Bond is one of a duly authorized issue of bonds of the Issuer dated _____, 2014, known as "Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C" (the "Series 2014C 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 Federation CCRC Operations Corp., a Florida not-for-profit corporation authorized to conduct business in the State of Florida as "Sinai Residences of Boca Raton" (the "Corporation"), to be used to finance the cost of a continuing care retirement community located in Palm Beach County, Florida (the "Project"), fund a debt service reserve fund, fund capitalized interest and pay a portion of the cost of issuance.

A-20

4290448/MIAMI

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 2014A Bonds, the Series 2014B Bonds and the Series 2014C 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 Series 2014C Bonds, and the terms and conditions upon which the Series 2014C Bonds are, and are to be, secured.

The Series 2014C Bonds are subject to redemption prior to maturity as follows:

Optional Redemption. The Series 2014C Bonds are subject to optional redemption prior to maturity by the Issuer at the written direction of the Corporation in whole or in part on any date on and after June 1, 20____, at a redemption price equal to the principal amount of such Series 2014C Bonds to be redeemed, together with accrued interest to the redemption date.

Entrance Fee Redemption. [TO COME]

Extraordinary Optional Redemption. The Series 2014C Bonds are subject to optional redemption prior to the Issuer at the direction of the Corporation prior to their scheduled maturities, in whole or in part (proportionally among each series) 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 Corporation 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 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 Corporation under the Agreement have become, as established by an Opinion of Counsel, void or unenforceable in each case in any material respect in accordance with the intent and purpose of the parties as expressed in the Agreement.

The Series 2014C Bonds are subject to mandatory redemption in whole or in part on any date for which timely notice of redemption can be given by the Bond Trustee following a Completion Date (as defined in the Agreement) at a redemption price equal to the aggregate principal amount of the Series 2014C Bonds to be redeemed plus accrued interest to the redemption date, without premium, to the extent Surplus

A-22

4290448/MIAMI

Construction Fund Moneys (as defined in the Agreement) are transferred to the Principal Account of the Bond Fund.

If less than all Series 2014C Bonds are to be optionally redeemed, the Corporation may select the maturities eligible for redemption which are to be redeemed. If less than all Series 2014C Bonds of a single maturity are to be redeemed, the selection shall be made by the Securities Depository or by lot by the Bond Trustee. Notice of the call for any redemption shall be given by the Bond Trustee by sending a copy of the redemption notice by mail not more than 60 nor less than 30 days (except in the case of Entrance Fee Redemption, 10 days) prior to the redemption date to the registered owner of each Series 2014C Bond to be redeemed as shown on the registration records kept by the Bond Trustee, as provided in the Bond Indenture. All Series 2014C 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.

In lieu of redeeming the Series 2014C Bonds, the Bond Trustee may, at the request of the Corporation, use such funds otherwise available under the Bond Indenture for redemption of Series 2014C Bonds to purchase Series 2014C Bonds in the open market at a price not exceeding the redemption price then applicable. The Series 2014C Bonds are also subject to purchase in lieu of optional redemption as described in the Bond Indenture.

The Series 2014C Bonds are issuable as fully registered Bonds in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof. Series 2014C Bonds are exchangeable for an equal principal amount of fully registered Series 2014C 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 Series 2014C 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 principal office of the Bond Trustee upon surrender of this Series 2014C Bond together with a duly executed written instrument of transfer satisfactory to the Bond Trustee. Upon such transfer a new fully registered Series 2014C Bond of authorized denomination or denominations for the same Aggregate Principal Amount and maturity will be issued to the transferee in exchange hereof, 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 2014C Bond after the mailing of notice calling such Series 2014C 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 2014C 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

A-23

4290448/6/M/AMI

IN WITNESS WHEREOF, the Palm Beach County Health Facilities Authority has caused this Series 2014C Bond to be executed with the manual or facsimile signatures of its Authorized Signatories and its corporate seal to be hereto affixed or printed, all as of the date set forth above.

FACILITIES AUTHORITY PALM BEACH COUNTY HEALTH
(SEAL) By: _____
Attest: Authorized Signatory

Authorized Signatory

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This is one of the Series 2014C Bonds referred to in the within mentioned Bond Indenture.

Date of Authentication: U.S. Bank National Association,
as Bond Trustee

By: _____
Authorized Signatory

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

A-25

4290448/6/M/AMI

principal of, premium, if any, and interest on this Series 2014C Bond shall be paid free from and without regard to any equities between the Corporation and the original or any intermediate owner hereof, or any setoffs or counterclaims.

The owner of this Series 2014C 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 Series 2014C 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 Series 2014C 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 Series 2014C Bonds may be made with the consent of the Issuer and the Bond Trustee and, in certain instances, of not less than a majority or 66 2/3 in aggregate principal amount of the Series 2014C Bonds then Outstanding. Any such consent by the owner of this Series 2014C Bond shall be conclusive and binding upon such owner and upon all future owners of this Series 2014C Bond and of any Bond issued upon the transfer or exchange of this Series 2014C Bond whether or not notation of such consent is made upon this Series 2014C Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Bond Indenture and issuance of this Series 2014C Bond do exist, have happened and have been performed in due time, form and manner as required by law.

THIS SERIES 2014C 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.

A-24

4290448/6/M/AMI

[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 2014C BOND FORM] ***

C-61

4290448/6/M/AMI

A-26

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

AND

FEDERATION CCRC OPERATIONS CORP.

LOAN AGREEMENT

DATED AS OF _____, 2014

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

REVENUE BONDS

(SINAI RESIDENCES OF BOCA RATON PROJECT)

SERIES 2014

CONSISTING OF:

\$ _____ SERIES 2014A

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM SERIES 2014B

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM SERIES 2014C

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

	Page
ARTICLE I DEFINITIONS.....	3
Section 1.1. Definitions	3
ARTICLE II REPRESENTATIONS	13
Section 2.1. Representations by the Issuer	13
Section 2.2. Representations by the Corporation.....	14
ARTICLE III TERM OF AGREEMENT.....	18
Section 3.1. Term of this Agreement.....	18
ARTICLE IV ISSUANCE OF THE BONDS; CONSTRUCTION OF THE PROJECT; DISBURSEMENTS.....	19
Section 4.1. Agreement to Issue Bonds.....	19
Section 4.2. Agreement to Construct Project; Completion Certificate.....	21
Section 4.3. Cost of Construction.....	21
Section 4.4. Plans; Modifications of a Project.....	21
Section 4.5. Compliance with Regulatory Requirements; Draw on Minimum Liquid Reserve Accounts.....	22
Section 4.6. Requests for Disbursements.....	22
Section 4.7. Contest of Liens.....	22
Section 4.8. Modification of Disbursements.....	23
Section 4.9. Covenants Regarding Tax Exemption.....	23
Section 4.10. Allocation of, and Limitation on, Expenditures for the Project.....	23
Section 4.11. Representations and Warranties as to Tax Exempt Status of Corporation.....	23
Section 4.12. Disposition of Project.....	25
Section 4.13. Corporation Required to Pay Costs of the Project if Construction Fund Insufficient.....	25
Section 4.14. Construction of the Project.....	25
Section 4.15. [Omitted].....	27
Section 4.16. Corporation to Pursue Remedies Against Contractors and Subcontractors and Their Sureties.....	27
ARTICLE V LOAN OF BOND PROCEEDS; OBLIGATIONS; PROVISION FOR PAYMENT.....	28
Section 5.1. Loan of Bond Proceeds.....	28
Section 5.2. Repayment of Loan.....	28
Section 5.3. Credits.....	28
Section 5.4. Obligations.....	28
Section 5.5. Payment of Bond Trustee's and Paying Agent's Fees and Expenses.....	29

TABLE OF CONTENTS
(continued)

	Page
ARTICLE X PREPAYMENT OF OBLIGATIONS.....	41
Section 10.1. General Option to Prepay Obligations.....	41
Section 10.2. Conditions to Exercise of Option.....	41
ARTICLE XI MISCELLANEOUS	42
Section 11.1. Notices.....	42
Section 11.2. Binding Effect.....	42
Section 11.3. Severability.....	43
Section 11.4. Amounts Remaining in Funds.....	43
Section 11.5. Amendments, Changes, and Modifications.....	43
Section 11.6. Execution in Counterparts.....	43
Section 11.7. Payment.....	43
Section 11.8. Governing Law.....	43
Section 11.9. No Pecuniary Liability of Issuer.....	43
Section 11.10. Payments Due on Holidays.....	43
Section 11.11. Waiver of Personal Liability.....	44
Section 11.12. Issuer's Performance.....	44
Section 11.13. No Individual Liability.....	44
Section 11.14. Survival of Covenants.....	44
Section 11.15. Assignments.....	45
Section 11.16. Rights of Bond Trustee.....	45
Section 11.17. Receipt of and Compliance with Bond Indenture.....	45
Section 11.18. Usury and Total Interest.....	45

EXHIBIT A – Project Description
EXHIBIT B – Form for Cost of Issuance Disbursement

TABLE OF CONTENTS
(continued)

	Page
Section 5.6. Debt Service Reserve Fund.....	29
Section 5.7. Payment of Administration Expenses.....	30
Section 5.8. Reserved.....	30
Section 5.9. Payees of Payments.....	30
Section 5.10. Obligations of Corporation Hereunder Unconditional	31
ARTICLE VI MAINTENANCE AND INSURANCE.....	32
Section 6.1. Maintenance and Modifications of Projects by Corporation.....	32
Section 6.2. Insurance.....	32
ARTICLE VII SPECIAL COVENANTS.....	33
Section 7.1. No Warranty of Merchantability, Condition or Suitability by the Issuer.....	33
Section 7.2. Right of Access to each Project.....	33
Section 7.3. Nonsectarian Use.....	33
Section 7.4. Further Assurances.....	33
Section 7.5. Indemnification.....	33
Section 7.6. Authority of Corporation.....	35
Section 7.7. Authority of Issuer Representative.....	35
Section 7.8. No Personal Liability.....	35
Section 7.9. Fees and Expenses.....	35
Section 7.10. Prohibited Uses.....	36
Section 7.11. Special Services Covenant.....	36
Section 7.12. Related Party Transactions.....	36
Section 7.13. Continuing Disclosure.....	36
Section 7.14. Purchase of Tax Exempt Bonds.....	36
Section 7.15. Environmental Matters.....	37
Section 7.16. Membership in Obligated Group.....	37
ARTICLE VIII ASSIGNMENT AND LEASING.....	38
Section 8.1. Assignment and Leasing by Corporation.....	38
Section 8.2. Assignment and Pledge by Issuer.....	38
ARTICLE IX FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR.....	39
Section 9.1. Failure to Perform Covenants.....	39
Section 9.2. Remedies for Failure to Perform.....	39
Section 9.3. Discontinuance of Proceedings.....	39
Section 9.4. No Remedy Exclusive.....	39
Section 9.5. Agreement to Pay Attorneys' Fees and Expenses.....	40
Section 9.6. Waivers.....	40

LOAN AGREEMENT

THIS LOAN AGREEMENT dated as of _____, 2014, between the **PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY**, and its successors and assigns, a public body corporate and politic duly organized and existing under the laws of the State of Florida (the "Issuer"), and **FEDERATION CCRC OPERATIONS CORP.**, a not-for-profit corporation duly organized and existing under the laws of the State of Florida and authorized to conduct business in the State of Florida (the "Corporation"),

WITNESSETH:

WHEREAS, the Corporation has applied for the assistance of the Issuer in the financing the costs of acquiring, constructing and equipping of a continuing care retirement community, initially consisting of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land in Palm Beach County, Florida to be known as "Sinai Residences of Boca Raton" (as more particularly defined herein, the "Project") to be owned and operated by the Corporation; and

WHEREAS, the financing of the Project and the refunding of the Refunded Notes (as defined below) will promote significant economic, cultural and community development opportunities, including the creation or retention of employment, the stimulation of economic activity and the promotion of improvements in the health, safety and welfare of persons in the political subdivisions where the Project is located; and

WHEREAS, the Issuer has authorized the issuance of its Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A (the "Series 2014A Bonds") in an aggregate principal amount of \$ _____, its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B (the "Series 2014B Bonds") in an aggregate principal amount of \$ _____, and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (the "Series 2014C Bonds") and, together with the Series 2014A Bonds and the Series 2014B Bonds, the "Series 2014 Bonds") in an aggregate principal amount of \$ _____, for the purposes described herein; and

WHEREAS, concurrently with the issuance of the Series 2014 Bonds, the Issuer has authorized the issuance of its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 (the "Series 2014D-1 Bonds") in an aggregate principal amount of \$ _____, and its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Subseries 2014D-2 (the "Series 2014D-2 Bonds" and, together with the Series 2014D-1 Bonds, the "Series 2014D Bonds") in an aggregate principal amount of \$ _____, under a separate indenture of trust, which Series 2014D Bonds are secured by an Obligation issued under the Master Indenture on a parity basis with the Series 2014 Obligations; and

WHEREAS, the Series 2014 Bonds and the Series 2014D Bonds are being issued to (i) finance the Project, (ii) currently refund the outstanding principal amount of the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-

Development Project) (collectively, the "Refunded Notes"), (iii) fund the applicable debt service reserve funds, (iv) fund applicable capitalized interest, and (v) pay the applicable costs of issuance of the Series 2014 Bonds and the Series 2014D Bonds; and

WHEREAS, the Issuer and the Corporation have each duly authorized the execution, delivery and performance of this Agreement; and

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

ARTICLE I DEFINITIONS

Section 1.1. Definitions. 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 Chapters 154, Part III and 159, Part II, Florida Statutes, as amended from time to time 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 reasonable and necessary fees and expenses incurred by the Issuer pursuant to this Agreement and the Bond Indenture, including, but not limited to, the amounts described in Section 5.7 hereof.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Aggregate Principal Amount" means the outstanding principal amount plus, 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.

"Architect" means, initially, Perkins Eastman Architects, P.C., and thereafter an independent architect or engineer or firm of architects or engineers which is appointed by the Corporation for the purpose of passing on questions relating to the design and construction of a Project or any Capital Addition, has all licenses and certifications necessary for the performance of such services, has a favorable reputation for skill and experience in performing similar services in respect of facilities of a comparable size and nature, and is not unsatisfactory to the Underwriter, the Construction Monitor or the Bond Trustee.

"Authorized Denominations" means, with respect to the Series 2014 Bonds, the denominations 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.

"Board" or "Board of Directors" means the governing body of the Issuer.

2

42904607/MIAMI

"Bond Counsel" means Squire Sanders (US) LLP, and its successors or such other nationally recognized bond counsel as may be selected by the Corporation and reasonably acceptable to the Issuer and the Bond Trustee.

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

"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.

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

"Bonds" means the Series 2014 Bonds and any Additional Bonds issued pursuant to the Bond Indenture.

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

"Business Day" means any day other than (i) a Saturday, a Sunday or, in the City of New York, New York, or in Orlando, 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.

"Capital Additions" means all property or interests in property, real, personal and mixed (a) which constitute additions, improvements or extraordinary repairs to or replacements of all or any part of the Mortgaged Property (as defined in the Master Indenture), and (b) the cost of which is properly capitalized under GAAP (as defined in the Master Indenture).

"Certificate of Occupancy" means a certificate of occupancy issued for the residential units in the Project.

"Certified Resolution" means a resolution duly adopted by the Board of Directors, certified by an authorized signatory.

"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.

"Completion Certificate" means a certificate of the Corporation 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 of the Project.

4

42904607/MIAMI

C-64

3

42904607/MIAMI

"Construction Contract" means, collectively, the agreements by and between each Contractor and the Corporation.

"Construction Fund" means the construction fund created under Section 3.06 of the Bond Indenture and any construction fund created in connection with an issue of Additional Bonds under Section 2.09 of the Bond Indenture.

"Construction Monitor" means zumBrunner, Inc., and its successors and assigns.

"Contractor" means, collectively Suffolk Construction Company, Inc., and its successors and assigns.

