AGENDA

ST. JOHNS COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY

February 14, 2022
3 p.m.

Executive Board Conference Room
County Commission Office of the Administration Building
500 San Sebastian View
St. Augustine, FL 32084

****Regular Meeting****

Roll Call

Public Comment

Each person addressing the Board shall state their name and address for the public record and limit comments to three (3) minutes. Public comment will also be provided for each item containing a proposition (other than ministerial acts) before the Board.

Additions and/or Deletions to Agenda

Flagler Hospital Bond Issuance

- TEFRA Hearing – Bond Issuance for Flagler Hospital
  Irv Weinstein, Rogers Towers, P.A.

- Consideration of Resolution Relating to Flagler Hospital Bond Issuance
  Irv Weinstein, Rogers Towers, P.A.

Approval of Minutes

- January 10, 2022

Treasurer's Report

- Review and Approve Financials

New Business

- THE PLAYERS Championship Ticket Distribution
  Scott Maynard, Director of Economic Development for the St. Johns County Chamber of Commerce

Reports

- IDA Members

Adjournment

Next Meeting – March 14, 2022

W. H. O'CONNELL
& ASSOCIATES, P.A.
Certified Public Accountants

February 14, 2022

To the Board Members of the St. Johns County Industrial Development Authority
St. Augustine, Florida

I have reviewed the financial information relating to the following bond issue that was provided by Flagler Hospital, Inc, and such other information, as I deemed necessary.

- St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 in the aggregate principal amount of not exceeding $330,000,000.

The purposes of this issue are: acquisition, construction, equipping and installation of an approximately 77-bed new general acute care hospital in the Durbin Park area of St. Johns County, financing additional capital improvements at the existing hospital facility in St. Augustine and refunding and prepaying the Authority's Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B.

The purpose of my review is to provide the board members with assurances that the project meets the requirements of Florida Statutes section 159.29(2). Under the provisions of this Statute, the Authority shall not enter into an agreement with a party that is not financially responsible and fully capable and willing to fulfill its obligations under the financing agreement, including, among other things, the obligation to make payments in the amounts and at the time required.

The intent of Flagler Hospital, Inc. is to retire this bond debt from the company's future earnings and profits.

I reviewed: Flagler Hospital, Inc.'s audited financial statements for fiscal year ended September 30, 2020 and September 30, 2021 prepared by Plante & Moran, PLLC, Flagler Hospital, Inc.'s Flagler Health+ Durbin Financial Planning projections, unaudited internal financial projections prepared by Flagler Hospital, Inc., and the most recent S & P Global Ratings rating review dated August 14, 2020 indicating an overall rating of BBB/Stable.

These financial statements along with Flagler Hospital, Inc.'s current financial position, credit rating, and expected earning and profits are sufficient to retire the proposed debt issuance. Based upon these factors it appears Flagler Hospital is capable, financially and otherwise, to fulfill its obligations pursuant to Florida Statute section 159.29(2).

Sincerely,

W. Henry O'Connell CPA

2825 Lewis Speedway, Ste 104 • St. Augustine, FL 32084 • (904) 829-0082 • (904) 829-5030 Fax • Henry@whocpa.com

ST. JOHNS COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY

BOND APPLICATION

APPLICANT:

Name: Flagler Hospital, Inc.

EIN: 59-0675143

Entity: Corporation: X Limited Partnership:___ General Partnership:___

Other (describe): _____

Physical Address: Street: 400 Health Park Blvd.

City: St. Augustine State: FL ZIP: 32086

Mail: (if different) P.O. Box: _____

City: _____ State: _____ ZIP: _____

Telephone: (904) 819-4088 Facsimile: (904) 819-4472

Parents/5% owners:

(1) _____ (6) _____

(2) _____ (7) _____

(3) _____ (8) _____

(4) _____ (9) _____

(5) _____ (10) _____

Principal Officers:	Name	Title/Position
(1)	Jason Barrett	President, Chief Executive Officer
(2)	Carlton DeVooght	Sr. Exec VP, CAO & General Counsel
(3)	Brenda Baker	EVP, Chief Financial Officer
(4)	David Rice, MD	EVP, Chief Physician Exec
(5)	Nangela Pulsfus	EVP, Chief Clinical Officer

Bond Counsel:

Name: Irvin M. Weinstein

Firm: Rogers Towers, P.A.

Address: 1301 Riverplace Blvd., Suite 1500

City: Jacksonville State: FL ZIP: 32207

Telephone: (904) 346-5523 Facsimile: (_____) _____

E-mail: iweinstein@rtlaw.com

Bond Counsel:

Name: _____

Firm: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: (_____) _____ Facsimile: (_____) _____

E-mail: _____

Underwriter:

Name: David H. Stephan

Firm: J.P. Morgan Securities LLC

Address: 383 Madison Ave., 3rd Floor

City: New York State: NY ZIP: 10179

Telephone: (212) 834-5070 Facsimile: (_____) _____

E-mail: david.h.stephan@jpmorgan.com

Amount of Bond: $ 330,000,000

Project Description: acquisition, construction, equipping and installation of an approximately 77-bed new general acute care hospital in the Durbin Park area of the County (not to exceed $260 million), financing additional capital improvements at the existing hospital facility in St. Augustine (not to exceed $10 million) and refunding and prepaying the Authority's Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B (not to exceed $60 million).

Cost (estimate):

Land: $ 0

Building(s): $ 206,500,000

Equipment $ 120,000,000

Issuance cost: $ 3,500,000

TOTAL: $ 330,000,000

ECONOMIC EFFECTS: The new hospital is expected to employ approximately 500 people. During the construction period approximately 300 people are expected to be employed in the effort. Once the hospital is operational additional commercial development in the area is expected by various service providers including physicians and a variety of other service providers such as restaurants.

(Use additional pages if necessary)

PUBLIC SERVICES: JEA provides electric, water, sewer and reclaimed water.

(Use additional pages if necessary)

SEE ANNEX A

PUBLIC HEARING AND APPROVAL BY ELECTED OFFICIALS REQUIRED? YES (X) NO ( )

PRIVATE ACTIVITY BOND LIMITATION APPLIES? YES ( ) NO (X)

HISTORY OF COMPANY: See Annex B

(Use additional pages if necessary)

ENCLOSURES:

		COMMENTS
Letter of Bond Counsel	X	Rogers Towers, P.A. letter
Application Fee ($1,000.00 to IDA) ($1,000.00 to St. Johns County)		
IDA Bond Issuance Fee (see Attachment A)		
Financial statement (state years)	X	FY19 FY20 FY21 YTD
Form 10K Reports		Enclosed ( ) Not applicable (X)
Zoning and utility letters		JEA availability letter.
Others (list)		St. Johns County Ordinance No. 2020-20 re PUD.

Applicant certifies that it is financially responsible and fully capable and willing to fulfill its obligations under the financing agreement, including the obligation to make payments in the amounts and at the times required; to operate, maintain and repair at its own expense the Project; and to serve the purposes of the Florida Industrial Development Financing Act and such other responsibilities as may be imposed under the financing agreement.

Date of Application: January 25, 2022

Flagler Hospital, Inc
(Name of Applicant - Please Print)

Brenda Baker
(Signature)

Brenda Baker
(Print Name)

Executive Vice President, Chief Financial Officer
(Title)

ANNEX A

Flagler Health+ anticipates financings that include the issuance of publicly offered, fixed-rate, tax-exempt bonds underwritten by J.P. Morgan Securities LLC, (or any other investment banking firm selected by Flagler Health+). The financing could also include a direct placement bank loan from a bank. A copy of the Sources and Uses of Funds that currently estimates the par amount required for the anticipated financings contemplated to close April 2020 is attached to this application. The current plan of finance contemplates issuing long-term, publicly offered, fixed-rate bonds with a final maturity up to 36 years. Credit enhancement of the bonds in the form of bond insurance from Assured Guaranty is being explored with a final decision on using the credit enhancement based upon final terms and pricing relative to its financial benefit and investor demand.

Contact Information for proposed bond counsel, borrower's counsel, and borrower's financial advisor are below:

Bond Counsel:

Irvin M. Weinstein
Rogers Towers, P.A.
1301 Riverplace Blvd,
Suite 1500
Jacksonville, FL 32207
(904) 346-5523
iweinstein@rtlaw.com

Borrower's Financial Advisor:

Grant Ostlund
Ponder & Co.
131 Bakers Acres Drive
Hawthorne, FL 2640
(352) 475-3178
gostlund@ponderco.com

Robert Jaeger
Ponder & Co.
10 Cadillac Drive
Suite 120
Brentwood, TN 37027
(615) 613-0213
rjaeger@ponderco.com

Borrower's Counsel:

Chauncey W. Lever, Jr.
Foley & Lardner LLP
One Independent Drive
Suite 1300
Jacksonville, FL 32202
(904) 359-8774
clever@foley.com

ANNEX B

History of Company

INTRODUCTION

Flagler Hospital, Inc. ("Flagler") is a not-for-profit corporation incorporated under the lawsof the State of Florida. Flagler is a tax-exempt charitable organization under Section 501(c)(3) ofthe Internal Revenue Code of 1986, as amended (the "Code"), and exempt from federal income taxation under Section 501(a) of the Code.

Flagler owns and operates a 335-bed acute care general hospital (the "Hospital"). All inpatient care and most outpatient services are delivered in the main hospital building (the "Hospital Facility") located within a 73-acre site on which are located various health care facilitiescontaining over 440,000 square feet of space (together with the Hospital Facility, the "Health Park"). The Health Park is situated in a commercial area on U.S. Highway 1 south of the City of St. Augustine, Florida (the "City"). The City is the largest municipality and economic hub of St. Johns County (the "County"). The Hospital is presently the only hospital located in the County.

HISTORY

Flagler was founded over a century ago by industrialist Henry M. Flagler. Flagler opened its first facility, Alicia Hospital, in 1890 in downtown St. Augustine at the southern end of the citylimits. The name of the facility was changed to Flagler Hospital in 1905. This original facility, destroyed by fire in 1916, was replaced at a nearby location on Marine Street in 1921.

The Marine Street facility had been expanded several times through the years. By the 1970s, population growth and advances in medical care had begun to tax the site's capacity. Flagler purchased the Health Park site in the 1980s, constructed the Hospital Facility and relocated the Hospital's operations there in 1989.

Flagler acquired the former St. Augustine General Hospital in 1991, and the St. AugustinePsychiatric Center in 1995 (the "Acquired Facilities"). The services provided at the Acquired Facilities were consolidated at the Health Park in 1998. In 2014, Flagler acquired a free-standing ambulatory surgery center located on the site of the former St. Augustine General Hospital across U.S. Highway 1 from the Health Park and re-branded it as the Flagler Surgery Center. Flagler soldthe site of the St. Augustine Psychiatric Center to the University of St. Augustine in 1997.

ORGANIZATIONAL STRUCTURE

Flagler and Flagler Health Care Foundation, Inc. (the "Foundation"), a Florida not-for- profit corporation, are the only members of an obligated group (the "Obligated Group"). The Foundation is principally engaged in fundraising activities. The Foundation also holds title to twelve acres of real property, two of which it leases to a subsidiary for medical office building sites.

COMMUNITY BENEFITS

Since its founding in 1889, Flagler's private, not-for-profit facility has grown into a diverse clinical enterprise that is consistently recognized nationally for clinical excellence by Healthgrades, and other comparative quality data organizations. Hospital services are provided to inpatients and outpatients, including charity care to the indigent and other patients.

THE ST. AUGUSTINE RECORD
Affidavit of Publication

ROGERS,TOWERS
1301 RIVERPLACE BLVD, STE 1500

JACKSONVILLE, FL 32207

ACCT: 15669
AD# 0003399253-01

PO# 807218

PUBLISHED EVERY MORNING SUNDAY THROUGH SATURDAY
ST. AUGUSTINE AND ST. JOHNS COUNTY, FLORIDA

STATE OF FLORIDA
COUNTY OF ST. JOHNS

Before the undersigned authority personally appeared MELISSA RHINEHART who on oath says he/she is an Employee of the St. Augustine Record, a daily newspaper published at St. Augustine in St. Johns County, Florida; that the attached copy of advertisement being a **NOTICE OF MEETING** in the matter of **Authority of its Revenue Bonds (Flagler Health Project), Series 2022** was published in said newspaper in the issue dated **01/28/2022.**

Affiant further says that the St. Augustine Record is a newspaper published at St. Augustine, in St. Johns County, Florida, and that the said newspaper heretofore has been continuously published in said St. Johns County, Florida each day and has been entered as second class mail matter at the post office in the City of St. Augustine, in said St. Johns County, Florida for a period of one year preceding the first publication of the attached copy of advertisement; and affiant further says the he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission, or refund for the purpose of securing this advertisement for publication in said newspaper.

Sworn to (or affirmed) and subscribed before me by means of

[X] physical presence or
[ ] online notarization

this _____ day of JAN 27 2022

by _____ who is personally known to me or who has produced as identification

_____
(Signature of Notary Public)

Notary Public State of Florida
Kimberly M Reese
My Commission GG 312209
Expires 03/17/2023

NOTICE OF PUBLIC MEETING AND PUBLIC HEARING OF THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

NOTICE is hereby given that a public meeting and hearing of the St. Johns County Industrial Development Authority (the "Authority") will be held on February 14, 2022, at 3:00 p.m., local time, in the Board of County Commissioners Conference Room, County Administration Building, Second Floor, 500 San Sebastian View, St. Augustine, Florida 32084, for the purposes of:

1. Holding a public hearing regarding the proposed issuance by the Authority of its Revenue Bonds (Flagler Health Project), Series 2022, in one or more tax-exempt and/or taxable series or subseries in an aggregate principal amount not to exceed $330,000,000 (the "Series 2022 Bonds"). The Series 2022 Bonds are to be issued for the purpose of providing funds to the Authority to make a loan or loans to Flagler Hospital, Inc., a Florida not-for-profit corporation, (the "Hospital") for the principal purpose of (a) (i) financing and/or reimbursing the acquisition, construction, equipping and installation on an approximately 12.7-acre parcel of land located at the southeast quadrant of the intersection of State Road 9B and East Peyton Parkway in the Durbin Park area of St. Johns County, Florida of an approximately 77-bed new general acute care hospital to be owned by the Hospital or by a limited liability company of which the Hospital shall be the sole member in a maximum principal amount of the Series 2022 Bonds of $260,000,000 and (ii) financing the acquisition, construction and equipping of capital additions and improvements at the Hospital's existing general acute care hospital located at 400 Health Park Blvd., St. Augustine, Florida 32086 (the "Main Campus") to be owned and operated by the Hospital in a maximum principal amount of the Series 2022 Bonds of $10,000,000 and (b) refunding and prepaying the Authority's Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B, issued for the purpose of obtaining funds to loan to the Hospital to finance and/or refinance additions and improvements to and equipment for healthcare facilities owned and operated by the Hospital at the Main Campus in a maximum principal amount of the Series 2022 Bonds of $60,000,000. The foregoing purposes are collectively referred to herein as the "Project." The Series 2022 Bonds that are issued on a tax-exempt basis will be qualified 501(c)(3) bonds as defined in Section 145 of the Internal Revenue Code of 1986, as amended (the "Code").

The Series 2022 Bonds and the interest thereon will be limited obligations of the Authority payable solely from loan payments to be made by the Hospital under a financing or loan agreement or agreements and other moneys pledged under the financing documentation. The Series 2022 Bonds will not constitute a general indebtedness or a charge against the general credit of the Authority, St. Johns County or the State of Florida. Neither the faith and credit of the Authority, the State of Florida or any political subdivision thereof will be pledged to the payment of the principal of and interest on the Series 2022 Bonds.

The public hearing is required by Section 147(f) of the Code. Any person interested in the proposed issuance of the Series 2022 Bonds or the Project may appear and be heard. Subsequent to the public hearing, the Authority and the Board of County Commissioners of the St. Johns County, Florida (the "Board of County Commissioners") will consider whether to approve the Series 2022 Bonds as required by Section 147(f) of the Code.

The public hearing will be conducted in a manner that provides a reasonable opportunity to be heard for persons with differing views on the issuance of the Series 2022 Bonds and the location and nature of the Project. Any person desiring to be heard on this matter is requested to attend the public hearing or send a representative. Written comments (not exceeding 500 words) to be presented at the hearing may be submitted to the Authority, c/o Jennifer Zuberer, Project Manager, Economic Development, at the address set out in the penultimate paragraph hereof; and further information relating to this matter is available for inspection and copying during regular business hours at the office of Gunster, B. Dobson

Esq., Law Offices of Geoffrey Dobson, 10 Palmetto Avenue, St. Augustine, Florida 32084.

2. Considering and acting upon a resolution of the Authority authorizing the issuance and sale of the Series 2022 Bonds.

3. Considering and acting upon such other business as may properly come before the Authority of said meeting.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation or an interpreter to participate in this proceeding should contact Ms. Jennifer Zuberer at (904) 209-0560 or at the County Administration Building, 500 San Sebastian View, St. Augustine, Florida 32084, not later than seven days prior to the date of this meeting.

Comments made at the hearing and the meeting are for the consideration of the Authority and the Board of County Commissioners and will not bind any legal action to be taken by the Authority or the Board of County Commissioners. IF A PERSON DECIDES TO APPEAL ANY DECISION MADE BY THE AUTHORITY WITH RESPECT TO ANY MATTER CONSIDERED AT SUCH HEARING OR MEETING, SUCH PERSON WILL NEED A RECORD OF THE PROCEEDINGS AND, FOR SUCH PURPOSE, SUCH PERSON MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

DATED: January 28, 2022

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

3989253, January 28, 2022

ROGERS | TOWERS
ATTORNEYS AT LAW

1301 Riverplace Boulevard • Suite 1500
Jacksonville, Florida 32207

904 . 398 . 3911 Main
904 . 396 . 0663 Fax
www.rtlaw.com

January 25, 2022

St. Johns County Industrial Development Authority
County Commission Office of the Administration Building
500 San Sebastian View
St. Augustine, Florida 32084

Ladies and Gentlemen:

We refer to the request filed with the St. Johns County Industrial Development Authority by Flagler Hospital, Inc. (the "Hospital") relating to the requested issuance of certain bonds to finance and refinance capital improvements for the Hospital (the "Project"). This is to advise you that it is our opinion that the Project would constitute a "health care facility" as defined in Chapter 159, Parts II and III, Florida Statutes, as amended.

Respectfully submitted,

Rogers Towers, P.A.

SOURCES AND USES OF FUNDS

St. Johns County Industrial Development Authority
Revenue Bonds (Flagler Health)
Series 2022
(Rates as of 1/19/2022)

Dated Date	04/01/2022
Delivery Date	04/01/2022

Sources:	Series 2022 (New Money)	Series 2022 (Refunding)	Total
Bond Proceeds:			
Par Amount	224,970,000.00	54,935,000.00	279,905,000.00
Premium	26,095,117.65	6,421,889.85	32,517,007.50
	251,065,117.65	61,356,889.85	312,422,007.50

Uses:	Series 2022 (New Money)	Series 2022 (Refunding)	Total
Project Fund Deposits:			
Project Fund	225,000,000.00		225,000,000.00
Reimbursement	5,000,000.00		5,000,000.00
	230,000,000.00		230,000,000.00
Refunding Escrow Deposits:			
Cash Deposit		60,667,413.04	60,667,413.04
Other Fund Deposits:			
Capitalized Interest	18,248,700.00		18,248,700.00
Delivery Date Expenses:			
Cost of Issuance	2,812,125.00	686,687.50	3,498,812.50
Other Uses of Funds:			
Additional Proceeds	4,292.65	2,789.31	7,081.96
	251,065,117.65	61,356,889.85	312,422,007.50

Note: Assumes 1.25% of par for total costs of issuance.

Availability Letter

Michael Russo

Matthews Design Group

7 Waldo St.

St. Augustine, Florida 32084

1/14/2021

Project Name: Flagler Hospital Durbin - Hospital and Women's Center

Availability #: 2021-0039

Attn: Michael Russo

Thank you for your inquiry regarding the availability of Electric,Reclaim,Sewer,Water. The above referenced number in this letter wil be the number JEA uses to track your project. Please reference this number when making inquiries and submitting related documents This availability letter will expire two years from the date above.

Point of Connection:

A summary of connection points for requested services are identified on the following page. JEA recognizes Connection Point #1 as the primary point of connection (POC); however, a secondary, conditional POC will be listed if available. JEA assumes no responsibilit for the inaccuracy of any service connection portrayed on a JEA utility system record drawing. JEA requires field verification in the form of a Level A SUE of all POCs prior to any plan approval to ensure connection availability. Please note the Special Condition stated in each section contain pertinent information and additional requirements as well as further instructions. In the event the point of connection is located within a JEA easement located on private property not owned by applicant, applicant shall be responsible to obtain a temporary construction easement (TCE) from the third party owner providing applicant with the right to construct the utilities. **The TCE will need to be provided by JEA prior to setting up a pre-construction meeting.**

Main Extensions and/or Offsite Improvements:

For all utilities located in the public Right of Way or JEA easement, the new WS&R utilities shall be dedicated to JEA upon completio and final inspection, unless otherwise noted. **It shall be the applicant's responsibility to engage the services of a professional engineer, licensed in the State of Florida**. All WS&R construction shall conform to current JEA Water, Sewer & Reuse Desig Guidelines which may be found at:

https://www.jea.com/engineering_and_construction/water_and_wastewater_development/reference_materials/

Reservation of Capacity:

This availability response does not represent JEA's commitment for or reservation of WS&R capacity. In accordance with JEA's policie and procedures, commitment to serve is made only upon JEA's approval of your application for service and receipt of your payment of all applicable fees.

