

RESOLUTION 2014-013

A RESOLUTION OF THE CITY OF LAKE WALES, FLORIDA APPROVING THE FORMS OF A FIRST AMENDMENT AND SUPPLEMENT TO INDENTURE OF TRUST AND FIRST AMENDMENT AND SUPPLEMENT TO LOAN AGREEMENT, RESPECTIVELY, IN EACH CASE TO AMEND CERTAIN PROVISIONS OF AN INDENTURE OF TRUST AND LOAN AGREEMENT AND AUTHORIZING THE REISSUANCE AND RESTRUCTURING OF THE CITY OF LAKE WALES, FLORIDA RETIREMENT FACILITY REVENUE BONDS (WATER'S EDGE OF LAKE WALES, LLC PROJECT), SERIES 2008A AND CITY OF LAKE WALES, FLORIDA RETIREMENT FACILITY REVENUE BONDS (WATER'S EDGE OF LAKE WALES, LLC PROJECT), TAXABLE SERIES 2008B; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL OTHER RELATED INSTRUMENTS; APPROVING THE ISSUANCE BY THE PUBLIC FINANCE AUTHORITY OF NOT TO EXCEED \$7,000,000 REVENUE BONDS (WATER'S EDGE OF LAKE WALES PROJECT), SERIES 2014A; PROVIDING CERTAIN MATTERS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LAKE WALES, AS FOLLOWS:

**Section 1:**     *Authority for this Resolution:* This resolution is adopted pursuant to the provisions of Chapter 159, Part II, Florida Statutes, Chapter 166, Part II, Florida Statutes, and other applicable provisions of law (collectively, the "Act").

**Section 2:**     *Findings:*

A.     The City of Lake Wales, Florida (the "Issuer") previously issued its Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008A and Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Taxable Series 2008B (collectively, the "Bonds") on April 28, 2008, pursuant to an Indenture of Trust dated as of April 1, 2008 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, as bond trustee (the "Trustee"), to generate funds to make a loan to Water's Edge of Lake Wales, LLC (the "Borrower"), pursuant to a Loan Agreement (the "Loan Agreement") dated as of April 1, 2008, between the Borrower and the Issuer.

B.     The Bonds were issued to finance and refinance the costs of acquiring, constructing and equipping of senior care facilities including, but not limited to, 22 single-story duplex villas, a three-story building containing 63 independent living apartments, a two-story

building containing 30 assisted living units, 16 memory support (dementia) assisted living units, six respite/rehabilitation assisted living units, and related common areas (including a two-story, approximately 21,000 square foot community center) located in Lake Wales, Florida (the "Project"). The Project has now been constructed and placed in service.

C. The Project continues to constitute a "health care facility" within the meaning of Section 159.27(16), Florida Statutes, as amended.

D. Upon review and consideration of the documents described herein and the information presented to the Issuer at or prior to the adoption of this Resolution, the Issuer does hereby make the following findings and determinations:

(1) The Issuer has previously issued the Bonds under the Indenture.

(2) The proceeds derived from the sale of the Bonds were loaned to the Borrower pursuant to the Loan Agreement.

(3) The Bonds were issued on April 28, 2008 and initially sold through an underwriting by Raymond James & Associates, Inc. to accredited investors and qualified institutional buyers which are clients of Hamlin Capital Management, LLC ("Hamlin Capital"), and according to information provided to the Issuer, remain with such clients.

(3) Hamlin Capital, as the Bondholder Representative (the "Bondholder Representative"), has been assisting Water's Edge of Lake Wales, LLC (the "Borrower") in reviewing the revenues available from the Project to manage the operating expenses and the debt service and has expressed a willingness to restructure the Bonds to assist in stabilizing the Project.

(4) The Bondholder Representative and the Borrower have requested that the Issuer agree to certain amendments to the Indenture and Loan Agreement which will restructure the Bonds and grant debt service relief to the Borrower.

(5) The Borrower has reached an agreement with National Church Residences, an Ohio non-profit organization (the "Sponsor"), which has agreed to assist the Borrower with liquidity support and with its management experience from similar facilities.

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

E. The Issuer is authorized and empowered to authorize and execute certain amendments to the Indenture and the Loan Agreement, the revised forms of the Bonds, and all other related instruments related to such amendments and reissuance.

F. The Borrower has now requested that the Issuer consider approving the issuance of bonds by the Public Finance Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes in an amount not to exceed \$7,000,000 (the "Public Finance Authority Bonds"), by holding a public hearing on the date hereof, as described in the notice attached hereto as Exhibit C for the financing of additional improvements to the Project as described therein (the "Project Improvements").

**Section 3:** Authorization and Execution of First Amendment and Supplement to Indenture of Trust, First Amendment and Supplement to Loan Agreement and Bonds. The First Amendment and Supplement to Indenture of Trust (the "First Amendment to Bond Indenture"), substantially in the form attached hereto as Exhibit A with such changes, corrections, insertions and deletions as may be approved by the Mayor or Deputy Mayor of the Issuer (the "Mayor") (which shall not materially modify the terms thereof), such approval to be evidenced conclusively by his or her execution thereof as described below, is hereby approved and authorized; the Issuer hereby authorizes and directs the Mayor to date and execute, and the City Clerk or assistant or deputy City Clerk (the "City Clerk") to attest under the official seal of the Issuer, the First Amendment to Bond Indenture to the Trustee; and all of the provisions of the First Amendment to Bond Indenture, when executed and delivered by the Issuer as authorized herein, and by the Trustee, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

The First Amendment and Supplement to Loan Agreement (the "First Amendment to Loan Agreement"), substantially in the form attached hereto as Exhibit B with such changes, corrections, insertions and deletions as may be approved by the Mayor (which shall not materially modify the terms thereof), such approval to be evidenced conclusively by his or her execution thereof as described below, is hereby approved and authorized; the Issuer hereby authorizes and directs the Mayor to date and execute, and the City Clerk to attest under the official seal of the Issuer, the First Amendment to Loan Agreement; and all of the provisions of the First Amendment to Loan Agreement, when executed and delivered by the Issuer as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

The replacement Bonds are to be in substantially the form set forth in Exhibits A and B attached to the First Amendment to Bond Indenture. The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of the Mayor and the official seal of the Issuer, and be attested and countersigned with the manual or facsimile signature of the City Clerk. In case any one or more of the officers who shall have signed or sealed the Bonds or whose facsimile signature shall appear thereon shall cease to be such officer of the Issuer before the Bonds so signed and sealed has been actually sold and delivered, such Bonds may nevertheless be reissued as herein provided and may be reissued as if the person who signed or sealed such Bonds had not ceased to hold such office. The Bonds may be signed and sealed on behalf of the Issuer by such person who at the actual time of the execution of such Bonds shall hold the proper office of the Issuer, although, at the date of such Bonds, such person may not have held such office or may not have been so authorized. The Issuer may adopt and use for such

purposes the facsimile signatures of any such persons who shall have held such offices at any time after the date of the adoption of this Resolution, notwithstanding that either or both shall have ceased to hold such office at the time the Bonds shall be actually sold and delivered.

**Section 4:**     TEFRA Approval. Having considered any and all comments and concerns expressed at the public hearing held today, the City Commission hereby approves the issuance of not to exceed \$7,000,000 of bonds by the Public Finance Authority as described on Exhibit C hereto to finance costs of the Project Improvements for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"). The Project Improvements to be financed with the proceeds of such bonds are located in the City and are owned by the Borrower and managed by the Sponsor.