"Corporation" means Federation CCRC Operations Corp., a Florida not-for-profit corporation authorized to conduct business in the State of Florida as "Sinai Residences of Boca Raton", and any and all successors thereto in accordance with the Master Indenture.

"Cost" or "Costs" as applied to a Project means and includes any and all costs of such Project permitted by the Act and, without limiting the generality of the foregoing, shall include the following:

(a) the cost of the acquisition of all land, rights of way, options to purchase land, easements, leasehold estates in land, and interests of all kinds in land related to such Project;

(b) the cost of the acquisition, construction, development, repair, renovation, remodeling, or improvement of all buildings and structures to be used as or in conjunction with such Project, including all acquisition, construction and installation costs required to provide utility services or other similar facilities and all labor costs relating thereto;

(c) the cost of site preparation, including the cost of demolishing or removing any buildings or structures the removal of which is necessary or incident to providing such Project;

(d) the cost of architectural, consulting, engineering, legal, accounting, and related services; the cost of the preparation of plans, specifications, studies, surveys, and estimates of cost and of revenue; and all other expenses necessary or incident to planning, providing, or determining the feasibility and practicability of such Project;

(e) the cost of all machinery, equipment, furnishings, and facilities necessary or incident to the equipping of such Project so that it may be placed in operation;

(f) the cost of financing charges and interest prior to and during construction and for a maximum of two years after completion of construction and the start up costs of such Project during construction and for a maximum of two years after completion of construction;

(g) any and all costs paid or incurred in connection with the financing of such Project, including without limitation the cost of financing, legal, accounting, financial

5

42904607/MIAMI

advisory, and appraisal fees, expenses, and disbursements; the cost of any policy or policies of title insurance; the cost of printing, engraving, and reproduction services; and the cost of the initial or acceptance fee of any trustee or paying agent;

(h) all direct and indirect costs of the Issuer incurred in connection with providing such Project;

(i) the cost of financing, establishing, and funding a reserve fund or reserve funds for a program of self insurance and/or risk management and further including, without limitation, the cost of the preparation of studies, surveys, and estimates of cost, revenue, risk, and liability and all other costs and expenses necessary or incident to the planning, providing, or determining the feasibility and practicability and the continuing program and operating costs of such program of self insurance and/or risk management; and

(j) payment to the Corporation of such amounts, if any, as should be necessary to reimburse the Corporation in full for all advances of payments made by it for any of the items set forth in (a) through (i) above.

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

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

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

“Debt Service Reserve Fund Obligations” means cash and Permitted Investments.

“Debt Service Reserve Fund Requirement” means, as calculated from time to time [(a) with respect to the Series 2014A Bonds, the lesser of (i) Maximum Annual Debt Service on the Series 2014A Bonds; (ii) 125% of average annual debt service on the Series 2014A Bonds; and (iii) 10% of the aggregate principal amount of the Series 2014A Bonds, calculated on the basis of each Bond Year, and (b) with respect to the Series 2014B Bonds and the Series 2014C Bonds an amount equal to one year’s maximum interest on the Series 2014B Bonds and the Series 2014C Bonds, respectively].

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

“Disbursement Agreement” means the Construction Disbursement and Monitoring Agreement dated as of _____, 2014 among the Corporation, the Construction Monitor, the Bond Trustee and the bond trustee for the Series 2014D Bonds.

gas; (c) any chemical, material or substance defined as or included in the definition of “waste,” “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous waste,” “restricted hazardous waste,” or “toxic substances” or words of similar import under any Environmental Regulation including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 USC §§ 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 USC §§ 1801 et seq.; the Federal Water Pollution Control Act, 33 USC §§ 1251 et seq.; and any applicable State environmental statutes, rules and regulations; (d) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or agency or may or could pose a hazard to the health and safety of the occupants of the Project or the owners and/or occupants of property adjacent to or surrounding the Project, or any other person coming upon the Project or adjacent property; or (e) any other chemical, materials or substance which may or could pose a hazard to the environment.

“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 2014 Bonds, each June 1 and December 1, commencing _____ 1, 20____, or, if such day is not a Business Day, the immediately succeeding Business Day in the years during which the Series 2014 Bonds are Outstanding under the provisions of the Bond Indenture, and (ii) as to Additional Bonds, the periods specified in the applicable supplemental indenture on which interest on such Additional Bonds is to be paid.

“Issuer” means the Palm Beach County Health Facilities Authority, or any public corporation succeeding to its rights and obligations under this Agreement.

“Issuer Representative” means an authorized signatory 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 Corporation and the Bond Trustee containing the specimen signature of such person and signed on behalf of the Issuer by its authorized signatory. Such certificate shall designate an alternate or alternates, any of whom may act at any time as Issuer Representative.

“Issuer’s Fees and Expenses” means those reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under the under the Bond Indenture and this Agreement and all taxes and assessments of any type or character charged to the Issuer affecting the amount available to the Issuer from payments to be received under the Bond Indenture or this Agreement or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments); provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer, at the Corporation’s expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer.

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

“Entrance Fee Redemption Date” means each March 1, June 1, September 1, and December 1 following an Entrance Fee Transfer Date.

“Entrance Fee Transfer Date” means each February 15, May 15, August 15, and November 15 prior to the termination of the Entrance Fee Fund pursuant to Section 2.01 in the Supplemental Indenture.

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

“Environmental Regulations” means any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating to dangerous, toxic or hazardous pollutants, Hazardous Substances, chemical waste, materials or substances.

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

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

“Funded Interest Account” means the account of such name in the Construction Fund created in Section 3.06 of the Bond Indenture.

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

“Governmental Unit” shall have the meaning set forth in Section 150 of the Code.

“Hazardous Substances” means (a) any oil, flammable substance, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other wastes, materials or pollutants which (i) pose a hazard to the Project or to persons on or about the Project or (ii) cause the Project to be in violation of any Environmental Regulation; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation, transformers or other equipment which contain dielectric fluid containing levels of polychlorinated biphenyls, or radon

“Master Indenture” means the Master Trust Indenture dated as of _____, 2014, between the Corporation and the Master Trustee, including any supplements or amendments thereto and modifications thereof.

“Master Trustee” means U.S. Bank National Association, as trustee under the Master Indenture, and its successors as master 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 2014 Bonds; provided, however, that principal of the Series 2014 Bonds in its final year shall be excluded from the determination of Maximum Annual Debt Service to the extent moneys are on deposit as of the date of calculation in the Debt Service Reserve Fund.

“Minimum Liquid Reserve Accounts” has the meaning set forth in Section 1.01 of the Master Indenture.

“Moody’s” shall mean Moody’s Investors Service, or any successor thereto maintaining a rating on the Bonds.

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

“Obligated Group Representative” means (i) the Corporation and (ii) any surviving, resulting or transferee corporation.

“Obligations” means the Series 2014 Obligations and any other note payable to the Issuer issued under the Master Indenture pursuant to this Agreement.

“Opinion of Bond Counsel” shall mean an opinion in writing signed 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 Corporation 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 thereto, 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.

“Plans and Specifications” means the plans and specifications for the Project prepared by an Architect.

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

“Project” means the Project to be financed by the Series 2014 Bonds and the Series 2014D Bonds as described in Exhibit A hereto and any Capital Addition to be financed by Additional Bonds.

“Project Account” means the account of such name in the Construction Fund created in Section 3.06 of the Bond Indenture.

“Rating Agency” means Fitch, Moody’s or Standard & Poor’s, and any successor thereto.

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

“Refunded Notes” means, collectively, the \$9,450,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2011 (CCRC Pre-Development Project) and the \$2,900,000 original aggregate principal amount of Palm Beach County, Florida Bond Anticipation Notes, Series 2013 (CCRC Pre-Development Project).

“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 2014 Bonds the last day of the month preceding each regularly scheduled interest payment date therefor, and for Additional Bonds

10

42904607/MIAMI

“Special Record Date” means a special date fixed to determine the names and addresses of owners of Series 2014 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 Standard & Poor’s Ratings Services, a division of The McGraw Hill Companies, Inc., or any successor thereto maintaining a rating on the Bonds.

“State” means the State of Florida.

“Supplemental Indenture” means the Supplemental Indenture Number 1, dated as of _____, 2014, by the Corporation executed and delivered to the Master Trustee, supplemental to the Master Indenture, providing for the issuance of the Series 2014 Obligations 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 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 Certificate and Agreement dated the date of issuance of the Series 2014 Bonds, by and among the Corporation, the Issuer, the bond trustee for the Series 2014 Bonds and the Bond Trustee.

“Tax Exempt Bonds” means the Series 2014 Bonds and 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 Organization” means a Person organized under the laws of the United States of America or any state thereof which is an organization described in Section 501(c)(3) of the Code, which is exempt from federal income taxes under Section 501(a) of the Code, or corresponding provisions of federal income tax laws from time to time in effect.

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

“Underwriter” means Herbert J. Sims & Co., Inc., as the underwriter of the Series 2014 Bonds.

[End of Article I]

12

42904607/MIAMI

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 Account” means, collectively, the Series 2014A Account, the Series 2014B Account and the Series 2014C Account within the Debt Service Reserve Fund created pursuant to Section 3.08 of the Bond Indenture.

“Responsible Officer” when used with respect to the Bond Trustee means an officer in the Corporate Trust Department of the Bond Trustee having direct responsibility for administration of the Bond Indenture.

“Securities Depository” means The Depository Trust Company, New York, New York, and any successor thereto as permitted by the Bond Indenture.

“Series 2014 Bonds” means, collectively, the Series 2014A Bonds, the Series 2014B Bonds and the Series 2014C Bonds.

“Series 2014 Obligations” means the Series 2014A Obligation, the Series 2014B Obligation and the Series 2014C Obligation.

“Series 2014A Bonds” means Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014A issued pursuant to the Bond Indenture.

“Series 2014A Obligation” means the Obligation issued by the Obligated Group pursuant to the Supplemental Indenture relating to the Series 2014A Bonds.

“Series 2014B Bonds” means Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014B issued pursuant to the Bond Indenture.

“Series 2014B Obligation” means the Obligation issued by the Obligated Group pursuant to the Supplemental Indenture relating to the Series 2014B Obligation.

“Series 2014C Bonds” means Palm Beach County Health Facilities Authority Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project) Series 2014C issued pursuant to the Bond Indenture.

“Series 2014C Obligation” means the Obligation issued by the Obligated Group pursuant to the Supplemental Indenture relating to the Series 2014C Bonds.

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

11

42904607/MIAMI

ARTICLE II REPRESENTATIONS

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

The Issuer hereby finds and determines that:

(a) The Issuer is a public body corporate and politic duly organized and validly existing under the laws of the State;

(b) The Issuer is authorized under the Act to issue the Series 2014 Bonds and loan the proceeds thereof to the Corporation, and the Issuer is duly authorized to enter into this Agreement and the Series 2014 Bonds and the transactions contemplated hereby and thereby and to perform all of its obligations hereunder and thereunder;

(c) The Issuer has duly authorized the issuance of the Series 2014 Bonds and the execution and delivery of this Agreement under the terms and provisions of a resolution of the Issuer. The Issuer has taken all necessary action and has complied with all provisions of the Act, including, but not limited to, the making of the findings required by the Act, required to make the Series 2014 Bonds and this Agreement the valid and binding obligations of the Issuer, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors’ rights;

(d) There are no actions, suits, proceedings, inquiries, or investigations pending or, to the knowledge of the Issuer, threatened against or affecting the Issuer in any court or by or before any governmental authority or arbitration board or tribunal, which involve the possibility of materially and adversely affecting the transactions contemplated by this Agreement or which, in any way, would adversely affect the validity or enforceability of the Series 2014 Bonds, the Bond Indenture, this Agreement, the Series 2014 Obligations, 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 thereby, nor is the Issuer aware of any facts or circumstances presently existing which would form the basis for any such actions, suits, or proceedings;

(e) Neither the nature of the Issuer nor any of its activities or properties, nor any relationship between the Issuer and any other Person, nor the offer, issue, sale, or delivery of the Series 2014 Bonds is such as to require the consent, approval, permission, order, license, or authorization of, or the filing, registration, or qualification with, any governmental authority on the part of the Issuer in connection with the execution, delivery, and performance of the Bond Indenture, this Agreement, the Series 2014 Bonds, the endorsement of the Series 2014 Obligations to the order of the Bond Trustee, the consummation of any transaction therein contemplated, or the offer, issue, sale, or delivery of the Series 2014 Bonds, except as shall have been obtained or made and as are in full force and effect, other than the recording of the Mortgage and the filing of financing statements or instruments effective as financing statements perfecting the security interests created by the Mortgage;

13

42904607/MIAMI

(f) To the knowledge of the Issuer, no event has occurred and no condition exists which would constitute an Event of Default or which, with the lapse of time or with the giving of notice or both, would become an Event of Default. To the knowledge of the Issuer, the Issuer is not in default or violation in any material respect under the Act or under any charter instrument, bylaw, or other agreement or instrument to which it is a party or by which it may be bound;

(g) None of the Bond Indenture, this Agreement, the Series 2014 Bonds, the endorsement of the Series 2014 Obligations to the order of the Bond Trustee, or any payments to be received by the Issuer under the Bond Indenture, this Agreement, the Series 2014 Bonds has been mortgaged, pledged, or hypothecated by the Issuer in any manner or for any purpose or has been the subject of a grant of a security interest by the Issuer other than as provided in the Bond Indenture as security for the payment of the Bonds;

(h) The representations of the Issuer contained in this Agreement and any certificate, document, written statement, or other instrument furnished to the Bond Trustee or the Underwriter by or on behalf of the Issuer in connection with the transactions contemplated hereby do not contain any untrue statement of a material fact relating to the Issuer and do not omit to state a material fact relating to the Issuer necessary in order to make the statements contained herein and therein relating to the Issuer not misleading;

(i) The Project constitutes a "project" within the meaning of the Act;

(j) All acts, conditions, and things required to exist, happen, and be performed by the Issuer precedent to and in the execution and delivery by the Issuer of the Series 2014 Bonds do exist, have happened, and have been performed in due time, form, and manner as required by law; the issuance of the Series 2014 Bonds, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitation;

(k) The Issuer hereby covenants and agrees to comply with all requirements of the Code, compliance with which subsequent to the issuance of the Series 2014 Bonds is necessary for the interest on the Tax Exempt Bonds to be, and to remain, excluded from the gross income of the owners thereof for federal income tax purposes and not to take any actions that would adversely affect such exclusion under the provisions of the Code.

Section 2.2. Representations by the Corporation. The Corporation represents and warrants to the Issuer that, as of the date of execution of this Agreement and as of the date of delivery of the Series 2014 Bonds to the initial purchasers thereof (such representations and warranties to remain operative and in full force and effect regardless of the issuance of the Series 2014 Bonds or any investigations by or on behalf of the Issuer or the results thereof):

(a) The Corporation is a nonprofit corporation duly incorporated and in good standing under the laws of the State of Florida, is qualified to conduct business in the State of Florida, has full legal right, power and authority to enter into this Agreement, the

14

4290460/7/MIAM

securities or "blue sky" laws) is necessary in connection with the execution and delivery of this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, or the consummation of any transaction herein or therein contemplated, or the fulfillment of or compliance with the terms and conditions hereof or thereof, except as have been obtained or made and as are in full force and effect.

(g) There is no action, suit, proceeding, inquiry or investigation, before or by any court or federal, state, municipal or other governmental authority, pending, or to the knowledge of the Corporation, after reasonable investigation, threatened, against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material adverse effect upon the consummation of the transactions contemplated by, or the validity of, this Agreement, the Bond Indenture, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default (and no event has occurred and is continuing which with the giving of notice or the passage of time or both could constitute a default) with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, or the financial condition, assets, properties or operations of the Corporation. All tax returns (federal, state and local) required to be filed by or on behalf of the Corporation have been filed, and all taxes shown thereon to be due, including interest and penalties, except such, if any, as are being actively contested by the Corporation in good faith, have been paid or adequate reserves have been made for the payment thereof which reserves, if any, are reflected in the audited financial statements described therein.