A detailed overview of the process can be found at JEA.com. This document along with other important forms and submittal processes can be found at

https://www.jea.com/water_and_wastewater_development

Sincerely,

JEA Water, Sewer Reclaim
Availability Request Team

Availability Number:	2021-0039
Request Received On:	1/5/2021
Availability Response:	1/14/2021
Prepared by:	Susan West
Expiration Date:	01/14/2023

Project Information

Name:	Flagler Hospital Durbin - Hospital and Women's Center
Address:	
County:	St. Johns County
Type:	Electric,Reclaim,Sewer,Water
Requested Flow:	39205
Parcel Number:	023540 0020
Location:	
Description:	Hospital, Women's Center and Associated Infrastructure

Potable Water Connection

Water Treatment Grid:	South Grid
Connection Point #1:	Proposed 16 inch water main stub along Durbin Loop Road (LOA 2020-1417)
Connection Point #2:	Proposed 12 inch water main along East Peyton Pkwy (LOA 2019-1927)
Water Special Conditions:	Connection point not reviewed for site fire protection requirements. Private fire protection analysis is required.

Sewer Connection

Sewer Grid:	Blacks Ford
Connection Point #1:	Proposed 10 inch gravity main (and manhole) along Durbin Loop Road (LOA 2020-1417)
Connection Point #2:	
Sewer Special Conditions:	

Reclaimed Water Connection

Reclaim Grid:	South Grid
Connection Point #1:	Proposed 10 inch reclaimed water main stub along Durbin Loop Road (LOA 2020-1417)
Connection Point #2:	Proposed 8 inch reclaimed water main along East Peyton Pkwy (LOA 2019-1927)
Reclaim Special Conditions:	Reclaim for irrigation purposes only.

Electric Availability:	
Electric Special Conditions:	The subject property lies within the geographic area legally served by JEA. JEA will provide electric service as per JEA's most current Rules and Regulations.
General Conditions:	Connections to proposed POCs are contingent upon inspection and acceptance of the proposed mains by JEA. JEA must approve construction and accept the proposed mains prior to acceptance of this project. Point of connection location(s) to be field verified by developer during project design. If needed, a development meeting may be scheduled prior to submitting a plan set through the SagesGov portal. Copies of reference drawings may also be requested using the SagesGov portal.

RESOLUTION NO. 2022-01

A RESOLUTION PROVIDING FOR THE ISSUANCE BY THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY OF ITS REVENUE BONDS (FLAGLER HEALTH), SERIES 2022, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $330,000,000 (THE "BONDS"); PROVIDING FOR A LOAN BY THE AUTHORITY TO FLAGLER HOSPITAL, INC. (THE "HOSPITAL") IN A PRINCIPAL AMOUNT EQUAL TO THE PRINCIPAL AMOUNT OF THE BONDS, TO (A) FINANCE, REIMBURSE OR REFINANCE ALL OR A PART OF THE COSTS OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN HEALTH CARE FACILITIES OF THE HOSPITAL, (B) REFUND CERTAIN OUTSTANDING OBLIGATIONS DESCRIBED HEREIN WHICH FINANCED OR REFINANCED THE COSTS OF THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF CERTAIN HEALTH CARE FACILITES OF THE HOSPITAL, (C) FUND INTEREST PAYMENTS ON THE SERIES 2022 BONDS FOR A CERTAIN PERIOD, (D) FUND A DEBT SERVICE RESERVE FUND FOR THE BONDS, AND (E) PAY THE COSTS OF ISSUANCE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE HOSPITAL TO PROVIDE SECURITY FOR THE BONDS AND FOR OTHER MATTERS THEREIN PROVIDED; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE DESCRIBED HEREIN SECURING THE BONDS; APPROVING U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION AS THE INITIAL TRUSTEE FOR THE BONDS UNDER SUCH INDENTURE; AUTHORIZING A NEGOTIATED SALE OF THE BONDS; AUTHORIZING THE AWARD OF THE SALE OF THE BONDS TO J.P. MORGAN SECURITIES LLC, THE UNDERWRITER OF THE BONDS; APPROVING THE CONDITIONS AND CRITERIA FOR SUCH SALE AND AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT WITH RESPECT TO THE BONDS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND APPROVING AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT RELATING TO THE BONDS; PROVIDING FOR THE RIGHTS OF THE OWNERS OF THE BONDS AND FOR THE PAYMENT THEREOF; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS REQUIRED IN CONNECTION WITH THE FOREGOING; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE MEMBERS OF THE ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY:

SECTION 1. AUTHORITY FOR THIS RESOLUTION. This Resolution is adopted pursuant to the provisions of Chapter 159, Parts II and III, Florida Statutes, as from time to time amended, and other applicable provisions of law.

SECTION 2. DEFINITIONS. Unless the context otherwise requires, the terms defined in this section shall have the meanings specified in this section. Words importing the singular shall include the plural, words importing the plural shall include the singular, and words importing persons shall include corporations and other entities or associations.

"Act" means Chapter 159, Parts II and III, Florida Statutes, as from time to time amended.

"Authority" means the St. Johns County Industrial Development Authority, a public body corporate and politic of the State, created and existing under Chapter 159, Part III, Florida Statutes, as from time to time amended, and its successors and assigns.

"Bond Counsel" means the law firm of Rogers Towers, P.A., Jacksonville, Florida.

"Bond Purchase Agreement" means the Bond Purchase Agreement relating to the Bonds to be executed among the Authority, the Hospital and the Underwriter, substantially in the form attached hereto as Exhibit E.

"Bonds" means St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022, authorized to be issued pursuant to Section 6 hereof, to be designated as provided herein and in the Indenture and sold to and purchased by the Underwriter.

"Chair" means the Chair or Vice Chair of the Authority.

"County" means St. Johns County, Florida, a political subdivision of the State.

"County Commission" means the Board of County Commissioners of the County.

"Foundation" means Flagler Health Care Foundation, Inc., a private not-for-profit corporation organized and existing under the laws of the State, and its successors and assigns.

"Governing Body" means the Authority, a public body corporate and politic of the State.

"Hospital" means Flagler Hospital, Inc., a not-for-profit corporation organized and existing under the laws of the State, and its successors and assigns.

"Indenture" means the Trust Indenture relating to the Bonds to be executed by the Authority and the Trustee, substantially in the form attached hereto as Exhibit C.

"Loan Agreement" means the Loan Agreement relating to the Bonds to be executed by and between the Authority and the Hospital, substantially in the form attached hereto as Exhibit B.

"Master Indenture" means the Second Amended and Restated Master Trust Indenture, dated as of September 1, 2020, between the Obligated Group and the Master Trustee, as the same may be supplemented and amended from time to time.

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

"Obligated Group" means the Obligated Group established under (and as defined in) the Master Indenture, as membership in such Obligated Group may be modified from time to time.

"Preliminary Official Statement" means the Preliminary official statement relating to the Bonds, substantially in the form attached hereto as Exhibit D.

"Project" means the project of the Hospital described in Exhibit A to this Resolution and in the Indenture.

"Refunded Obligations" means the Series 2017B Bond.

"Secretary" means the Secretary, any Assistant Secretary or the Treasurer of the Authority.

"Series 2017B Bond" means the St. Johns County Industrial Development Authority Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B, issued in the original principal amount of $71,400,000 on September 28, 2017.

"Series 2022 Note" means the Master Note, Series 2022 issued by the Hospital under the Master Indenture and the Supplemental Indenture for Master Note, Series 2022 and delivered to the Trustee as security for the Bonds.

"State" means the State of Florida.

"Trustee" means U.S. Bank Trust Company, National Association, or any successor banking corporation, banking association or trust company at the time serving as corporate trustee under the provisions of the Indenture.

"Underwriter" means J.P. Morgan Securities LLC, as the underwriter of the Bonds pursuant to the Bond Purchase Agreement.

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

A. The Authority is a public body corporate and politic duly created and existing as a local governmental body and duly constituted as a public instrumentality for the purposes of facilitating the financing and refinancing of industrial development, health care, and other projects under and by virtue of Part III of Chapter 159, Florida Statutes, as amended, and is duly authorized and empowered by the Act to finance and refinance the acquisition, construction, reconstruction, improvement, rehabilitation, renovation, expansion and enlargement, or additions to, furnishing and equipping of certain capital projects, including any "project" for any "health care facility" (as the quoted terms are defined in the Act), including land, rights in land, buildings and other structures, machinery, equipment, appurtenances and facilities incidental thereto, and other improvements necessary or convenient therefore, and to obtain funds to finance the cost thereof by the issuance of its revenue bonds, and to issue its revenue refunding bonds for the purpose of refunding any outstanding revenue bonds issued under the Act to finance the cost thereof, for the purposes of enhancing and expanding the agriculture, tourism, urban development, historic preservation, education and/or health care industries, among others, enhancing other economic activity in the State by attracting manufacturing development, business enterprise management and other activities conducive to economic promotion, improving the prosperity and welfare of the

State and its inhabitants, improving education, living conditions and health care, the advancement of education and science and research in and the economic development of the State, increasing purchasing power and opportunities for gainful employment, and otherwise providing for and contributing to the health, safety and welfare of the people of the State.

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

C. On September 28, 2017, the Authority issued the Series 2017B Bond for the purpose of obtaining funds to loan to the Hospital to finance the costs of the acquisition, construction and installation of (i) renovations to the cardiac catheterization and electrophysiology laboratories located at the Hospital's main campus (the "Main Campus"), (ii) the acquisition and installation of imaging, catheterization lab and electrophysiology lab equipment and clinical laboratory analyzers at the Main Campus, (iii) facilities improvements and the installation of back-up generators and other fixed equipment designed to enable the Hospital to withstand severe weather conditions, and (iv) improvements, equipment, fixtures and furnishings relating to the foregoing and to the existing Main Campus facilities, all located in the County and owned and operated by the Hospital.

D. The Authority has been advised that a refunding of the outstanding Refunded Obligations will be advantageous to the Hospital and will advance the public purposes of providing adequate medical care and health facilities in the County, which medical care and health facilities are necessary to improve the public health and the commerce, welfare and prosperity of the County and its inhabitants.

E. The Hospital has requested the Authority to issue the Bonds in order to obtain funds to loan to the Hospital for the purposes of (i) financing, reimbursing or refinancing all or a part of the costs of the Project, including capitalized interest during the Project construction period and a debt service reserve fund, (ii) refunding the outstanding Refunded Obligations and (iii) paying the costs of issuance of the Bonds as provided herein.

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

(1) The Project consists of the acquisition, construction and installation of the health care facilities described in Exhibit A hereto.

(2) The Hospital has shown that the Project will serve paramount and predominately public purposes by enhancing, expanding and improving health care and will promote the development and maintenance of the public health and the provision of adequate medical care and health facilities within the County and the State. The Hospital also has shown that the refunding of the outstanding Refunded Obligations will be advantageous to the Hospital and will advance the public purposes of providing adequate medical care and health facilities in the County, which medical care and health facilities are necessary to improve the public health and the commerce, welfare and prosperity of the County and its inhabitants. Accordingly, the Project and the refunding of the outstanding

Refunded Obligations in the manner provided in the Loan Agreement and the Indenture will have the incidental effect of fostering the economic growth and development and the industrial and business development of the County and the State, and will serve other predominantly public purposes as set forth in the Act. It is desirable and will most effectively serve the purposes of the Act, for the Authority to finance the acquisition, construction and installation of the Project and the refunding of the outstanding Refunded Obligations and to issue and sell the Bonds for the purpose of providing funds to finance, reimburse or refinance all or a part of the cost of the Project and to refund the outstanding Refunded Obligations, all as provided in the Loan Agreement and the Indenture which contain such provisions as are necessary or convenient to effectuate the purposes of the Act.

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

(4) As of the date hereof, the Hospital is financially responsible based upon the criteria established by the Act, and the Hospital is fully capable and willing to fulfill its obligations under the Loan Agreement and any other agreements to be made in connection with the issuance of the Bonds and the use of the Bond proceeds for financing all or a part of the cost of the Project and refunding the outstanding Refunded Obligations, including the obligation to pay loan payments in an amount sufficient in the aggregate to pay all of the interest, principal, and redemption premiums, if any, on the Bonds, in the amounts and at the times required, the obligation to operate, repair and maintain at its own expense the Project and the other properties and facilities of the Hospital, and to serve the purposes of the Act and such other responsibilities as may be imposed under such agreements, due consideration having been given to the financial condition of the Hospital, the Hospital's ratio of current assets to current liabilities, net worth, earning trends, coverage of all fixed charges, the nature of the industry of business and of the activity involved, the inherent stability thereof, and other factors determinative of the capability of the Hospital, financially and otherwise, to fulfill its obligations consistently with the purposes of the Act. The payments to be made by the Hospital to the Authority and the other security provided by the Loan Agreement, the Indenture, the Master Indenture, and the Series 2022 Note are adequate within the meaning of the Act for the security of the Bonds.

(5) The County and other local agencies will be able to cope satisfactorily with the impact of the Project and will be able to provide, or cause to be provided when needed, the public facilities, including utilities and public services, that will be necessary for the acquisition, construction, installation, operation, repair and maintenance of the Project and on account of any increase in population or other circumstances resulting therefrom.

(6) Adequate provision is made under the Loan Agreement for the operation, repair and maintenance of the Project at the expense of the Hospital, for the payment of the principal of, premium, if any, and interest on the Bonds when and as the same become due and payable, and for the payment by the Hospital of all other costs incurred by the

Authority in connection with the financing, acquisition, construction, installation and administration of the Project which are not paid out of the proceeds from the sale of the Bonds or otherwise.

(7) The Project constitutes a "health care facility" within the meaning of the Act. The costs to be paid from the proceeds of the Bonds shall be "costs of a project" within the meaning of the Act, except for proceeds used to refund the outstanding Refunded Obligations, as permitted under the Act. The capital projects financed by the Refunded Obligations constitute "health care facilities" within the meaning of the Act, and the costs which were paid from the proceeds of the Refunded Obligations were "costs of a project" within the meaning of the Act.

(8) The Authority will loan the proceeds of the Bonds to the Hospital pursuant to the Loan Agreement. The Hospital's obligations under the Loan Agreement will be secured by the Series 2022 Note, which will delivered to the Trustee as additional security for the repayment of the loan and the performance of the Hospital's obligations under the Loan Agreement.

(9) The payments to be made by the Hospital under the Loan Agreement will be sufficient to pay all principal of, premium, if any, and interest on the Bonds, when and as the same shall become due, and all other costs incurred in connection with the financing, acquisition, construction, installation and administration of the portion of the Project to be financed by the Bonds and the refunding of the outstanding Refunded Obligations to be refunded by the Bonds, and to make all other payments required by the Indenture.

(10) The principal of, premium, if any, and interest on the Bonds and all other pecuniary obligations of the Authority under the Loan Agreement, the Indenture or otherwise, in connection with the Project or the Bonds, shall be payable by the Authority solely from the loan payments and other revenues and proceeds receivable by the Authority under the Loan Agreement, the Series 2022 Note, the proceeds of the Bonds and income from the temporary investment of the proceeds of the Bonds or of such other revenues and proceeds, as applicable, as pledged for such payment to the Trustee as provided in the Indenture, all to the extent and in the manner provided therein; neither the faith and credit nor the taxing power of the Authority, of the County, of the State or of any political subdivision thereof is pledged to the payment of the Bonds or of such other pecuniary obligations of the Authority, and neither the Authority, the County, the State nor any political subdivision thereof shall ever be required or obligated to levy ad valorem taxes on any property within their territorial limits to pay the principal of, 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 Authority, the County or the State or any political subdivision thereof, other than the Authority's interest in the Loan Agreement, the Series 2022 Note, and the property rights, receipts, revenues and proceeds pledged therefor as provided in the Indenture.

(11) On February 14, 2022, the Authority conducted a public hearing with respect to the issuance of the Bonds, in accordance with the requirements of Section 147(f)

of the Internal Revenue Code of 1986, as amended; and as no comments were expressed at such hearing, the Authority desires to approve and authorize the financing.

(12) A negotiated sale of the Bonds is required and necessary, and is in the best interest of the Authority, for the following reasons: the Bonds will be special and limited obligations of the Authority payable solely out of revenues and proceeds derived pursuant to the Loan Agreement and the Series 2022 Note, and the Hospital will be obligated for the payment of all costs of the Authority in connection with the financing, acquisition, construction, installation and administration of the Project or otherwise and for operation and maintenance of the Project at no expense to the Authority; the cost of issuance of the Bonds, which will be borne directly or indirectly by the Hospital, could be greater if the Bonds are sold at public sale by competitive bids than if the Bonds are sold at negotiated sale, and a public sale by competitive bids would cause undue delay in the financing of the Project and the refunding of the outstanding Refunded Obligations; revenue bonds having the characteristics of the Bonds are typically and usually sold at negotiated sale; and authorization of a negotiated sale of the Bonds is necessary in order to serve the purposes of the Act.

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

(14) The purposes of the Act will be most effectively served by the acquisition, construction and installation of the Project by the Hospital, as independent contractor and not as agent of the Authority, and the refunding of the outstanding Refunded Obligations, as provided in the Indenture and the Loan Agreement.

(15) The Authority has received the opinion of Rogers Towers, P.A., bond counsel to the Hospital, dated January 25, 2022, to the effect that the Project constitutes a health care facility as defined in the Act.

SECTION 4. REFUNDING AUTHORIZED. The refunding of the outstanding Refunded Obligations in the manner provided in herein is hereby authorized.

SECTION 5. FINANCING OF PROJECT AUTHORIZED. The financing by the Authority of the Project in the manner provided herein is hereby authorized.

SECTION 6. AUTHORIZATION OF THE BONDS. For the purposes of (i) financing, reimbursing or refinancing all or a part of the costs of the Project including interest on the Bonds for a period not to exceed three years and funding a debt service reserve fund, (ii) refunding the outstanding Refunded Obligations and (iii) paying the costs of issuance of the Bonds, the Bonds being in an aggregate principal amount not to exceed $330,000,000, in one or more tax-exempt or taxable series or subseries, containing such terms and conditions as are provided in the Indenture and in the form and manner described herein and in the Indenture, are hereby approved.

SECTION 7. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE LOAN AGREEMENT AND ITS EXHIBITS. The Loan Agreement and any exhibits, substantially in the form attached hereto as Exhibit B with such changes, corrections, insertions and deletions as may

be recommended by Authority's Counsel and approved by the Chair of the Authority, such approval to be evidenced conclusively by her execution thereof, are hereby approved and authorized; the Authority hereby authorizes and directs the Chair of the Authority to date and execute and the Secretary of the Authority to attest, under the official seal of the Authority, the Loan Agreement, and to deliver the Loan Agreement to the Hospital; and all of the provisions of the Loan Agreement, when executed and delivered by the Authority as authorized herein and by the Hospital, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated verbatim herein.

SECTION 8. AUTHORIZATION OF EXECUTION AND DELIVERY OF THE INDENTURE AND ITS EXHIBITS. The Indenture and its exhibits, substantially in the form attached hereto as Exhibit C with such changes, corrections, insertions and deletions as may be recommended by Authority's Counsel and approved by the Chair of the Authority, such approval to be evidenced conclusively by her execution thereof, are hereby approved and authorized; the Authority hereby authorizes and directs the Chair of the Authority to date and execute and the Secretary of the Authority to attest, under the official seal of the Authority, the Indenture, and deliver the Indenture to the Trustee; and all of the provisions of the Indenture, when executed and delivered by the Authority 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.

SECTION 9. AUTHORIZATION OF OFFICIAL STATEMENT. Use of an Official Statement in the marketing of the Bonds, which shall be in substantially the form of the draft Preliminary Official Statement attached hereto as Exhibit D and made a part hereof (subject to the inclusion of the final pricing information for the Bonds), is hereby approved, with such revisions as are consistent with the terms of the financing, reimbursement or refinancing of all or a part of the costs of the Project and the refunding of the outstanding Refunded Obligations, as may be recommended by the Authority's Counsel and approved by the Chair, such approval to be evidenced by her execution thereof, and the Chair is hereby authorized to execute the final Official Statement and to deliver same to the Underwriter.

In adopting this Resolution, the Authority hereby disclaims any responsibility for the Preliminary Official Statement or the Official Statement, except for the information described as having been provided by the Authority, and hereby expressly disclaims any responsibility for any other information included as part of the Preliminary Official Statement or the Official Statement.