The Public Finance Authority Bonds and the interest on the Public Finance Authority Bonds shall not constitute a debt, liability or obligation of the City or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Borrower or the Sponsor for the payment of the Public Finance Authority Bonds and neither the faith and credit nor any taxing power of the City or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Public Finance Authority Bonds.

**Section 5:**     Authorization of Certificates and Other Instruments. The Mayor is hereby authorized and directed to date and execute, and the City Clerk is hereby authorized and directed to attest under the official seal of the Issuer, certificates of the Issuer certifying such facts as the City Attorney or Bond Counsel shall require in connection with the amendments to the Indenture, the Loan Agreement and the reissuance of the Bonds, and to execute and deliver such other instruments, including but not limited to, a revised Tax Certificate relating to certain requirements set forth in Section 148 of the Code, revised forms of the Bonds, a tax return and such other documents as shall be necessary or desirable to perform the Issuer's obligations under the Indenture and the Code, as applicable, and to consummate the transactions hereby authorized.

**Section 6:**     City Commission Members of the Issuer Exempt from Personal Liability. No recourse under or upon any obligation, covenant or agreement of this Resolution or for any claim based thereon or otherwise in respect thereof, shall be had against any City Commission member of the Issuer, as such, past, present or future, either directly or through the Issuer it being expressly understood (a) that no personal liability whatsoever shall attach to, or is or shall be incurred by, the City Commission member of the Issuer, as such, under or by reason of the obligations, covenants or agreements contained in this Resolution or implied therefrom, and (b) that any and all such personal liability, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such City Commission member of the Issuer, as such, are waived and released as a condition of, and as a consideration for, the execution of this Resolution, on the part of the Issuer.

**Section 7:** No Third Party Beneficiaries. Except such other persons as may be expressly described in this Resolution, nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person, other than the Issuer and the Sponsor, any right, remedy or claim, legal or equitable, under and by reason of this Resolution, or any provision thereof, all provisions thereof being intended to be and being for the sole and exclusive benefit of the Issuer, the Borrower and the Sponsor.

**Section 8:** Limited Obligation. THE AMENDMENTS DESCRIBED HEREIN AND IN THE INDENTURE REGARDING THE BONDS AND THE DOCUMENTS SECURING THE BONDS SHALL NOT DIRECTLY OR INDIRECTLY OR CONTINGENTLY OBLIGATE THE ISSUER, THE CITY, THE STATE NOR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF TO LEVY OR TO PLEDGE ANY FORM OF TAXATION WHATEVER, OR TO LEVY AD VALOREM TAXES ON ANY PROPERTY WITHIN THEIR TERRITORIAL LIMITS TO PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON SUCH BONDS OR OTHER PECUNIARY OBLIGATIONS OR TO PAY THE SAME FROM ANY FUNDS THEREOF OTHER THAN SUCH REVENUES, RECEIPTS AND PROCEEDS SO PLEDGED, AND THE BONDS SHALL NOT CONSTITUTE A LIEN UPON ANY PROPERTY OWNED BY THE ISSUER, THE CITY OR THE STATE OR ANY POLITICAL SUBDIVISION OR AGENCY THEREOF, OTHER THAN THE BORROWER'S PAYMENTS PURSUANT TO THE LOAN AGREEMENT AND THE PROPERTY RIGHTS, RECEIPTS, REVENUES AND PROCEEDS PLEDGED BY THE BORROWER OR THE SPONSOR THEREFOR UNDER AND AS PROVIDED IN THE INDENTURE AND ANY OTHER AGREEMENTS SECURING THE BONDS.

**Section 9:** Severability. If any provision of this Resolution shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable in any context, the same shall not affect any other provision herein or render any other provision (or such provision in any other context) invalid, inoperative or unenforceable to any extent whatever.

**Section 10:** Captions. The captions and headings in this Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Resolution.

**Section 11:** Authorizations. The Mayor and any member of the City Commission, the City Manager, the City Attorney, the City Clerk, Bond Counsel and such other officials and employees of the Issuer as may be designated by the Issuer are each designated as agents of the Issuer and are authorized and empowered, collectively or individually, to take all action and steps and to execute all instruments, documents, and contracts on behalf of the Issuer that are necessary or desirable in connection with the amendments, and which are specifically authorized or are not inconsistent with the terms and provisions of this Resolution.

**Section 12:** Repealer. All resolutions or parts thereof in conflict herewith are hereby repealed.

APPROVED AND ADOPTED by the City of Lakes Wales, Florida this 7<sup>th</sup> day of October, 2014.

CITY OF LAKE WALES, FLORIDA

(SEAL)

By: Eugene L. Fultz  
Name: Eugene Fultz  
Title: Mayor

ATTEST:

By: Clara VanBlargan  
Name: Clara VanBlargan  
Title: City Clerk

APPROVED AS TO FORM:

By: Albert C. Galloway, Jr.  
Name: Albert C. Galloway, Jr.  
Title: City Attorney

**FIRST AMENDMENT AND SUPPLEMENT TO INDENTURE OF TRUST**

**between**

**CITY OF LAKE WALES, FLORIDA,  
as Issuer**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Bond Trustee**

*Relating to the Reissuance of:*

**City of Lake Wales, Florida  
Retirement Facility Revenue Bonds  
(Water's Edge of Lake Wales, LLC Project),  
Series 2008A**

**City of Lake Wales, Florida  
Taxable Retirement Facility Revenue Bonds  
(Water's Edge of Lake Wales, LLC Project),  
Series 2008B**

**Dated as of October 1, 2014**

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## **FIRST AMENDMENT AND SUPPLEMENT TO INDENTURE OF TRUST**

**THIS FIRST AMENDMENT AND SUPPLEMENT TO INDENTURE OF TRUST** dated as of October 1, 2014 amends and supplements an Indenture of Trust dated as of April 1, 2008 (the "Original Indenture") between CITY OF LAKE WALES, FLORIDA, a municipal corporation duly organized and validly existing under the laws of the State of Florida (the "Issuer"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association with trust powers having an office in Columbia, Maryland, as bond trustee (the "Bond Trustee"), being authorized to accept and execute trusts of the character herein set out,

### **WITNESSETH:**

**WHEREAS**, the Issuer is authorized by Chapter 166, Florida Statutes, Part II, Chapter 159, Florida Statutes, and other applicable provisions of law (collectively, the "Act"), to sell and deliver its bonds for the purpose of financing or refinancing the cost of any "health care facility" or "project," as such terms are defined in the Act; and

**WHEREAS**, the Issuer is further authorized by the Act to loan proceeds of its bonds in the amount of all or part of the cost of the health care facility or project for which such bonds have been authorized; and

**WHEREAS**, the execution and delivery of this First Amendment and Supplement to Indenture of Trust (the "First Amendment to Bond Indenture," and hereinafter collectively with the Original Indenture, referred to as the "Bond Indenture"), and the reissuance of the Series 2008 Bonds hereinafter authorized under this First Amendment to Bond Indenture, pursuant to the provisions of the Act, have been in all respects duly and validly authorized by a resolution duly adopted and approved by the Issuer; and

**WHEREAS**, the Issuer is authorized by law and deems necessary, in accordance with its powers described above, to undertake certain amendments and the restructuring of its outstanding bonds known as "City of Lake Wales, Florida Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008" which were previously issued in two series, one tax-exempt and one taxable, and are hereby being reissued under new terms and conditions effective as of October \_\_, 2014 (all such bonds from time to time outstanding under the terms of the Bond Indenture being hereinafter referred to as the "Series 2008 Bonds"); and