(h) No written information, exhibit or report furnished to the Issuer by the Corporation in connection with the negotiation of this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations contains any 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.

(i) As of the date of this Agreement, (i) the Corporation is a Tax Exempt Organization, for federal income tax purposes, (ii) the Corporation has received a determination letter from the Internal Revenue Service to the effect that it is a Tax Exempt Organization, (iii) the Corporation is in full compliance with all terms, conditions, and limitations, if any, contained in such determination letter, (iv) such status as a Tax Exempt Organization has not been adversely modified, limited, or revoked, (v) the facts and circumstances which formed the basis for the status of the Corporation, as represented to the Internal Revenue Service in the Corporation's application for a determination letter, either substantially exist for the Corporation or differ in a manner consistent with the requirements of Section 501(c)(3) of the Code and (vi) the financing, ownership and operation of the Project as contemplated by the Bond Indenture and this Agreement does not adversely affect the status of the Corporation as a Tax Exempt Organization.

16

4290460/7/MIAM

Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, and to carry out and consummate all transactions contemplated hereby and by the Bond Indenture, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, and by proper corporate action has duly authorized the execution, delivery and performance of this Agreement and the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations.

(b) The officers of the Corporation executing this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations are duly and properly in office and fully authorized to execute the same.

(c) This Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations have been duly authorized, executed and delivered by the Corporation.

(d) This Agreement and the Series 2014 Obligations, when assigned to the Bond Trustee pursuant to the Bond Indenture, will constitute the legal, valid and binding agreements of the Corporation enforceable against the Corporation by the Bond Trustee in accordance with their terms for the benefit of the Owners of the Series 2014 Bonds, and any rights of the Issuer and obligations of the Corporation not so assigned to the Bond Trustee constitute the legal, valid, and binding agreements of the Corporation enforceable against the Corporation by the Issuer in accordance with their terms; except in each case as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles regardless of whether enforcement is sought in a proceeding at law or in equity and by public policy.

(e) The execution and delivery of this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under the articles of incorporation of the Corporation, its bylaws, any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, Mortgage, loan agreement, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations, or the financial condition, assets, properties or operations of the Corporation.

(f) No consent or approval of any trustee or holder of any indebtedness of the Corporation or any guarantor of indebtedness of or other provider of credit or liquidity of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except with respect to any state

15

4290460/7/MIAM

(j) The Corporation has good and marketable title to the Project free and clear from all encumbrances other than Existing Liens, as described on Exhibit A to the Master Indenture.

(k) The Corporation complies and covenants to comply in all material respects with all applicable Environmental Regulations.

(l) Neither the Corporation nor the Project are the subject of a federal, state or local investigation evaluating whether any remedial action is needed to respond to any alleged violation of or condition regulated by Environmental Regulations or to respond to a release of any Hazardous Substances into the environment.

(m) The Corporation does not have any material contingent liability in connection with any release of any Hazardous Substances into the environment.

(n) The representations, warranties and covenants of the Corporation set forth in the Tax Agreement are incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

[End of Article II]

C-67

17

4290460/7/MIAM

**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 Corporation with respect to the Bonds accrued and to accrue through final payment of the Bonds have been paid.

[End of Article III]

18

42904607/MIAMI

(iv) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014B Bonds.

(c) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2014C Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

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

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of the Bond Indenture.

(iv) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014C Bonds.

(d) The Issuer agrees to authorize the issuance of Additional Bonds upon the terms and conditions provided herein and in Sections 2.09 and 2.10 of the Bond Indenture. 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 Corporation and the Issuer.

(e) If the Corporation is not in default hereunder, the Issuer agrees, on request of the Corporation, from time to time, to use its reasonable efforts to issue the amount of Additional Bonds specified by the Corporation; 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 Corporation, and provided further that (1) the Corporation 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 Debt Service Reserve Fund of additional Debt Service Reserve Fund Obligations which, together with amounts at that time contained in the Debt Service Reserve Fund, will equal the Debt Service Reserve Fund Requirement on all Bonds Outstanding at the date of issuance of such series of Additional Bonds, and (2) the Corporation and the Master Trustee shall have

20

42904607/MIAMI

**ARTICLE IV
ISSUANCE OF THE BONDS;
CONSTRUCTION OF THE PROJECT; DISBURSEMENTS**

Section 4.1. Agreement to Issue Bonds. In order to provide funds to pay Costs of the Project, pay Costs of Issuance and fund reserves, the Issuer agrees that it will issue, sell and deliver to the Underwriter, the Series 2014 Bonds in the aggregate principal amount of \$ _____. The proceeds of the Series 2014 Bonds shall be deposited as follows:

(a) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2014A Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

(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(d) of the Bond Indenture.

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of the Bond Indenture.

(iv) Deposit with the trustee for the Refunded Notes, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of the Bond Indenture.

(v) Deposit, into the Project Account of the Construction Fund, the balance of the proceeds of the Series 2014A Bonds.

(b) The Issuer will sell and cause to be delivered to the initial purchasers thereof the Series 2014B Bonds and will deliver the proceeds thereof to the Bond Trustee for disposal as follows:

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

(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(d) of the Bond Indenture.

(iii) Deposit into the Funded Interest Account of the Construction Fund, the amount specified in the request and authorization to the Bond Trustee described in Section 2.07(d) of the Bond Indenture.

19

42904607/MIAMI

entered into a supplement to the Master Indenture whereby the Corporation issues an Obligation 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 Corporation shall cause the Project to be acquired, constructed, and improved with due diligence and pursuant to the requirements of the applicable laws of the State and of the State of Florida in all material respects.

(b) The Corporation shall deliver to the Bond Trustee within 90 days after the final completion of the Project a certificate (the "Completion Certificate") of the Corporation to the effect that:

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

(ii) the Cost of the Project has been fully paid for and no claim or claims exist against the Corporation or against the 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 Corporation intends to contest such claim or claims in accordance with this 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 the Project have been obtained and are in full force and effect.

Section 4.3. Cost of Construction. The Corporation represents and warrants that it will use its best efforts to construct or cause the construction of each Project at a price which will permit completion of each Project within the amount of the funds to be deposited in the Construction Fund and within the amount of other available funds of the Corporation. The Corporation will not permit any mechanics or material's or other liens to be filed or remain against any improvements for labor or materials furnished in connection with the construction and installation of any improvements, provided it will not constitute an Event of Default hereunder upon such lien being filed, if the Corporation promptly notifies the Bond Trustee and Master Trustee of any such liens and the Corporation in good faith contests such liens in accordance with Section 4.7 hereof; and in such event the Corporation may permit the liens so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom.

Section 4.4. Plans; Modifications of a Project. The Corporation hereby covenants and agrees that no changes or modifications, or substitutions, deletions, or additions shall be made

21

42904607/MIAMI

with respect to a Project if such change disqualifies such Project under the Act or under the organizing documents of the Issuer.

Section 4.5. Compliance with Regulatory Requirements; Draw on Minimum Liquid Reserve Accounts. (a) The Corporation agrees that the Project 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.

(b) The Corporation 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 Corporation or to its facilities and operations, including without limitation, Chapter 651, Florida Statutes. The Corporation shall cause the Minimum Liquid Reserve Accounts to be maintained and funded in an amount which, together with the moneys on deposit in the Debt Service Reserve Fund and the debt service reserve fund for the Series 2014D Bonds, shall satisfy all of the Corporation's escrow requirements under Section 651.035, Florida Statutes.

(c) The Corporation shall not draw upon the Minimum Liquid Reserve Accounts until the Liquidity Support Fund and the Working Capital Fund are depleted.

Section 4.6. Requests for Disbursements.

(a) The Corporation shall be entitled to disbursements of moneys in the Project Account of the Construction Fund to pay the Costs related to the Project. Requests for disbursements from the Project Account of the Construction Fund by the Corporation are to be made to the Bond Trustee in accordance with the Disbursement Agreement. The Corporation shall comply with all the requirements of the Disbursement Agreement.

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

(c) Notwithstanding the foregoing, the Corporation shall make no request for disbursement of moneys from the Construction Fund for payment of Cost of Issuance.

Section 4.7. Contest of Liens. Section 4.3 of this Agreement permits the Corporation to contest certain liens. In order to contest any such liens, the Corporation will furnish the Master Trustee with a bond or cash deposit equal to at least the amount so contested and with an Opinion of Counsel reasonably acceptable to the Master Trustee stating that by nonpayment of any such items the lien of the Mortgage (as defined in the Master Indenture) will not be materially endangered and neither the Project nor any material part thereof will be subject to imminent loss or forfeiture. The proceeds of the bond or the cash deposit may be used by the

purposes, character, activities and methods of operation at the time of its receipt of a determination by the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code (the "Determination");

(c) the Corporation has not diverted a substantial part of its corpus or income for a purpose or purposes other than the purpose or purposes for which it is organized or disclosed to the Internal Revenue Service in connection with its Determination;

(d) the Corporation has not operated since its organization in a manner that would result in it being classified as an "action" organization within the meaning of section 1.501(c)(3)-1(c)(3) of the Regulations including, but not limited to, promoting or attempting to influence legislation by propaganda or otherwise as a substantial part of its activities;

(e) with the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the purposes of the Corporation, no person controlled by any such individual or individuals nor any person having a personal or private interest in the activities of the Corporation has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Corporation during the current Fiscal Year and the period, if any, preceding the current Fiscal Year, other than as reported to the Internal Revenue Service by the Corporation;

(f) the Corporation will not be treated as a "private foundation" within the meaning of Section 509(a) of the Code or will be treated during any transition period as an "operating foundation" under Section 4943(j)(3) of the Code, which will exempt the Corporation from the tax on undistributed income;

(g) the Corporation has not received any indication or notice whatsoever to the effect that its exemption under Section 501(a) of the Code as an organization described in Section 501(c)(3) of the Code has been revoked or modified, or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(h) the Corporation has filed with the Internal Revenue Service all requests for determination, reports and returns required to be filed by it and such requests for determination, reports and returns have not omitted or misstated any material fact and has notified the Internal Revenue Service of any changes in its organization and operation since the date of its Determination;

(i) the Corporation has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code; and

(j) the Corporation has not taken any action, nor does it know of any action that any other person has taken, nor does it know of the existence of any condition, which would cause the Corporation to lose its exemption from taxation under Section 501(a) of the Code or cause the interest on the Tax Exempt Bonds to become taxable to the recipient thereof because such interest is not excludable from the gross income of such recipient for federal income tax purposes under Section 103(a) of the Code.

Master Trustee to satisfy the lien if action is taken to enforce the lien and such action is not stayed. The bond or cash deposit will be returned to the Corporation if the lien is successfully contested. If the Corporation are unable or otherwise fail to obtain such a bond or provide such a cash deposit and such an Opinion of Counsel, the Corporation will cause to be satisfied and discharged promptly all such items by payment thereof. If the Corporation is unable or otherwise fail to obtain such a bond or cash deposit and an Opinion of Counsel, or to satisfy and discharge the lien, the Issuer or the Bond Trustee may, but will be under no obligation to, satisfy and discharge the lien by payment thereof or provide security which causes the claimant to release the lien against the Project, and all amounts so paid by the Issuer or the Bond Trustee will be treated as an advance to the Corporation repayable in accordance with Section 9.02 of the Bond Indenture.

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. 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 Regarding Tax Exemption. The representations, warranties, and covenants of the Corporation and the Issuer set forth in the Tax Agreement are hereby incorporated herein and made a part hereof by this reference thereto, as if fully set forth herein.

Section 4.10. Allocation of, and Limitation on, Expenditures for the Project. The Corporation covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Cost of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Corporation shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Tax Exempt Bonds, or (2) the date the Tax Exempt Bonds are retired, unless the Corporation obtains an opinion of Bond Counsel that such expenditure will not adversely affect the Tax Exempt status of the Tax Exempt Bonds. For purposes hereof, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of Bond Counsel that such failure to comply will not adversely affect the excludability of interest on the Tax Exempt Bonds.

Section 4.11. Representations and Warranties as to Tax Exempt Status of Corporation. The Corporation hereby represents and warrants as follows:

(a) the Corporation is an organization exempt from federal income taxation under Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(b) the purposes, character, activities and methods of operation of the Corporation have not changed materially since its organization and are not materially different from the

Section 4.12. Disposition of Project. The Corporation covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation 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 and provided that such disposition is in compliance with the provisions of the Mortgage.

Section 4.13. Corporation Required to Pay Costs of the Project if Construction Fund Insufficient. If the moneys in the Construction Fund available for payment of the Costs of the Project are not sufficient to pay the costs thereof in full, the Corporation agrees to complete the acquisition, construction, renovation, equipping, and installation of the Project and to pay all that portion of Costs of the Project as may be in excess of the moneys available therefor in the Construction Fund. The Issuer does not make any warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Corporation agrees that if after exhaustion of the moneys in the Construction Fund, the Corporation will pay any portion of the said Costs of the Project pursuant to the provisions of this Section, it will not be entitled to any reimbursement therefor from the Issuer or from the Bond Trustee or from the owners of any of the Bonds, nor will it be entitled to any diminution of the loan payments payable under the Obligations. The obligation of the Corporation to complete the construction of the Project will survive any termination of this Agreement.

Section 4.14. Construction of the Project.

(a) *Completion of the Project.* The Corporation shall issue a notice to proceed with the Project concurrently with the issuance of the Series 2014 Bonds. The Corporation shall cause the Project to be substantially completed (with the exception of final landscaping) and a final Certificate of Occupancy therefor to be issued within twenty four (24) months after the date of issuance of the Series 2014 Bonds, and shall cause any Capital Addition to be financed with the proceeds of Additional Bonds or other Long-Term Indebtedness to be completed as promptly as feasible; and shall at its expense do or cause to be done all things necessary or proper for such completion in accordance with applicable law and regulations.

(b) *Disbursements from Construction Fund.* Disbursements from the Construction Fund for costs of the Project shall be made pursuant to the terms and conditions of the Disbursement Agreement.

(c) *Construction Contract Requirements.* The Corporation shall collaterally assign to the Master Trustee the Construction Contract for the Project and the construction contract for any Capital Addition financed with the proceeds of Additional Bonds, pursuant to which assignment, the general contractor or construction manager shall agree that if any Event of Default occurs hereunder, the Master Trustee shall thereupon have the same rights under such construction contract as the Corporation thereunder; provided, however, that the Master Trustee shall be under no obligation to perform any action under such Construction Contract and shall not be liable for failure to take any such action. The Construction Contract for the Project shall provide for liquidated damages. Such liquidated damages shall be payable to the Bond Trustee and the bond trustee for the Series 2014D Bonds pro rata based on the amount of interest due on the next

succeeding interest payment date for the Series 2014 Bonds and Series 2014D Bonds, respectively, and shall be deposited in the applicable Funded Interest Account of the Construction Fund and applied as provided for capitalized interest in Section 3.02 of the applicable Bond Indenture.

Concurrently with the settlement for any Additional Bonds financing a Capital Addition, the Corporation shall execute and deliver to the Master Trustee a collateral assignment of its rights under all Construction Contract and the Corporation's agreements with the Architect, such assignment or assignments to become exercisable by the Master Trustee only upon the occurrence of an Event of Default by the Corporation hereunder.

(d) *Surety Bonds.* The Corporation agrees to maintain, or cause to be maintained, in connection with any construction with respect to the Project and any Capital Addition financed with Additional Bonds, the contracted cost of which is an amount equal to or greater than \$500,000, a surety bond or bonds with the Master Trustee, the Issuer and the Corporation as named obligees covering (i) performance of such contracts, including coverage for correction of defects developing within one year after completion and acceptance, and (ii) payment for labor and materials. The bond or bonds shall be executed by responsible surety companies qualified to do business in the State where the Project or Capital Addition is located satisfactory to the Master Trustee and the Construction Monitor in the case of the Project and satisfactory to the parties providing financing in the case of Capital Additions and shall be in amounts aggregating not less than one hundred percent (100%) of the contract price. The Corporation, the Issuer, or the Master Trustee, as the case may be, shall deposit in the Project Account of the Construction Fund the net amounts recovered on such bonds.