SECTION 10. SALE OF BONDS; AUTHORIZATION OF EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENT AND ITS EXHIBITS. The Chair of the Authority is hereby authorized and directed to award the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement in an aggregate principal amount which shall not exceed the amount specified in Section 6 hereof, with a true interest cost of not to exceed 6.00% per annum and with a maturity date not exceeding 40 years from the date of issuance of the Bonds, and with such other final terms, as approved by the Hospital, the Underwriter and the Chair of the Authority. The proposed form of the Bond Purchase Agreement presented by the Underwriter and attached hereto as Exhibit E is hereby approved, with such changes, corrections, insertions and deletions as may be recommended by Authority's Counsel and approved by the Hospital and the Chair of the Authority prior to the execution and delivery thereof, and approval of such changes, corrections, insertions and deletions shall be conclusively presumed by the execution thereof. The Chair of the

Authority is hereby authorized to execute the Bond Purchase Agreement for and on behalf of the Authority pursuant to the terms hereof.

The Chair of the Authority and the other officers, agents and employees of the Authority are hereby authorized and directed to effect the issuance and delivery of the Bonds in accordance with the provisions of this Resolution the Bond Purchase Agreement.

Authority for the issuance of such aggregate principal amount of the Bonds herein authorized which is not hereafter delivered to the Underwriter pursuant to the provisions of this Resolution, is hereby canceled and rescinded.

SECTION 11. APPROVAL OF TRUSTEE. U.S. Bank Trust Company, National Association is hereby approved to serve as Trustee under the Indenture.

SECTION 12. AUTHORIZATION OF EXECUTION OF OTHER CERTIFICATES AND OTHER INSTRUMENTS. The Chair and the Secretary of the Authority are hereby authorized and directed, either alone or jointly, under the official seal of the Authority, to execute and deliver the Bonds and certificates of the Authority certifying such facts as Authority's Counsel, Underwriters' Counsel or Bond Counsel shall require in connection with the issuance, sale and delivery of the Bonds, and to execute and deliver such other instruments, including but not limited to, such agreements and instruments as shall be necessary or desirable in connection with the delivery of any municipal bond insurance policy or other credit enhancement facilities, certificate deeming portions of the Preliminary Official Statement relating to the Authority "final" within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, registrar and paying agent agreements, deeds, assignments, bills of sale and financing statements, as shall be necessary or desirable to perform the Authority's obligations under this Resolution, the Indenture, the Loan Agreement, or the Bond Purchase Agreement, and to consummate the transactions hereby contemplated.

SECTION 13. TAX AGREEMENT. The Chair of the Authority is hereby authorized and directed to execute any appropriate tax agreement or tax certificate necessary to properly document the tax-exempt nature of the Bonds.

SECTION 14. APPROVAL BY COUNTY COMMISSION. The Bonds shall not be issued unless the issuance of the Bonds by the Authority has been approved by the County Commission. The County Commission is hereby requested to approve the issuance of the Bonds by the Authority.

SECTION 15. NO PERSONAL LIABILITY. No representation, statement, covenant, warranty, stipulation, obligation or agreement herein contained, or contained in the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, or any certificate or other instrument to be executed on behalf of the Authority in connection with the issuance of the Bonds, shall be deemed to be a representation, statement, covenant, warranty, stipulation, obligation or agreement of any member, officer, employee or agent of the Authority in his or her individual capacity, and none of the foregoing persons nor any officer of the Authority executing the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, or any certificate or other instrument to be executed in connection with the issuance of the Bonds shall be liable personally

thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 16. NO THIRD PARTY BENEFICIARIES. Except as otherwise expressly provided herein or in the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, nothing in this Resolution, or in the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, express or implied, is intended or shall be construed to confer upon any person, firm, corporation or other organization, other than the Authority, the Hospital, the Trustee and the owners from time to time of the Bonds with respect to matters relating to the Bonds and the Authority and the Hospital, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof, or of the Bonds, the Loan Agreement, the Indenture, the Bond Purchase Agreement, as applicable, all provisions hereof and thereof being intended to be and being for the sole and exclusive benefit of the Authority, the Hospital, the Trustee and the owners from time to time of the Bonds.

SECTION 17. PREREQUISITES PERFORMED. All acts, conditions and things relating to the passage of this Resolution, to the issuance, sale and delivery of the Bonds, to the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase Agreement required by the Constitution or other laws of the State, to happen, exist and be performed precedent to the passage hereof, and precedent to the issuance, sale and delivery of the Bonds, to the execution and delivery of the Loan Agreement, the Indenture and the Bond Purchase Agreement have either happened, exist and have been performed as so required or will have happened, will exist and will have been performed prior to such execution and delivery.

SECTION 18. COMPLIANCE WITH CHAPTER 218, PART II, FLORIDA STATUTES. The Authority hereby approves and authorizes the completion, execution and filing with the Division of Bond Finance, Department of General Services of the State of Florida, at the expense of the Hospital, of advance notice of the impending sale of the Bonds, of Bond Information Form BF2003/BF2004, and any other acts as may be necessary to comply with Chapter 218, Part II, Florida Statutes, as amended.

SECTION 19. GENERAL AUTHORITY. The members of the Authority and its officers, attorneys, engineers or other agents or employees are hereby authorized to do all acts and things required of them by this Resolution, the Bonds, the Loan Agreement, the Indenture, and the Bond Purchase Agreement, and to do all acts and things which are desirable and consistent with the requirements hereof or of the Bonds, the Loan Agreement, the Indenture, or the Bond Purchase Agreement, for the full, punctual and complete performance of all the terms, covenants and agreements contained herein or in the Bonds, the Loan Agreement, the Indenture and the Bond Purchase Agreement.

SECTION 20. THIS RESOLUTION CONSTITUTES A CONTRACT. The Authority covenants and agrees that this Resolution shall constitute a contract between the Authority and the owners from time to time of the Bonds, and that all covenants and agreements set forth herein and in the Bonds, the Loan Agreement and the Indenture, to be performed by the Authority shall be for the equal and ratable benefit and security of the owners from time to time of the Bonds, without privilege, priority or distinction as to lien or otherwise of any of the Bonds over any other of the Bonds.

SECTION 21. AUTHORIZATION OF AMENDMENTS AND SUPPLEMENTS AND ELECTIONS RELATING TO REDEMPTION. The execution, delivery and performance of amendments or supplements to the Bond Indenture, Loan Agreement, Bond Purchase Agreement, Official Statement, Tax Agreement and related documents for such purpose as does not materially change the basic purposes, terms and provisions of the Bonds approved hereby and as agreed to by the Obligated Group and, if necessary, the Underwriter are hereby authorized. Any such amendment shall be executed by the Chair of the Authority and shall be such form as may be approved by such signatory, upon the advice of the Authority's counsel, and the execution of such amendments or supplements as hereby authorized shall be conclusive evidence of any such approval. The execution and delivery of any election by the Chair of the Authority relating to redemption of the Bonds under the terms of Article 5 of the Indenture at the written direction of the Hospital is hereby authorized.

SECTION 22. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions, and shall in no way affect the validity of any of the other provisions hereof or of the Bonds issued under the Indenture.

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

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

PASSED AND ADOPTED this 14th day of February, 2022.

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

(OFFICIAL SEAL)

By: _____
Chair

ATTEST:

_____
Secretary

LIST OF EXHIBITS

EXHIBIT A DESCRIPTION OF THE PROJECT
EXHIBIT B LOAN AGREEMENT
EXHIBIT C TRUST INDENTURE
EXHIBIT D PRELIMINARY OFFICIAL STATEMENT
EXHIBIT E BOND PURCHASE AGREEMENT

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project to be financed, reimbursed or refinanced by the Bonds consists of (A) the acquisition, construction, equipping and installation of an approximately 77-bed new general acute care hospital located in the Durbin Park area of the County and (B) the acquisition, construction and equipping of capital additions and improvements at the Hospital's existing main campus.

EXHIBIT B

LOAN AGREEMENT

EXHIBIT C

TRUST INDENTURE

EXHIBIT D

PRELIMINARY OFFICIAL STATEMENT

EXHIBIT E

BOND PURCHASE AGREEMENT

RT DRAFT
1/26/22

LOAN AGREEMENT

Dated as of April 1, 2022

Between

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

And

FLAGLER HOSPITAL, INC.

Relating to the Issuance of

St. Johns County Industrial Development Authority
Revenue Bonds (Flagler Health)
Series 2022

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LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of April 1, 2022 (this "Loan Agreement"), is entered into by the **ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public body corporate and politic of the State of Florida (the "Issuer"), and **FLAGLER HOSPITAL, INC.,** a Florida not for profit corporation (the "Borrower").

Recitals

A. The Issuer has duly authorized the issuance of its $_____,000 aggregate principal amount of Revenue Bonds (Flagler Health), Series 2022 (the "Bonds") pursuant to a Trust Indenture, dated as of April 1, 2022 (the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee").

B. The Bonds are being issued for the purposes described in the Indenture.

C. The recitals to the Indenture are incorporated in this Loan Agreement by reference.

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

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONSOF GENERAL APPLICATION

SECTION 1.1 Definitions

For all purposes of this Loan Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(1) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Indenture and the Master Indenture.

(2) The definitions in the recitals to this instrument are for convenience only and shall not affect the construction of this instrument.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of application thereof.

(4) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(5) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Loan Agreement as a whole and not to any particular Article, Section or other subdivision.

(6) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(7) The term "person" shall include any individual, corporation, partnership, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

SECTION 1.2 Effect of Headings and Table of Contents

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.3 Date of Loan Agreement

The date of this Loan Agreement is intended as and for a date for the convenient identification of this Loan Agreement and is not intended to indicate that this Loan Agreement was executed and delivered on said date.

SECTION 1.4 Severability Clause

If any provision in this Loan Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.5 Governing Law

This Loan Agreement shall be construed in accordance with and governed by the laws of the State.

SECTION 1.6 Counterparts

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

ARTICLE 2

THE LOAN

SECTION 2.1 Sale of Bonds

Simultaneously with the delivery of this Loan Agreement, the Issuer shall issue the Bonds pursuant to the Indenture.

SECTION 2.2 Loan of Bond Proceeds

The Issuer does hereby loan the principal amount of the Bonds to the Borrower, and the Borrower does hereby borrow such amount from the Issuer and instruct the Issuer to apply the proceeds of the Bonds in the manner set forth in Section 6.3 of the Indenture.

SECTION 2.3 Withdrawals From Costs of Issuance Fund

The Borrower may cause withdrawals to be made from the Costs of Issuance Fund for the payment of Costs of Issuance (including reimbursement to the Borrower for any such Costs of Issuance paid directly by the Borrower) by delivering to the Trustee a duly completed requisition for each such withdrawal in the form attached to the Indenture as Exhibit 6.5(b), executed on behalf of the Borrower by an Authorized Borrower Representative.

SECTION 2.4 Withdrawals From Project Fund

The Borrower may cause withdrawals to be made from the Project Fund for the payment of Project Costs (including reimbursement to the Borrower for any such Project Costs or for Costs of Issuance paid directly by the Borrower) by delivering to the Trustee a duly completed requisition for each such withdrawal in the form attached to the Indenture as Exhibit 6.5(b), executed on behalf of the Borrower by an Authorized Borrower Representative.

ARTICLE 3

LOAN PAYMENTS

SECTION 3.1 Loan Payments

(a) The Borrower shall make Loan Payments to the Trustee, for the account of the Issuer, on each Bond Payment Date in an amount equal to the Debt Service on the Bonds due on such Bond Payment Date. All Loan Payments shall be made in funds immediately available to the Trustee not later than 10:00 a.m. on the fifth **[change to *next preceding* if no insurance]** Business Day immediately preceding the related Bond Payment Date.

(b) Credits shall be allowed against the Loan Payments for income and profits received from the investment of money in the Debt Service Fund.

(c) The Borrower acknowledges that Loan Payments are intended to provide amounts that will be sufficient to pay Debt Service on the Bonds as the same becomes due. If on any Bond Payment Date the amount on deposit in the Debt Service Fund is not sufficient to pay Debt Service on the Bonds due and payable on such date, the Borrower shall immediately deposit the amount of such deficiency in the Debt Service Fund in funds immediately available to the Trustee at the Office of the Trustee on such Bond Payment Date.

SECTION 3.2 Delivery of Series 2022 Note

(a) Simultaneously with the delivery of the Bonds, the Borrower shall cause the Obligated Group to execute and deliver the Series 2022 Note to the Trustee, as assignee of the Issuer, in a principal amount equal to the Bonds and payable at times and in amounts corresponding to the required payments of Debt Service with respect to the Bonds. The Series 2022 Note shall

be considered evidence of and security for the Borrower's obligation to make Loan Payments under this Loan Agreement. All Loan Payments with respect to the Bonds shall be credited against the required payments under the Series 2022 Note, all to the end that (i) the unpaid aggregate principal amount of the Bonds shall be equal to the unpaid principal amount of the Series 2022 Note, and (ii) the unpaid aggregate principal amount of the Bonds shall be equal to the unpaid principal amount of the Series 2022 Note.

(b) At such time as all of the Bonds are no longer Outstanding and the additional payments set forth below are paid in full, the Series 2022 Note shall be deemed fully paid and the Issuer shall cause the Trustee to surrender such Series 2022 Note to the Borrower.

SECTION 3.3 Additional Payments

(a) The Borrower shall pay to the Issuer or to the Trustee, as the case may be, the following:

(1) the acceptance fee of the Trustee and the annual (or other regular) fees, charges and expenses of the Trustee and any paying agents designated under the Indenture;

(2) any amount to which the Trustee may be entitled under Section 12.7 of the Indenture;

(3) the reasonable expenses of the Issuer incurred at the request of the Borrower, or in the performance of its duties under any of the Financing Documents, or in connection with any litigation which may at any time be instituted involving any of the Financing Documents, or in the pursuit of any remedies under any of the Financing Documents; and

(4) [all amounts owed to the Insurer pursuant to the Indenture, including the amounts set forth in Article 15 thereof].

(b) The Borrower shall make such payments to the Issuer or the Trustee, as the case may be, within 30 days after receipt of an invoice therefor.

SECTION 3.4 Overdue Payments

Any Loan Payments required by ***Section 3.1*** that are not received by the Trustee by the related Bond Payment Date shall bear interest from such Bond Payment Date until paid at the Post-Default Rate for overdue Debt Service payments specified in the Bonds. Any other payments required by this ***Article 3*** that are overdue shall bear interest from the date due until paid at the Post-Default Rate specified in the Indenture.

SECTION 3.5 Advances by Issuer or Trustee

If the Borrower shall fail to perform any of its covenants in this Loan Agreement, the Issuer or the Trustee may (but shall not be required to), at any time and from time to time, after written notice to the Borrower if no Loan Default exists, make advances to effect performance of any such covenant on behalf of the Borrower. Any money so advanced by the Issuer, together with interest at the Post-Default Rate, shall be repaid upon demand.

SECTION 3.6 Unconditional Obligation

The Borrower's obligation to make Loan Payments and the other payments required by this Loan Agreement and to perform and observe the other agreements and covenants on its part contained herein shall be absolute and unconditional, irrespective of any rights of set off, recoupment or counterclaim it might otherwise have against the Issuer or the Trustee.

ARTICLE 4

CONCERNING THE BONDS, THE INDENTURE AND THE TRUSTEE

SECTION 4.1 Assignment of Loan Agreement and Loan Payments by Issuer

(a) Simultaneously with the delivery of this Loan Agreement, the Issuer shall, pursuant to the Indenture, assign and pledge to the Trustee all of its right, title and interest in and to the Series 2022 Note and the Loan Agreement (except for the Reserved Rights). The Borrower hereby consents to such assignment and pledge.

(b) Until the Indenture Indebtedness has been Fully Paid, the Trustee shall have all rights and remedies herein accorded to the Issuer and any reference herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Trustee; *provided*, *however*, that the Issuer shall retain the rights to indemnification and reimbursement of expenses granted to it by this Loan Agreement.

SECTION 4.2 Redemption of Bonds and Prepayment of Series 2022 Note

(a) The Issuer will redeem any or all of the Bonds in accordance with the scheduled mandatory redemption provisions of the Bonds and upon the occurrence of any event or contingency requiring the mandatory redemption of Bonds, all in accordance with the applicable provisions of the Bonds and the Indenture.

(b) If no Loan Default exists, the Issuer will exercise any right of optional redemption with respect to the Bonds only upon the written request of the Borrower, subject to any conditions to such redemption as shall be specified by the Borrower in such request.

(c) Upon the redemption of Bonds pursuant to any optional or mandatory redemption provisions, the Series 2022 Note shall be deemed prepaid in the amount equal to the principal amount of the Bonds redeemed.

SECTION 4.3 Amendment of Indenture

As long as no Loan Default exists, the Issuer will not cause or permit the amendment of the Indenture or the execution of any supplemental indenture without the prior written consent of the Borrower [and the Insurer to the extent required by Article 15 of the Indenture].

SECTION 4.4 The Indenture Funds

(a) If no Loan Default exists, any money held as part of an Indenture Fund shall be invested or reinvested in Qualified Investments by the Trustee in accordance with the terms of the Indenture and the written instructions of the Borrower.

(b) The Borrower shall be solely responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code, and (ii) calculating the amount of, and making payment of, any rebate due to the United States under Section 148(f) of the Internal Revenue Code.

(c) As security for the performance by the Borrower of the covenants hereunder, the Borrower hereby assigns and pledges to the Issuer, and grants to the Issuer a security interest in, all right, title and interest of the Borrower in and to all money and investments from time to time on deposit in, or forming a part of, the Indenture Funds, subject to the provisions of this Loan Agreement and the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in the Indenture. The Borrower acknowledges that the rights of the Issuer created by this Section shall be assigned by the Issuer to the Trustee pursuant to the Indenture.

(d) To the extent the regulations of the Comptroller of the Currency or other applicable regulatory entity grants to the Borrower the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Borrower hereby specifically waives receipt of such confirmations to the extent permitted by law.

SECTION 4.5 Full Payment of Indenture Indebtedness

(a) After the Indenture Indebtedness is Fully Paid, all fees and expenses due to the Issuer and the Trustee under the Indenture and this Loan Agreement have been fully paid, and all amounts owed the Insurer have been paid in full, all references in this Loan Agreement to the Bonds, the Indenture and the Trustee shall be ineffective and neither the Trustee nor the Holders of the Bonds shall thereafter have any rights hereunder, except those rights that shall have theretofore vested.

(b) If any money or investments remain in the Indenture Funds after the Indenture Indebtedness has been Fully Paid, and all fees and expenses due to the Issuer and the Trustee under the Indenture and this Loan Agreement have been fully paid, and all amounts owed the Insurer shall have been paid, the Issuer will pay and deliver such money and investments to the Borrower.

ARTICLE 5

REPRESENTATIONS AND COVENANTS

SECTION 5.1 General Representations

The Borrower makes the following representations for the benefit of the Issuer and as the basis for its undertakings hereunder:

(1) It is duly organized as a not for profit corporation under the laws of the State of Florida and is not in default under any of the provisions contained in its articles of incorporation or bylaws or in the laws of the State of Florida.

(2) It is an organization described under Section 501(c)(3) of the Internal Revenue Code and has done nothing to impair its status as such.

(3) It has the power to consummate the transactions contemplated by the Financing Documents to which it is a party.

(4) By proper corporate action it has duly authorized the execution and delivery of the Financing Documents to which it is a party and the consummation of the transactions contemplated therein.

(5) It has obtained all consents, approvals, authorizations and orders of governmental authorities that are required to be obtained by it as a condition to the execution and delivery of the Financing Documents to which it is a party.

(6) The execution and delivery by it of the Financing Documents to which it is a party and the consummation by it of the transactions contemplated therein will not (i) conflict with, be in violation of, or constitute (upon notice or lapse of time or both) a default under its charter or bylaws, or any agreement, instrument, order or judgment to which it is a party or is subject or (ii) result in or require the creation or imposition of any lien of any nature upon or with respect to any of its properties now owned or hereafter acquired, except as contemplated by the Financing Documents.

(7) The Financing Documents to which it is a party constitute legal, valid and binding obligations and are enforceable against it in accordance with the terms of such instruments, except as enforcement thereof may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, including the exercise of judicial discretion in appropriate cases.

(8) The Project will be located in the County.

(9) The proceeds of the Bonds which are to be used to finance, refinance or reimburse the costs of the Project will be used solely for the Project, and the Project will promote and enhance the public purposes set forth in the Enabling Law and will benefit the economy of the Issuer. The costs of the Project to be paid from the proceeds of the Bonds will be "costs" of a "project" as defined in the Enabling Law. The Project is a "health care facility," as defined in the Enabling Law. The Borrower intends to operate the Project as "health care facilities" until the Bonds are fully paid or, if the Borrower is no longer operating the Project, to assure that any tenant, assignee, vendee or other successor in interest actively using the Project shall so operate the Project until the Bonds are fully paid.