**WHEREAS**, the proceeds of the Series 2008 Bonds were loaned to Water's Edge of Lake Wales, LLC (the "Obligor") pursuant to the Loan Agreement dated as of April 1, 2008 (the "Original Loan Agreement") between the Issuer and the Obligor, which is simultaneously herewith being amended and supplemented by that certain First Amendment and Supplement to Loan Agreement dated as of October 1, 2014 (the "First Amendment to Loan Agreement"); and

**WHEREAS**, the Series 2008 Bonds were issued to finance and refinance the costs of acquiring, constructing and equipping of senior care facilities including, but not limited to, 12 single-story duplex villas, a three-story building containing 63 independent living apartments, a two-story building containing 30 assisted living units, 16 memory support (dementia) assisted living units, six respite/rehabilitation assisted living units, and related common areas located in Lake Wales, Florida (the "2008 Project") and the 2008 Project has now been constructed and placed in service; and

**WHEREAS**, the Series 2008 Bonds were issued on April 28, 2008 and were initially sold through an underwriting by Raymond James & Associates, Inc. to accredited investors and qualified institutional buyers which are clients of Hamlin Capital Management, LLC, a limited liability company organized and existing under the laws of the State of Delaware, as representative of the beneficial owners of the Series 2008 Bonds (the "Bondholder Representative"); and

**WHEREAS**, the Obligor has been reviewing the revenues available from the 2008 Project to manage its operating expenses and the debt service and has requested that the Bondholder Representative consent to and approve reducing the interest rate on the Series 2008 Bonds allowing a reduction for the principal amount paid on the Series 2008 Bonds when purchased in lieu of redemption, and revising certain sinking fund payments on the Series 2008 Bonds as described herein to assist in stabilizing the 2008 Project; and

**WHEREAS**, the Obligor has reached an agreement with National Church Residences, an Ohio non-profit organization (the "Sponsor") on March 31, 2014, which agreement is conditioned upon implementing certain amendments as described herein in order to remedy, cure and/or prevent any existing, immediate or initial defaults, to assist the Obligor with liquidity support and to provide the Obligor with the Sponsor's management experience from similar facilities; and

**WHEREAS**, Lake Wales Retirement Center, Inc. ("LWRC"), which is the sole member of the Obligor, has reorganized by the resignation and transfer out of its previous directors and the appointment of new directors to its board, and the Sponsor is the sole member of LWRC which was effective on March 31, 2014; and

**WHEREAS**, the Trustee (at the direction of the Bondholder Representative), the Bondholder Representative and the Obligor have requested that the Issuer enter into this First Amendment to Bond Indenture in order to amend certain provisions of the Original Indenture to reissue the Series 2008 Bonds, to reissue the Series 2008 Notes as the 2014 Obligations; and

**WHEREAS**, the Trustee, at the direction of the Bondholder Representative, solely in its capacity as trustee, also has agreed to execute and deliver this First Amendment to Bond Indenture and to effect the provisions described herein; and

**WHEREAS**, to continue to secure the payment of the principal of and interest on the Series 2008 Bonds, premium, if any, and in order to change certain provisions regarding the interest thereon, and the amount of principal paid when purchased in lieu of redemption, and to secure the performance and observance of the covenants and conditions herein contained the Issuer has authorized the execution and delivery of this First Amendment to Bond Indenture; and

**WHEREAS**, the Issuer has determined to reissue the two series of Series 2008 Bonds as described and set forth hereunder and the Original Indenture as amended hereby, designated "City of Lake Wales, Florida Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008A" and "City of Lake Wales, Florida Taxable Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008B" (hereinafter collectively, called the "Series 2008 Bonds") in the aggregate principal amount of \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively, for the purposes of assisting the Obligor with the ability to stabilize the financing terms for the 2008 Project and be afforded some relief from debt service; and

**WHEREAS**, the reissued Series 2008 Bonds, the Bond Trustee's authentication certificate and the assignment are to be substantially in the forms set forth in Exhibit A and Exhibit B hereto, with such necessary or appropriate variations, omissions, and insertions as permitted or required by this First Amendment to Bond Indenture; and

**WHEREAS**, it is now necessary to issue new bonds to replace the Series 2008 Bonds pursuant to Section 2.02 hereof; and

**WHEREAS**, the Series 2008 Bonds were secured by certain notes previously issued in the principal amount of \$26,025,000 and were designated as the "Water's Edge of Lake Wales, LLC, Series 2008A and Series 2008B Notes (the "Series 2008 Notes") issued under a Master Trust Indenture dated as of April 1, 2008 (the "Original Master Trust Indenture") as well as being issued under and pursuant to Supplemental Master Trust Indenture Number 1 dated as of April 1, 2008 (the "Supplemental Indenture"), supplementing and amending the Original Master Trust Indenture (collectively, the "Master Trust Indenture"), between the Obligor acting as the Obligated Group Representative and Wells Fargo Bank, National Association, as master trustee (in such capacity, the "Master Trustee"); and

**WHEREAS**, the Series 2008 Notes are being replaced pursuant to a First Amendment to Supplemental Master Trust Indenture Number 1 dated as of October 1, 2014 (the "Amendment to Supplemental Master Indenture") whereby certain 2014 Obligations dated October \_\_, 2014 (the "2014 Obligations") shall be issued and secured by the Master Trust Indenture; and

**WHEREAS**, all things necessary to make the reissued Series 2008 Bonds, when authenticated by the Bond Trustee and reissued as in the Bond Indenture provided, the valid, binding, and legal limited and special obligations of the Issuer and to constitute this First

Amendment to Bond Indenture a valid, binding, and legal instrument for the security of the Series 2008 Bonds in accordance with its terms, have been done and performed;

**NOW, THEREFORE, THIS FIRST AMENDMENT TO BOND INDENTURE WITNESSETH:**

That the Issuer, in consideration of the premises and of the mutual covenants herein contained and of the acceptance of the reissued Series 2008 Bonds by the owners thereof and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to continue to secure the payment of the principal of, premium, if any, and interest on all Series 2008 Bonds at any time Outstanding under this First Amendment to Bond Indenture and the Original Indenture, affirms and acknowledges security granted to the holders in the Original Indenture as set forth therein. Further, the Issuer adds as additional security for the performance and observance of all the covenants and conditions in the Series 2008 Bonds herein and therein, states the additional security as follows:

The payments under the Support Agreement dated as of October 1, 2014 from National Church Residences are granted to the Bond Trustee, and the Bond Trustee is hereby authorized to receive any and all such property as and for additional security for the payment of the Series 2008 Bonds, and to hold and apply all such property subject to the terms hereof and the Original Indenture.

**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, together with the previously granted trust estate in the Original Indenture.

**THE FIRST AMENDMENT TO BOND INDENTURE FURTHER WITNESSETH** and it is expressly declared that the following amendments shall be hereby agreed to, 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 Series 2008 Bonds as follows:

## **ARTICLE I DEFINITIONS**

**Section 1.01. Definitions.** All defined words and phrases used in the Original Indenture and in the Original Loan Agreement shall have the meaning given and ascribed to such words and phrases in this First Amendment to Bond Indenture as supplemented by the defined terms in the Recitals hereof and the following definitions in this Article I.