(e) *Insurance During Construction.* In connection with the Project, any Capital Addition financed with Additional Bonds, and any Capital Addition costing in excess of \$500,000, the Corporation shall maintain or cause to be maintained:

(i) Builder's risk (or equivalent coverage) insurance upon any work done or materials furnished under Construction Contract except excavations, foundations and any other structures not customarily covered by such insurance, the policy for which shall (A) be issued by a responsible insurance company qualified to do business in the State and acceptable to the Construction Monitor, (B) be written in completed value form for one hundred percent (100%) of the insurable value of the contract in the names of the Corporation and the general contractor and (C) be in an all-risk form approved by the Corporation and satisfactory to the Construction Monitor (and removing the occupancy restriction as of policy inception);

(ii) Worker's compensation insurance and employer's liability insurance underwritten by responsible companies qualified to do business in the State and satisfactory to the Construction Monitor, covering all employees of contractors and subcontractors in amounts required by law;

(iii) Public liability insurance maintained by each general contractor on an occurrence basis in an amount not less than \$1,000,000 combined single limit, such policy to cover premises and operations, independent contractors and products and completed operations, to be endorsed with a broad form comprehensive general liability

26

42904607/MIAMI

ARTICLE V LOAN OF BOND PROCEEDS; OBLIGATIONS; PROVISION FOR PAYMENT

Section 5.1. Loan of Bond Proceeds. The Issuer hereby agrees to loan to the Corporation the proceeds of the Bonds to provide financing for the Costs of the Project. The Corporation hereby agrees to repay the loan pursuant to the conditions set forth in Section 5.2 hereof.

Section 5.2. Repayment of Loan. The Corporation agrees to pay to the Bond Trustee for the account of the Issuer all payments when due on the Obligations. If for any reason the amounts paid to the Bond Trustee by the Corporation on the Obligations, 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 Corporation agrees to pay the amount required to make up such deficiency.

Section 5.3. Credits. Any amount in any account of the Bond Fund at the close of business of the Bond Trustee on the day immediately preceding any payment date on the Obligations 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 Corporation on such next succeeding principal or interest payment date on the Obligations.

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

The principal amount of any Series 2014 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 Corporation with respect to payment of installments of principal of the Series 2014 Obligations as described in the Supplemental Indenture.

The cancellation by the Bond Trustee of any Series 2014 Bonds purchased by the Corporation or of any Series 2014 Bonds redeemed or purchased by the Issuer through funds other than funds received on the corresponding Series 2014 Obligation shall constitute payment of a principal amount of the Series 2014 Obligation equal to the principal amount of the Series 2014 Bonds so cancelled. Upon receipt of written notice from the Bond Trustee of such cancellation, the Master Trustee shall at the request of the Corporation endorse on the Series 2014 Obligation such payment of such principal amount thereof.

Section 5.4. Obligations. Concurrently with the sale and delivery by the Issuer of the Series 2014 Bonds, the Corporation shall execute and deliver the Series 2014 Obligations substantially in the forms 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 Obligations 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

28

42904607/MIAMI

endorsement or its equivalent including at least personal injury and broad form property damage coverage, provided that the contractor shall maintain completed operations coverage for at least one year after completion of the Project or such Capital Addition;

(iv) Automobile liability insurance covering owned, non-owned and hired automobiles of each contractor in an amount not less than \$1,000,000 combined single limit; and

(v) Umbrella liability coverage covering the contractor in the amount of \$1,000,000, applying in excess of the comprehensive general liability and automobile liability insurance required above.

Section 4.15. [Omitted].

Section 4.16. Corporation to Pursue Remedies Against Contractors and Subcontractors and Their Sureties.

In the event of default of any contractor or subcontractor under any contract made by it for acquisition, construction or installation of the Project or any Capital Additions for which Additional Bonds have been issued, the Corporation will take reasonable, appropriate measures, either separately or in conjunction with others, to exhaust the remedies of the Corporation against the contractor or subcontractor so in default and against his surety (if any) for the performance of such contract. The Corporation will advise the Master Trustee, the Bond Trustee and the Construction Monitor by written notice of the steps it intends to take in connection with any such default.

[End of Article IV]

27

42904607/MIAMI

Bonds, the Corporation shall execute and deliver one or more additional Obligations payable to the Bond Trustee for the account of the Issuer in substantially the form set forth in the Master Indenture. The additional Obligations shall:

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

(b) require each payment on the Obligation 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 Corporation agrees to pay the reasonable fees and expenses (including attorney's fees) of the Bond Trustee and any Paying Agents as and when the same become due, upon submission by the Bond Trustee or any Paying Agent of a statement therefor.

Section 5.6. Debt Service Reserve Fund.

(a) In the event any moneys in the Debt Service 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 Bonds, the Corporation agrees to deposit additional Debt Service Reserve Fund Obligations in an amount sufficient to satisfy the Debt Service Reserve Fund Requirement, such amount to be deposited in no more than 12 equal consecutive monthly installments, the first installment to be made within seven months of such transfer or receipt of written notice from the Bond Trustee of a deficiency.

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

Section 5.7. Payment of Administration Expenses. In addition to the payments on the loan from the Issuer, the Corporation shall also pay to the Issuer or to the Bond Trustee, as the case may be, "Administration Expenses," as follows:

(a) All taxes and assessments of any type or character charged to the Issuer or to the Bond Trustee affecting the amount available to the Issuer or the Bond Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or governmental authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Bond Trustee and taxes based upon or measured by the net income of the Bond Trustee;

29

42904607/MIAMI

provided, however, that the Corporation shall have the right to protest any such taxes or assessments and to require the Issuer or the Bond Trustee, at the Corporation's expense, to protest and contest any such taxes or assessments levied upon them and that the Corporation shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Issuer or the Bond Trustee;

(b) All reasonable fees, charges and expenses of the Bond Trustee for services rendered under the Bond Indenture and all amounts referred to in Section 3.13 of the Bond Indenture, as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Issuer or the Bond Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Agreement, the Master Indenture, the Supplemental Indenture, the Series 2014 Obligations or the Bond Indenture; and

(d) The reasonable fees and expenses of the Issuer or any agent or attorney selected by the Issuer to act on its behalf in connection with this Agreement, the Master Indenture, the Supplemental Indenture, the Series 2014 Obligations, the Series 2014 Bonds or the Bond Indenture, including, without limitation, any and all reasonable expenses incurred in connection with the authorization, issuance, sale and delivery of any such Series 2014 Bonds or in connection with any litigation, investigation, inquiry or other proceeding which may at any time be instituted involving this Agreement, the Master Indenture, the Supplemental Indenture, the Series 2014 Obligations, the Series 2014 Bonds or the Bond Indenture or any of the other documents contemplated thereby, or in connection with the reasonable supervision or inspection of the Corporation, its properties, assets or operations or otherwise in connection with the administration of this Agreement, the Master Indenture, the Supplemental Indenture and the Series 2014 Obligations.

Such Administrative Expenses shall be billed to the Corporation by the Issuer or the Bond Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid by the Issuer or the Bond Trustee for one or more of the above items. After such a demand, amounts so billed shall be paid by the Corporation within thirty (30) days after receipt of the bill by the Corporation.

Section 5.8. Reserved.

Section 5.9. Payees of Payments. The payments on the Obligations 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 payments provided for in Section 5.6 hereof shall be paid to the Bond Trustee for the account of the Issuer and shall be deposited into the Debt Service Reserve Fund. The payments to be made to the Bond Trustee and the Paying Agent under Section 5.5 hereof shall be paid directly to the Bond Trustee and the Paying Agent for their own use. The payments for Administration Expenses under Section 5.7 hereof shall be paid directly to the Issuer for its own use.

**ARTICLE VI
MAINTENANCE AND INSURANCE**

Section 6.1. Maintenance and Modifications of Projects by Corporation. The Corporation may, at its own expense, cause to be made from time to time any additions, modifications or improvements to any Project provided such additions, modifications or improvements do not impair the character of the Project as a "project" within the meaning of the Act or impair the extent of the exclusion of interest on the Tax Exempt Bonds from federal income taxation.

Section 6.2. Insurance. Throughout the term of this Agreement, the Corporation will, at its own expense, provide or cause to be provided insurance against loss or damage to each Project in accordance with the terms of the Master Indenture and Section 4.14(e) hereof.

[End of Article VI]

Section 5.10. Obligations of Corporation Hereunder Unconditional. The obligations of the Corporation to make the payments required in Section 5.2 hereof shall be absolute and unconditional. The Corporation 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 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 of Florida 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 Corporation may institute such action against the Issuer as the Corporation may deem necessary to compel performance, provided that no such action shall violate the agreements on the part of the Corporation 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 Corporation'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 Corporation 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 Corporation 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 Corporation.

[End of Article V]

**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 any Project or that any Project will be suitable for the Corporation's purposes or needs. Without limiting the effect of the preceding sentence, it is expressly agreed that in connection with each sale or conveyance pursuant to this Agreement (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 each Project. The Corporation 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 Corporation to examine and inspect any Project to determine that the Corporation 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 any Project.

Section 7.3. Nonsectarian Use. The Corporation agrees that no proceeds of the Bonds will be used to construct, acquire or install any portion of 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 Corporation 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) To the fullest extent permitted by law, the Corporation agrees to indemnify, hold harmless and defend the Issuer, the Bond Trustee and each of their respective officers, governing members, directors, officials, employees, attorneys and agents (collectively, the "Indemnified Parties"), against any and all losses, damages, claims, actions, liabilities, costs and expenses of any conceivable nature, kind or character (including, without limitation, reasonable attorneys' fees, litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments) to which the Indemnified Parties, or any of them, may become subject under or any statutory law (including federal or state securities laws) or at common law or otherwise, arising out of or based upon or in any way relating to:

(i) the Bonds, the Bond Indenture, this Agreement, the Master Indenture, the Supplemental Indenture the Obligations or the Tax Agreement or the execution or amendment hereof or thereof or in connection with transactions contemplated hereby or thereby, including the issuance, sale or resale of the Bonds;

(ii) any act or omission of the Corporation or any of its agents, contractors, servants, employees, tenants or licensees in connection with the Project, the operation of the Project, or the condition, environmental or otherwise, occupancy, use, possession, conduct or management of work done in or about, or from the planning, design, acquisition, installation or construction of, the Project or any part thereof;

(iii) any lien or charge upon payments by the Corporation to the Issuer and the Bond Trustee hereunder, or any taxes (including, without limitation, all ad valorem taxes and sales taxes), assessments, impositions and other charges imposed on the Issuer or the Bond Trustee in respect of any portion of the Project;

(iv) any violation of any Environmental Regulations with respect to, or the release of any Hazardous Substances from, the Project or any part thereof;

(v) the defeasance and/or redemption, in whole or in part, of the Bonds;

(vi) any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in any offering or disclosure document or disclosure or continuing disclosure document for the Bonds or any of the documents relating to the Bonds, or any omission or alleged omission from any offering or disclosure document or disclosure or continuing disclosure document for the Bonds of any material fact necessary to be stated therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(vii) any declaration of taxability of interest on the Bonds, or allegations that interest on the Bonds is taxable or any regulatory audit or inquiry regarding whether interest in the Bonds is taxable;

(viii) the Bond Trustee's acceptance or administration of the Trust Estate of the Bond Indenture, or the exercise or performance of any of its powers or duties thereunder or under any of the documents relating to the Bonds to which it is a party;

except (A) in the case of the foregoing indemnification of the Bond Trustee or any of its respective officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the negligence or willful misconduct of such Indemnified Party; or (B) in the case of the foregoing indemnification of the Issuer or the participants in the Issuer's program or any of their officers, members, directors, officials, employees, attorneys and agents, to the extent such damages are caused by the willful misconduct of such Indemnified Party. In the event that any action or proceeding is brought against any Indemnified Party with respect to which indemnity may be sought hereunder, the Corporation, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel selected by the Indemnified Party, and shall assume the payment of all expenses related thereto, with full power to litigate, compromise or settle the same in its sole discretion; provided that the Indemnified Party shall have the right to review and approve or disapprove any such compromise or settlement. Each Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and participate in the investigation and defense thereof, and the Corporation shall pay the reasonable fees and expenses of such separate counsel; provided, however, that such Indemnified Party may only employ separate counsel at the expense of the Corporation if in the judgment of such Indemnified Party a conflict of interest exists by reason of common representation or if all parties commonly represented do not agree as to the action (or inaction) of counsel or in the event that the matter at issue includes a criminal charge.

34

42904607/MIAMI

(including reasonable fees and expenses of attorneys employed by the Issuer) reasonably incurred by the Issuer in connection with the issuance of the Bonds and (iii) all out of pocket expenses (including reasonable fees and expenses of attorneys employed by the Issuer) reasonably incurred by the Issuer in connection with the enforcement of any of its rights or remedies or the performance of its duties under the Bond Indenture or this Agreement.

Section 7.10. Prohibited Uses. No portion of the proceeds of the Bonds shall be used to finance or refinance any facility, place or building to be used (1) primarily for sectarian instruction or study or as a place for devotional activities or religious worship or (2) by a person that is not an organization described in Section 501(c)(3) of the Code or a Governmental Unit or by an organization described in Section 501(c)(3) of the Code (including the Corporation) in an "unrelated trade or business" (as set forth in Section 513(a) of the Code), in such a manner or to such extent as would result in any of the Bonds being treated as an obligation not described in Section 103(a) of the Code.

Section 7.11. Special Services Covenant. The Corporation shall maintain a continuing care retirement facility providing healthcare services to its residents within the territorial limits of Palm Beach County, Florida, as long as any Bonds remain Outstanding; provided, however, the Issuer, upon review of such facts as it deems relevant, may, from time to time, allow the Corporation to provide alternative services which provide public benefit to the participants in the Issuer's program and its residents, or deem this special services covenant to be satisfied in whole or in part.

Section 7.12. Related Party Transactions. The Corporation shall not enter into any transaction, including, without limitation, the purchase, sale, lease, or exchange of property or the rendering of any service, with any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Corporation's business and upon terms found by the governing body of the Corporation to be fair and reasonable and no less favorable to the Corporation than would be obtained in a comparable arm's length transaction with a Person not an Affiliate.

Section 7.13. Continuing Disclosure. The Corporation, with the consent of the Issuer, has executed a Continuing Disclosure Certificate. While this Continuing Disclosure Certificate is in effect, the Corporation shall at all times remain party to the Continuing Disclosure Certificate, or if the Continuing Disclosure Certificate terminates, it shall enter into a similar agreement to provide for the dissemination of the financial statements and notices required by Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Corporation agrees that while the Series 2014 Bonds are Outstanding, it will perform its obligations under the Continuing Disclosure Certificate. Notwithstanding any other provision of this Agreement, failure of the Corporation to comply with the Continuing Disclosure Certificate shall not be a Default.

Section 7.14. Purchase of Tax Exempt Bonds. Neither the Corporation nor any Related Person, pursuant to any arrangement, formal or informal, will purchase any of the Tax Exempt Bonds, unless the Corporation or such Related Person delivers a favorable Opinion of Bond Counsel to the Bond Trustee and the Issuer.

36

42904607/MIAMI

(b) The rights of any persons to indemnify hereunder and rights to payment of fees and reimbursement of expenses shall survive the final payment or defeasance of the Bonds and in the case of the Bond Trustee any resignation or removal. The provisions of this Section shall survive the termination of this Agreement.

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

Section 7.8. No Personal Liability. The Issuer shall not be obligated to pay the principal of, premium, if any, or interest on the Bonds, except from Revenues (as defined in the Master Indenture) and other moneys and assets received by the Bond Trustee pursuant to this Agreement. Neither the faith and credit nor the taxing power of the State of Florida, any Member of the Issuer or any other political subdivision thereof, nor the faith and credit of the Issuer is pledged to the payment of the principal of, premium, if any, or interest on the Bonds. The Issuer shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Agreement, the Bonds or the Bond Indenture, except only to the extent amounts are received for the payment thereof from the Corporation under this Agreement.