(10) [The capital projects financed by the Prior Debt constitute "health care facilities" within the meaning of the Enabling Law, and the costs which were paid from the proceeds of the Refunded Obligations were "costs" of a "project" and "health care facilities" within the meaning of the Enabling Law.] The Borrower intends to operate such projects as "health care facilities" until the Bonds are fully paid, or, if the Borrower is no longer operating such capital projects, to assure that any tenant, assignee, vendee or other successor in interest actively using such capital projects shall so operate such capital projects until the Bonds are fully paid.

(11) The Borrower shall not use any facility acquired, improved, financed or in any way provided or assisted by the Issuer to promote any sectarian purpose or to advance or inhibit any religious activity, nor shall any such facility be operated by the Borrower in a manner so pervaded by religious activities that the secular objectives of the Enabling Law cannot be separated from the sectarian interests or purposes of the Borrower to the extent required by the Constitution of Florida and the First Amendment to the Constitution of the United States of America.

SECTION 5.2 Operation and Maintenance of the Project. Upon completion of the Project and thereafter for so long as the Bonds are outstanding, the Borrower, as independent contractor and not as agent of the Issuer, shall comply with Section 503 of the Master Indenture with respect to the Project. The Borrower, as independent contractor and not as agent of the Issuer, may remodel, modify or otherwise improve the Project from time to time as the Borrower in its discretion determines to be in its best interests. The Borrower shall operate the Project as a "project" and a "health care facility" (as defined in the Enabling Law) at its own expense.

SECTION 5.3 Corporate Existence

(a) Except as provided in subsection (b) of this Section, the Borrower will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

(b) The Borrower may consolidate with or merge into any other nonprofit corporation or transfer its property substantially as an entirety to any person if:

(1) such consolidation, merger, conveyance or transfer shall be on such terms as shall fully preserve the rights and powers of the Trustee and the Holders of the Bonds;

(2) the corporation formed by such consolidation or into which the Borrower is merged or the person which acquires by conveyance or transfer the Borrower's property substantially as an entirety (the "Successor") shall execute and deliver to the Trustee an instrument in form recordable and acceptable to the Trustee (as advised by counsel, at the expense of the Borrower) containing an assumption by such Successor of the performance and observance of every covenant and condition of this Loan Agreement and the other Financing Documents to be performed or observed by the Borrower;

(3) the Borrower shall certify to the Issuer and the Trustee immediately after giving effect to such transaction, no Loan Default, or any event which upon notice or lapse of time or both would constitute such a Loan Default, shall have occurred and be continuing;

(4) the Borrower delivers to the Issuer and the Trustee a Favorable Opinion; and

(5) the Borrower shall have delivered to the Trustee a certificate executed by its chief executive officer and an Opinion of Counsel, each of which shall state that such consolidation, merger, conveyance or transfer complies with this Section and that all conditions precedent herein provided relating to such transactions shall have been complied with.

(c) Upon any consolidation or merger or any conveyance or transfer of the Borrower's property substantially as an entirety in accordance with this Section, the Successor shall succeed to, and be substituted for the Borrower under this Loan Agreement with the same effect as if such Successor had been named as the Borrower herein.

SECTION 5.4 Indemnity of Issuer and Trustee

(a) Subject to the provisions of subsections (b) and (c) hereof, the Borrower agrees to indemnify and hold the Issuer, the Trustee and their members, officers, employees, agents and representatives and any person who "controls" (within the meaning of the Securities act of 1933, as amended) the Issuer or the Trustee (any or all of the foregoing being hereinafter referred to as the "Indemnified Persons") harmless from and against any and all losses, costs, damages, expenses and liabilities of whatsoever nature or kind (including but not limited to, reasonable attorneys' fees whether or not suit is brought and whether incurred in settlement negotiations, investigations of claims, at trial, on appeal or otherwise), litigation and court costs, amounts paid in settlement and amounts paid to discharge judgments directly or indirectly (each, a "Loss") resulting from, arising out of, or related to (i) the actions and omissions by the Borrower in connection with the issuance, offering, remarketing, sale or delivery or resale on the secondary market of the Bonds; (ii) the enforcement of provisions of this Loan Agreement or any other document to which the Issuer or the Trustee is a party executed in connection with the Bonds; (iii) any written statements or representations made or given by the Borrower or by any partner, director, officer, employee, attorney or agent of the Borrower or person under direct contract to the Borrower or acting on the Borrower's behalf to any Indemnified Persons relating to statements or representations or financial information; (iv) the design, construction, installation, operation, use, occupancy, maintenance or

ownership of the Project; (v) any violation of any environmental law, rule or regulation with respect to the Project or the land on which it is situated, or (vi) any inquiry or audit by the Internal Revenue Service with respect to the tax-exempt status of the Bonds.

(b) This indemnity does not apply to the extent that any such Loss is caused by the willful misconduct or bad faith of an Indemnified Person or, in the case of the Trustee, its negligence.

(c) After receipt of notice of any claim as to which they assert a right to indemnification (notice to the Indemnified Persons being service with respect to the filing of any legal action, receipt of any claim in writing or similar form of actual notice), the Indemnified Persons shall notify the Borrower of such claim in writing. The Indemnified Persons will provide notice to the Borrower in a timely manner following their receipt of a filing relating to a legal action or any other claim so as not to impair the Borrower's rights to defend such legal action or claim.

(d) If any claim for indemnification by the Indemnified Persons arises out of a claim for monetary damages by a person other than the Indemnified Persons, the Borrower shall undertake to conduct any proceedings or negotiations in connection therewith which are necessary to defend the Indemnified Persons and shall take all such steps or proceedings as the Borrower in good faith deems necessary to settle or defeat any such claims, and to employ counsel reasonably acceptable to the Indemnified Persons to contest any such claims; provided, however, that the Borrower shall reasonably consider the advice of the Indemnified Persons as to the defense of such claims, and, except as provided below, control of such litigation and settlement shall remain with the Borrower. The Indemnified Persons shall provide all reasonable cooperation in connection with any such defense by the Borrower. Reasonable counsel (except as provided above) and auditor fees, filing fees and court fees of all proceedings, contests or lawsuits with respect to any such claim or asserted liability shall be borne by the Borrower. If any such claim is made hereunder and the Borrower does not undertake the defense thereof within time required so as to not jeopardize Indemnified Persons' interest, the Indemnified Persons shall be entitled to control such litigation and settlement and shall be entitled to indemnity with respect thereto pursuant to the terms of this Section 5.6. To the extent that the Borrower undertakes the defense of such claim, the Indemnified Persons shall be entitled to indemnity hereunder only to the extent that such defense is unsuccessful as determined by a final judgment of a court of competent jurisdiction, or by written acknowledgment of the parties. Notwithstanding the foregoing, the Indemnified Persons shall have the right to employ separate counsel in any such action or proceedings and to participate in the defense thereof, but, unless such separate counsel is employed with the approval and consent of the Borrower, or because of an actual and relevant conflict of interest between the Borrower and the Indemnified Person, the Borrower shall not be required to pay the fees and expenses of such separate counsel. At the request of an Indemnified Person, the Borrower agrees, in addition to the above indemnification, to pay the reasonable costs and expenses of counsel to an Indemnified Person in connection with the actions or proceedings giving rise to the indemnification.

(e) The indemnification provided in this Section 5.6 is in addition to, and not in substitution of, the indemnification provisions in other documents executed and delivered in connection with the making of the Loan and the issuance of the Bonds, and shall survive the termination of this Loan Agreement.

SECTION 5.5 Compliance with Tax Agreement

The Borrower will comply with all covenants and agreements on its part contained in the Tax Agreement.

SECTION 5.6 Continuing Disclosure Undertaking

The Borrower hereby covenants and agrees that it will enter into, comply with and carry out all of the provisions of the Continuing Disclosure Undertaking with respect to the Bonds that complies with the provisions of Rule 15c2-12, in form and substance satisfactory to the Participating Underwriter (as defined in Rule 15c2-12). Notwithstanding any other provision of this Loan Agreement or the Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered a Loan Default or an Indenture Default.

SECTION 5.7 Indenture

The Borrower hereby agrees to comply with the provisions of the Indenture applicable to the Borrower, including any provisions in Article 15 for the benefit of the Insurer that specifically reference the Borrower.

ARTICLE 6

REMEDIES

SECTION 6.1 Events of Default

Any one or more of the following shall constitute an event of default (a "Loan Default") under this Loan Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of any Loan Payment required by ***Section 3.1*** on the related Bond Payment Date; or

(2) the Borrower shall fail to observe or perform any covenant or warranty in this Loan Agreement (other than a covenant or warranty, a default in the performance or breach of which is specifically addressed elsewhere in this Section 6.1) for a period of 60 days (or such longer period as permitted in writing by the Trustee) after the date on which written notice, specifying such failure and requiring that it be remedied, shall have been given to the Borrower by the Issuer or the Trustee.

(3) an Act of Bankruptcy shall occur with respect to the Borrower; or

(4) the occurrence of an "Event of Default" as described and defined in any of the Financing Documents (other than the Continuing Disclosure Undertaking and the expiration of any applicable grace period.

The Continuing Disclosure Undertaking contains the exclusive remedies for breach by the Borrower of the covenants on its part contained in the Continuing Disclosure Undertaking, and no such breach shall constitute a Loan Default or an event of default under any other Financing Document.

SECTION 6.2 Remedies on Default

If a Loan Default occurs and is continuing, the Issuer (or the Trustee, as provided in ***Section 4.1***) may exercise any of the following remedies:

(1) declare all Loan Payments to be immediately due and payable in an amount not to exceed the principal amount of all Outstanding Bonds, plus the redemption premium (if any) payable with respect thereto, plus the interest accrued thereon to the date of such declaration, plus all other amounts due and payable hereunder;

(2) declare the Series 2022 Note to be immediately due and payable in accordance with the terms thereof, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Series 2020A/B Note or the Master Indenture to the contrary notwithstanding; or

(3) take whatever other action at law or in equity that, in its judgment, is necessary or desirable to collect the amounts due on the Series 2020A/B Note or under this Loan Agreement, whether by declaration or otherwise, or to enforce the performance, observance or compliance by the Borrower with any covenant or agreement contained in this Loan Agreement.

SECTION 6.3 Rights With Respect to Series 2022 Note

The Borrower acknowledges that, if any Loan Default exists, the Trustee shall be entitled to exercise all of the rights afforded by the Master Indenture to the Trustee as the holder of the Series 2022 Note.

SECTION 6.4 Proceedings in Bankruptcy

In case there shall be pending proceedings for the bankruptcy or for the reorganization or arrangement of the Borrower under the Federal Bankruptcy Code or any other similar federal or state law, or in case a receiver or trustee shall have been appointed for its property, the Issuer, irrespective of whether Loan Payments or Series 2022 Note shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Issuer or the Trustee shall have made any demand pursuant to the provisions of ***Section 6.2*** hereof, the Issuer or the Trustee (as the case may be) shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of Loan Payments and Series 2022 Note owing and unpaid, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Issuer allowed in such judicial proceedings relative to the Borrower, its creditors or its property, and to collect and receive any money or other property payable or deliverable on any such claims.

SECTION 6.5 No Remedy Exclusive

No remedy herein conferred upon or reserved to the Issuer or the 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 Loan 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.

SECTION 6.6 Agreement to Pay Attorneys' Fees and Expenses

If the Borrower should default under any of the provisions of this Loan Agreement and the Issuer or the Trustee (in its own name or in the name and on behalf of the Issuer) should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any agreement or covenant on the part of the Borrower herein contained, the Borrower will on demand therefor pay to the Issuer or the Trustee (as the case may be) the reasonable fee of such attorneys and such other reasonable expenses so incurred.

SECTION 6.7 No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 6.8 Remedies Subject to Applicable Law [and Rights of the Insurer]

All rights, remedies and powers provided by this Article may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Loan Agreement invalid or unenforceable.

[The exercise of remedies under this Loan Agreement is subject to the rights of the Insurer set forth in Article 15 of the Indenture.]

SECTION 6.9 Injunctive Relief. The Borrower acknowledges that, in the event an Event of Default occurs hereunder, any remedy of law may prove to be inadequate relief to the Issuer; therefore, the Borrower agrees that the Issuer or the Trustee shall be entitled to seek such temporary or permanent injunctive relief as a court of competent jurisdiction in its discretion may award in any such case.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1 Issuer's Liabilities Limited

(a) The covenants and agreements contained in this Loan Agreement shall never constitute or give rise to a personal or pecuniary liability or charge against the general credit of the Issuer, and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues of the Issuer shall arise therefrom. Nothing contained in this Section, however, shall relieve the Issuer from the observance and performance of the covenants and agreements on its part contained herein.

(b) No recourse under or upon any covenant or agreement of this Loan Agreement shall be had against any past, present or future incorporator, officer or member of the governing body of the Issuer, or of any successor corporation, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Loan Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer or member of the governing body of the Issuer or any successor corporation, or any of them, under or by reason of the covenants or agreements contained in this Loan Agreement.

SECTION 7.2 Corporate Existence of Issuer

The Issuer will maintain its corporate existence; provided that all of its assets and liabilities may by law be transferred to, and assumed by, another government entity.

SECTION 7.3 Notices

(a) Any request, demand, authorization, direction, notice, instruction, consent, waiver or other document provided or permitted by this Loan Agreement to be made upon, given or furnished to, or filed with, the Borrower, the Issuer or the Trustee must (except as otherwise expressly provided in this Loan Agreement) be in writing and be delivered by one of the following methods: (1) by personal delivery, (2) by first-class, registered or certified mail, or (3) by Electronic Means. Notice by Electronic Means shall constitute written notice; provided, however, that if the Borrower or the Issuer elects to give the Trustee facsimile instructions and the Trustee in its discretion elects to act upon such facsimile instructions, the Trustee's understanding of such facsimile instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses directly or indirectly from the Trustee's reliance upon and compliance with such facsimile instructions notwithstanding such facsimile instructions conflict with or are inconsistent with a subsequent written instruction. Any specific reference in this instrument to "written notice" shall not be construed to mean that any other notice may be oral, unless oral notice is specifically permitted by this instrument under the circumstances. If this instrument permits any oral notice to the Trustee, such notice must be delivered or given to a corporate trust officer to be effective. Address information provided by the Financing Participants for receipt of notice or other documents by such parties is set forth in Exhibit 16.1(a) of the Indenture or in Section 15 in the

case of the Insurer. Any of such parties may change the address or number for receiving any such notice or other document by giving notice of the change to the other parties named in this Section.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed at the address specified pursuant to this Section, or, if sent by mail, seven days after such notice or document is deposited in the United States mail addressed as provided above.

SECTION 7.4 Successors and Assigns

All covenants and agreements in this Loan Agreement by the Issuer or the Borrower shall bind their respective successors and assigns, whether so expressed or not.

SECTION 7.5 Benefits of Loan Agreement

Nothing in this Loan Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, the Trustee, [the Insurer] and the Holders of the Outstanding Bonds, any benefit or any legal or equitable right, remedy or claim under this Loan Agreement.

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Loan Agreement to be duly executed and delivered as of the day and year first above written.

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By:_____
Its: Chair

(SEAL)

Attest:

_____
Its: Assistant Secretary

FLAGLER HOSPITAL, INC.

By:_____
Its: President

[Signature Page to Loan Agreement]

TRUST INDENTURE

Dated as of April 1, 2022

Between

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

And

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
As Trustee

Relating to the Issuance of
St. Johns County Industrial Development Authority
Revenue Bonds (Flagler Health)
Series 2022

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of April 1, 2022 (this "Indenture"), is entered into by **ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY**, a public body corporate and politic of the State of Florida (the "Issuer"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, as trustee (the "Trustee").

Recitals

A. The Issuer has duly authorized the issuance of $_____,000 aggregate principal amount of its St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 (the "Series 2022 Bonds") (the "Bonds") pursuant to this Indenture.

B. The Bonds are being issued to provide financing or refinancing for Flagler Hospital, Inc., a Florida not-for-profit corporation (the "Borrower"). Proceeds of the Bonds will be used to refund and prepay the Prior Debt described herein, finance, reimburse or refinance all or part of the costs of acquiring, constructing and installing the Project (including capitalized interest on the Bonds) described herein and pay costs of issuance relating to the Bonds.

C. Proceeds of the Bonds will be loaned by the Issuer to the Borrower pursuant to a Loan Agreement, dated as of April 1, 2022 (the "Loan Agreement"), between the Issuer and the Borrower. Pursuant to the Loan Agreement the Borrower will agree to make Loan Payments (as hereinafter defined) at the times and in amounts sufficient to pay Debt Service (as hereinafter defined) on the Bonds.

D. As evidence of and security for its loan repayment obligation, the Borrower will issue and deliver to the Trustee, as assignee of the Issuer, its Master Note, Series 2022, No. 1 (the "Series 2022 Note"), pursuant to Supplemental Indenture for Master Note, Series 2022, No. 1 (the "Supplemental Master Indenture"), supplementing and amending the Second Amended and Restated Master Trust Indenture, dated as of September 1, 2020, as supplemented and amended from time to time (the "Master Indenture"), between the Borrower and Flagler Health Care Foundation, Inc., as members of the Obligated Group under (and as defined in) the Master Indenture, and U.S. Bank National Association, as trustee thereunder (the "Master Trustee"). As security for the payment of the Bonds and all other obligations under this Indenture, the Issuer will, pursuant to this Indenture, assign and pledge to the Trustee all of the Issuer's rights under the Loan Agreement and the Series 2022 Note, except for Reserved Rights (as hereinafter defined).

E. The Bonds shall be special and limited obligations of the Issuer payable solely out of (i) the Loan Payments made by the Borrower pursuant to the Loan Agreement, (ii) payments made by the Obligated Group on the Series 2022 Note and (iii) any other assets constituting a part of the Trust Estate established pursuant to this Indenture, including money in the funds and accounts established pursuant to this Indenture (other than the Rebate Fund).

F. [The scheduled payment of principal and interest on the Bonds is guaranteed by a municipal bond insurance policy issued by Assured Guaranty Municipal Corp.]

G. All things have been done which are necessary to make the Bonds, when executed by the Issuer and authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to constitute this Indenture a valid trust indenture for the security of the Bonds, in accordance with the terms of the Bonds and this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

It is hereby covenanted and declared that all the Bonds are to be authenticated and delivered and the property subject to this Indenture is to be held and applied by the Trustee, subject to the covenants, conditions and trusts hereinafter set forth, and the Issuer does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit (except as otherwise expressly provided herein) of all Bondholders as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.1 DEFINITIONS

In addition to the words and terms elsewhere defined in this Indenture, the words and terms as used herein shall have the meanings given to them in the Master Indenture, or if not defined therein, such words and terms shall have the following meanings unless the context or use indicates another or different meaning or intent, and such definitions shall be equally applicable to both the singular and plural forms of any of the words and terms defined herein.

"**Act of Bankruptcy**" shall mean the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by or against a person under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect.

"**Affiliate**" of any specified person shall mean 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 management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"**Authorized Borrower Representative**" shall mean the Chief Executive Officer or the Chief Financial Officer of the Borrower or any other designee authorized in writing by either of the foregoing officers.

"**Authorized Issuer Representative**" shall mean any officer or agent of the Issuer authorized by the governing body of the Issuer to act as "Authorized Issuer Representative" for purposes of the Bond Documents.

"**Authorized Denomination**" shall have the meaning assigned in ***Section 6.1***.

"**Bond**" shall mean any bond issued pursuant to this Indenture.

"**Bond Counsel**" shall mean any firm of nationally recognized municipal bond attorneys selected by the Borrower and experienced in the issuance of municipal bonds and matters relating to the exclusion of the interest thereon from gross income for federal income tax purposes.

"**Bond Documents**" shall mean the Bonds, the Indenture, the Loan Agreement and the Tax Agreement.

"**Bond Payment Date**" shall mean each date (including any date fixed for redemption of Bonds) on which Debt Service is payable on the Bonds.

"**Bond Register**" shall mean the register or registers for the registration and transfer of Bonds maintained by the Issuer pursuant to ***Section 4.1***.

"**Bondholder**" when used with respect to any Bond shall mean the person in whose name such Bond is registered in the Bond Register.

"**Borrower**" shall mean Flagler Hospital, Inc., a Florida not-for-profit corporation, until a successor shall have become such pursuant to the applicable provisions of the Loan Agreement, and thereafter "Borrower" shall mean such successor.

"**Business Day**" shall mean any day other than a Saturday, a Sunday or a day on which the Trustee is authorized to be closed under general law or regulation applicable in the place where the Trustee performs its business with respect to this Indenture.

"**Capitalized Interest Account**" shall mean the account established pursuant to ***Section 6.5***.

"**Collateralization Securities**" shall mean Government Obligations or Federal Agency Obligations (as such capitalized terms are defined in the Master Indenture).

"**Continuing Disclosure Undertaking**" shall mean the Continuing Disclosure Undertaking executed and delivered by the Borrower, as Obligated Group Agent, on behalf of itself and all of the Members of the Obligated Group, dated the Date of Issuance, relating to the Bonds.