**Section 1.02. Recital Incorporation.** The defined terms in the recitals set forth in the beginning of this First Amendment to Bond Indenture are hereby incorporated herein.

### **Section 1.03. Additional Definitions**

"Default Rate" shall mean a rate of interest increased by 2% over the then current applicable interest rate borne by the Bonds.

"Forbearance Agreement" shall mean the Forbearance Agreement dated as of March 31, 2014 by and among the Bond Trustee, the Bondholder Representative and the Obligor.

"Put Option" shall mean the optional right of the Bondholder Representative to mandatorily tender the Series 2008 Bonds as described in Section 3.01(b) hereof for payment.

"Put Option Date" shall mean **[March 31]**, 2024 or such earlier date set in accordance with Section 3.01(b) hereof.

"Rate Negotiation Period" shall be from June 30, 2023 through September 30, 2023.

"Support Agreement" shall mean the Support Agreement dated as of October \_\_, 2014 by and between the Sponsor and the Bond Trustee on file with the Bond Trustee and securing the Series 2008 Bonds as set forth therein.

## **ARTICLE II TERMS REGARDING REISSUANCE OF BONDS**

**Section 2.01. Authorized Amount of Reissued Series 2008 Bonds.** The total principal amount of reissued Series 2008A Bonds and Series 2008B Bonds that may be reissued hereunder is hereby expressly limited to \$\_\_\_\_\_ and \$\_\_\_\_\_, respectively.

**Section 2.02. Authorization of Terms and Interest Rates Regarding Reissued Series 2008 Bonds.**

(a) There is hereby authorized to be reissued hereunder the Series 2008 Bonds in the amounts set forth in Section 2.01. The Series 2008A Bonds upon reissuance shall be dated October \_\_, 2014 and shall be numbered consecutively upward from **[RA-2]** and the Series 2008B Bonds upon reissuance shall be dated October \_\_, 2014 and shall be numbered consecutively upward from **[RB-2]**.

(b) The Series 2008A Bonds shall bear interest effective October \_\_, 2014 with such interest rates being at the rates and subject to adjustment during the periods as set forth in the Series 2008A Bond form attached hereto as Exhibit A. The mandatory sinking fund redemptions set forth in Section 5.05 of the Original Indenture are hereby amended and the amortization schedule for the Series 2008A Bonds is as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2024	\$540,000	2034	1,085,000
2025	580,000	2035	1,165,000
2026	620,000	2036	1,250,000
2027	665,000	2037	1,340,000
2028	715,000	2038	1,435,000
2029	765,000	2039	1,540,000
2030	820,000	2040	1,655,000
2031	880,000	2041	1,775,000
2032	945,000	2042	1,900,000
2033	1,015,000	2043*	2,040,000

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\*Maturity

(c) The Series 2008B Bonds shall have a new final maturity date of October 1, 2024 and shall bear interest effective October \_\_, 2014 at a rate of 7.88% as set forth in the Series 2008B Bond form attached hereto as Exhibit B. The mandatory sinking fund redemptions set forth in Section 5.05 of the Original Indenture are hereby amended and the amortization schedule, for the Series 2008B Bonds is as follows:

**[TO BE UPDATED]**

<u>Year</u>	<u>Amount</u>
2014	\$
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024*	

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\*Maturity

(d) Section 5.05(c) of the Original Indenture shall be hereby amended and replaced to state as follows:

"(c) 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 2008 Bonds

Outstanding maturing on October 1, 2043 or October 1, 2024, as the case may be, a principal amount of such Series 2008 Bonds equal to the aggregate principal amount of such Series 2008 Bonds redeemable with the required sinking fund payment, and shall call such Series 2008 Bonds or portions thereof for redemption from the sinking fund on the next October 1, and give notice of such call."

**Section 2.03. Execution of New Bonds, Signatures.** The reissued Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor or Vice Mayor and its seal, or a facsimile thereof, shall be thereunto affixed or imprinted and attested by the City Clerk of the City of Lake Wales, Florida or any designated Deputy Clerk.

**Section 2.04. Delivery of Reissued Series 2008 Bonds.** Upon the execution and delivery of this First Amendment to Bond Indenture, the Issuer shall execute and deliver to the Bond Trustee and the Bond Trustee shall authenticate the Series 2008 Bonds and deliver them to DTC on behalf of the prior holders of the Series 2008 Bonds registered with the Bond Trustee as hereinafter in this Section provided. New CUSIP numbers shall be set forth on the reissued Series 2008 Bonds at the expense of the Obligor.

Prior to the delivery by the Bond Trustee of any of the reissued Series 2008 Bonds there shall be filed with and delivered to the Bond Trustee:

(a) A certified copy of a resolution of the Issuer authorizing the execution and delivery of the First Amendment to Loan Agreement and this First Amendment to Bond Indenture and the reissuance of the Series 2008 Bonds.

(b) Original executed counterparts of the First Amendment to Loan Agreement, this First Amendment to Bond Indenture, and the 2014 Obligations.

(c) The Support Agreement duly executed by the Bond Trustee and the Sponsor.

(d) An Opinion of Bond Counsel addressed to the Bond Trustee (or a reliance letter relating thereto) to the effect that the Series 2008 Bonds have been duly and validly authorized, reissued and delivered and constitute valid and binding special and limited obligations of the Issuer, enforceable against the Issuer in accordance with their terms and that the interest payable on the Series 2008A Bonds is excludable from gross income for federal income tax purposes as of the date hereof.

**Section 2.05. Cancellation and Destruction of Previous Series 2008 Bonds by the Bond Trustee.** The previously issued Series 2008 Bonds shall be delivered to the Bond Trustee for the cancellation of and for replacement pursuant to this Article II with the delivery of the reissued Series 2008 Bonds hereunder and such prior Series 2008 Bonds shall be promptly cancelled and treated in accordance with the Bond Trustee's standard retention policies and a certificate of destruction evidencing such destruction shall be furnished by the Bond Trustee to the Issuer and the Obligor upon written request.

### **ARTICLE III AMENDMENTS TO BOND INDENTURE**

**Section 3.01. Amendments Relating to Interest Rate Change; Put Option.** The terms and provisions of the Original Indenture are hereby modified and amended to add the following terms and provisions relating to the reissuance of the Series 2008 Bonds:

(a) Rate Change. On or before June 1, 2023 the Bond Trustee shall provide written notice to the Bondholder Representative, the Obligor and the Issuer that the Rate Negotiation Period commences on June 30, 2023 and ends on September 30, 2023. Pursuant to Section 3.01 of the First Amendment to Loan Agreement, the Obligor has agreed to negotiate with the Bondholder Representative in good faith to arrive at a mutually agreeable interest rate to apply to the Series 2008A Bonds to be effective on or after \_\_\_\_\_ 1, 2024, and to provide a jointly executed notice to the Issuer and the Bond Trustee of the agreed upon interest rate no later than five (5) business days prior to the end of the Rate Negotiation Period. Should the Rate Negotiation Period expire without the Bond Trustee having received the joint notice confirming the new interest rate to be in effect for the Series 2008A Bonds, then effective on and after \_\_\_\_\_ 1, 2024 the interest rate for the Series 2008A Bonds shall be set at seven and a quarter percent (7.25%).