The Corporation hereby acknowledges that the Issuer's sole source of moneys to repay the Bonds will be provided by the payments made by the Corporation to the Bond Trustee pursuant to this Agreement, together with investment income on certain funds and accounts held by the Bond Trustee under the Bond Indenture, and hereby agrees that if the payments to be made hereunder shall ever prove insufficient to pay all principal of, premium, if any, and interest on the Bonds as the same shall become due (whether by maturity, redemption, acceleration or otherwise), then upon notice from the Bond Trustee, the Corporation shall pay such amounts as are required from time to time to prevent any deficiency or default in the payment of such principal, premium, if any, or interest, including, but not limited to, any deficiency caused by acts, omissions, nonfeasance or malfeasance on the part of the Bond Trustee, the Corporation, the Issuer or any third party, subject to any right of reimbursement from the Bond Trustee, the Issuer or any such third party, as the case may be, therefor.

Section 7.9. Fees and Expenses. The Corporation 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, including its application fee of \$32,900.00, (ii) all out of pocket expenses and Cost of Issuance

35

42904607/MIAMI

Section 7.15. Environmental Matters. Since February 7, 2014 there have not been any violations of any of the hereinafter defined Environmental Regulations with respect to the Project. Without limiting any other provisions hereof, the Corporation will indemnify and hold harmless the Issuer and the Bond Trustee from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any kind whatsoever (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act of 1976, any so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulations, order or decree, now or hereafter in force, regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substances) paid, incurred, suffered by or asserted against the Issuer or the Bond Trustee as a direct or indirect result of any of the following, regardless of whether or not caused by, or within the control of, any of the Corporation: (i) the presence of any Hazardous Substances on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Substances from the Project or any part thereof, or (ii) any liens against the Project, or any part thereof, permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of the Corporation under any Environmental Laws, or (iii) any actual or asserted liability or obligations of the Issuer or the Bond Trustee under any Environmental Law relating to the Project. Notwithstanding any other provision of this Agreement, the covenants, indemnities and obligations provided for in this Section shall survive the payment and performance of the other obligations of the Corporation under this Agreement.

Section 7.16. Membership in Obligated Group. The Corporation hereby covenants and agrees that while the Series 2014 Bonds are Outstanding, it will remain an Obligated Group Member.

[End of Article VII]

C-72

37

42904607/MIAMI

**ARTICLE VIII
ASSIGNMENT AND LEASING**

Section 8.1. Assignment and Leasing by Corporation. This Agreement may be assigned, and all or any portion of any Project may be leased by the Corporation 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 Corporation from primary liability for any of its obligations hereunder, and in the event of any such assignment or leasing the Corporation 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 Corporation withdraws from the Obligated Group (as defined in the Master Indenture) and is released from its obligations on the Obligations by the Master Trustee pursuant to the Master Indenture, the Corporation shall 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 Corporation 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 any Project or an operating contract for the performance by others of health care, medical, social or commercial services on or in connection with any Project, or any part thereof.

(c) The Corporation 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 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 Obligations 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) to the Bond Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds. The Corporation consents to such assignment and pledge.

[End of Article VIII]

38

4290460/7/MIAMI

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

Section 9.6. Waivers. In the event any agreement contained in this Agreement should be breached by 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 (other than a failure to observe the covenants contained in Section 4.10 hereof, which may be waived by the Issuer without the consent of the Bond Trustee).

[End of Article IX]

40

4290460/7/MIAMI

**ARTICLE IX
FAILURE TO PERFORM COVENANTS AND REMEDIES THEREFOR**

Section 9.1. Failure to Perform Covenants. Upon failure of the Corporation to pay when due any payment (other than failure to make any payment on any Obligation, which default shall have no grace period) required to be made under this Agreement or to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, and continuation of such failure for a period of 60 days after written notice, specifying such failure and requesting that it be remedied, is given to the Corporation 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 Corporation to perform as provided in Section 9.1 hereof, the Issuer or the Bond Trustee, as assignee or successor of the Issuer, upon compliance with all applicable law, in its discretion may take any one or more of the following steps:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Issuer, and require the Corporation 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 Corporation under the Act or this Agreement; or

(b) by action or suit in equity require the Corporation to account as if it were the trustee of an express trust for the Issuer; or

(c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Issuer; or

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

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

Section 9.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Bond Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer or the Bond Trustee to exercise any remedy reserved to it in this Article, it shall

39

4290460/7/MIAMI

**ARTICLE X
PREPAYMENT OF OBLIGATIONS**

Section 10.1. General Option to Prepay Obligations. The Corporation 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 Obligations 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 Corporation specifies the date for such redemption. In the event the Corporation prepays all of its payments due and to become due on all the Obligations 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 Corporation 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 and such other matters as are necessary to comply with the Bond Indenture.

[End of Article X]

41

4290460/7/MIAMI

**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, which is confirmed promptly in writing;
- (b) Three Business Days after the date of the mailing thereof, as shown by the post office receipt if mailed to the other party hereto by registered or certified mail;
- (c) The date of the receipt thereof by such other party if not given pursuant to (a) or (b) above. The address for notice for each of the parties shall be as follows:

Palm Beach County Health Facilities Authority
c/o Haile, Shaw & Pfaffenberger, P.A.
660 U.S. Highway One, Third Floor
North Palm Beach, Florida 33408
Attention: John F. Flanigan, Esq.
Telephone: (561) 627-8100
Telecopier: (561) 622-7603

Corporation:

Federation CCRC Operations Corp.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: President
Telephone: (561) 852-3100
Telecopier:

Bond Trustee:

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services
Telephone: (407) 835-3810
Telecopier: (407) 835-3814

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 Corporation, and their respective successors and assigns, subject, however, to the limitations contained in Sections 7.8, 8.1, 8.2, 11.9 and 11.12 hereof.

42

4290460/7/MIAMI

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. Waiver of Personal Liability. No member, officer, agent or employee of any Member or the Issuer or any director, officer, agent or employee of the Corporation shall be individually or personally liable for the payment of any principal (or Redemption Price) or interest on the Series 2014 Bonds or any sum hereunder or under the Bond Indenture or be subject to any personal liability or accountability by reason of the execution and delivery of this Agreement; but nothing herein contained shall relieve any such member, director, officer, agent or employee from the performance of any official duty provided by law or by this Agreement.

Section 11.12. Issuer's Performance. None of the provisions of this Agreement shall require the Issuer to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Revenues pledged under the Bond Indenture, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any administrative service with respect to the Series 2014 Bonds and the facilities (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Bond Trustee or the Corporation. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Agreement, the Bond Indenture, and any and every Series 2014 Bond executed, authenticated and delivered under the Bond Indenture; provided, however, that (a) 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 Corporation or the Bond Trustee, and (b) the Issuer shall have received the instrument to be executed.

Section 11.13. No Individual Liability. No covenant or agreement contained in this Agreement or the Bond Indenture shall be deemed to be the covenant or agreement of any member of the Board of Directors or the governing body of the Corporation or the Bond Trustee or of any officer, director, trustee, agent or employee of the Issuer, the Bond Trustee or the Corporation, in his or her individual capacity, and none of such persons shall be subject to any personal liability or accountability by reason of the execution hereof, whether by virtue of any constitution, statute or rule of law, or by the enforcement or any assessment or penalty, or otherwise.

Section 11.14. Survival of Covenants. All covenants, agreements, representations and warranties made by the Corporation in this Agreement, the Bond Indenture, the Obligations 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 Obligations and shall continue in full force and effect until the Bonds and the Obligations are paid in full and all of the Corporation'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 Obligations and the Bonds are satisfied. All such covenants, agreements, representations and warranties shall be binding upon any successor and assigns of the Corporation.

44

4290460/7/MIAMI

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 Debt Service Reserve Fund and any Construction Fund upon expiration or sooner termination of this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Bond Indenture), the fees, charges, and expenses of the Bond Trustee, the Issuer and the Paying Agent in accordance with the Bond Indenture, 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 Corporation by the Bond Trustee or the Issuer.

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

Section 11.6. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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

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

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

Section 11.10. Payments Due on Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in Orlando, 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

43

4290460/7/MIAMI

Section 11.15. Assignments. This Agreement may not be assigned by either party without consent of the other except that the Issuer shall assign to the Bond Trustee its rights under this Agreement (except its Reserved Rights) and the Corporation may assign its rights under this Agreement as provided by Section 8.1 hereof.

Section 11.16. Rights of Bond Trustee. The Bond Trustee shall have and be protected by all of the rights, powers, indemnities, privileges, immunities and other protections provided to the Bond Trustee under the Bond Indenture which are hereby incorporated herein by reference.

Section 11.17. Receipt of and Compliance with Bond Indenture. The Corporation acknowledges that it has received an executed copy of the Bond Indenture, and accepts and agrees to the provisions thereof, including, without limitation, the provisions of Section 9.02 of the Bond Indenture with respect to compensation and indemnification of the Bond Trustee, and agrees that it will take all such actions as are required or contemplated of it under the Bond Indenture to preserve and protect the rights of the Bond Trustee, the Issuer and of the Holders thereunder and that it will not take any action which would cause a default or Event of Default thereunder. It is agreed by the Corporation and the Issuer that redemptions of Series 2014 Bonds prior to maturity shall be effected as provided in the Bond Indenture. The Corporation hereby agrees that its interest in the Property and its rights hereunder are subject to and subordinated to the interest and rights of the Bond Trustee under the Indenture and acknowledges that the Bond Trustee has entered into the Bond Indenture in reliance upon the assignment to the Bond Trustee of the Issuer's rights under this Agreement and the Corporation's provision of indemnity. The Corporation covenants that it will perform all of the Issuer's obligations and covenants under the Bond Indenture to the extent that they can be performed by the Corporation thereunder. The Corporation further agrees that it will reimburse the Issuer for any expenses incurred in the administration of any of the foregoing agreements and this Agreement and will hold the Issuer harmless from any liabilities thereunder. The Corporation further covenants that it will perform all of the duties and obligations of the Corporation that are set forth in the Bond Indenture.

Section 11.18. Usury and Total Interest. This Agreement is subject to the express condition, and it is agreed, that at no time shall payment of the Series 2014 Obligations hereunder or under the other the Bond Indenture that are or are construed to be payments of interest on the unpaid principal amount of the Series 2014 Bonds reflect interest that is borne at a rate in excess of the maximum permitted by law. The Corporation shall not be obligated or required to pay, nor shall the Issuer be permitted to charge or collect, interest borne at a rate in excess of such maximum rate. If by the terms of this Agreement or the other Bond Indenture the Corporation is required to make such payments reflecting interest borne at a rate in excess of such maximum rate, such payments shall be deemed to be reduced immediately and automatically to reflect such maximum rate. This Agreement is also subject to the condition that amounts paid hereunder representing late payment or penalty charges or the like shall only be payable to the extent permitted by law.

[End of Article XI]

45

4290460/7/MIAMI

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

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY

By: _____
Authorized Signatory

FEDERATION CCRC OPERATIONS CORP.

By: _____
Title:

**EXHIBIT A
PROJECT DESCRIPTION**

The Project, to be known as Sinai Residence of Boca Raton, will be a continuing care retirement community in Boca Raton, Florida. The Project is expected to consist of approximately 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 21 acres of land.

4290460/7/MIAMI

4290460/7/MIAMI

A-1

**EXHIBIT B
FORM FOR COST OF ISSUANCE DISBURSEMENT**

NO. ____

U.S. Bank National Association
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Corporate Trust Services

Re: Palm Beach County Health Facilities Authority Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014

Gentlemen:

This request for disbursement is submitted to you pursuant to Section 4.6 of the Loan Agreement (the "Loan Agreement") dated as of _____, 2014, between the Palm Beach County Health Facilities Authority and Federation CCRC Operations Corp. (the "Corporation") relating to the above-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.

[THIS PAGE INTENTIONALLY LEFT BLANK]

FEDERATION CCRC OPERATIONS CORP., as Corporation

Date: _____

By: _____
Authorized Officer

4290460/7/MIAMI

B-1

C-75

**This Instrument Prepared by
and Return to:**

**Jeffrey Drew Butt, Esquire
Squire Sanders (US) LLP
201 N. Franklin Street
Suite 2100
Tampa, Florida 33602**

THIS MORTGAGE AND SECURITY AGREEMENT IS GIVEN IN CONNECTION WITH THE ISSUANCE OF BONDS BY THE PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY AND IS EXEMPT FROM TAXATION PURSUANT TO CHAPTER 154, PART III, AND CHAPTER 159, PART II, AND IN PARTICULAR SECTION 159.31, FLORIDA STATUTES.

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT (this “Mortgage”) from **FEDERATION CCRC OPERATIONS CORP.**, a Florida not-for-profit corporation, 9901 Donna Klein Boulevard, Boca Raton, Florida 33428 (the “Mortgagor”) to **U.S. BANK NATIONAL ASSOCIATION**, in its capacity as Master Trustee under the hereinafter described Master Indenture, 225 E. Robinson Street, Suite 250, Orlando, Florida 32801 (“Mortgagee”), executed and delivered on this ___ day of _____, 2014.

WITNESSETH:

WHEREAS, Mortgagor has caused to be executed and delivered an Indenture of Trust dated as of _____, 2014 (the “Trust Indenture”), as accepted and executed by the **PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY** (the “Issuer”) and **U.S. BANK NATIONAL ASSOCIATION**, as Trustee, pursuant to which \$_____ aggregate principal amount of the Issuer’s Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A (the “Series 2014A Bonds”), \$_____ aggregate principal amount of the Issuer’s Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B (the “Series 2014B Bonds”), \$_____ aggregate principal amount of the Issuer’s Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (together with the Series 2014A Bonds and the Series 2014B Bonds, the “Series 2014A/B/C Bonds”), \$_____ aggregate principal amount of the Issuer’s Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-1 and \$_____ aggregate principal amount of the Issuer’s Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project), Subseries 2014D-2 (collectively, the “Series 2014D Bonds” and, together with the Series 2014A/B/C Bonds, the “Bonds”) have been issued;

WHEREAS, the Mortgagor has delivered this Mortgage to the Mortgagee for the benefit of the **PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY**, c/o Haile, Shaw &

Pfaffenberger, P.A., 660 U.S. Highway One, Third Floor, North Palm Beach, Florida 33408, Attention: John F. Flanigan, Esq., General Counsel (the "Issuer");

WHEREAS, Mortgagor has entered into a Loan Agreement related to the Series 2014A/B/C Bonds and a Loan Agreement related to the Series 2014D Bonds, each with the Issuer dated as of _____, 2014 (collectively, the "Loan Agreements") pursuant to which the Issuer will loan the proceeds of the Bonds to Mortgagor to finance certain capital projects and to refund certain indebtedness, as described therein;

WHEREAS, as further security for and to evidence its obligation to repay the loans, the Mortgagor will issue its Federation Operations Corp. CCRC Series 2014A Obligation, its Federation Operations Corp. CCRC Series 2014B Obligation, its Federation Operations Corp. CCRC Series 2014C Obligation and its Federation Operations Corp. CCRC Series 2014D Obligation, each dated _____, 2014 (collectively, the "Series 2014 Obligations");

WHEREAS, the Series 2014 Obligations are being issued under and pursuant to the Master Trust Indenture dated as of _____, 2014 (the "Master Trust Indenture") between the Mortgagor and the Master Trustee;

WHEREAS, the Master Trust Indenture is being supplemented by Supplemental Indenture Number 1 dated as of _____, 2014 between the Mortgagor and the Master Trustee ("Supplement No. 1"), pursuant to which Series 2014 Obligations will be issued;

WHEREAS, the Master Trust Indenture may be further supplemented in the future by supplemental indentures (the "Additional Supplements") for the issuance of obligations specifically designated by the Mortgagor to be secured by this Mortgage (the "Additional Obligations"); and

WHEREAS, the Master Trust Indenture, Supplement No. 1 and any Additional Supplements are hereinafter collectively referred to herein as the "Master Indenture" and the Series 2014 Obligations and any Additional Obligations are collectively referred to herein as the "Obligations." The Master Indenture and the Obligations are collectively referred to herein as the "Loan Documents";

NOW, THEREFORE, in consideration of the premises and in order to secure (a) the payment of both the principal of, and interest on and any other sums payable on the Obligations, the Master Indenture and this Mortgage and (b) the performance and observation of all of the provisions of the Obligations, the Master Indenture and this Mortgage, Mortgagor hereby grants, sells, warrants, aliens, remises, releases, conveys, assigns, transfers, mortgages and sets over and confirms unto Mortgagee, all of Mortgagor's estate, right, title and interest in, to and under all that certain real property ("Land") situated in Palm Beach County, Florida, more particularly described in Exhibit "A" attached hereto and by this reference incorporated herein.