"**Costs of Issuance**" shall mean "issuance costs" under Treasury Regulations Section 1.150-1(b).

"**Costs of Issuance Fund**" shall mean the Costs of Issuance Fund established pursuant to ***Section 6.4***.

"**County**" shall mean St. Johns County, Florida.

"**Date of Issuance**" shall mean April __, 2022, which is the date of the original issuance of the Bonds.

"**Debt Service**" shall mean the principal, premium (if any) and interest payable on the Bonds.

"**Debt Service Fund**" shall mean the fund established pursuant to ***Section 8.1***.

"**Defaulted Interest**" shall have the meaning assigned in ***Section 4.3***.

"**Electronic Means**" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys or, with respect to communications with the Trustee, any other method or system specified by the Trustee as being available for use in connection with its services hereunder.

"**Enabling Law**" shall mean, collectively, Chapter 159, Parts II and III, Florida Statutes, as amended; and other applicable laws.

"Excess Investment Earnings" shall mean that amount determined as of the end of each Rebate Year on the basis of the period from the date of original issuance of the Bonds and payment for the Bonds through the last day of the most recently completed Rebate Year, equal to the excess of the future value, as of a computation date, of all receipts on non-purpose investments (as defined in Section 1.148-1(b) of the Code) over the future value, as of that date, of all payments on non-purpose investments, all as provided by regulations under the Code implementing Section 148 thereof.

"Favorable Tax Opinion" shall mean an opinion of Bond Counsel stating in effect that the proposed action, together with any other changes with respect to the Bonds made or to be made in connection with such action, will not cause interest on the Bonds to become includible in gross income of the Holders for purposes of federal income taxation.

"**Federal Securities**" shall mean noncallable, nonprepayable, direct obligations of, or obligations the full and timely payment of which is guaranteed by, the United States of America.

"**Financing Documents**" shall mean the Bond Documents and the Master Indenture Documents.

"**Financing Participants**" shall mean the Issuer, the Trustee, the Borrower [and the Insurer].

"**Fitch**" shall mean Fitch Ratings, Inc., and its successors and assigns, and if Fitch is dissolved or liquidated or is no longer designated a "nationally recognized statistical rating organization" or its equivalent, "Fitch" shall be deemed to refer to any other Rating Agency designated to the Trustee in a certificate of an Authorized Borrower Representative.

"**Fully Paid**," when used with respect to Indenture Indebtedness, shall have the meaning stated in ***Section 14.1***.

"**Governmental Authority**" shall mean any government or political subdivision, or any agency, board, commission, department or instrumentality of either, or any court, tribunal, central bank or arbitrator.

"**Holder**," when used with respect to any Bond, shall mean the person in whose name such Bond is registered in the Bond Register.

"**Indenture**" shall mean this instrument as originally executed or as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to the applicable provisions hereof.

"**Indenture Default**" shall have the meaning stated in ***Article 11***. An Indenture Default shall "exist" if an Indenture Default shall have occurred and be continuing.

"**Indenture Funds**" shall mean any fund or account established pursuant to this Indenture.

"**Indenture Indebtedness**" shall mean all indebtedness of the Issuer at the time secured by this Indenture, including without limitation (a) all Debt Service on the Bonds and (b) all reasonable fees, charges and disbursements of the Trustee for services performed and disbursements made under this Indenture.

"**Independent**," when used with respect to any person, shall mean a person who (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in any Financing Participant or any Affiliate of a Financing Participant, and (c) is not connected with any Financing Participant or any Affiliate of a Financing Participant as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

["**Insurance Policy**" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.]

["**Insurer**" means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.]

"**Interest Payment Date**," when used with respect to any installment of interest due on a Bond, shall have the meaning assigned in Section 6.1(e).

"**Issuer**" shall mean the St. Johns County Industrial Development Authority, a public body corporate and politic of the State of Florida.

"**Loan Default**" shall have the meaning stated in Section 6.1 of the Loan Agreement. A Loan Default shall "exist" if a Loan Default shall have occurred and be continuing.

"**Loan Payments**" shall mean payments by the Borrower pursuant to the Loan Agreement.

"Long-Term Rating Standard" shall mean a long-term rating of "A" (or the equivalent) or better (without regard to numerical qualifiers or other gradations) as assigned by any Rating Agency.

"**Master Indenture**" shall mean the Second Amended and Restated Master Trust Indenture dated as of September 1, 2020, between the Obligated Group and the Master Trustee, as the same may be supplemented and amended from time to time.

"**Master Indenture Documents**" shall mean the Master Indenture, the Supplemental Master Indenture, the Series 2022 Note and the Mortgage.

"**Master Trustee**" shall mean U.S. Bank Trust Company, National Association in its capacity as successor master trustee to U.S. Bank National Association under the Master Indenture, until a successor Master Trustee shall have become such pursuant to the applicable provisions of the Master Indenture, and thereafter "Master Trustee" shall mean such successor.

"**Maturity**," when used with respect to any Bond, shall mean the date specified herein and in such Bond as the date on which principal of such Bond is due and payable.

"**Maximum Rate**" shall mean the lesser of 25% or the maximum rate permitted by law.

"**Moody's**" shall mean Moody's Investors Service, Inc., and its successors and assigns, and if Moody's is dissolved or liquidated or is no longer a "nationally recognized statistical organization" or its equivalent, "Moody's" shall be deemed to refer to any other Rating Agency designated to the Trustee in a certificate of an Authorized Borrower Representative.

"Mortgage" shall mean (i) the Mortgage and Security Agreement dated as of December 1, 2003, as amended and supplemented from time to time, and particularly as amended and supplemented by the Notice of Future Advance and Mortgage Spreader Agreement relating to Mortgage and Security Agreement dated as of September 1, 2017, and supplemented by the Notice of Future Advance relating to Mortgage and Security Agreement dated as of September 1, 2020, from the Borrower to the Master Trustee, as amended or supplemented from time to time and (ii) the Mortgage and Security Agreement dated as of April 1, 2022, as amended and supplemented from time to time.

"**New Money Project**" shall mean the financing and reimbursing of (i) the acquisition, construction, equipping and installation of an approximately 77-bed new general acute care hospital facility in the Durbin Park area of the county, including related buildings, improvements, equipment, fixtures and furnishings and (ii) the acquisition, construction and equipping of capital additions and improvements at the Hospital's main campus.

"**Obligated Group**" or "**Members of the Obligated Group**" or "**Members**" shall mean the Borrower and all other members of the Obligated Group established under the Master Indenture.

"**Obligor Bonds**" shall mean Bonds registered in the name of (or in the name of a nominee for) the Issuer, the Borrower, or any Affiliate of the Issuer or the Borrower. The Trustee may assume that no Bonds are Obligor Bonds unless it has actual notice to the contrary.

"**Office of the Trustee**" shall mean the office of the Trustee for the delivery of notices and other documents, as specified pursuant to ***Article 16***.

"**Opinion of Counsel**" shall mean an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants.

"**Outstanding**" when used with respect to Bonds shall mean, as of the date of determination, all Bonds authenticated and delivered under this Indenture, except:

(a) Bonds cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for whose payment or redemption money in the necessary amount has been deposited with the Trustee in trust for the Holders of such Bonds; *provided*, that if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under this Indenture;

provided, *however*, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Obligor Bonds shall be disregarded and deemed not to be Outstanding. Obligor Bonds which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that Bonds registered in the name of such pledgee as beneficial owner would not be considered Obligor Bonds.

"**Post-Default Rate**" shall mean (a) when used with respect to any payment of Debt Service on any Bond, the rate specified in such Bond for overdue installments of Debt Service on such Bond, computed as provided in such Bond, and (b) when used with respect to all other payments due under this Indenture, a variable rate equal to the Trustee's prime rate plus 1.0% (100 basis points), computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed.

"**Prior Debt**" shall mean the Issuer's outstanding Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B.

"**Project**" shall mean the New Money Project and the refunding of the Prior Debt.

"**Project Costs**," when used with respect to the Bonds, shall mean (i) the costs of the current refunding of the Prior Debt, (ii) the costs of the New Money Project, (iii) interest accruing on a portion of the Bonds relating to the New Money Project for a period not in excess of two years, and (iv) Costs of Issuance for the Bonds.

"**Project Fund**" shall mean the Project Fund established pursuant to ***Section 6.5***.

"**Qualified Investments**" shall mean, subject to the Tax Agreement:

(i) Federal Securities;

(ii) Federal Securities which have been stripped of their unmatured interest coupons and interest coupons stripped from Federal Securities and receipts, certificates or other similar documents evidencing ownership of future principal or interest payments due on Federal Securities which are held in a custody or trust account by a commercial bank which is a member of the

Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than $20,000,000;

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

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

(v) (a) Interest-bearing time or demand deposits, certificates of deposit, or other similar banking arrangements with any government securities dealer, bank, trust company, savings and loan association, national banking association or other savings institution (including the Trustee or any affiliate thereof), provided that such deposits, certificates, and other arrangements are fully insured by the Federal Deposit Insurance Corporation or (b) interest-bearing time or demand deposits or certificates of deposit with any bank, trust company, national banking association or other savings institution (including the Trustee or any affiliate thereof); *provided*, such deposits and certificates are in or with a bank, trust company, national banking association or other savings institution whose (or whose parent's) long-term unsecured debt is rated in either of the two highest long term rating categories by Moody's or S&P; and *provided*, *further*, that with respect to (a) and (b) any such obligations are held by, or are in the name of, the Trustee or a bank, trust company or national banking association (other than the issuer of such obligations);

(vi) Repurchase agreements collateralized by Collateralization Securities with any financial institution that complies with the Long-Term Rating Standard, including the Trustee or any affiliate of the Trustee; *provided*, that (1) a specific written repurchase agreement governs the transaction and (2) the Collateralization Rules (as defined in the Master Indenture) are complied with when it is assumed that references to the "Trustee" in such definition are references to the Trustee party to this Indenture;

(vii) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having, at the time of purchase, a rating by S&P of AAA-m or AA-m, a rating by Moody's of Aaa-mf or Aa-mf, or a rating by Fitch of AAA-mmf or AA-mmf, including such funds advised, managed or sponsored by the Trustee or any of its affiliates;

(viii) Investment agreements, including guaranteed investment contracts, or corporate notes or bonds (with a maturity of not more than five years) that are obligations or indebtedness, as the case may be, of an entity whose senior long-term debt obligations or claims-paying ability are rated, or guaranteed by an entity whose obligations are rated (at the time the investment is entered into), in compliance with the Superior Long-Term Rating Standard;

(ix) Commercial paper rated in the highest rating category by Moody's or S&P;

(x) Shares of investment companies that comply with the Long-Term Rating Standard (including any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (b) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates), or cash equivalent investments which are authorized to invest only in assets or securities described in subparagraphs (i), (ii), (iii), (iv) and (v) above;

(xi) Obligations that are exempt from federal income taxation and comply with the Long-Term Rating Standard; and

(xii) Forward delivery agreements, forward supply contracts, or similar products that provide for the delivery of the securities listed in subparagraphs (i), (ii), (iii), (iv), (vii), (ix) and (x) above.

"**Rating Agency**" shall mean Moody's, S&P, Fitch or any other nationally recognized securities rating agency.

"Rebate Fund" shall mean the fund established pursuant to ***Section 8.2*** hereof.

"Rebate Year" shall mean each one-year period (or shorter period from the date of original issuance of the Bonds) that ends at the close of business on the date preceding the anniversary of the date of original issuance of the Bonds; *provided*, *however*, that the Borrower may select (on behalf of the Issuer) any other day as the end of a Rebate Year if such selection is made prior to the earlier of the final maturity date of the Bonds or the fifth anniversary of the date of original issuance of the Bonds.

"**Regular Record Date**" shall be the fifteenth day (whether or not a Business Day) of the month immediately preceding such Interest Payment Date.

"**Reserved Rights**" shall have the meaning set forth in ***Section 3.1(b)*** hereof.

"**S&P**" shall mean S&P Global Ratings, a division of S&P Global Inc., and its successors and assigns, and if S&P is dissolved or liquidated or is no longer designated a "nationally recognized statistical organization" or its equivalent, "S&P" shall be deemed to refer to any other Rating Agency designated to the Trustee in a certificate of an Authorized Borrower Representative.

"**Series 2022 Note**" shall mean the Master Note, Series 2022, No. 1 issued by the Borrower to the Trustee, as assignee of the Issuer, as evidence of and security for the Borrower's obligation to make Loan Payments under the Loan Agreement.

"**Special Record Date**" for the payment of any Defaulted Interest on the Bonds shall mean a date fixed by the Trustee pursuant to ***Section 4.3***.

"**State**" shall mean the State of Florida.

"Superior Long-Term Rating Standard" shall mean a long-term rating not lower than Aa2/AA (or the equivalent), as assigned by any Rating Agency.

"**Supplemental Indenture**" shall mean an instrument supplementing, modifying or amending this Indenture.

"**Supplemental Master Indenture**" has the meaning ascribed thereto in the recitals to this Indenture.

"Tax Agreement" shall mean the instrument of that name dated the Date of Issuance between the Issuer and the Borrower relating to the Bonds.

"**Trust Estate**" shall have the meaning assigned in ***Article 3***.

"**Trustee**" shall mean U.S. Trust Company, Bank National Association, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor.

"**Underwriter**" shall mean the underwriter of the Bonds in the initial public offering.

"**Wire Transfer**" shall mean a transfer of funds by electronic means between banks that are members of the Federal Reserve System, or such other method of transferring funds for same-day settlement or credit as shall be acceptable to the Trustee.

SECTION 1.2 GENERAL RULES OF CONSTRUCTION

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.

(b) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of application thereof.

(c) All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(d) The terms "herein," "hereof" and "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(e) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(f) The term "person" shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

(g) The term "including" means "including without limitation" and "including, but not limited to."

SECTION 1.3 OWNERSHIP OF BONDS; EFFECT OF ACTION BY BONDHOLDERS

(a) The ownership of Bonds shall be proved by the Bond Register.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Bond shall bind every future Holder of the same Bond and the Holder of every Bond 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 Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Bond.

SECTION 1.4 EFFECT OF HEADINGS AND TABLE OF CONTENTS

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.5 DATE OF INDENTURE

The date of this Indenture is intended as and for a date for the convenient identification of this Indenture and is not intended to indicate that this Indenture was executed and delivered on said date.

SECTION 1.6 SEVERABILITY CLAUSE

If any provision in this Indenture or in the Bonds 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.

SECTION 1.7 GOVERNING LAW

This Indenture shall be construed in accordance with and governed by the laws of the State of Florida.

SECTION 1.8 COUNTERPARTS

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

SECTION 1.9 DESIGNATION OF TIME FOR PERFORMANCE

Except as otherwise expressly provided herein, any reference in this Indenture to the time of day shall mean the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under this Indenture.

ARTICLE 2

SOURCE OF PAYMENT

SECTION 2.1 SOURCE OF PAYMENT OF BONDS AND OTHER OBLIGATIONS

(a) The Bonds and all other payment obligations under this Indenture are limited obligations of the Issuer payable solely out of (x) payments by the Borrower pursuant to the Loan Agreement with respect to debt service on the Bonds, (y) payments by the Obligated Group pursuant to the Series 2022 Note, and (z) any other assets constituting part of the Trust Estate established pursuant to this Indenture, including money in the funds and accounts established pursuant to this Indenture (except for the Rebate Fund). The Bonds shall never constitute a debt of the State or the Issuer, and neither the State nor the Issuer shall be liable thereon, nor shall the Bonds be payable out of any funds of the Issuer other than those pledged therefor.

(b) This Indenture shall not constitute or effect a pledge or assignment of, or any other type of security interest in, the property, taxes or revenues of the Issuer other than the property specifically identified by this Indenture as part of the Trust Estate.

SECTION 2.2 LIMITATION OF ISSUER'S LIABILITY

Anything in this Indenture, the Bonds, the Loan Agreement or any other Bond Document to the contrary notwithstanding, any obligations of the Issuer under this Indenture or the Bonds or under the Loan Agreement or under any other Bond Document or related document for the payment of money shall not create a general obligation, debt or bonded indebtedness of the State or the Issuer or the County and neither the State nor the Issuer or the County shall be liable on any obligation so incurred. To the extent provided in and except as otherwise permitted by this Indenture (i) the Bonds shall be special and limited obligations of the Issuer and the principal, redemption price and purchase price of, and interest on, the Bonds shall be payable solely from the Trust Estate and (ii) the payment of the principal, redemption price and purchase price of, and interest on, the Bonds shall be secured by the Trust Estate under this Indenture.

NEITHER THE ISSUER, THE COUNTY NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR MAKE ANY OTHER PAYMENTS WITH RESPECT

THERETO EXCEPT FROM THE TRUST ESTATE IN THE MANNER PROVIDED IN THIS INDENTURE; AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND REDEMPTION PRICE OF, THE INTEREST ON, OR OTHER COSTS INCIDENT TO, THE BONDS. THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OR A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, EXCEPT THE TRUST ESTATE IN THE MANNER AND UPON THE PRIORITY SET FORTH IN THIS INDENTURE.

No covenant, stipulation, obligation or agreement herein contained or contained in any Bond Document shall be deemed to be a covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Issuer or its governing body in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Bonds shall be liable personally thereon or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 2.3 OFFICERS, DIRECTORS, ETC., EXEMPT FROM INDIVIDUAL LIABILITY

No recourse under or upon any covenant or agreement of this Indenture, or of any Bonds, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future incorporator, officer or member of the governing body of the Issuer, or of any successor, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the Bonds issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer or member of the governing body of the Issuer or any successor, or any of them, because of the issuance of the Bonds, or under or by reason of the covenants or agreements contained in this Indenture or in any Bonds or implied therefrom.

ARTICLE 3

SECURITY FOR PAYMENT

SECTION 3.1 PLEDGE AND ASSIGNMENT

To secure the payment of Debt Service on the Bonds and all other Indenture Indebtedness and the performance of the covenants herein and in the Bonds contained, and to declare the terms and conditions on which the Bonds are secured, and in consideration of the premises and of the purchase of the Bonds by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the following property:

(a) **Indenture Funds**. Money and investments from time to time on deposit in, or forming a part of, the Indenture Funds (other than the Rebate Fund).

(b) **Loan Agreement**. All right, title and interest of the Issuer in and to the Loan Agreement, including without limitation the right to receive loan payments by the Borrower with respect to Debt Service on the Bonds; *provided*, *however*, that the Issuer shall retain the following "Reserved Rights":

(1) The Issuer shall retain the right to payments under Section 3.4 of the Loan Agreement.

(2) The Issuer shall retain the right to receive notices and other communications to be sent to it under the Loan Agreement.

Provided, *further*, nothing contained in this Indenture shall impair, diminish or otherwise affect the Issuer's obligations under the Loan Agreement or impose any of such obligations on the Trustee.

(c) **Series 2022 Note**. All right, title and interest of the Issuer in and to the Series 2022 Note.

(d) **Other Property**. Any and all property of every kind or description which may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien of this Indenture as additional security by the Issuer or anyone on its part or with its consent, or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee or a receiver appointed pursuant to this Indenture; and the Trustee is hereby authorized to receive any and all such property as and for additional security for the obligations secured hereby and to hold and apply all such property subject to the terms hereof.

TO HAVE AND TO HOLD all such property, rights and privileges (collectively called the "Trust Estate") unto the Trustee and its successors and assigns;

BUT IN TRUST, **NEVERTHELESS**, for the equal and proportionate benefit and security of the Holders from time to time of the Bonds (without any priority of any such Bond over any other such Bond);

PROVIDED, ***HOWEVER***, that money and investments in the Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture.

ARTICLE 4

REGISTRATION, EXCHANGE AND GENERAL PROVISIONS REGARDING THE BONDS

SECTION 4.1 REGISTRATION, TRANSFER AND EXCHANGE

(a) The Issuer shall cause to be kept at the Office of the Trustee a register (herein sometimes referred to as the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Bonds and registration of transfers of Bonds entitled to be registered or transferred as herein provided. The Trustee is hereby appointed as agent of the Issuer for the purpose of registering Bonds and transfers of Bonds as herein provided.

(b) Upon surrender for transfer of any Bond at the Office of the Trustee, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series and Maturity, of any Authorized Denominations and of a like aggregate principal amount.

(c) At the option of the Holder, Bonds may be exchanged for other Bonds of the same Series and Maturity, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Bonds to be exchanged at the Office of the Trustee. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Bonds which the Bondholder making the exchange is entitled to receive.

(d) All Bonds surrendered upon any exchange or transfer provided for in this Indenture shall be promptly cancelled by the Trustee.

(e) All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the Issuer and entitled to the same security and benefits under this Indenture as the Bonds surrendered upon such transfer or exchange.

(f) Every Bond presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer.

(g) No service charge shall be made for any transfer or exchange of Bonds, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

(h) The Issuer shall not be required (1) to transfer or exchange any Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or (2) to transfer or exchange any Bond so selected for redemption in whole or in part.