(b) Put Option. On and after October 1, 2023 through October 31, 2023 the Bondholder Representative shall have the option and the right to give written notice to the Obligor and the Bond Trustee of a mandatory tender of the Series 2008 Bonds (the "Put Option") to occur on March 31, 2024 or such earlier mandatory tender date as may be agreed to in writing by the Obligor, the Bond Trustee and the Bondholder Representative (the "Put Option Date"). On the Put Option Date the holders shall be required to tender the Series 2008 Bonds for payment in full at the par amount thereof and monies shall be required to be deposited by the Obligor with the Bond Trustee as required by Section 3.02 of the First Amendment to Loan Agreement.

**Section 3.02. Negotiated Rate Opinion.** The Obligor has agreed pursuant to Section 2.01 of the First Amendment to Loan Agreement to provide the Bond Trustee and the Issuer with an Opinion of Bond Counsel as of the effective date of the new rate that the conversion of the interest rate on the Series 2008A Bonds to the new interest rate as set forth in Section 3.01(a) above does not adversely affect the tax-exempt status of the Series 2008A Bonds.



**Section 3.03. Accrued Amounts.** The Obligor has agreed to pay the Accrued Amounts in accordance with the provision of the Amendment to the Supplemental Master Indenture and the Bond Trustee acknowledges that such amounts shall be calculated and provided by the Master Trustee thereunder and are secured hereby. Accrued Amounts shall only be payable by the Obligor under the circumstances set forth in the Amendment to the Master Indenture.

**Section 3.04. Amendments to Sections of Original Indenture.** The following Sections and Subsections of the Original Indenture are hereby amended and supplemented as follows:

(a) Section 3.12 of the Original Indenture is hereby amended to add the following as subsection (d) thereof:

"(d) Notwithstanding any other provision hereof, the Bond Trustee shall not draw the moneys on deposit in the Series 2008A Debt Service Reserve Account for the payment of the principal of and interest on the Series 2008A Bonds unless the Bondholder Representative provides prior written consent to a draw."

(b) Section 8.05(a)(ii) of the Original Indenture shall be amended and replaced with the following subsection in lieu thereof:

"(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 first, to the payment of the interest on overdue installments of principal at the rate of interest borne by each Bond and then to the principal then due and unpaid upon all of the Bonds, without preference or priority of any Bond over any other Bond, or of any series of Bonds over any other series of Bonds, to the Persons entitled thereto without any discrimination or privilege."

(c) Section 8.12 of the Original Indenture shall be amended and replaced with the following section in lieu thereof:

**"Section 8.12. Waiver Of Events Of Default.** The Bond Trustee may in its discretion, but only with the consent of the Bondholder Representative, waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Bondholder Representative or 66 2/3% of the Owners of the 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."

(d) Section 9.02 of the Original Indenture is hereby supplemented to add the following subsection (c) hereto:

"(c) to pay to the Bondholder Representative any reasonable and necessary amounts relating to the Bonds as and when the same become due and all expenses (including attorneys fees) reasonably and necessarily made or incurred by the Bondholder Representative in connection with their ownership, as and when the same become due and to reimburse the Bondholder Representative upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bondholder Representative."

(e) Notwithstanding any of the provisions of the Original Indenture to the contrary, the Bond Trustee and the Issuer agree that (i) any and all notices to the Owners of the Bonds shall be directed solely to the Bondholder Representative except with respect to any notice regarding the redemption of Bonds pursuant to Article V, and (ii) no action or proceeding, or enforcement measure shall be undertaken with respect to the rights and remedies set forth in Article VIII of the Original Indenture unless the Bondholder Representative shall provide prior written consent.

(f) The following Section 8.13 is hereby added to the Original Indenture:

**"Section 8.13. Default Rate.** The Bond Trustee shall increase the interest rate on the Bonds to instead accrue at the Default Rate upon the occurrence of any Event of Default."

(g) Section 5.04 of the Original Indenture is hereby amended and supplemented to add the following sentence as the last sentence thereof:

"No mandatory redemption from excess cash flow as provided in this Section 5.04 shall be required during any period the Support Agreement is in full force and effect securing the Series 2008 Bonds."

(h) Section 5.13 of the Original Indenture is hereby amended and replaced in its entirety with the following section:

**"Section 5.13 Purchase In Lieu Of Redemption.** The Obligor shall have the option to cause the Series 2008 Bonds to be purchased in lieu of redemption pursuant to this Article V. Such option may be exercised by delivery to the Bond Trustee on or prior to the Business Day preceding the redemption date of a written notice of the Obligor specifying that the Series 2008 Bonds shall not be redeemed, but instead shall be subject to purchase pursuant to this Section 5.13. Upon delivery of such notice, the Series 2008 Bonds shall not be redeemed but shall instead be subject to mandatory tender at the Purchase Price (as defined below) on the date that would have been the redemption date. Any payment for Series 2008 Bonds purchased in lieu of redemption shall be credited against the next mandatory sinking fund payment for the Series 2008 Bonds and against any par amount of the Series 2014 Obligation. For purposes of this Section 5.13, "Purchase Price" shall mean from

the period beginning October \_\_, 2014 through and including October \_\_, 2021 a price of 80% of the aggregate par amount of the Series 2008 Bonds purchase in lieu of redemption and from the period beginning October \_\_, 2021 through and including October \_\_, 2024 a price of 82% of the aggregate par amount of the Series 2008 Bonds purchase in lieu of redemption.

#### **ARTICLE IV MISCELLANEOUS**

**Section 4.01. Titles, Headings, Etc.** The titles and headings of the articles, sections and subdivisions of this First Amendment to Bond Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms of provisions hereof.

**Section 4.02. Severability.** In the event any provision of this First Amendment to 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 4.03. Governing Law.** This First Amendment to Bond Indenture shall be governed and construed in accordance with the laws of the State of Florida.

[Remainder Of Page Intentionally Left Blank]

**Section 4.04. Notices.** The addresses for notices in Section 11.10 of the Original Indenture are hereby amended and revised as follows:

To the Company      Water's Edge of Lake Wales, LLC  
10 Grove Avenue West  
Lake Wales, Florida 33853  
Attn: Manager

With a copy to:      National Church Residences  
2245 North Bank Drive  
Columbus, Ohio 43220  
Attn: Steven A. Van Camp, Senior Vice President  
& Chief Financial Officer

To the Bondholder      Hamlin Capital Management, LLC  
Representative:      640 Fifth Avenue, 6<sup>th</sup> Floor  
New York, New York 10019  
Attn: Joseph Bridy

[Remainder of page intentionally left blank]

**IN WITNESS WHEREOF**, the parties hereto have caused this First Amendment to Bond Indenture to be executed by its duly authorized officers, all as of the date first above written.

CITY OF LAKE WALES, FLORIDA

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Bond Trustee

By: \_\_\_\_\_  
Authorized Signatory

Consented to in accordance with Article X of the Original Indenture.