TOGETHER WITH all improvements now or hereafter located on the Land and all fixtures, appliances, equipment, heating and air conditioning equipment, machinery and articles of personal property and replacements thereof (other than those owned by any lessees of the Land) now or hereafter affixed to, attached to, placed upon, or used in any way in connection with the complete and comfortable use, occupancy, or operation of the Land (the "Equipment"),

42948652/MIAMI

2

Mortgagor further covenants and agrees with Mortgagee as follows:

1. To pay all sums, including interest secured hereby when due, as provided for in the Master Indenture and the Obligations and any renewal, extension or modification thereof and in this Mortgage, all such sums to be payable in lawful money of the United States of America at Mortgagee's aforesaid designated corporate office, or at such other place as Mortgagee may designate in writing.

2. To pay when due, and without requiring any notice from Mortgagee; all taxes, assessments of any type or nature and other charges levied or assessed against the Mortgaged Property or this Mortgage and produce receipts therefor upon demand. To immediately pay and discharge any claim, lien or encumbrance against the Mortgaged Property which may be or become superior to this Mortgage, other than the Approved Encumbrances, the Permitted Encumbrances or the Permitted Liens, and to permit no Event of Default or delinquency, after applicable notice, cure and grace periods, on any other lien, encumbrance or charge against the Mortgaged Property. Mortgagor shall have the right to contest or object to the amount or validity of any assessments, charges, claims, liens or encumbrances in accordance with law.

3. To keep the Mortgaged Property insured against such risks and perils and in such amounts required by the Master Indenture. Unless the Mortgagor is self insured pursuant to the terms of the Master Indenture, the policy or policies of such insurance shall be in the form in general use from time to time in the locality in which the Mortgaged Property is situated, shall be in such amount as required by the Master Indenture, shall be issued by a company or companies acceptable under the terms of the Master Indenture and shall contain a standard mortgagee clause with loss payable to Mortgagee. Whenever required by the Mortgagee, certificates of insurance relating to such policies shall be delivered immediately to the Mortgagee.

4. Subject to the exceptions provided in Section 4.06 of the Master Trust Indenture, to maintain the Mortgaged Property in good condition and repair, including but not limited to the making of such repairs as Mortgagee may from time to time determine to be necessary for the preservation of the Mortgaged Property and to not commit or permit any material waste thereof, which would have a material adverse effect on its ability to carry on its operations as presently conducted or to perform its obligations under this Mortgage or any of the other documents required to be delivered hereunder or the Master Indenture.

5. To comply, in all material respects, with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Mortgaged Property, and not to suffer or permit any violation thereof, which would have a material adverse effect on its ability to carry on its operations as presently conducted or to perform its obligations under this Mortgage or any of the other documents required to be delivered hereunder or the Master Indenture.

6. If Mortgagor fails to pay or discharge (subject to Mortgagor's right to contest or object to the amount or validity of any assessment, charge, claim, lien or encumbrance provided in Section 2 above) any claim, lien or encumbrance which is superior to this Mortgage, other than an Approved Encumbrance, a Permitted Encumbrance or a Permitted Lien, or prior to delinquency, any tax or assessment or insurance premium, or to keep the Mortgaged Property in repair, as required by the Master Indenture, or shall commit or permit material waste, or if there be commenced any action or proceeding affecting the title to or owners of the Mortgaged

42948652/MIAMI

4

all licenses and permits used or required in connection with the use of the Land, all leases of the Land now or hereafter entered into and all right, title and interest of Mortgagor thereunder, including without limitation, cash or securities deposited thereunder pursuant to said leases, and all rents, issues, proceeds, and profits accruing from the Land and together with all proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards (the foregoing said real property, tangible and intangible personal property hereinafter referred to as the "Mortgaged Property" or the "Property"). Mortgagor hereby grants to Mortgagee a security interest in the foregoing described tangible and intangible personal property.

TO HAVE AND TO HOLD the Mortgaged Property, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining and the reversion and reversions thereof and all the estate, right, title, interest, homestead, dower and right of dower, separate estate, possession, claim and demand whatsoever, as well in law as in equity, of Mortgagor and unto the same, and every part thereof, with the appurtenances of Mortgagor in and to the same, and every part and parcel thereof unto Mortgagee.

Mortgagor warrants that it has a good and marketable title to an indefeasible fee estate in the Mortgaged Property subject to no lien, charge or encumbrance except such as Mortgagee has agreed to writing (the "Approved Encumbrances"), Permitted Encumbrances (as defined in of the Master Indenture) and the Permitted Liens listed in Exhibit "B" hereto, and Mortgagor covenants that this Mortgage is and will remain a valid and enforceable first mortgage on the Mortgaged Property subject only to (i) Approved Encumbrances; (ii) the Permitted Encumbrances and; (iii) Permitted Liens listed in Exhibit "B" hereto. Mortgagor has full power and lawful authority to mortgage the Mortgaged Property in the manner and form herein done or intended to be done or intended hereafter to be done. Mortgagor will preserve such title and will forever warrant and defend the same to Mortgagee and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

Mortgagor will, at the cost of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require in order to preserve the priority of the lien of this Mortgage or to facilitate the performance of the terms hereof.

PROVIDED, HOWEVER, that if Mortgagor shall pay to Mortgagee and or otherwise satisfies: (i) the indebtedness in the principal sum then due as evidenced by the Obligations with interest and upon the terms as provided therein; and (ii) all other sums advanced by Mortgagee to or on behalf of Mortgagor pursuant to the Obligations, the Master Indenture or this Mortgage, which Obligations contain provisions for payment of costs of collection including attorneys' fees, in the Event of Default, as described herein, waiver of presentment for payment, notice of nonpayment, protest and notice of protest, and consent to the extension from time to time of payment without notice, and the terms of which are hereby incorporated by reference and made a part hereof, and of any renewal, extension or modification, thereof and of this Mortgage, then this Mortgage and the estate hereby created shall cease and terminate and Mortgagee shall promptly execute and deliver to the Mortgagor all documents necessary to effect such release.

42948652/MIAMI

3

Property, or the interest of Mortgagee therein, including, but not limited to, eminent domain and bankruptcy or reorganization proceedings, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may make such repairs and take such steps as it deems advisable to prevent or cure such material waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of such purposes Mortgagee may advance such sums of money, including all costs, reasonable attorneys' fees and other items of expense as it deems reasonably necessary. Mortgagee shall not be held accountable for any delay in making any such payment, which delay may result in any additional interest, costs, charges, expenses or otherwise. All sums which may be advanced by Mortgagee pursuant to this paragraph shall be secured by the lien of this Mortgage and shall bear interest at the Default Rate (as defined herein).

If no Event of Default shall have occurred and be continuing under this Mortgage, in any instance where Mortgagor in its discretion determines that any items constituting the Equipment have become inadequate, obsolete, worn out, unsuitable, damaged or destroyed, undesirable or unnecessary, the Mortgagor may remove such items from the Land and sell, trade in, exchange or otherwise dispose of said Equipment (as a whole or in part); provided, that such removal and substitution shall not impair the operating unity of the Mortgaged Property or substantially reduce its value. The lien and the security interests created by this Mortgage shall be automatically released from the Equipment now or hereafter affixed to, attached to, placed upon, or used in any way in connection with the use, occupancy, or operation of the Land, at the time the Equipment is removed from the Land in accordance with the terms of this paragraph. All Equipment now or hereafter affixed to, attached to, placed upon, or used in any way in connection with the use, occupancy, or operation of the Land shall be free of all liens, charges, and encumbrances, except Approved Encumbrances, Permitted Encumbrances and Permitted Liens, and shall become a part of the Mortgaged Property.

The Mortgagor will pay any reasonable costs, including reasonable attorneys' fees, incurred in subjecting to the security interest granted herein any fixtures, appliances, apparatus, equipment, heating and air conditioning equipment, machinery and other articles of personal property that under this Mortgage become part of the Equipment. The Mortgagor will not remove, or permit the removal of, any of the Equipment except in accordance with the provisions of this Section 6.

Upon receipt of an officer's certificate from the Mortgagor requesting a confirmation of the release of the Mortgagee's lien and security interest on any Equipment removed or to be removed by the Mortgagor and stating that Mortgagor has complied or will comply with the provisions of this Section 6 with respect to such removal, the Mortgagee shall deliver any releases and/or UCC-3 Releases deemed necessary by the Mortgagor with regard to the removal of any such Equipment.

7. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee to protect the security hereof pursuant to this Mortgage, including all costs, reasonable attorney's fees and other items of expense, together with interest on each such advancement at a rate of _____ percent (____%) per annum (the "Default Rate"), and all such sums and interest thereon shall be secured hereby.

42948652/MIAMI

5

8. If an Event of Default, as defined in Section 23 hereof, shall occur, all of the indebtedness secured hereby shall become due and payable at the option of Mortgagee, without notice or demand which are hereby expressly waived, in which event Mortgagee may avail itself of all rights and remedies, at law or in equity, and this Mortgage may be foreclosed with all rights and remedies afforded by the laws of the State of Florida and Mortgagee shall pay all reasonable costs, charges and expenses thereof, including a reasonable attorney's fee, including all such reasonable costs, expenses and attorneys' fees for any retrial, rehearing or appeals. The indebtedness secured hereby shall bear interest at the Default Rate from and after the date of any such Event of Default of Mortgagee.

9. If an Event of Default shall occur:

(a) Mortgagee is authorized at any time, with written notice, in its sole discretion to enter upon and take possession of the Mortgaged Property or any part thereof, to perform any acts Mortgagee deems necessary or proper in its reasonable discretion to conserve the security and to collect and receive all rents, issues and profits thereof, including those past due as well as those accruing thereafter, as permitted by the laws of the State of Florida; and

(b) Mortgagee shall be entitled, as a matter of strict right, without notice and ex parte, and without regard to the value or occupancy of the security, or the solvency of Mortgagee, or the adequacy of the Mortgaged Property as security for the Obligation, to have a receiver appointed to enter upon and take possession of the Mortgaged Property, collect the rents and profits therefrom and apply the same as the court may direct, such receiver to have all the rights and powers permitted under the laws of the State of Florida.

In either such case, Mortgagee or the receiver may also take possession of, and for these purposes use, any and all personal property which is a part of the Mortgaged Property and used by Mortgagee in the rental or leasing thereof or any part thereof. The reasonable expense (including receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be secured hereby. Mortgagee shall (after payment of all costs and expenses incurred) apply such rents, issues and profits received by it on the indebtedness secured hereby in accordance with the provisions of the Master Indenture. The right to enter and take possession of the Mortgaged Property, to manage and operate the same, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee.

10. If the indebtedness secured hereby is now or hereafter further secured by chattel mortgages, security interests, financing statements, pledges, contracts of guaranty, assignments of leases, or other securities, or if the Mortgaged Property hereby encumbered consists of more than one parcel of real property, Mortgagee may at its option exhaust any one or more of said securities and security hereunder, or such parcels of the security hereunder, either concurrently or independently, and in such order as it may determine.

11. This Mortgage shall secure not only existing indebtedness evidenced by the Series 2014 Obligations, but also such future advances in the form of Additional Obligations issued in compliance with and under the terms of the Master Indenture, as specified by the Mortgagor, as

42948652/MIAMI

6

14. To the extent allowed by applicable law, any agreement herewith made by Mortgagor and Mortgagee pursuant to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance other than the Approved Encumbrances, the Permitted Encumbrances and the Permitted Liens.

15. If the Mortgaged Property or any material part thereof is damaged or destroyed by fire, by condemnation, or any other cause, Mortgagor will give immediate written notice of the same to Mortgagee. In the event that any portion or portions of the Mortgaged Property are damaged or destroyed by fire or by any other casualty or are taken through any condemnation proceeding, and such damage, destruction or taking results in the need for repair, rebuilding, or restoration work to be performed on the Mortgaged Property that exceeds five percent (5%) of the current value of the Property, Plant and Equipment, as defined in the Master Indenture (such repair, rebuilding, or restoration is referred to herein as the "Work"), Mortgagee shall allow Mortgagor to use the amount by which the proceeds of all insurance policies or condemnation awards collected with respect to such damage or destruction (except such amounts as are attributable to a loss of rents) exceed the cost, if any, to Mortgagee for the recovery of such proceeds (said net amount is defined herein as the "Reconstruction Funds"), to perform the Work, so long as the following conditions have been met:

(a) No Event of Default exists;

(b) Mortgagor shall have delivered evidence satisfactory to Mortgagee that the improvements may be reconstructed in accordance with all applicable zoning and building codes, and all rules, regulations, and ordinances of all applicable governmental authorities and that, upon completion of the Work, the condition of the improvements will be at least equal in value and general utility to that at which existed immediately prior to such casualty or condemnation;

(c) Mortgagor shall have delivered evidence satisfactory to Mortgagee that sufficient funds, including the Reconstruction Funds, are available to perform the Work and that the Work is capable of completion prior to the then effective maturity date of the Obligations;

(d) Mortgagor shall have delivered evidence satisfactory to Mortgagee that business interruption or income insurance proceeds payable to Mortgagor as a result of the damage or destruction or income from the Mortgaged Property, or that sources other than the Reconstruction Funds are sufficient to cover payments of debt service, costs, and expenses on the Series 2014 Obligations during the period the Work is to be performed; and

(e) Mortgagee shall be satisfied that it will not incur any liability to Mortgagor as a result of such use or release of insurance proceeds.

In the event that Reconstruction Funds exceed five percent (5%) of the current value of the Property, Plant and Equipment (as defined in the Master Indenture) and the conditions set forth above are satisfied, Mortgagee shall make the Reconstruction Funds available to Mortgagor for the Work only under the following procedures, terms, and conditions:

42948652/MIAMI

8

are made within twenty (20) years from the date hereof; to the same extent as if such future advances were made on the date of the execution of this Mortgage, but such secured indebtedness shall not exceed at any time an amount equal to two times the amount of the Series 2014 Obligations plus interest, and any disbursements made for the payment of taxes, levies or insurance, on the Mortgaged Property, with interest on such disbursements. Any such future advances in the form of Additional Obligations may be made either prior to or after the due date of the Series 2014 Obligations. This Mortgage is given for the specific purpose of securing the Obligations, including without limitation the Additional Obligations (but in no event shall the secured indebtedness exceed at any time the maximum principal amount set forth in this paragraph) in whatever manner this indebtedness may be evidenced or represented, until this Mortgage is satisfied of record. All covenants and agreements contained in this Mortgage shall be applicable to all Additional Obligations issued by Mortgagee, under the Master Indenture and this future advance clause.

12. No delay by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof during the continuance of any Event of Default hereunder. No waiver by Mortgagee of any Event of Default shall constitute a waiver of or consent to subsequent Events of Defaults. No failure of Mortgagee to exercise any option herein given to accelerate maturity of the debt hereby secured, no forbearance by Mortgagee before or after the exercise of such option and no withdrawal or abandonment of foreclosure proceedings by Mortgagee shall be taken or construed as a waiver of its right to exercise such option or to accelerate the maturity of the debt hereby secured by reason of any past, present or future Event of Default on the part of Mortgagor; and, in like manner, the procurement of insurance or the payment of taxes or other liens or charges by Mortgagee shall not be taken or construed as a waiver of its right to accelerate the maturity of the debt hereby secured.

13. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said obligation, and without notice or consent:

(a) Release any person liable for payment of all or any part of indebtedness or for performance of any obligation.

(b) Make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof.

(c) Exercise or refrain from exercising or waive any right Mortgagee may have.

(d) Accept additional security of any kind.

(e) Release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the Mortgaged Property.

42948652/MIAMI

7

(a) Mortgagor shall execute and deliver to Mortgagee a copy of a contract with a licensed contractor acceptable to Mortgagee setting forth a fixed price for the Work and a completion date acceptable to Mortgagee;

(b) Mortgagor shall demonstrate to Mortgagee that the Reconstruction Funds are at least equal to the fixed price of the Work as set forth in said contract or shall deposit with Mortgagee funds in the amount by which such fixed price exceeds the Reconstruction Funds;

(c) The Work shall be supervised by an architect or engineer and performed with plans and specifications prepared by such architect or engineer and approved by Mortgagee;

(d) The Reconstruction Funds, plus any additional funds deposited by Mortgagor, shall be received and held by Mortgagee and disbursed in accordance with terms and conditions used by Bank in connection with the Mortgagee's customary practice in disbursing construction loan proceeds, and Mortgagor shall reimburse Mortgagee for costs and expenses incurred in connection with such disbursements;

(e) Upon completion of and final payment for the Work, any remaining Reconstruction Funds shall, at the option of Mortgagee, be applied to the Series 2014 Obligations in such order as Mortgagee shall elect or paid over to Mortgagor; provided, however, that in either event any remaining additional funds deposited by Mortgagor for excess costs shall be refunded to Mortgagor; and

(f) Mortgagor shall otherwise comply with the terms and conditions of this Mortgage and the Loan Documents.

In the event Reconstruction Funds exceed five percent (5%) of the current value of the Property, Plant and Equipment and any one or more of the conditions set forth above are not satisfied, Mortgagee may elect, in its sole discretion, to apply the Reconstruction Funds against the balance of the Obligations, whether or not due, in such manner as Mortgagee shall elect.

If an Event of Default shall occur or if Mortgagor shall fail diligently to pursue and complete the Work, Mortgagee may, in its sole discretion, apply any undisbursed Reconstruction Funds against the balance due under the Obligations, whether or not due, in such manner as Mortgagor shall elect. Any Reconstruction Funds applied to reduce the principal balance on the Obligations shall not be considered a prepayment entitling Mortgagee to prepayment compensation. If the Reconstruction Funds are less than or equal to five percent (5%) of the current value of the Property, Plant and Equipment, such Reconstruction Funds shall be immediately released to the Mortgagor.

16. In the event of any condemnation proceedings related to any of the Mortgaged Property, Mortgagee shall be under no obligation to question the amount of any such award or compensation and may accept the sale in the amount in which the same shall be paid. In any such condemnation proceedings, Mortgagee may be represented by counsel selected by Mortgagee.

17. Mortgagor represents and warrants that, if a corporation, it is duly organized and validly existing, in good standing under the laws of the state of its incorporation and is qualified

42948652/MIAMI

9

to do business and is in good standing in the State of Florida, with full power and authority to consummate the loan contemplated hereby; and, if a partnership, it is formed and validly existing, and is fully qualified to do business in the State of Florida; with full power and authority to consummate the loan contemplated hereby.

18. In the event any one or more of the provisions contained in this Mortgage or in the Obligations shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provisions of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal unenforceable provision had never been contained herein or therein. The total interest payable pursuant to the Obligations or this Mortgage shall not in any one year exceed the highest lawful rate of interest provided by law.

19. The covenants and agreements herein contained shall bind and the benefits and advantages shall inure to the respective successors and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the singular, and the use of any gender shall be applicable to all genders. All covenants, agreements and undertakings shall be joint and several.

20. Except as allowed by the terms of the Master Indenture, if all or any part of the Property or any legal or equitable interest therein is sold, transferred or conveyed other than as permitted by the Loan Documents by Mortgagor without the Mortgagee's prior written consent, all sums secured by this Mortgage shall be immediately due and payable and Mortgagee may exercise all of the rights and remedies provided in this Mortgage and the Series 2014 Obligations secured hereby. Except as allowed by the terms of the Master Indenture, the sale, transfer or conveyance of any part of the Property or any legal or equitable interest therein, except as permitted by the Loan Documents, shall be conclusively and irrefutably presumed to jeopardize the security and collateral of Mortgagee and as consideration for the making of the loan secured by this Mortgage, Mortgagor agrees that in any court proceeding brought to enforce the provisions of this paragraph Mortgagor shall waive any legal or equitable defenses that would preclude enforcement of this paragraph, including but without limitation, that the transfer of the Property has not resulted in an impairment to Mortgagee's security or that this paragraph constitutes an unreasonable restraint or alienation.

21. It is agreed that if any of the Property herein mortgaged is of a nature so that a security interest therein can be perfected under the Florida Uniform Commercial Code, this instrument shall constitute a Security Agreement and Mortgagor hereby authorizes Mortgagee to file and/or record any financing statements required for the perfection or renewal of such security interest under the Florida Uniform Commercial Code.

22. Mortgagor represents and warrants to Mortgagee, and Mortgagee specifically relies on such representations and warranties as follows:

(a) Environmental Condition of Property; Indemnification. Mortgagor warrants and represents to the best of its knowledge to Mortgagee without any independent investigation that: i) while the Mortgagee has any interest in or lien on the Property, the Property described herein is and at all times hereafter will continue to be in compliance in all material respects with all federal, state and local environmental laws and regulations, including but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of

10

42948652/MIAMI

governmental department, commission, board or agency which might have any materially adverse effect on its ability to carry on its operations as presently conducted or to perform its obligations under this Mortgage, any of the other documents required to be delivered hereunder, any agreement to which it is a party or by which it is bound.

(d) Mortgagor is not a party to any agreement or instrument or subject to any corporate restriction or any judgment, order, writ, injunction, decree, award, rule or regulation which materially and adversely affects or in the future may materially and adversely affect its business, operations, prospects, properties or assets or condition, financial or otherwise, or its ability to perform its obligations under this Mortgage or any other document required to be delivered in connection herewith or any agreement to which it is a party or by which it is bound.

(e) No consent, waiver or authorization of or filing with, any person is required to be obtained or made by it in connection with the execution, delivery and performance of this Mortgage or any other document required to be delivered in connection herewith. Neither the execution nor the delivery of this Mortgage or such documents nor the consummation of the transactions herein and therein contemplated nor compliance with the terms, conditions and provisions hereof and thereof will conflict with or result in a breach of or constitute an Event of Default under any of the terms, conditions or provisions of its charter documents or bylaws or of any agreement or instrument to which it is a party or by which it is bound or result in the creation or imposition of any mortgage lien, charge or encumbrance of any nature whatsoever upon its undertaking, property or assets.

(f) No representation or warranty made by Mortgagor in this Mortgage or any other document furnished to the Mortgagee from time to time in connection herewith contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements herein or therein in light of the circumstances under which they are made not misleading. Except as previously disclosed in writing to the Mortgagee, there is no fact known to Mortgagor on the date of this Mortgage which materially adversely affects or which has any reasonable likelihood of materially adversely affecting the ability of Mortgagor to carry on its obligations as presently conducted or to perform its obligations under this Mortgage or any documents required to be delivered by it hereunder.

23. In this Mortgage, an Event of Default means:

(a) If Mortgagor fails to pay when due after any applicable grace period any amount of principal or interest due hereunder or under the Obligations.

(b) If Mortgagor fails to pay when due any other amount due hereunder and such failure shall continue for a period of ten (10) business days after receipt of written notice requesting such payment.

(c) If any Event of Default occurs under the Obligations, the Master Indenture or this Mortgage.

(d) If (i) Mortgagor shall fail at any time to maintain insurance on the Mortgaged Property in accordance with the provisions of Section 3 hereof, (ii) Mortgagor shall convey the Mortgaged Property in violation of Section 20 hereof or (iii) Mortgagor shall fail to

12

42948652/MIAMI

1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 et seq, and the Superfund Amendments and Reauthorization Act of 1986 (SARA), Public Law No. 99-499, 100 Stat. 1613, and ii) (1) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances located on, in or under the Property or used in connection therewith, or Mortgagor has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in compliance in all material respects with all of the terms, conditions and requirements of such licenses, permits and approvals. Mortgagor further warrants and it will promptly notify Mortgagee of any change in the nature or extent of any hazardous material, substances or wastes maintained on, in or under the Property or used in connection therewith other than customary hazardous materials used in connection with the proposed use of the Mortgaged Property in compliance in all material respects with all federal, state and local environmental laws and regulations, and will transmit to Mortgagee copies of any material citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Property (each a "Complaint"). In the event Mortgagor receives a Complaint but fails to promptly address the matters addressed therein, Mortgagee shall have the right, but not the obligation (and without limitation of Mortgagee's rights under this Mortgage) to enter onto the Mortgaged Property or to take such other actions as it shall deem necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any such hazardous materials, substances or wastes that are the subject of the Complaint. All reasonable costs and expenses, including a reasonable attorneys' fee, incurred by Mortgagee in the exercise of any such rights shall be secured by this Mortgage; shall be payable by Mortgagor upon demand; and shall accrue interest at the highest lawful rate from the date paid by Mortgagee.

Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Mortgagee as a direct or indirect result of any warranty or representation made by Mortgagor in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances.

Mortgagor's obligations hereunder shall not be limited to any extent by the term of the Obligations secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Obligations which gives rise to liability hereunder, shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Obligations and this Mortgage or foreclosure under this Mortgage, or delivery of a deed in lieu of foreclosure.

(b) Mortgagor has duly executed and delivered this Mortgage and each other document required to be delivered by it pursuant hereto and this Mortgage and each such other document constitutes a valid and binding obligation of Mortgagor enforceable in accordance with its terms.

(c) There is no action, suit, proceeding or investigation pending or, knowledge, threatened against or affecting Mortgagor at law or in equity or before or by any

11

42948652/MIAMI

comply with any other provision of this Mortgage and such failure shall continue for a period of thirty (30) days after receipt of written notice of such failure from the Mortgagee.

24. In addition to and without limiting any other rights or remedies of the Mortgagee under the Obligations and the Mortgage, the Mortgagee may, from time to time, when an Event of Default has occurred or an event has occurred and is continued which after notice or lapse of time or both would become an Event of Default, refuse to grant any further advances or accommodation to Mortgagor under the Indebtedness. Any Event of Default under this Mortgage shall constitute an Event of Default under the Obligations, the Master Indenture and this Mortgage, and entitle Mortgagee to immediately enforce all rights and remedies thereunder. Upon the occurrence of any one or more Events of Default, all indebtedness of Mortgagor shall at the option of the Mortgagee immediately become due and payable without presentation, demand, protest or other notice of any kind, all of which are expressly waived; all collateral and securities shall become enforceable by the Mortgagee or its duly authorized agent; and the Mortgagee may appropriate any monies received by from any person in or towards payment of such of the respective indebtedness and liability of Mortgagor to the Mortgagee as the Mortgagee may see fit and no Mortgagor shall have any right to require any inconsistent appropriation. The rights and remedies of the Mortgagee under this Mortgage and the Obligations, and in connection herewith and therewith are cumulative, may be exercised as often as the Mortgagee considers appropriate and are in addition to its rights and remedies under the general law.

25. This Mortgage shall inure to the benefit of the Mortgagee and its successors and assigns but, except as specifically provided herein, neither this Mortgage nor the benefit hereof may be assigned by Mortgagor. The rights of the Mortgagee under or in respect of this Mortgage may be assigned by the Mortgagee from time to time in whole or in part to one or more persons with notice to Mortgagor but without the consent of, Mortgagor or any other person.

26. All agreements, representations, warranties and covenants made by or on behalf of Mortgagor herein and in the Loan Documents and in any transactions contemplated hereby or thereby are material, shall be considered to have been relied upon by the Mortgagee notwithstanding any investigation made at any time by or on behalf of the Mortgagee and shall survive execution and delivery of this Mortgage and the granting of accommodation hereunder and shall expire when the indebtedness and all amounts outstanding under this Mortgage have been repaid in full.

27. Mortgagor will do, execute and deliver, or will cause to be done, executed and delivered all such further acts, documents (including certificates, declarations, affidavits, reports and opinions) and things as the Mortgagee may reasonably request for the purpose of giving effect to this Mortgage or for the purpose of establishing compliance with the representations, warranties and conditions of this Mortgage.

28. The taking of a judgment or judgments for any other action or dealing whatsoever by the Mortgagee in respect of any security given by any person or entity to the Mortgagee shall not operate as a merger of any indebtedness or any liability of the Mortgagor to the Mortgagee or in any way suspend payment or affect or prejudice the rights, remedies and powers legal or equitable which the Mortgagee may have in connection with such indebtedness or liability or the foreclosure, surrender, cancellation or any other dealing with any security for such indebtedness

13

42948652/MIAMI

or liability shall not release or affect the liability of the Mortgagor or any security held by the Mortgagee.

29. The Mortgagor hereby affirms, warrants and represents that all of the warranties and representations made in the Loan Documents and this Mortgage, and in any other documents or instruments executed with respect thereto directly or indirectly, are true and correct, in all material respects, as of the date hereto, and that Mortgagor is not aware of any Event of Default as to any of the foregoing, and that Mortgagor has no defense or right of off set with respect to any indebtedness to Mortgagee.

30. A default in the terms and conditions of any obligations of the Mortgagor or any guarantor to the Mortgagee of whatever nature or kind, including but not exclusive of this obligation, shall constitute a default in the terms and conditions of the Loan Documents. Likewise, any default in the terms and conditions of the Loan Documents, after the expiration of any applicable notice, grace and or cure periods, shall be and constitute a default under the terms and conditions of any other obligations owed by the Mortgagor or any guarantor to the Mortgagee.

31. Any notice shall be given by mailing such notice by certified mail, return receipt requested, addressed as follows:

Mortgagor:

FEDERATION CCRC OPERATIONS CORP.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: President

With copy to:

Jeffrey Drew Butt, Esq.
Squire Sanders (US) LLP
201 N. Franklin Street
Suite 2100
Tampa, Florida 33602

U.S. BANK NATIONAL ASSOCIATION
225 E. Robinson Street, Suite 250
Orlando, Florida 32801
Attention: Master Trustee

or at such other address as Mortgagor or Mortgagee may have designated by notice to the other.

32. ANY TERMS HEREIN IN CONFLICT WITH OR CONTRARY TO THE TERMS OF THE MASTER INDENTURE OR THE LOAN AGREEMENTS SHALL BE SUPERSEDED BY THE PROVISIONS AND TERMS OF THE MASTER INDENTURE AND THE LOAN AGREEMENTS, AS APPLICABLE.

33. WAIVER OF JURY TRIAL. MORTGAGEE AND MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT EITHER MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE AND ANY AGREEMENTS CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY CONDUCT, COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) ACTION OF EITHER PARTY. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE'S ACCEPTANCE OF THIS AGREEMENT FROM MORTGAGOR.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, Mortgagor has duly executed this Mortgage as of the date first above written.

Signed, Sealed and Delivered in the Presence of:

WITNESSES:

FEDERATION CCRC OPERATIONS CORP., a Florida not-for-profit corporation

(Witness 1 – Signature)

By: _____
Name:
Title:

(Witness 1 – Printed Name)

[Corporate Seal]

(Witness 2 – Signature)

(Witness 2 – Printed Name)

STATE OF FLORIDA)
) ss.
COUNTY OF PALM BEACH)

The foregoing instrument was acknowledged before me on _____, 2014, by _____, as the _____ of **FEDERATION CCRC OPERATIONS CORP.**, a Florida not-for-profit corporation, on behalf of the Mortgagor and _____ is personally known to me or _____ who has provided a driver's license as identification (check one).