SECTION 4.2 MUTILATED, DESTROYED, LOST AND STOLEN BONDS

(a) If (1) any mutilated Bond is surrendered to the Trustee, or the Issuer and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Bond and (2) there is delivered to the Issuer and the Trustee such security or indemnity as may be required by them to save each of them harmless, then, in the absence of notice to the Issuer or the Trustee that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Trustee shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Bond, a new Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding.

(b) Upon the issuance of any new Bond under this Section, the Issuer 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 connected therewith.

(c) Every new Bond issued pursuant to this Section in lieu of any destroyed, lost or stolen Bond shall constitute an original additional contractual obligation of the Issuer, whether or not the destroyed, lost or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Indenture equally and ratably with all other Outstanding Bonds.

(d) 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 Bonds.

SECTION 4.3 PAYMENT OF INTEREST ON BONDS; INTEREST RIGHTS PRESERVED

(a) Interest on any Bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(b) Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Bonds are registered at the close of business on a special record date (herein called a "Special Record Date") for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more

than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond at his address as it appears in the Bond Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Bonds are registered on such Special Record Date.

(c) Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

SECTION 4.4 PERSONS DEEMED OWNERS

The Issuer and the Trustee may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of Debt Service on such Bond and for all other purposes whatsoever whether or not such Bond is overdue, and, to the extent permitted by law, neither the Issuer nor the Trustee shall be affected by notice to the contrary.

SECTION 4.5 TRUSTEE AS PAYING AGENT

The Debt Service on the Bonds shall, except as otherwise provided herein, be payable at the Office of the Trustee. The Trustee is hereby appointed agent of the Issuer for the purpose of paying Debt Service on the Bonds.

SECTION 4.6 PAYMENTS DUE ON NON-BUSINESS DAYS

Except as otherwise expressly provided herein, if any payment on the Bonds is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

SECTION 4.7 CANCELLATION

All Bonds surrendered for payment, redemption, transfer or exchange, shall be promptly cancelled by the Trustee. The Trustee may destroy cancelled certificates. No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Indenture.

SECTION 4.8 BOOK-ENTRY ONLY SYSTEM; PAYMENT PROVISIONS

(a) The registration and payment of Bonds shall be made pursuant to the Book-Entry Only System (the "Book-Entry Only System") administered by The Depository Trust Company ("DTC") until such System is terminated pursuant to ***Section 4.8(c)***. The Bonds shall initially be registered in the name of Cede & Co., as nominee of DTC.

(b) While Bonds are in the Book-Entry Only System, the following provisions shall apply for purposes of this Indenture and shall supersede any contrary provisions of this Indenture:

(1) Notwithstanding the fact that DTC may hold a single physical certificate for each stated maturity for purposes of the Book-Entry Only System, the term "Bond" shall mean each separate Security (as defined in the applicable rules and regulations of DTC) issued pursuant to the Book-Entry Only System, and the term "Holder" shall mean the person identified on the records of DTC as the owner of the related Security.

(2) The terms and limitations of this Indenture with respect to each separate Bond shall be applicable to each separate Security registered under the Book-Entry Only System.

(3) All notices under this Indenture to Holders of Bonds from any other Financing Participant shall be delivered by such Financing Participant to DTC for distribution by DTC in accordance with the Letter of Representations between the Issuer and DTC (the "Letter of Representations"). All notices under this Indenture to or from a Financing Participant other than a Holder of a Bond shall be delivered directly to the Financing Participant as provided in this Indenture and shall not be delivered through DTC or the Book-Entry Only System.

(4) All payments of Debt Service on the Bonds shall be made by the Trustee to DTC and shall be made by DTC to the Participants (as such term is defined in the Letter of Representations) as provided in the Letter of Representations. All such payments shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to such payments.

(c) If the Issuer determines that it would be in the best interests of the Holders of the Bonds for the Book-Entry Only System to be discontinued (in whole or in part), such Book-Entry Only System shall be discontinued (in whole or in part) in accordance with the provisions of the Letter of Representations. In addition, the Book-Entry Only System may be discontinued (in whole or in part) at any time by any Financing Participant acting alone in accordance with the Letter of Representations.

(d) If the Book-Entry Only System is discontinued, except as otherwise provided in this Section with respect to Wire Transfer rights, payment of interest on the Bonds which is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Bond Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date). Payment of the principal of (and premium, if any, on) the Bonds and payment of accrued interest on the Bonds due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(e) Upon the written request of the Holder of Bonds in an aggregate principal amount of not less than $1,000,000, the Trustee will make payment of the Debt Service due on such Bonds by Wire Transfer; *provided*, that:

(1) such request contains adequate instructions for the method of payment, and

(2) payment of the principal of (and redemption premium, if any, on) such Bonds and payment of the accrued interest on such Bonds due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Bonds to the Trustee.

ARTICLE 5

GENERAL PROVISIONS REGARDING REDEMPTION OF BONDS

SECTION 5.1 SPECIFIC REDEMPTION PROVISIONS

The specific redemption provisions with respect to the Bonds are specified in ***Section 6.1(i)***.

SECTION 5.2 MANDATORY REDEMPTION

The Bonds shall be subject to mandatory redemption in accordance with ***Section 6.1(i)(2)*** without any direction from or consent by the Issuer.

SECTION 5.3 OPTIONAL REDEMPTION

(a) The Bonds are subject to optional redemption at the election of the Issuer in accordance with ***Section 6.1(i)(1)*** and ***(3)***, upon the written direction of the Borrower, as long as no Loan Default exists. The election of the Issuer to exercise its right of optional redemption shall be evidenced by notice to the Trustee from an Authorized Issuer Representative, which notice shall include any conditions to such optional redemption specified in such written direction of the Borrower. Unless such conditions are specified in the Borrower's written direction, the Borrower's direction shall be irrevocable after the Trustee sends notice of such redemption to the Bondholders.

(b) The notice of election to redeem must be received by the Trustee at least 10 days prior to the date the Trustee is directed to send the notice of redemption (unless a shorter notice is acceptable to the Trustee) and shall specify (a) the principal amount and Maturity of the Bonds to be redeemed (if less than all Bonds Outstanding are to be redeemed pursuant to such option) and (b) the redemption date, subject to the provisions of this Indenture with respect to the permitted period for such redemption.

SECTION 5.4 SELECTION BY TRUSTEE OF BONDS TO BE REDEEMED.

(a) In the case of any redemption in part of a Maturity of the Bonds, the Bonds to be redeemed under ***Section 5.1*** or ***Section 5.3*** shall be selected by the Trustee, subject to any requirements of this Section. A redemption of the Bonds shall be a redemption of the whole or of any part of a Maturity of the Bonds; *provided*, that in the event of a partial redemption, the principal amount of each Maturity of the Bond remaining Outstanding shall be in an Authorized Denomination. If less than all of a Maturity of the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular Bonds of a Maturity

to be redeemed shall be selected by the Trustee by lot; *provided*, *however*, (a) that the portion of any Maturity to be redeemed under any provision of this Indenture shall be in the principal amount of an Authorized Denomination, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Maturity by $5,000, leaving Bonds of a Maturity outstanding in no less than Authorized Denominations. If there shall be called for redemption less than all of a Maturity, the Issuer shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond of that Maturity without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Maturity of the Bond so surrendered, and (c) the principal amount of each Bond of that Maturity remaining outstanding shall be in an Authorized Denomination.

(b) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

SECTION 5.5 NOTICE OF REDEMPTION

(a) Unless waived by the Holders of all Bonds then Outstanding to be redeemed, notice of redemption shall be given by first class mail, mailed not less than 20 nor more than 60 days prior to the redemption date, to each Holder of Bonds to be redeemed, at its address appearing in the Bond Register.

(b) All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) the principal amount of Bonds to be redeemed, and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) that on the redemption date the redemption price of each of the Bonds to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date,

(5) the place or places where the Bonds to be redeemed are to be surrendered for payment of the redemption price, and

(6) if such redemption is contingent upon the satisfaction of conditions specified by the Borrower in its written request delivered to the Issuer pursuant to ***Section 5.3(a)***, a description of such conditions and a statement to the effect that if such conditions are not satisfied such Bonds will not be redeemed but shall instead be returned to the Holders and remain Outstanding under this Indenture.

(c) Notice of redemption of Bonds to be redeemed at the option of the Issuer shall be given by the Trustee in the name and at the expense of the Borrower. Notice of redemption of

Bonds in accordance with the mandatory redemption provisions of the Bonds shall be given by the Trustee in the name and at the expense of the Issuer.

(d) The Issuer and the Trustee shall, to the extent practical under the circumstances, comply with the standards set forth in Securities and Exchange Commission's Exchange Act Release No. 23856 dated December 3, 1986, regarding redemption notices; *provided*, that their failure to do so shall not in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed in the other provisions of this Section.

SECTION 5.6 DEPOSIT OF REDEMPTION PRICE

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Bonds which are to be redeemed on that date shall be deposited with the Trustee, unless the applicable conditions to redemption specified by the Borrower pursuant to ***Section 5.3(a)*** have not been satisfied. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

SECTION 5.7 BONDS PAYABLE ON REDEMPTION DATE

(a) Notice of redemption having been given as aforesaid, and any conditions to such redemption specified by the Borrower pursuant to ***Section 5.3(a)*** having been satisfied, the Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with said notice such Bond shall be paid by the Issuer at the redemption price. Installments of interest due on or prior to the redemption date shall be payable to the Holders of the Bonds registered as such on the relevant Record Dates according to the terms of such Bonds.

(b) If any Bond called for redemption shall not be paid upon surrender thereof for redemption, the principal (and premium, if any) shall, until paid, bear interest from the redemption date at the Post-Default Rate.

SECTION 5.8 BONDS REDEEMED IN PART

Unless otherwise provided herein, any Bond which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond surrendered.

SECTION 5.9 PURCHASE IN LIEU OF REDEMPTION

In lieu of the optional redemption and cancellation of the Bonds, the Bonds may be called for purchase by the Borrower in lieu of optional redemption in the same dates and at the same purchase price as the Bonds may be called for and redeemed pursuant to ***Section 6.1(i)(1)***. The Bonds so purchased by the Borrower in lieu of redemption may be either (i) delivered to the Trustee and cancelled or (ii) held by the Borrower and, upon receipt of a Favorable Tax Opinion,

subsequently sold by the Borrower. Notice of purchase and selection of the Bonds for purchase pursuant to this ***Section 5.9*** shall be given or made and shall have the same effect as provided herein for notice and selection of the Bonds for optional redemption; *provided*, that the notice shall be modified as necessary to reflect the purchase of the Bonds in lieu of optional redemption.

ARTICLE 6

SPECIFIC TERMS FOR BONDS

SECTION 6.1 SPECIFIC TITLE AND TERMS

(a) **Title and Amount**. The Bonds shall be titled "St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022." The aggregate principal amount of the Bonds which may be authenticated and delivered and Outstanding is limited to $_____,000.

(b) **Authorized Denominations and Date**. The Bonds shall be issued in denominations of $5,000 or any integral multiple thereof (each, an "Authorized Denomination"). The Bonds shall be dated as of the date of initial delivery of the Bonds.

(c) **Form and Number**. The Bonds shall be issuable as registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered separately from 1 upward. The Bonds and the certificate of authentication shall be substantially as set forth in ***Exhibit 6.1(c)***, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Maturities**, **Amounts and Interest Rates**.

The Bonds shall mature on October 1 in years in the amounts and bearing interest as set forth in the following table.

Maturity Date (October 1)	**Principal Amount**	**Interest Rate**
____	$_____,000	____%

(e) **Interest Payment Dates**. Interest on the Bonds shall be payable on April 1 and October 1 in each year, beginning October 1, 2022; *provided*, *however*, that if any interest payment on the Bonds is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

(f) **Regular Record Date**. The interest due on any Interest Payment Date for the Bonds shall be payable to the Holder as of the Regular Record Date for such Interest Payment Date.

(g) **Computation of Interest Accrued**. The Bonds shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, until the principal thereof shall become due and payable, at the applicable rate per annum set forth in ***Section 6.1(d)***. Interest on the Bonds shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(h) **Interest on Overdue Payments**. Interest on overdue principal and premium and (to the extent legally enforceable) on any overdue installment of interest on any Bond shall be payable at the interest rate borne by such Bond.

(i) **Redemption Provisions**. The Bonds shall be subject to redemption prior to Maturity as follows:

(1) **Optional Redemption**. The Bonds are subject to redemption prior to their stated maturities, in whole or in part, at the option of the Borrower, on or after October 1, ____ at the redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest thereon to the redemption date.

(2) **Scheduled Mandatory Redemption**.

(A) The Bonds (maturing October 1, 20__ (the "[20__] Term Bonds") shall be redeemed, at the redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on October 1 in years and principal amounts (after credit as provided below) as follows:

Redemption Date **October 1**	**Principal Amount to be Redeemed**

†

_____

† Maturity

[If more than one Term Bond, insert collective definition.]

(B) Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date with respect to the 20__ Term Bonds, the Trustee shall proceed to select for redemption in accordance with ***Section 5.4*** hereof, the Term Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Term Bonds or portions thereof for redemption on such scheduled mandatory redemption date. The Issuer may, not less than 60 days prior to any such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Term Bonds scheduled for redemption on such date: (A) the principal amount of the Term Bonds delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (B) the principal amount of the Term Bonds previously redeemed (other than Term Bonds redeemed pursuant to this subparagraph (2)) and not previously claimed as a credit; and (C) the principal amount of the Term Bonds otherwise deemed "Fully Paid" and not previously claimed as a credit.

(3) **Optional Redemption from Property Insurance Proceeds, Title Insurance Proceeds or Condemnation Awards.** The Bonds may be redeemed in whole or in part, at the option of the Borrower, on any date at the redemption price equal to 100% of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date, from property insurance proceeds, title insurance proceeds or condemnation awards received with respect to any property of a Member of the Obligated Group and applied to the prepayment of the Series 2022 Note in accordance with Section 503(b) of the Master Indenture.

SECTION 6.2 EXECUTION, AUTHENTICATION, DELIVERY AND DATING

(a) The Bonds shall be executed on behalf of the Issuer by its Chairman or Vice Chairman and attested by its Secretary or Assistant Secretary. The signature of any of these officers on the Bonds may be manual or, to the extent permitted by law, facsimile. Bonds bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Issuer shall bind the Issuer, notwithstanding that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Bonds or shall not have held such offices at the date of such Bonds.

(b) At any time and from time to time after the execution and delivery of this Indenture, the Issuer may deliver Bonds executed by the Issuer to the Trustee for authentication and the Trustee shall authenticate and deliver such Bonds as in this Indenture provided and not otherwise.

(c) No Bond shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly authenticated and delivered hereunder.

SECTION 6.3 PROCEEDS FROM SALE OF BONDS

The proceeds from the sale of the Bonds to the Underwriter in the amount of $_____ shall be applied as follows:

(a) $_____, representing the underwriting discount relating to the Bonds, shall be retained by the Underwriter;

(b) [$_____ shall be wired by the Underwriter directly to the Insurer for payment of the premium for the Insurance Policy for the Bonds;]

(c) $_____ shall be deposited in the Costs of Issuance Fund to pay Costs of Issuance; and

(d) The balance of the proceeds $_____ shall be deposited into the Project Fund to be applied as follows: (i) $_____ to PNC Bank, National Association to pay the principal of, premium, if any, and interest on the Prior Debt; and (ii) $_____ to remain on deposit in the Project Fund ($_____ of which shall be deposited in the Capitalized Interest Account) to be disbursed as provided in ***Section 6.5*** for costs of the New Money Project.

SECTION 6.4 COSTS OF ISSUANCE FUND

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Costs of Issuance Fund." A deposit to the Costs of Issuance Fund is to be made pursuant to ***Section 6.3***.

(b) Money in the Costs of Issuance Fund shall be paid out by the Trustee from time to time for the purpose of paying Costs of Issuance with respect to the Bonds upon delivery to the Trustee of a requisition substantially in the form attached as ***Exhibit 6.5(b)***, executed by an Authorized Borrower Representative.

(c) After an Authorized Borrower Representative certifies to the Trustee that money remaining in the Costs of Issuance Fund is not needed to pay Costs of Issuance with respect to the Bonds, and in no event later than 180 days after the issuance of the Bonds, any balance remaining in the Costs of Issuance Fund shall be deposited in the Project Fund.

SECTION 6.5 PROJECT FUND

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Project Fund." Within the Project Fund shall be established a separate account designated the "Capitalized Interest Account." A deposit to the Project Fund and the Capi9talized Interest Account is to be made pursuant to ***Section 6.3***.

(b) Money in the Project Fund shall be paid out by the Trustee from time to time for the purpose of paying Project Costs (including reimbursement of the Borrower for any such costs paid by it) upon delivery to the Trustee of a requisition substantially in the form attached as ***Exhibit 6.5(b)(1)***, executed by an Authorized Borrower Representative; *provided*, that no requisition shall be required for items described in clauses (i) and (ii) of ***Section 6.3(d)***. Money in the Capitalized Interest Account shall be automatically transferred by the Trustee from the Capitalized Interest Account to the Debt Service Fund on each Interest Payment Date commencing October 1, 2022 through and including October 1, 2024 in the amounts set forth in ***Exhibit 6.5(b)(2)***.

(c) If any moneys remain on deposit in the Project Fund after an Authorized Borrower Representative delivers a certificate to the Trustee stating (i) that the New Money Project has been completed and (ii) upon the completion date, the Trustee shall deposit any balance remaining in the Project Fund into the Debt Service Fund and shall apply the same to the payment of Debt Service on the Bonds on the next ensuing Bond Payment Date.

SECTION 6.6 DESCRIPTION OF NEW MONEY PROJECT

(a) The New Money Project is described in ***Section 1.1***.

(b) The Borrower may cause changes or amendments to be made in the description of the New Money Project and may add items to, or delete items from, the New Money Project; *provided*, that (1) the Borrower delivers to the Trustee a resolution adopted by the Borrower's governing body specifying such changes, amendments, additions or deletions, and (2) the Borrower delivers to the Trustee a Favorable Tax Opinion and an Opinion of Counsel to the effect that such action will not change the nature of the New Money Project to the extent that it would not qualify for financing under the Enabling Law.

ARTICLE 7

NO ADDITIONAL BONDS

The Bonds identified in this Indenture are the only bonds to be issued under or secured by this Indenture. This Indenture does not provide for additional series of bonds to be issued under or secured by this Indenture.

ARTICLE 8

OTHER INDENTURE FUNDS

SECTION 8.1 DEBT SERVICE FUND

(a) There is hereby established with the Trustee a special trust fund which shall be designated the "Debt Service Fund."

(b) On each Bond Payment Date, money in the Debt Service Fund shall be applied by the Trustee to pay Debt Service on the Bonds.

(c) The Borrower is required by Section 3.1 of the Loan Agreement to make Loan Payments at times and in amounts sufficient to pay Debt Service on the Bonds. Such Loan Payments are to be deposited in the Debt Service Fund.

SECTION 8.2 REBATE FUND

(a) There is hereby established with the Trustee a special trust fund which shall be designated the "Series 2022 Rebate Fund."

(b) The Rebate Fund shall be maintained until all Excess Investment Earnings which may become due and payable shall have been paid, unless such fund shall be deleted in accordance with the provisions of this ***Section 8.2***. The Borrower shall be responsible for the calculation of rebate in accordance with the Tax Agreement, and the Trustee shall be responsible solely to follow the written directions of the Borrower. Promptly after each Rebate Year (but not later than 30 days after the redemption, payment at maturity or other retirement of the last Bond to be discharged) upon the written direction of the Borrower the Trustee shall deposit into the Rebate Fund, from moneys made available by the Borrower, such amounts as shall be determined by the Borrower to be necessary to cause the aggregate amount transferred to or otherwise deposited in the Rebate Fund to equal the Excess Investment Earnings as of the end of such Rebate Year. Withdrawals from the Rebate Fund may be made at the written direction of the Borrower on account of negative arbitrage in other Funds, but not on account of negative arbitrage in the Debt Service Fund (unless the gross earnings on the Debt Service Fund in such Bond Year are $100,000 or more). All amounts in the Rebate Fund, including all earnings thereon, shall be held by the Trustee free and clear of the lien of this Indenture, and the Trustee shall pay said amounts over to the United States from time to time at the written direction of the Borrower; *provided*, that the Borrower shall so pay over to the United States: (i) not less frequently than once each five years after the date of original delivery and payment for the Bonds, an amount equal to 90 percent of the net aggregate amount of the Excess Investment Earnings and earnings on the Rebate Fund during such period (and not previously paid to the United States or withdrawn on account of negative arbitrage in other funds), and (ii) not later than 30 days after the redemption, payment at maturity or other retirement of the last Bond to be discharged, 100 percent of all remaining Excess Investment Earnings and earnings on the Rebate Fund not previously paid to the United States or withdrawn on account of negative arbitrage in other funds.