HAMLIN CAPITAL MANAGEMENT, LLC,  
As Bondholder Representative

By: \_\_\_\_\_  
Name: Joseph J. Bridy  
Title: Partner

[Signature Page | First Amendment and Supplement to Indenture of Trust]

EXHIBIT A

FORM OF REISSUED SERIES 2008A BONDS

EXHIBIT B

FORM OF REISSUED SERIES 2008B BONDS

**FIRST AMENDMENT AND SUPPLEMENT TO LOAN AGREEMENT**

**between**

**CITY OF LAKE WALES, FLORIDA,  
as Issuer**

**and**

**WATER'S EDGE OF LAKE WALES, LLC,  
as Obligor**

*Relating to the Reissuance of:*

**City of Lake Wales, Florida  
Retirement Facility Revenue Bonds  
(Water's Edge of Lake Wales, LLC Project),  
Series 2008A**

**City of Lake Wales, Florida  
Taxable Retirement Facility Revenue Bonds  
(Water's Edge of Lake Wales, LLC Project),  
Series 2008B**

**Dated as of October 1, 2014**



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## **FIRST AMENDMENT AND SUPPLEMENT TO LOAN AGREEMENT**

**THIS FIRST AMENDMENT AND SUPPLEMENT TO LOAN AGREEMENT** dated as of October 1, 2014 (the "First Amendment to Loan Agreement") is undertaken to amend and supplement that certain Loan Agreement dated as of April 1, 2008 (the "Original Loan Agreement") and is between the CITY OF LAKE WALES, FLORIDA, a municipal corporation duly organized and validly existing under the laws of the State of Florida (the "Issuer"), and WATER'S EDGE OF LAKE WALES, LLC, a limited liability company duly organized and validly existing under the laws of the State of Florida (the "Obligor"),

### **WITNESSETH:**

**WHEREAS**, the Issuer is authorized under Chapter 166, Florida Statutes, Part II, Chapter 159, Florida Statutes, and other applicable provisions of law (collectively, the "Act") to enter into loan agreements and to issue its bonds and loan the proceeds thereof to provide for the financing of the acquisition, construction or installation of health care facilities and projects for senior care and housing projects for the public purpose of improving the adequacy, cost and accessibility of senior care and living facilities within the City of Lake Wales and the State of Florida; and

**WHEREAS**, the Obligor has previously requested that the Issuer issue its bonds primarily to provide for financing the costs of acquisition, construction and installation of a senior care and living facility; and

**WHEREAS**, the Issuer issued the Series 2008 Bonds (as hereinafter defined), on behalf of the Obligor, and the 2008 Project (as hereinafter defined) has been completed and placed in service; and

**WHEREAS**, the Obligor has now requested that the Issuer undertake certain amendments to the documents securing the Series 2008 Bonds, including amending the Original Loan Agreement (such Original Loan Agreement, as amended and supplemented by this First Amendment to Loan Agreement, herein the "Loan Agreement") and the capitalized terms used herein shall be as defined in the Loan Agreement;

**WHEREAS**, the required consents to this First Amendment to Loan Agreement are on file with the Bond Trustee as required by Section 10.06 of the Indenture of Trust dated April 1, 2008 which secures the Series 2008 Bonds (the "Original Indenture");

**WHEREAS**, the execution and delivery of a First Amendment and Supplement to Indenture of Trust (the "First Amendment to Bond Indenture, and hereinafter collectively with the Original Indenture, referred to as the "Bond Indenture"), and the reissuance of the Series 2008 Bonds hereinafter authorized under the First Amendment to Bond Indenture, pursuant to the provisions of the Act, have been in all respects duly and validly authorized by a resolution duly adopted and approved by the Issuer; and

**NOW, THEREFORE**, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto formally covenant, agree and bind themselves to the following amendments to the Original Loan Agreement:

## **ARTICLE I REPRESENTATIONS**

### **Section 1.01. Representations by the Issuer.**

(a) The Issuer confirms the representations in Section 2.1 of the Original Loan Agreement as continuing in full force and effect and true and correct as of the date hereof and confirms it has the power to enter into the transactions contemplated by this First Amendment to Loan Agreement and to carry out its obligations hereunder. By proper action the Issuer has duly authorized the execution and delivery of this First Amendment to Loan Agreement and the First Amendment to Bond Indenture and the performance of its obligations under this First Amendment to Loan Agreement and the First Amendment to Bond Indenture.

(b) The Issuer has the power and authority to reissue the City of Lake Wales, Florida Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008 (the "Series 2008 Bonds") as described in the First Amendment to Bond Indenture.

(c) The Obligor has represented to the Issuer that the 2008 Project has been completed and as constructed constitutes a "health care facility" and a "project" within the meaning of the Act. The Issuer confirms its agreement to allow the additional improvements to the 2008 Project in accordance with the information regarding the refurbishment, renovation and improvements thereto described on Exhibit B hereto (the "2008 Project Improvements").

(d) After reasonable public notice given by publication in the Lakeland Ledger, a newspaper published and of general circulation in the City of Lake Wales, Florida on March 3, 2014, the Issuer held a public hearing on March 18, 2014 concerning the reissuance of the Series 2008 Bonds, the refinancing of the 2008 Project and the location of the 2008 Project.

### **Section 1.02. Representations by the Obligor.** The Obligor represents that:

(a) The Obligor confirms the representations in Section 2.2 of the Original Loan Agreement as continuing in full force and effect and true and correct as of the date hereof and confirms it has the power to continue to abide by the Obligor Documents as amended, and has duly executed and delivered this First Amendment to Loan Agreement.

(b) The Obligor shall continue to perform or cause to be performed all of the Obligor's obligations under the Obligor Documents, as amended.

(c) The 2008 Project as constructed and placed in service constitutes a "project," and a "health care facility" within the meaning of the Act. All proceeds of the Series 2008 Bonds

were used to finance a "cost" within the meaning of the Act. The Obligor acknowledges its plan to improve the 2008 Project with the 2008 Project Improvements.

(d) As of the date of delivery hereof the members of the Obligor are organizations (i) organized and operated exclusively for charitable purposes and not for pecuniary profit, and (ii) no part of the net earnings of which inures to the benefit of any Person, private stockholder or individual, all within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, respectively.

## **ARTICLE II**

### **AGREEMENT REGARDING PUT OPTION PAYMENT, RATE NEGOTIATION AND CONVERSION**

**Section 2.01. Interest Rates.** (a) The Obligor and the Issuer consent and agree to the revised interest rates and principal payments for the Series 2008 Bonds as set forth in Article II of the First Amendment to Bond Indenture. The Obligor's payments pursuant to Section 5.2 of the Loan Agreement on the Notes shall be made and applied in accordance with the reissued Series 2008 Bonds and the 2014 Obligations and the provisions thereof.

(b) The Obligor agrees and acknowledges its duty to negotiate with the Bondholder Representative in good faith in order to arrive at a mutually agreeable interest rate for the Series 2008A Bonds within the Rate Negotiation Period set forth in Section 3.01(a) of the First Amendment to Bond Indenture. Furthermore, the Obligor shall deliver the Opinion of Bond Counsel as stated in the Bond Indenture on or before October 1, 2024 to the Bond Trustee and the Issuer. Upon the failure to set a new interest rate effective October 1, 2024 or to deliver the Opinion of Bond Counsel, the interest rate for the Series 2008A Bonds shall be in effect at the rate of 7.25% (seven and one quarter percent).

**Section 2.02. Put Option Payment.** The Obligor agrees and acknowledges that the Bondholder Representative has the option and right to mandatorily tender the Series 2008 Bonds as described in Section 3.01(b) of the First Amendment to Bond Indenture. The Obligor shall deposit the funds required to pay in full all amounts due and owing on or before 1:00 p.m. on the Put Option Date (as defined in the First Amendment to Bond Indenture) with the Bond Trustee based upon a determination and notice by the Bondholder Representative to cause the Put Option to occur in accordance with the First Amendment to Bond Indenture through a mandatory tender of the Series 2008 Bonds.