(Signature)

(Type Print Name)
My Commission Expires
My Commission Number

[SEAL]

Exhibit "A"
Legal Description of the Property

Exhibit "B"
Permitted Liens

[THIS PAGE INTENTIONALLY LEFT BLANK]

42948652/MAM

B-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D
PROPOSED FORM OF BOND COUNSEL OPINION

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D
PROPOSED FORM OF BOND COUNSEL OPINION

_____, 2014

To: Palm Beach County Health Facilities Authority
North Palm Beach, Florida

Federation CCRC Operations Corp.
Boca Raton, Florida

We have served as bond counsel in connection with the issuance by the Palm Beach County Health Facilities Authority (the “Authority”) of its \$_____ aggregate principal amount of Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A, \$_____ aggregate principal amount of Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B, and \$_____ aggregate principal amount of Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (collectively, the “Bonds”), dated the date of this letter.

The Bonds are issued pursuant to Part III, Chapter 154, Florida Statutes, Part II, Chapter 159, Florida Statutes and other applicable provisions of law, and the Indenture of Trust, dated as of _____, 2014 (the “Bond Indenture”), between the Authority and U.S. Bank National Association, as bond trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Bond Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Bonds, a copy of the signed and authenticated Bond of the first maturity of each series, the Bond Indenture, the Loan Agreement, dated as of _____, 2014 (the “Loan Agreement”), between the Authority and Federation CCRC Operations Corp. (the “Corporation”), and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Bonds, the Bond Indenture and the Loan Agreement are valid and binding obligations of the Authority, enforceable in accordance with their respective terms.
2. The Bonds constitute special limited obligations of the Authority, and the principal of and interest on (collectively, “debt service”) the Bonds are payable solely from the revenues and other moneys pledged and assigned by the Authority under the Loan Agreement. Those revenues and other money include the payments required to be made by the Corporation under the Loan Agreement. The payment of debt service on the Bonds is not secured by an obligation or pledge of

any money raised by taxation, and the Bonds do not represent or constitute a general obligation or a pledge of the faith and credit of the Authority, the State of Florida or any of its political subdivisions.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. The Bond and the income thereon are exempt from taxation under the laws of the State of Florida, except for estate taxes imposed by Chapter 198, Florida Statutes, as amended, and net income and franchise taxes imposed by Chapter 220, Florida Statutes, as amended. We express no opinion as to any other tax consequences regarding the Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions, we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, and (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the Authority and the Corporation.

In rendering those opinions with respect to the treatment of the interest on the Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the Authority and the Corporation. Failure to comply with certain of those covenants subsequent to issuance of the Bonds may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

In addition, in rendering those opinions with respect to the treatment of the interest on the Bonds under the federal tax laws, we have not given any opinion or assurance concerning the effect of any future activities of the Authority or the Corporation. Failure of the Corporation to maintain its qualification as an organization described in Section 501(c)(3) of the Code, or to use the facilities financed by the Bonds in a manner that is substantially related to the Corporation's charitable purpose under Section 513(a) of the Code, may cause interest on the Bonds to be included in gross income retroactively to the date of the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Bond Indenture and the Loan Agreement are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the Bonds, the Bond Indenture or the Loan Agreement.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Bonds has concluded on this date.

Respectfully submitted,

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONTINUING DISCLOSURE CERTIFICATE

RELATING TO:

PALM BEACH COUNTY HEALTH FACILITIES AUTHORITY
REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014

CONSISTING OF:

\$ _____ REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014A

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014B

\$ _____ ENTRANCE FEE PRINCIPAL REDEMPTION BONDSSM
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014C

\$ _____ DRAW DOWN REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014D-1

\$ _____ DRAW DOWN REVENUE BONDS
(SINAI RESIDENCES OF BOCA RATON PROJECT) SERIES 2014D-2

Dated as of: _____ 1, 2014

TABLE OF CONTENTS

	Page
RECITALS	1
Section 1. Definitions; Scope of this Certificate.....	2
Section 2. Disclosure of Information.....	4
Section 3. Amendment or Waiver.....	5
Section 4. Miscellaneous.	6
Section 5. Notices.	6

THIS CONTINUING DISCLOSURE CERTIFICATE (the “Certificate”) is made and entered into as of the 1st day of _____, 2014, by **FEDERATION CCRC OPERATIONS, CORP.**, a Florida nonprofit corporation, as the initial Obligated Group Member and as the Obligated Group Representative under the Master Indenture described below (the “Corporation”).

RECITALS

WHEREAS, Palm Beach County Health Facilities Authority (the “Authority”) will issue its Revenue Bonds (Sinai Residences of Boca Raton Project), Series 2014A (the “Series 2014A Bonds”) in the original aggregate principal amount of \$ _____, its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014B (the “Series 2014B Bonds”) in the original aggregate principal amount of \$ _____, and its Entrance Fee Principal Redemption BondsSM (Sinai Residences of Boca Raton Project), Series 2014C (the “Series 2014C Bonds” and together with the Series 2014A Bond and the Series 2014B Bonds, the “Series 2014 Bonds”) in the original aggregate principal amount of \$ _____ pursuant to an Indenture of Trust dated as of _____ 1, 2014 (the “Series 2014A/B/C Bond Indenture”) between the Authority and U.S. Bank National Association, as bond trustee (the “Bond Trustee”), and will loan the proceeds thereof to the Corporation pursuant to a Loan Agreement dated as of _____ 1, 2014 (the “Series 2014A/B/C Loan Agreement”) between the Authority and the Corporation for the purpose of (i) financing a portion of the costs of the acquisition, design, construction, furnishing, and equipping of a continuing care retirement community to be known as Sinai Residences of Boca Raton, and expected to initially consist of 237 independent living units, 48 assisted living units, 24 memory-support units and 60 skilled nursing beds, and common areas to be located on approximately 22 acres of land in the Palm Beach County, Florida and to be owned by the Corporation (collectively, the “Project”); (ii) funding a deposit to a Debt Service Reserve Fund securing the Series 2014A/B/C Bonds; (iii) funding capitalized interest for the Series 2014A/B/C Bonds; and (iv) paying costs of issuance for the Series 2014A/B/C Bonds; and

WHEREAS, the Authority will also issue its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Series 2014D-1 in the original aggregate principal amount of not to exceed \$ _____ (the “Series 2014D-1 Bonds”) and its Draw Down Revenue Bonds (Sinai Residences of Boca Raton Project) Series 204D-2 in the original aggregate principal amount of not to exceed \$ _____ (the “Series 2014D-2 Bonds” and collectively with the Series 2014D-1 Bonds, the “Series 2014 Bonds”) pursuant to an Indenture of Trust dated as of _____ 1, 2014 (the “Series 2014D Bond Indenture” and collectively with the Series 2014A/B/C Bond Indenture, the “Bond Indentures”) and will loan the proceeds thereof to the Corporation pursuant to a Loan Agreement dated as of _____ 1, 2014 (the “Series 2014D Loan Agreement” and collectively with the Series 2014A/B/C Loan Agreement, the “Loan Agreements”) for the purposes of (i) financing a portion of the costs of the Project; (ii) funding a deposit to a Debt Service Reserve Fund securing the Series 2014D Bonds; (iii) funding capitalized interest on the Series 2014D Bonds; and (iv) paying costs of issuance for the Series 2014D Bonds; and

WHEREAS, concurrently with the sale and delivery by the Authority of the Series 2014 Bonds, the Corporation will issue, execute and deliver five Obligations to the Authority, dated the date of delivery of the Series 2014 Bonds, one each in the original principal amount of the Series 2014A Bonds, the Series 2014B Bonds, the Series 2014C Bonds, the Series 2014D-1 Bonds and the Series 2014D-2 Bonds, respectively (collectively, the “Series 2014 Obligations”), pursuant to a Master Trust Indenture dated as of _____ 1, 2014 (as supplement or amended from time to time in accordance with its terms, the “Master Indenture”), between the Corporation and U.S. Bank National Association, as Master Trustee (the “Master Trustee”); and

WHEREAS, the Series 2014A/B/C Bonds have been offered and sold pursuant to a Preliminary Official Statement dated _____, 2014, and a final Official Statement dated _____, 2014 (collectively,

the “Series 2014A/B/C Official Statement”); and the Authority has entered into a Bond Purchase Agreement, dated _____, 2014 (the “Series 2014A/B/C Bond Purchase Agreement”), with respect to the sale of the Series 2014A/B/C Bonds, with the Corporation and the Participating Underwriters, as hereinafter defined; and

WHEREAS, the Series 2014D Bonds have been offered and sold pursuant to a Preliminary Official Statement dated _____, 2014, and a final Official Statement dated _____, 2014 (collectively, the “Series 2014D Official Statement” and collectively with the Series 2014A/B/C Official Statement, the “Official Statements”); and the Authority has entered into a Bond Purchase Agreement, dated _____, 2014 (the “Series 2014D Bond Purchase Agreement” and collectively with the Series 2014A/B/C Bond Purchase Agreement, the “Bond Purchase Agreements”), with respect to the sale of the Series 2014D Bonds, with the Corporation and the Participating Underwriters, as hereinafter defined; and

WHEREAS, the Corporation wishes to provide for the disclosure of certain information concerning the Series 2014 Bonds, the Project and other matters on an on-going basis as set forth herein for the benefit of Bondholders (as hereinafter defined) in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”);

NOW, THEREFORE, in consideration of the promises and agreements made herein and in the Master Indenture, the Bond Indentures and the Loan Agreements by the Corporation and the Authority, including the loan by the Authority to the Corporation of the proceeds of the Series 2014 Bonds, the Corporation agrees and undertakes as follows:

Section 1. Definitions; Scope of this Certificate.

(A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Master Indenture, the Bond Indentures and the Loan Agreements. The following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean a copy of the annual audited financial information prepared by the Members of the Obligated Group, which shall include a balance sheet, a statement of operations and changes in net assets and a statement of cash flows. Annual Financial Information shall also include a calculation of all financial and operating covenants set forth in Article IV of the Master Indenture and a management’s discussion and analysis. All such financial information shall be prepared using generally accepted accounting principles, provided, however, that the Corporation may change the accounting principles used for preparation of such financial information so long as the Corporation includes as information provided to the public a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

“Beneficial Owner” shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2014 Bonds (including persons holding Series 2014 Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any registered owner of the Series 2014 Bonds and any Beneficial Owner thereof.

“Event” shall mean any of the following events with respect to the Series 2014 Bonds:

- (i) Principal and interest payment delinquencies;

- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the obligated person (Note: For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person);
- (xiii) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The SEC requires the listing of (i) through (xiv) although some of such events may not be applicable to the Series 2014 Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Operating Data” shall mean an update of the operating data contained in the Official Statement, including, but not limited, to the operating data referenced in Section 4.15(b) of the Master Indenture and summarized in the Official Statement under the heading “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting.”

“Participating Underwriters” shall mean any of the original underwriters of the Series 2014 Bonds required to comply with the Rule in connection with the offering of the Series 2014 Bonds.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean the State of Florida.

(B) This Certificate applies to the Series 2014 Bonds and any Additional Bonds issued under the Bond Indenture.

Section 2. Disclosure of Information.

(A) General Provisions. This Certificate governs the Corporation’s obligation with respect to information to be made public. The Corporation acknowledges that the Authority has undertaken no responsibility with respect to any reports, notices or disclosures provided or required under this Certificate, and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures.

(B) Information Provided to the Public. Except to the extent this Certificate is modified or otherwise altered in accordance with Section 3 hereof, the Corporation shall make or cause to be made public the information set forth in subsections (1), (2) and (3) below:

(1) *Annual Financial Information and Operating Data*. Annual Financial Information, Operating Data and all information with respect to the Series 2014 Bonds that is required to be disseminated pursuant to the Master Indenture, the Bond Indentures and the Loan Agreements, in the form and as required by the Master Indenture, the Bond Indentures and the Loan Agreements, at least annually not later than 150 days beginning with the Fiscal Year ending December 31, 2014 and continuing with each Fiscal Year thereafter for which the information is provided.

(2) *Event Notices*. Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(3) *Failure to Provide Annual Financial Information or Operating Data*. Notice of the failure of Corporation to provide the Annual Financial Information or Operating Data by the date required herein.

(C) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Corporation under this Certificate if it is transmitted as provided in subsection (C)(2) of this Section 2 by the following means:

(a) to any requesting Bondholders of outstanding Series 2014 Bonds, by the method prescribed by the Master Indenture, the Bond Indentures or the Loan Agreements;

(b) to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB (a description of such format and information as presently prescribed by the MSRB is included in Exhibit A hereto); and/or

(c) to the SEC, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Corporation is authorized to transmit information to the SEC by whatever means is acceptable to the Corporation and the SEC.

(2) Information shall be transmitted to the following:

(a) all information to be provided to the public in accordance with subsection (B) of this Section 2 shall be transmitted to the MSRB;

(b) all information described in clause (a) shall be made available to any Bondholder upon request, but need not be transmitted to the Bondholders who do not so request.

(c) to the extent the Corporation is obligated to file any Annual Financial Information, Operating Data or the information required to be disseminated by the Corporation in the form and as required by the Master Indenture, the Bond Indentures and the Loan Agreements with the MSRB pursuant to this Certificate, such information may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's Electronic Municipal Market Access system or filed with the SEC.

Nothing in this subsection shall be construed to relieve the Corporation of its obligation to provide notices to the holders of the Series 2014 Bonds if such notice is required by the Bond Indentures or the Master Indenture.

Section 3. Amendment or Waiver.

Notwithstanding any other provision of this Certificate, the Corporation may amend this Certificate and any provision of this Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel expert in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. The Corporation represents and warrants that it has (i) duly authorized the execution and delivery of this Certificate by its officer whose signature appears on the execution page hereto, (ii) that it has all requisite power and authority to execute, deliver and perform this Certificate under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Certificate, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which the Corporation is bound, and (iv) the Corporation is not aware of any litigation or proceeding pending, or, to the best of the Corporation's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Certificate, or its due authorization, execution and delivery of this Certificate, or otherwise contesting or questioning the issuance of the Series 2014 Bonds.

(B) Governing Law. This Certificate shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2014 Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Certificate shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Termination. This Certificate may be terminated by the Corporation; provided the termination of this Certificate is not effective until (i) the Corporation, or its successor, enters into a new continuing disclosure certificate or a continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Series 2014 Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) nationally recognized bond counsel or counsel expert in federal securities law provides an opinion that the new continuing disclosure certificate or agreement is in compliance with all State and Federal Securities laws and (iii) notice of the termination of this Certificate is provided to the MSRB. This Certificate shall automatically terminate when all of the Series 2014 Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(E) Defaults: Remedies. The Corporation shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder. If an event of default occurs and continues beyond a period of thirty (30) days following notice of default given in writing to the Corporation by a beneficiary hereof as identified in Section 4(F), such beneficiary may enforce the obligations of the Corporation under this Certificate; provided, however, the sole remedy available in any proceeding to enforce this Certificate shall be an action in mandamus, for specific performance or similar remedy to compel performance. The occurrence of any event of default as provided in this Certificate shall not constitute an event of default under the Master Indenture, the Bond Indentures or the Loan Agreements.

(F) Beneficiaries. This Certificate is entered into by the Corporation for the benefit of the Authority, the Master Trustee, the Bond Trustee, the Participating Underwriters and the Bondholders, and shall create no rights in any other person or entity.

Section 5. Notices.

Any notices or communications to the Corporation with respect to this Certificate may be given as follows:

To the Corporation: Federation CCRC Operations Corp.
9901 Donna Klein Boulevard
Boca Raton, Florida 33428
Attention: Chief Operating Officer
Telephone: 561-852-3140

The Corporation may, by written notice to the Authority, the Master Trustee, the Bond Trustee, the Participating Underwriters and the Bondholders given by the method prescribed by the Master Indenture, the Bond Indentures or the Loan Agreements, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

[Signatures to Follow]

IN WITNESS WHEREOF, the Corporation has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

FEDERATION CCRC OPERATIONS CORP.

By: _____
Name: _____
Title: _____

EXHIBIT A

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information or operating data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made as portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]

[THIS PAGE INTENTIONALLY LEFT BLANK]



SINAI RESIDENCES
BOCA RATON