(c) Notwithstanding any other provision of this Indenture, this ***Section 8.2*** shall be deemed deleted from this Indenture upon receipt by the Trustee, the Borrower and Issuer of a Favorable Tax Opinion. Upon receipt of such opinion, any monies held in the Rebate Fund may be transferred at the direction of the Borrower in any manner or applied to any lawful purpose which, according to the opinion described above, will not adversely affect the exclusion of the interest on the Bonds from federal income taxation.

(d) Notwithstanding anything herein to the contrary, the Trustee, if instructed in writing by the Borrower to do so, shall credit income and earnings derived from investment of moneys in the funds and accounts created hereby to the extent necessary to satisfy any rebate requirement of Section 148(f) of the Code and successor provisions to the extent applicable and the regulations promulgated thereunder.

(e) Notwithstanding anything herein to the contrary, (i) the Rebate Fund shall not be considered a part of the Trust Estate created by this Indenture and (ii) the Trustee shall be permitted to transfer moneys on deposit in any of the trust funds established hereunder to the Rebate Fund in accordance with the provisions hereof.

SECTION 8.3 MONEY FOR DEBT SERVICE PAYMENTS TO BE HELD IN TRUST; REPAYMENT OF UNCLAIMED MONEY

(a) If money is on deposit in the Debt Service Fund on any Bond Payment Date sufficient to pay Debt Service on the Bonds due and payable on such Date, but the Holder of any Bond that matures on such Date or that is subject to redemption on such Date fails to surrender such Bond to the Trustee for payment of Debt Service due and payable on such Date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Bond on such Date. Money so segregated and held in trust shall not be a part of the Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(b) Any money held in trust by the Trustee for the payment of Debt Service on any Bond pursuant to this Section and remaining unclaimed for five years after such Debt Service has become due and payable shall be paid to the Borrower upon request of an Authorized Borrower Representative; and the Holder of such Bond shall thereafter, as an unsecured general creditor, look only to the Borrower for payment thereof; and all liability of the Trustee with respect to such trust money shall thereupon cease; *provided*, *however*, that the Trustee, before being required to make any such payment to the Borrower, may at the expense of the Borrower cause to be published once, in a newspaper of general circulation in the city where the Office of the Trustee is located, notice that such money remains unclaimed and that, after a date specified therein, any unclaimed balance of such money then remaining will be paid to the Borrower.

ARTICLE 9

INVESTMENT AND APPLICATION OF INDENTURE FUNDS

SECTION 9.1 INVESTMENT OF INDENTURE FUNDS

(a) Except as otherwise expressly provided in this Indenture, any money held as part of an Indenture Fund shall, as long as no Loan Default exists, be invested or reinvested in Qualified Investments by the Trustee in accordance with the written instructions provided by the Borrower to the Trustee pursuant to Section 4.4 of the Loan Agreement. Any investment made with money on deposit in an Indenture Fund shall be held by or under control of the Trustee and shall be deemed at all times a part of the Indenture Fund where such money was on deposit, and the interest and profits realized from such investment shall be credited to such Fund and any loss resulting from such investment shall be charged to such Fund.

(b) Any investment of money in the Indenture Funds may be made by the Trustee through its own bond department, investment department or other commercial banking department providing investment services.

(c) The Trustee shall follow the instructions of the Issuer with respect to investments of the Indenture Funds as provided in this Section, but the Trustee shall not be responsible for (1) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code or (2) calculating the amount of, or making payment of, any rebate due to the United States under Section 148(f) of the Internal Revenue Code.

(d) To the extent the regulations of the Comptroller of the Currency or other applicable regulatory entity grant, to the Issuer the right to receive individual confirmations of security transactions at no additional cost, as they occur, the Issuer hereby specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish to the Issuer and the Borrower periodic cash transaction statements that include detail for all investment transactions made by the Trustee hereunder.

SECTION 9.2 APPLICATION OF FUNDS AFTER INDENTURE INDEBTEDNESS FULLY PAID

After all Indenture Indebtedness has been Fully Paid and all amounts owed to the Insurer have been paid in full, any money or investments remaining in the Indenture Funds or otherwise constituting part of the Trust Estate shall be paid to the Issuer.

ARTICLE 10

REPRESENTATIONS; COVENANTS

SECTION 10.1 GENERAL REPRESENTATIONS

The Issuer makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) Under the provisions of the Enabling Law and its certificate of incorporation, it has the power to consummate the transactions contemplated by the Bond Documents to which it is a party.

(b) The Bond Documents to which it is a party constitute legal, valid and binding obligations and are enforceable against it in accordance with the terms of such instruments, except as enforcement thereof may be limited by (1) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (2) general principles of equity, including the exercise of judicial discretion in appropriate cases.

SECTION 10.2 PAYMENT OF BONDS

Subject to the limited source of payment hereinafter referred to (solely from and to the extent of the Trust Estate), the Issuer shall duly and punctually pay, or cause to be paid through the Trustee, the Debt Service on the Bonds as and when the same shall become due and will duly and shall punctually deposit, or cause to be deposited by the Trustee, in the Indenture Funds the amounts required to be deposited therein, all in accordance with the terms of the Bonds and this Indenture. The principal of, premium, if any, and interest on the Bonds are payable solely from payments or prepayments received by the Trustee on the Series 2022 Note, under the Loan Agreement and otherwise as provided herein, which the Series 2022 Note and the payments thereon and the Loan Agreement and the payments thereunder are hereby specifically assigned and pledged to the payment of the Bonds in the manner and to the extent herein specified, and nothing in the Bonds or this Indenture shall be considered as assigning or pledging any other funds or assets of the Issuer (except the Series 2022 Note and the Loan Agreement pledged

hereunder or as pledged under the Master Indenture). The Issuer's obligations under this paragraph have specifically been assigned to and assumed by the Trustee.

SECTION 10.3 PERFORMANCE OF COVENANTS; LEGAL AUTHORIZATION.

The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto. The Issuer shall not be required to perform any undertaking or to execute any instrument pursuant to the provisions hereof until it shall have been requested to do so by the Borrower or the 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 performance or execution assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with such performance or execution. The Issuer represents that it is duly authorized under the Enabling Law, the Constitution and laws of the State to issue the Bonds authorized hereby, to execute this Indenture and to pledge and assign the Loan Agreement and the Series 2022 Note and payments thereon and thereunder to the Trustee pursuant to this Indenture in the manner and to the extent herein set forth; all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture and the Loan Agreement has been taken; and the Bonds in the hands of the holders thereof, as shown on the Bond Register, are and will be valid and enforceable obligations of the Issuer according to the import thereof.

SECTION 10.4 OWNERSHIP; INSTRUMENTS OF FURTHER ASSURANCE

The Issuer represents that the pledge and assignment of the Series 2022 Note and the assignment of its interest in the Loan Agreement (other than the Reserved Rights) to the Trustee is valid. The Issuer covenants that it will defend, at the sole cost of the Borrower, its title to the Series 2022 Note and its interest in the Loan Agreement and the assignment thereof to the Trustee, for the benefit of the Holders of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will, at the sole cost of the Borrower, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as may be reasonably required for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee, the Series 2022 Note, Loan Agreement and all payments thereon and pledged hereby for the purpose of the payment of the principal of, premium, if any, and interest on the Bonds.

SECTION 10.5 RECORDING AND FILING.

The Issuer covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered by the parties in control, such instruments supplemental hereto and such further acts, instruments and transfers as the Borrower may reasonably request and at the Borrower's sole expense, for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Trustee the Issuer's interests in and to the payments under the Loan Agreement and the Series 2022 Note and all other interests, revenues and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds in

the manner and to the extent contemplated herein. The Issuer shall be under no obligation to prepare, record or file any such instruments or transfers.

SECTION 10.6 COMPLIANCE WITH THE TAX AGREEMENT

At the sole expense of the Borrower, the Issuer will comply with the covenants and agreements on its part contained in the Tax Agreement.

SECTION 10.7 CONTINUING DISCLOSURE UNDERTAKING

Pursuant to Section 5.5 of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Issuer shall have no liability to the Holders of the Bonds or any other Person with respect to S.E.C. Rule 15c2-12. Notwithstanding any other provision of this Indenture, failure of the Borrower or the Dissemination Agent (as defined in the Continuing Disclosure Undertaking) to comply with the Continuing Disclosure Undertaking shall not be considered an Indenture Default or a Loan Default.

ARTICLE 11

DEFAULTS AND REMEDIES

SECTION 11.1 EVENTS OF DEFAULT

Any one or more of the following shall constitute an event of default (an "Indenture Default") under this Indenture (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) failure to pay (1) the interest on any Bond when such interest becomes due and payable or (2) the principal of (or premium, if any, on) any Bond when such principal (or premium, if any) becomes due and payable, whether at its stated Maturity, by declaration of acceleration or call for redemption or otherwise; or

(b) default in the performance, or breach, by the Issuer of any covenant, condition, agreement or provision in this Indenture (other than a default under subsection (a) of this Section), and the continuation of such default for a period of 60 days after the date on which written notice, specifying such failure and requesting that it be remedied, has been given to the Issuer by the Trustee; or

(c) a Loan Default shall occur and be continuing.

SECTION 11.2 REMEDIES

(a) **Acceleration of Maturity**. If an Indenture Default exists, then and in every such case, the Trustee or the Holders of not less than 25 percent in principal amount of the Bonds Outstanding may declare the principal of all the Bonds and the interest accrued thereon to be due and payable immediately, by notice to the Issuer (and to the Trustee, if given by Bondholders),

and upon any such declaration such Debt Service shall become immediately due and payable. At any time after such a declaration of acceleration has been made pursuant to this Section, the Holders of a majority in principal amount of the Bonds Outstanding may, by notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if

(1) the Issuer has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Bonds,

(B) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Bonds,

(C) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Bonds, and

(D) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Indenture Defaults, other than the non-payment of the principal of Bonds which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in ***Section 11.10.***

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereon.

(b) **Rights and Remedies Cumulative**. No right or remedy herein conferred upon or reserved to the Trustee or to the Bondholders 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.

(c) **Remedies Subject to Applicable Law**. All rights, remedies and powers provided by this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 11.3 APPLICATION OF MONEY COLLECTED

Any money collected by the Trustee pursuant to this Article and any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal

(or premium, if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) **First**: To the payment of all amounts due the Trustee under ***Section 12.7***;

(b) **Second**: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal (and premium, if any) and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal (and premium, if any) and interest, without any preference or priority, ratably according to the aggregate amount so due; provided, however, that payments with respect to Obligor Bonds shall be made only after all other Bonds have been Fully Paid; and

(c) **Third**: To the payment of the remainder, if any, to the Insurer and then Issuer or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

SECTION 11.4 TRUSTEE MAY ENFORCE CLAIMS WITHOUT POSSESSION OF BONDS

All rights of action and claims under this Indenture or the Bonds may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Bonds in respect of which such judgment has been recovered.

SECTION 11.5 LIMITATION ON SUITS

No Holder of any Bond shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless

(a) such Holder has previously given notice to the Trustee of a continuing Indenture Default;

(b) the Holders of not less than 25 percent in principal amount of the Outstanding Bonds shall have made request to the Trustee to institute proceedings in respect of such Indenture Default in its own name as Trustee hereunder;

(c) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(d) the 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 request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Bonds;

it being understood and intended that no one or more Holders of Bonds shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights of any other Holders of Bonds, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Outstanding Bonds.

SECTION 11.6 UNCONDITIONAL RIGHT OF BONDHOLDERS TO RECEIVE PRINCIPAL, PREMIUM AND INTEREST

Notwithstanding any other provision in this Indenture, the Holder of any Bond shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Bond on the Maturity date expressed in such Bond (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.

SECTION 11.7 RESTORATION OF POSITIONS

If the Trustee or any Bondholder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Bondholder, then and in every such case the Issuer, the Trustee and the Bondholders shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Bondholders shall continue as though no such proceeding had been instituted.

SECTION 11.8 DELAY OR OMISSION NOT WAIVER

No delay or omission of the Trustee or of any Holder of any Bond to exercise any right or remedy accruing upon an Indenture Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Bondholders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Bondholders, as the case may be.

SECTION 11.9 CONTROL BY BONDHOLDERS

The Holders of a majority in principal amount of the Outstanding Bonds shall have the right, during the continuance of an Indenture Default,

(a) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Bonds or otherwise, and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder, provided that

(1) such direction shall not be in conflict with any rule of law or this Indenture,

(2) such Holders have offered the Trustee reasonable indemnity against costs, expenses and liabilities to be incurred in compliance with such direction,

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(4) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction.

SECTION 11.10 WAIVER OF PAST DEFAULTS

(a) Before any judgment or decree for payment of money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Bonds may, by notice to the Trustee and the Issuer, on behalf of the Holders of all the Bonds waive any past default hereunder or under any other Bond Document and its consequences, except for a default in the payment of Debt Service on any Bond or a default in respect of a covenant or provision hereof which under ***Article 13*** cannot be modified or amended without the consent of the Holder of each Outstanding Bond affected.

(b) Upon any such waiver, such default shall cease to exist, and any Indenture Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 11.11 SUITS TO PROTECT THE TRUST ESTATE

The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Bondholders in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Bondholders or the Trustee.

SECTION 11.12 REMEDIES UNDER LOAN AGREEMENT AND SERIES 2022 NOTE

(a) The Trustee shall have the right, in its own name or on behalf of the Issuer, to declare any default and exercise any remedies under the Loan Agreement and the Series 2022 Note.

(b) Any money collected by the Trustee pursuant to the exercise of any remedies under the Loan Agreement and the Series 2022 Note shall be applied as provided in this ***Article 11***.

(c) The exercise of any rights hereunder or under the Loan Agreement shall be subject to the rights of the Insurer under ***Article 15***.

ARTICLE 12

THE TRUSTEE

SECTION 12.1 CERTAIN DUTIES AND RESPONSIBILITIES OF TRUSTEE

(a) Except during the continuance of an Indenture Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Indenture Default exists, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(c) No provision of this Indenture shall be construed to relieve the 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 ***Section 12.1(a)***;

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

(3) the 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 a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the 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 reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 12.2 NOTICE OF DEFAULTS

(a) If a notice event described in ***Section 12.2(b)*** exists, the Trustee shall notify Bondholders of such event within 30 days after the Trustee becomes aware of its existence; provided, however, that the Trustee shall be protected in withholding such notice if (1) the notice event has been cured or waived or otherwise ceases to exist before such notice is given or (2) the Trustee determines in good faith that the withholding of such notice is in the interest of Bondholders.

(b) For purposes of this Section the following shall constitute "notice events":

(1) the occurrence of an Indenture Default; and

(2) any event which is, or after notice or lapse of time or both would become, an Indenture Default.

SECTION 12.3 CERTAIN RIGHTS OF TRUSTEE

Except as otherwise provided in ***Section 12.1***:

(a) the 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, 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;

(b) any request or direction of the Issuer or the Borrower mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Issuer Representative or an Authorized Borrower Representative, as the case may be;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any

action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate executed by an Authorized Issuer Representative or an Authorized Borrower Representative, as the case may be;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Bondholders pursuant to this Indenture, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the 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, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Issuer or the Borrower, personally or by agent or attorney; and

(g) the 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 Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 12.4 NOT RESPONSIBLE FOR RECITALS

The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds.

SECTION 12.5 MAY HOLD BONDS

The Trustee in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer and the Borrower with the same rights it would have if it were not Trustee.

SECTION 12.6 MONEY HELD IN TRUST

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent expressly provided in this Indenture or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise provided in ***Article 9***.

SECTION 12.7 COMPENSATION AND REIMBURSEMENT

(a) The Trustee shall be entitled from the Borrower:

(1) to receive reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust); and

(2) except as otherwise expressly provided herein, reimbursement upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or willful misconduct.

(b) The Borrower shall indemnify and hold harmless the Trustee against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties hereunder and under any other agreement referred to herein which are not due to the Trustee's negligence or willful misconduct, and for any reasonable fees and expenses of the Trustee which are not applicable under this Indenture for the payment thereof. The rights of the Trustee under this ***Section 12.7*** shall survive payment in full of the Bonds and the discharge of this Indenture.

SECTION 12.8 CORPORATE TRUSTEE REQUIRED; ELIGIBILITY

There shall at all times be a Trustee hereunder which shall (1) be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, (2) be authorized under such laws to exercise corporate trust powers, and (3) be subject to supervision or examination by federal or state authority.

SECTION 12.9 RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under ***Section 12.10.***

(b) The Trustee may resign at any time by giving 30 days prior notice thereof to the Issuer. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds by notice delivered to the Trustee and the Issuer. If no Indenture Default exists, the Trustee may be removed at any time by the Issuer by notice delivered to the Trustee.

(d) If at any time:

(1) the Trustee shall cease to be eligible under ***Section 12.8*** and shall fail to resign after request therefor by the Issuer or by any Bondholder who has been a bona fide Holder of a Bond for at least six months, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Issuer by a resolution of its governing body may remove the Trustee, or (b) any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, a successor Trustee shall be appointed by the Issuer. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within 1 year after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in principal amount of the Outstanding Bonds, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide Holder of a Bond 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 Trustee.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing notice of such event by first-class mail, postage prepaid, to the Holders of Bonds as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of the Office of the Trustee.

SECTION 12.10 ACCEPTANCE OF APPOINTMENT BY SUCCESSOR

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, on request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by

such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in ***Section 12.7***. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

SECTION 12.11 MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

ARTICLE 13

AMENDMENT OF BOND DOCUMENTS

SECTION 13.1 GENERAL REQUIREMENTS FOR AMENDMENTS

The Trustee may, on behalf of the Bondholders, from time to time enter into, or consent to, an amendment of any Bond Document only as permitted by this Article.

SECTION 13.2 AMENDMENTS WITHOUT CONSENT OF BONDHOLDERS

An amendment of the Bond Documents for any of the following purposes may be made, or consented to, by the Trustee without the consent of the Holders of any Bonds:

(a) to correct or amplify the description of any property at any time subject to the lien of any Bond Document, or better to assure, convey and confirm unto any secured party any property subject or required to be subjected to the lien of any Bond Document, or to subject to the lien of any Bond Document, additional property; or

(b) to evidence the succession of another person to any Financing Participant and the assumption by any such successor of the covenants of such Financing Participant (provided that the requirements of the related Bond Document for such succession and assumption are otherwise satisfied); or

(c) to add to the covenants of any Financing Participant for the benefit of Bondholders and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an event of default under the specified Bond Documents permitting the enforcement of all or any of the several remedies provided therein; provided, however, that with respect to any such covenant, such amendment may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available upon such default;

(d) to surrender any right or power conferred upon any Financing Participant other than rights or powers for the benefit of Bondholders; or

(e) to cure any ambiguity or to correct any inconsistency, provided such action shall not adversely affect the interests of the Holders of the Bonds; or

(f) to appoint a separate agent of the Issuer or the Trustee to perform any one or more of the following functions: (1) registration of transfers and exchanges of Bonds, or (2) payment of Debt Service on the Bonds; *provided*, *however*, that any such agent must be a bank or trust company with long-term obligations, at the time such appointment is made, in one of the three highest rating categories of at least one Rating Agency; or

(g) to modify, amend or supplement the provisions hereof in any other way which does not materially adversely affect the rights or interests of any Bondholder.

SECTION 13.3 AMENDMENTS REQUIRING CONSENT OF ALL AFFECTED BONDHOLDERS

An amendment of the Bond Documents for any of the following purposes may be entered into, or consented to, by the Trustee only with the consent of the Holder of each Bond affected:

(a) to change the stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Bond, 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) to reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Holders is required for any amendment of the Bond Documents, or the consent of whose Holders is required for any waiver provided for in the Bond Documents; or

(c) to modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(d) to modify any of the provisions of this Section or ***Section 11.10***, except to increase any percentage provided thereby or to provide that certain other provisions of this

Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby; or

(e) to permit the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the Trust Estate or terminate the lien of this Indenture on any property at any time subject hereto or deprive the Holder of any Bond of the security afforded by the lien of this Indenture; or

(f) to eliminate, reduce or delay the obligation of the Borrower to make Loan Payments at times and in amounts sufficient to pay Debt Service on the Bonds.

SECTION 13.4 AMENDMENTS REQUIRING MAJORITY CONSENT OF BONDHOLDERS

An amendment of the Bond Documents for any purpose not described in ***Sections 13.2*** or ***13.3*** may be entered into, or consented to, by the Trustee only with the consent of the Holders of a majority in principal amount of Bonds Outstanding.

SECTION 13.5 TRUSTEE PROTECTED BY OPINION OF COUNSEL

In executing or consenting to any amendment permitted by this Article, the Trustee shall be entitled to receive, and, subject to ***Section 12.1***, shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such amendment is authorized or permitted by this Indenture.

SECTION 13.6 AMENDMENTS AFFECTING TRUSTEE'S PERSONAL RIGHTS

The Trustee may, but shall not be obligated to, enter into any amendment that affects the Trustee's own rights, duties or immunities under the Bond Documents.