**Section 2.03. Accrued Amounts.** The Obligor confirms and agrees to pay the Accrued Amounts as defined and described in the First Amendment to Supplemental Master Trust Indenture Number 1 dated as of October 1, 2014. Accrued Amounts shall only be payable as described therein.

**Section 2.04. References to Series 2008 Notes.** All references in the Loan Agreement to the Series 2008 Notes shall instead be considered and construed to refer to the 2014 Obligations (as defined in the First Amendment to Bond Indenture).

**Section 2.05. Credits for the Purchase of Series 2008 Bonds in Lieu of Redemption.**

The Obligor shall be fully credited for the corresponding amount of principal due on the Series 2008 Bonds and the 2014 Obligations with respect to any purchase of the Series 2008 Bonds undertaken in lieu of redemption pursuant to Section 3.04(h) of the First Amendment to Indenture.

**ARTICLE III**

**REISSUANCE OF THE SERIES 2008 BONDS; APPLICATION OF MONEY FOR COSTS OF REISSUANCE**

**Section 3.01. Agreement to Reissue Series 2008 Bonds and Application of Costs.**

The Issuer will cause to be delivered to the Bond Trustee the reissued Series 2008 Bonds. **[An equity contribution of the Obligor for the payment of costs shall be paid as set forth in Exhibit A hereto.]**

**ARTICLE IV**

**AMENDMENT TO THE ORIGINAL LOAN AGREEMENT**

**Section 4.01. Additional Indebtedness by Obligor.** Notwithstanding the provision of Section 4.1(c) of the Original Loan Agreement the Issuer hereby agrees that the requirements therein relating to the issuance of Additional Indebtedness under the Master Indenture shall not be required to be met with respect to the debt incurred by the Obligor to finance the 2008 Improvements in an amount not to exceed \$\_\_\_\_\_.

**Section 4.02. Florida Christian Home References.** The references in Section 4.8(b) of the Original Loan Agreement to Florida Christian Home Communities LLC and Florida Christian Home Senior Housing, Inc. shall be disregarded. The Issuer hereby acknowledges that the Lake Wales Retirement Center, Inc. ("LWRC"), which is the sole member of the Obligor, has reorganized by the resignation and transfer out of its previous directors and members and the admission and transfer in of the National Church Residences as the sole member of LWRC effective March 31, 2014.

**Section 4.03. Series 2008 Notes.** The references to the Series 2008 Notes in the Original Loan Agreement, including but not limited to Section 5.4 thereof, shall be construed to instead be reference to the 2014 Obligations and all loan payments to the Bond Trustee made by Obligor pursuant to the Loan Agreement shall be paid in accordance with the new terms and conditions herein.

**Section 4.04. Obligations of Obligor under Original Loan Agreement.** The reissuance and restructuring of the Series 2008 Bonds as undertaken herein and in accordance with the First Amendment to Indenture shall amend and restructure the payment provisions as set forth in Article V of the Original Loan Agreement, including but not limited to the

provisions in Sections 2.02 and 3.01 of the First Amendment to the Indenture relating to reduced interest rates, modified principal repayments, and purchases in lieu of redemption.

## ARTICLE V MISCELLANEOUS

**Section 5.01. Titles, Headings, Etc.** The titles and headings of the articles, sections and subdivisions of this First Amendment to Loan Agreement have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms of provisions hereof.

**Section 5.02. Term and Covenants In Full Force and Effect.** All covenants, agreements, representations and warranties made by the Obligor in the Loan Agreement, the Bond Indenture and the Series 2008 Bonds, and in any certificates or other documents or instruments delivered pursuant to the Loan Agreement or the Bond Indenture, shall survive the execution and delivery of this First Amendment to Loan Agreement and shall continue in full force and effect until the Series 2008 Bonds and the 2014 Obligations are paid in full.

**Section 5.03. Severability.** In the event any provision of this First Amendment to Loan 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 5.04. Governing Law.** This First Amendment to Loan Agreement shall be governed and construed in accordance with the laws of the State of Florida.

**Section 5.05. Address For Notices.** The Notice addresses for the parties contained in Section 11.1 of the Loan Agreement are hereby updated as follows:

To the Obligor	Water's Edge of Lake Wales, LLC 10 Grove Avenue West Lake Wales, Florida 33853 Attn: Manager
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With a copy to:	National Church Residences 2245 North Bank Drive Columbus, Ohio 43220 Attn: Steven A. Van Camp, Senior Vice President & Chief Financial Officer
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To the Bondholder     Hamlin Capital Management, LLC  
Representative:       640 Fifth Avenue, 6<sup>th</sup> Floor  
                                 New York, New York 10019  
                                 Attn: Joseph Bridy

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to Loan Agreement to be executed by its duly authorized officers, all as of the date first above written.

CITY OF LAKE WALES, FLORIDA

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

WATER'S EDGE OF LAKE WALES, LLC

By: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Its: \_\_\_\_\_

[Signature Page | First Amendment and Supplement to Loan Agreement]



## EXHIBIT A

### COSTS OF REISSUANCE

## EXHIBIT B

### DESCRIPTION OF IMPROVEMENTS TO 2008 PROJECT

NOTICE OF PUBLIC HEARING REGARDING

NOT TO EXCEED \$6,000,000  
PUBLIC FINANCE AUTHORITY  
REVENUE BONDS  
(WATER'S EDGE OF LAKE WALES PROJECT),  
SERIES 2014A

You are hereby notified that on Tuesday, October 7, 2014 at 6:00 p.m., or as soon thereafter as the matter may be heard, in the City Commission Chambers in the Municipal Administration Building, 201 West Central Avenue, Lake Wales, Florida, a Public Hearing will be held by the City Commission of the City of Lake Wales, Florida on the issuance by the Public Finance Authority of its Revenue Bonds (Water's Edge of Lake Wales Project), Series 2014A (the "Bonds") in the aggregate principal amount not to exceed \$6,000,000. The Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, by the Public Finance Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin Statutes. The proceeds of the Bonds are expected to be used to (a) finance the costs of the acquisition, construction, installation and equipping of senior care facilities located at 10 West Grove Avenue, Lake Wales, Florida 33853, including the construction of five single-story duplex villas and renovation of the dining room, reception area and common areas of the congregate care and assisted living building, along with improvements to the property's landscaping, site amenities, entry gateway and wayfinding and signage (collectively, the "Project"), (b) fund a debt service reserve fund for the Bonds, and (c) pay certain costs associated with the issuance of the Bonds. The Project is to be owned by Water's Edge of Lake Wales, LLC, a limited liability company organized and existing under the laws of the State of Florida (the "Borrower"). National Church Residences, a nonprofit Ohio corporation, is undertaking the sponsorship and management of the Project.

THE BONDS WILL BE LIMITED OBLIGATIONS OF THE PUBLIC FINANCE AUTHORITY PAYABLE SOLELY FROM THE LOAN REPAYMENTS TO BE MADE BY THE BORROWER TO THE PUBLIC FINANCE AUTHORITY AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED BY AN INDENTURE FOR THE BONDS. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE STATE OF FLORIDA, THE CITY OF LAKE WALES, POLK COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE AS SET FORTH ABOVE.

This public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended, will be held by the City Commission of Lake Wales as the local elected officials, for the public to provide comment regarding the Bonds issued by the Public Finance Authority.

Persons wishing to express their views regarding the Project and the issuance of the Bonds by the Public Finance Authority may appear at the hearing or may submit their views in

writing. Written comments should be submitted to the City of Lake Wales at P. O. Box 1320, Lake Wales, Florida 33859-1320 or 201 West Central Avenue, Lake Wales, Florida 33853, Attention: City Manager, and should be mailed in sufficient time to be received before October 7, 2014, the date of the hearing. Should any person decide to appeal any decision made by the City of Lake Wales, Florida following the hearing, he or she will need a record of the proceedings and he or she may need to assure that a verbatim record of the proceedings be made, which record includes the testimony and evidence upon which the appeal will be heard. Following the hearing, the City Commission will approve or disapprove the issuance of the Bonds by the Public Finance Authority.

Any person requiring reasonable accommodation at this meeting because of a disability or physical impairment should contact the City Clerk or the City Manager at (863) 678-4182 or fax a written request to (863) 678-4180 at least 48 hours prior to the meeting.

CITY COMMISSION OF LAKE WALES, FLORIDA

Publish: September 23, 2014.

**CERTIFICATE AS TO PUBLIC MEETINGS  
AND NO CONFLICT OF INTEREST**

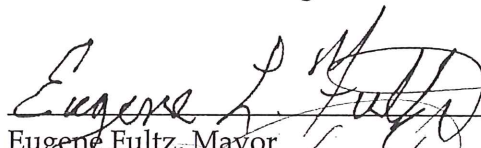
Each of the undersigned members of the City Commission (the "Commission") of the City of Lake Wales, Florida (the "City"), as issuer of the City of Lake Wales, Florida Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008A and Taxable Retirement Facility Revenue Bonds (Water's Edge of Lake Wales, LLC Project), Series 2008B (collectively, the "Bonds"), DOES HEREBY CERTIFY:

(1) that he or she has no personal knowledge that any two or more members of the Commission, meeting together, reached any prior conclusion as to whether the actions taken by the Commission, with respect to said Bonds, the security therefor and the application of the proceeds thereof, should or should not be taken by the Commission or should or should not be recommended as an action to be taken or not to be taken by the Commission, except at public meetings of the Commission held after due notice to the public was given in the ordinary manner required by law and custom of the Commission;

(2) that he or she does not have or hold any employment or contractual relationship with Hamlin Capital Management, LLC, which is the Bondholder Representative for the holder of the Bonds.

IN WITNESS WHEREOF, we have hereunto affixed our official signatures as of this 7<sup>th</sup> day of October, 2014.



  
Eugene Fultz, Mayor

  
Jonathan Thornhill, Commissioner

  
Terrye Y. Howell, Commissioner

  
Betty Wojcik, Commissioner

  
Christopher Lutton, Commissioner

# AFFIDAVIT OF PUBLICATION

## THE LEDGER

### Lakeland, Polk County, Florida

STATE OF FLORIDA)  
COUNTY OF POLK)

Before the undersigned authority personally appeared Julisa Garcia who on oath says that she is Account Executive for Advertising at The Ledger, a daily newspaper published at Lakeland in Polk County, Florida; that the attached copy of advertisement, being a

#### PUBLIC HEARING NOTICE

In the matter of WATER'S EDGE OF LAKE WALES PROJECT

Concerning PUBLIC FINANCE AUTHORITY

was published in said newspaper in the issues of

9-23; 2014

Affiant further says that said The Ledger is a newspaper published at Lakeland, in said Polk County, Florida, and that the said newspaper has heretofore been continuously published in said Polk County, Florida, daily, and has been entered as second class matter at the post office in Lakeland, in said Polk County, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Signed Julisa Garcia  
Julisa Garcia  
Advertising Account Executive  
Who is personally known to me.

Sworn to and subscribed before me this 23rd

day of September A.D. 2014

Patricia Ann Rouse  
Notary Public

(SEAL)

My Commission Expires - October 17, 2016

#### NOTICE OF PUBLIC HEARING REGARDING

NOT TO EXCEED \$7,000,000  
PUBLIC FINANCE AUTHORITY  
REVENUE BONDS  
(WATER'S EDGE OF LAKE WALES  
PROJECT)  
SERIES 2014A

You are hereby notified that on Tuesday, October 7, 2014 at 6:00 p.m., or as soon thereafter as the matter may be heard, in the City Commission Chambers in the Municipal Administration Building, 201 West Central Avenue, Lake Wales, Florida, a Public Hearing will be held by the City Commission of the City of Lake Wales, Florida on the issuance by the Public Finance Authority of its Revenue Bonds (Water's Edge of Lake Wales Project), Series 2014A (the "Bonds") in the aggregate principal amount not to exceed \$7,000,000. The Bonds are expected to be issued pursuant to Section 66.0304 of the Wisconsin Statutes, as amended, by the Public Finance Authority, a commission organized under and pursuant to the provisions of Sections 66.0301, 66.0303, and 66.0304 of the Wisconsin Statutes. The proceeds of the Bonds are expected to be used to (a) finance the costs of the acquisition, construction, installation and equipping of senior care facilities located at 10 West Grove Avenue, Lake Wales, Florida 33853, including the construction of five single-story duplex villas and renovation of the dining room, reception area and common areas of the congregate care and assisted living building, along with improvements to the property's landscaping, site amenities, entry gateway and wayfinding and signage (collectively, the "Project"); (b) fund a debt service reserve fund for the Bonds; and (c) pay certain costs associated with the issuance of the Bonds. The Project is to be owned by Water's Edge of Lake Wales, LLC, a limited liability company organized and existing under the laws of the State of Florida (the "Borrower"). National Church Residences, a nonprofit Ohio corporation, is undertaking the sponsorship and management of the Project.

THE BONDS WILL BE LIMITED OBLIGATIONS OF THE PUBLIC FINANCE AUTHORITY PAYABLE SOLELY FROM THE LOAN REPAYMENTS TO BE MADE BY THE BORROWER TO THE PUBLIC FINANCE AUTHORITY AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED BY AN INDENTURE FOR THE BONDS. THE BONDS SHALL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE STATE OF FLORIDA, THE CITY OF LAKE WALES, POLK COUNTY OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF FLORIDA, BUT SHALL BE PAYABLE AS SET FORTH ABOVE.

This public hearing is required by Section 147(f) of the Internal Revenue Code of 1986, as amended, will be held by the City Commission of Lake Wales as the local elected officials, for the public to provide comment regarding the Bonds issued by the Public Finance Authority.

Persons wishing to express their views regarding the Project and the issuance of the Bonds by the Public Finance Authority may appear at the hearing or may submit their views in writing. Written comments should be submitted to the City of Lake Wales at P. O. Box 1320, Lake Wales, Florida 33859-1320 or 201 West Central Avenue, Lake Wales, Florida 33853. Attention: City Manager, and should be mailed in sufficient time to be received before October 7, 2014, the date of the hearing. Should any person decide to appeal any decision made by the City of Lake Wales, Florida following the hearing, he or she will need a record of the proceedings and he or she may need to assure that a verbatim record of the proceedings be made, which record includes the testimony and evidence upon which the appeal will be heard. Following the hearing, the City Commission will approve or disapprove the issuance of the Bonds by the Public Finance Authority.

Any person requiring reasonable accommodation at this meeting because of a disability or physical impairment should contact the City Clerk or the City Manager at (863) 678-4182 or fax a written request to (863) 678-4180 at least 48 hours prior to the meeting.

CITY COMMISSION OF LAKE WALES,  
FLORIDA  
L9981 9-23; 2014