SECTION 13.7 EFFECT ON BONDHOLDERS

Upon the execution of any amendment under this Article, every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 13.8 REFERENCE IN BONDS TO AMENDMENTS

Bonds authenticated and delivered after the execution of any amendment under this Article shall, if required by such amendment or by the Trustee, bear a notation in form approved by the Issuer and the Trustee as to any matter provided for in such amendment. New Bonds so modified as to conform to any such amendment shall, if required by such amendment or by the Trustee, be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

SECTION 13.9 AMENDMENTS NOT TO AFFECT TAX EXEMPTION

No amendment may be made to the Bond Documents unless the Trustee receives a Favorable Tax Opinion.

SECTION 13.10 AMENDMENT OF MASTER INDENTURE AND SERIES 2022 NOTE

The Master Indenture and the Series 2022 Note are subject to amendment as provided in the applicable terms of the Master Indenture. For purposes of voting requirements with respect to any such amendment, the Trustee, [subject to the rights of the Insurer under ***Article 15***] shall treat each Holder of the Bonds as the holder of a corresponding amount of the Series 2022 Note.

SECTION 13.11 RELEASE AND SUBSTITUTION OF SERIES 2022 NOTE UPON DELIVERY OF REPLACEMENT MASTER INDENTURE AND REPLACEMENT MASTER NOTE

(a) At the option of the Borrower and without the consent of any Holders but subject to the consent of the Insurer as the issuer of a Credit Facility for the Bonds, the Series 2022 Note shall be surrendered by the Trustee and delivered to the Master Trustee for cancellation upon the terms and conditions set forth in Section 8.04 of the Master Indenture.

(b) Upon satisfaction of such conditions, references herein, in the Loan Agreement and in the Bonds to (i) the Series 2022 Note shall become references to the Replacement Master Note or Notes (as defined in Section 8.04 of the Master Indenture), (ii) the Master Indenture shall become references to the Replacement Master Indenture (as defined in Section 8.04 of the Master Indenture), (iii) the Master Trustee shall become references to the master trustee under the Replacement Master Indenture, (iv) the Obligated Group and the Members shall become references to the obligated group and the members of the obligated group under the Replacement Master Indenture and (v) the Series 2022 Supplement shall become references to the supplemental master indenture, if any, pursuant to which the Replacement Master Note shall be issued.

ARTICLE 14

DEFEASANCE

SECTION 14.1 PAYMENT OF INDENTURE INDEBTEDNESS; SATISFACTION AND DISCHARGE OF INDENTURE

(a) Whenever all Indenture Indebtedness has been Fully Paid, and all fees and expenses due to the Issuer and the Trustee under this Indenture and the Loan Agreement have been fully paid, and all amounts owed the Insurer have been paid in full, then (1) this Indenture and the lien, rights and interests created hereby shall cease, determine and become null and void (except as to any surviving rights of transfer or exchange of Bonds herein or therein provided for), and (2) the Trustee shall, upon the request of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the Issuer or upon the order of the Issuer, all cash and securities then held by it hereunder as a part of the Trust Estate.

(b) A Bond shall be deemed "Fully Paid" if

(1) such Bond has been cancelled by the Trustee or delivered to the Trustee for cancellation, or

(2) such Bond shall have matured or been called for redemption and, on such Maturity date or redemption date, money for the payment of Debt Service on such Bond is held by the Trustee in trust for the benefit of the person entitled thereto, or

(3) such Bond is alleged to have been destroyed, lost or stolen and has been replaced as provided in ***Section 4.2***, or

(4) a trust for the payment of such Bond has been established in accordance with ***Section 14.2***.

(c) Indenture Indebtedness other than Debt Service on the Bonds shall be deemed "Fully Paid" whenever the Issuer has paid, or made provisions satisfactory to the Trustee for payment of, all such Indenture Indebtedness and all amounts owed to the Insurer.

SECTION 14.2 TRUST FOR PAYMENT OF DEBT SERVICE ON BONDS

(a) The Issuer may provide for the payment of any Bond by establishing a trust for such purpose with the Trustee and depositing therein cash and/or Federal Securities which (assuming the due and punctual payment of the principal of and interest on such Federal Securities, but without reinvestment) will provide funds sufficient to pay the Debt Service on such Bond as the same becomes due and payable until the Maturity or redemption of such Bond; *provided*, *however*, that:

(1) Such Federal Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such Securities.

(2) If such Bond is to be redeemed prior to its Maturity, either (a) the Trustee shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Indenture and such Bond or (b) the Issuer shall confer on the Trustee irrevocable authority for the giving of such notice on behalf of the Issuer.

(3) Prior to the establishment of such trust the Trustee must receive a Favorable Tax Opinion.

(4) Prior to the establishment of such trust the Trustee must receive verification demonstrating that the principal and interest payments on the Federal Securities in such trust, without reinvestment, together with the cash balance in such trust remaining after purchase of such Securities, will be sufficient to make the required payments from such trust.

(b) Any trust established pursuant to this Section may provide for payment of less than all Bonds outstanding or less than all Bonds of any remaining series or Maturity.

(c) If any trust provides for payment of less than all Bonds of a Maturity, the Bonds of such Maturity to be paid from the trust shall be selected by the Trustee by lot by such method as shall provide for the selection of portions (in Authorized Denominations) of the principal of Bonds of such Maturity of a denomination larger than the smallest Authorized Denomination. Such selection shall be made within seven days after such trust is established. This selection process shall be in lieu of the selection process otherwise provided with respect to redemption of Bonds. After such selection is made, Bonds that are to be paid from such trust (including Bonds issued in exchange for such Bonds pursuant to the transfer or exchange provisions of this Indenture) shall be identified by a separate CUSIP number or other designation satisfactory to the Trustee. The Trustee shall notify Holders whose Bonds (or portions thereof) have been selected for payment from such trust and shall direct such Bondholders to surrender their Bonds to the Trustee in exchange for Bonds with the appropriate designation. The selection of Bonds for payment from such trust pursuant to this Section shall be conclusive and binding on the Financing Participants.

(d) Cash and/or Federal Securities deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate, irrevocable trust fund for the benefit of the Holder of the Bond to be paid from such fund.

ARTICLE 15

[BOND INSURANCE

SECTION 15.1 PROVISIONS RELATING TO BOND INSURANCE. (a) The provisions of this ***Section 15.1*** are applicable while the Insurance Policy is in effect for the Bonds or the Insurer is owed any amounts in connection therewith, notwithstanding anything this Indenture to the contrary.

(b) The Insurer shall be deemed to be the sole holder of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to this Indenture, including matters pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of this Indenture and the Bonds, the Trustee and the Bondholders appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Issuer or the Borrower under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedes or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Insurer shall have the right to direct the Trustee as holder of the Series 2022 A/B Master Note with respect to consents, approvals and with respect to all actions, notices and directives taken under the remedies provisions under the Master Indenture, including such

rights as the holder of such Series 2022 Master Note may have regarding declaring or noticing a breach to become an event of default.

(c) The maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer is hereby included and designated as a third party beneficiary to this Indenture.

(f) Any amendment, supplement, modification to, or waiver of, this Indenture or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(g) Upon the occurrence of an Event of Default hereunder or under a Related Document, the Insurer may direct the Trustee not to disburse amounts from the Project Fund and may direct that amounts therein be applied to the payment of debt service on the Bonds.

(h) The rights granted to the Insurer under this Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries 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 and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S & P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish a defeasance of any Bonds, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other

accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under this Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under this Indenture unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(k) Each of the Borrower and the Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(l) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have

no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of the Bondholders referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to the Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer or the Borrower agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed by the Insurer, on the basis of the actual number of days elapsed over a year of 360 days. The Issuer and the Borrower each hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

(m) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer or the Borrower to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(n) The Issuer or the Borrower shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under this Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with this Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Related Document.

(o) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds.

(p) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with this Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(q) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 220499-N, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(r) The Insurer shall be provided with the following information by the Issuer, the Borrower or the Trustee, as the case may be:

(1) Notice of any default known to the Trustee, the Borrower or the Issuer within five Business Days after knowledge thereof;

(2) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(3) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(4) Notice of the commencement of any proceeding by or against the Issuer or the Borrower commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");

(5) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;

(6) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents;

(7) All reports, notices and correspondence to be delivered to Bondholders or holders of Related Bonds under the terms of the Related Documents;

(8) Copies of any financial statements, reports or other documents delivered to the Master Trustee or the holders of Related Bonds pursuant to the Master Trust Indenture; and

(9) Such additional information as the Insurer may reasonably request.

In addition, to the extent that the Issuer or the Borrower has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

(s) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Bonds or the rights of the Bondholders, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.

(t) The Borrower will permit the Insurer to discuss the affairs, finances and accounts of the Issuer and the Borrower or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Borrower and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Borrower on any business day upon reason.]

ARTICLE 16

THE BORROWER AND THE LOAN AGREEMENT

SECTION 16.1 RIGHT OF THE BORROWER TO EXERCISE RIGHTS AND OPTIONS WITH RESPECT TO TERMS OF THE BONDS

(a) If no Loan Default exists, the Borrower may, on behalf of the Issuer, exercise all rights and options of the Issuer with respect to the terms of the Bonds, including without limitation: (i) the exercise of any optional redemption rights, (ii) the selection of Bonds for redemption, and (iii) the establishment or termination of a book-entry only system of registration and transfer of Bonds.

(b) If a Loan Default exists, the Issuer will exercise such rights and options with respect to the Bonds only with the consent of the Borrower.

(c) If the Loan Agreement has been terminated, the Issuer may exercise all such rights and options with respect to the Bonds without notice to or consent of the Borrower.

SECTION 16.2 PERFORMANCE BY ISSUER UNDER LOAN AGREEMENT

The Issuer will perform and observe all covenants required to be performed and observed by it under the Loan Agreement.

SECTION 16.3 RIGHTS OF THE BORROWER WITH RESPECT TO DEFAULTS BY ISSUER

Without relieving the Issuer from the responsibility for performance and observance of the agreements and covenants required to be performed and observed by it hereunder, the Borrower, on behalf of the Issuer, may perform any such covenant or agreement.

SECTION 16.4 REMEDIES UNDER LOAN AGREEMENT

(a) The Trustee shall have the right, in its own name or on behalf of the Issuer, to declare any default and exercise any remedies under the Loan Agreement subject to the rights of the Insurer.

(b) Any money collected by the Trustee pursuant to the exercise of any remedies under the Loan Agreement shall be applied as provided in ***Article 11***.

SECTION 16.5 THE BORROWER MAY DIRECT INVESTMENT OF INDENTURE FUNDS

If no Loan Default exists, the Borrower shall, on behalf of the Issuer, direct the investment of Indenture Funds pursuant to ***Article 9***.

SECTION 16.6 AMENDMENT OF BOND DOCUMENTS

If no Loan Default exists, no amendment may be made to the Bond Documents without the consent of the Borrower.

SECTION 16.7 REMOVAL OF TRUSTEE

(a) If no Loan Default exists, the Borrower may, on behalf of the Issuer, remove the Trustee pursuant to ***Section 12.9(c)***.

(b) If no Loan Default exists, the Trustee may not be removed and no successor Trustee may be appointed without the consent of the Borrower.

SECTION 16.8 DISPOSITION OF INDENTURE FUNDS AND TRUST ESTATE

If no Loan Default exists and all amounts owed the Insurer have been paid in full, any remaining Indenture Funds or Trust Estate assets otherwise payable to the Issuer pursuant to ***Sections 8.4(b)***, ***9.2*** or ***11.3*** shall be paid to the Borrower.

SECTION 16.9 BENEFITS OF INDENTURE FOR THE BORROWER

This Indenture shall also be for the benefit of the Borrower to the extent provided herein.

ARTICLE 17

MISCELLANEOUS

SECTION 17.1 NOTICES

(a) ***Exhibit 16.1(a)*** contains address information provided by the Financing Participants for the receipt of notices. Any Financing Participant may change the address information listed in ***Exhibit 16.1(a)***, or may specify additional addresses for the receipt of notices, by giving notice of the change or addition to the other Financing Participants.

(b) In order to be effective for purposes of this Indenture:

(1) Any request, demand, authorization, direction, instruction, notice, consent, waiver or other document (collectively referred to in this Section as "notices") provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, any of the Financing Participants must (except as otherwise expressly provided in this Indenture) be in writing. Notice by Electronic Means shall constitute written notice; provided however that if any Financing Participant elects to give the Trustee facsimile instructions and the Trustee in its discretion elects to act upon such facsimile instructions, the Trustee's understanding of such facsimile instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses directly or indirectly from the Trustee's reliance upon and compliance with such facsimile instructions notwithstanding such facsimile instructions conflict with or are inconsistent with a subsequent written instruction.

(2) The notice must be actually received by the Financing Participant to whom such notice is directed. If notice is sent by registered or certified mail to a Financing Participant to the mailing address for such Financing Participant provided pursuant to ***Section 16.1(a)***, such notice shall be deemed received by such Financing Participant seven (7) days after such notice is deposited in the United States mail.

(c) Any specific reference in this Indenture to "written notice" shall not be construed to mean that any other notice may be oral, unless oral notice is specifically permitted by this Indenture under the circumstances.

SECTION 17.2 NOTICES TO BONDHOLDERS; WAIVER

(a) Where this Indenture provides for giving of notice to Bondholders of any event, such notice must (unless otherwise herein expressly provided) be in writing and mailed, first-class postage prepaid, to such Bondholder at the address of such Bondholder as it appears in the Bond Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

(b) In any case where notice to Bondholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders. Where this 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 Bondholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 17.3 SUCCESSORS AND ASSIGNS

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 17.4 BENEFITS OF INDENTURE

Nothing in this Indenture or in the Bonds, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, the Insurer and the Holders of the Outstanding Bonds any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 17.5 NOTICE TO RATING AGENCIES

The Trustee shall give prior notice, where applicable, of the following events to each Rating Agency that maintains a rating with respect to any Bonds: (a) any change of the Trustee; (b) any change or amendment of the Bond Documents; (c) acceleration of the payment date for Bonds; (d) the redemption of all Bonds prior to Maturity (other than scheduled mandatory redemption); and (e) the establishment of a trust for the payment of Bonds in accordance with ***Section 14.2*** of this Indenture.

[signature page on the following page]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this instrument to be duly executed, and their respective corporate seals to be hereunto affixed and attested.

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By:_____
Its: Chair

(SEAL)
Attest:

_____
Its: Assistant Secretary

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By:_____
Its: Vice President

[Signature Page to Trust Indenture]

EXHIBIT 6.1(c)

Form of Bond

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BOND (FLAGLER HEALTH)
SERIES 2022

No. R-_ **$_____**

Maturity Date	**Interest Rate**	**CUSIP**
October 1, 20__	____%	_____

St. Johns County Industrial Development Authority, a public body corporate and politic of the State of Florida (the "Issuer," which term includes any successor under the Indenture hereinafter referred to), for value received, hereby promises to pay to

CEDE & CO.

as registered owner, or registered assigns, the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the date hereof, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable, at the applicable per annum rate of interest specified above. Interest shall be payable on April 1 and October 1 of each year, commencing October 1, 2022, and shall be computed on the basis of a 360-day year with 12 months of 30 days each. If any of such dates is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this bond is registered at the close of business on the Regular Record Date for such interest, which shall be the 15th day (whether or not a Business Day) of the month immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and shall be paid to the person in whose name this bond is registered at the close of business on a

Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice of such Special Record Date being given to Holders of the Bonds not less than 10 days prior to such Special Record Date.

Interest shall be payable on overdue principal (and premium, if any) on this bond and (to the extent legally enforceable) on any overdue installment of interest on this bond at the rate borne by this bond.

Payment of Debt Service on this bond shall be made by the applicable method specified in the Indenture. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

This bond is one of a duly authorized issue of bonds of the Issuer consisting of a series designated "St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 (the "Bonds") and issued under and pursuant to a Trust Indenture dated as of April 1, 2022 (the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the "Trustee," which term includes any successor trustee under the Indenture). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture.

The Bonds are being issued to provide financing for the benefit of Flagler Hospital, Inc. doing business as Flagler Health+, a Florida not-for-profit corporation (the "Borrower"). Pursuant to a Loan Agreement, dated as of April 1, 2022 (the "Loan Agreement"), between the Issuer and the Borrower, the proceeds of the Bonds have been loaned to the Borrower and the Borrower has agreed to make loan payments at times and in amounts sufficient to pay Debt Service on the Bonds. Concurrently with the issuance of the Bonds, the Borrower has issued and delivered to the Trustee, as assignee of the Issuer, its Master Note, Series 2022, No. 1 (the "Series 2022 Note"), and the Issuer, as security for the payment of the Bonds and all other obligations under the Indenture, has, pursuant to the Indenture, assigned and pledged to the Trustee all of the Issuer's rights under the Loan Agreement and the Series 2022 Note, except for certain rights of the Issuer under the Loan Agreement relating to indemnification, reimbursement of expenses and receipt of notices and other communications.

The Series 2022 Note has been issued by the Borrower under and pursuant to the Second Amended and Restated Master Trust Indenture, dated as of September 1, 2020, as supplemented by the Supplemental Indenture for Master Note, Series 2022, No. 1, dated as of April 1, 2022 (collectively, as supplemented and amended from time to time, the "Master Indenture"), between the Borrower and Flagler Health Care Foundation, Inc., as members of the Obligated Group under (and as defined in) the Master Indenture, and U.S. Bank Trust Company, National Association, as successor trustee (the "Master Trustee").

The Bonds and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of (a) payments by the Borrower pursuant to the Loan Agreement with respect to debt service on the Bonds, (b) payments by the Obligated Group pursuant to the Series 2022 Note and (c) any other assets constituting part of the Trust Estate established pursuant to the Indenture, including money in the funds and accounts established pursuant to the Indenture (other than the Rebate Fund).

NEITHER THE ISSUER, ST. JOHNS COUNTY, FLORIDA (THE "COUNTY") NOR THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR MAKE ANY OTHER PAYMENTS WITH RESPECT THERETO EXCEPT FROM THE TRUST ESTATE IN THE MANNER PROVIDED IN THE INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL AND REDEMPTION PRICE OF, THE INTEREST ON, OR OTHER COSTS INCIDENT TO, THE BONDS. THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OR A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE ISSUER, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, EXCEPT THE TRUST ESTATE IN THE MANNER AND UPON THE PRIORITY SET FORTH IN THE INDENTURE.

Copies of the Bond Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of the Bonds and the Financing Participants, and the terms upon which the Bonds are, and are to be, authenticated and delivered.

In the manner and with the effect provided in the Indenture, the Series 2020A Bonds will be subject to redemption prior to Maturity as follows:

(a) The Bonds shall be subject to redemption prior to Maturity as follows:

(1) **Optional Redemption**. The Bonds are subject to redemption prior to their stated maturities, in whole or in part, at the option of the Borrower, on or after October 1, ____ at the redemption price equal to 100 percent of the principal amount to be redeemed, plus accrued interest thereon to the redemption date.

(2) **Scheduled Mandatory Redemption**.

(A) The Bonds maturing October 1, 20__ shall be redeemed, at the redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest thereon to the redemption date, on October 1 in years and principal amounts (after credit as provided below) as follows:

Redemption Date **October 1**	**Principal Amount** **to be Redeemed**
	$

†

† Maturity

(B) Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Trustee shall proceed to select for redemption in accordance with the Indenture and as set forth below in this Bond, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date. The Issuer may, not less than 60 days prior to any such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds scheduled for redemption on such date: (A) the principal amount of Bonds delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (B) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this subparagraph (2)) and not previously claimed as a credit; and (C) the principal amount of Bonds otherwise deemed "Fully Paid" and not previously claimed as a credit.

(3) **Optional Redemption from Property Insurance Proceeds, Title Insurance Proceeds or Condemnation Awards.** The Bonds may be redeemed in whole or in part, at the option of the Borrower, on any date at the redemption price equal to 100 percent of the principal amount of Bonds to be redeemed, plus accrued interest to the redemption date, from property insurance proceeds, title insurance proceeds or condemnation awards received with respect to any property of a Member of the Obligated Group and applied to the prepayment of the Series 2022 Note in accordance with Section 503(b) of the Master Indenture.

If less than all Bonds Outstanding are to be redeemed pursuant to the applicable optional redemption provisions, the principal amount of Bonds of each Maturity to be redeemed may be specified by the Borrower by written notice to the Trustee, or, in the absence of timely receipt by

the Trustee of such notice, shall be selected by the Trustee by lot; *provided*, *however*, that the principal amount of Bonds of each Maturity to be redeemed must be in an Authorized Denomination.

If less than all Bonds with the same Maturity are to be redeemed, the particular Bonds of such Maturity to be redeemed shall be selected by the Trustee by lot.

In the event of a redemption of less than all of a maturity of the Bonds, the Trustee shall select the Bonds to be redeemed from all of the Bonds of such maturity subject to redemption or such given portion thereof not previously called for, on a pro rata pass-through distribution of principal basis. The Trustee shall promptly notify the Borrower in writing of the Bonds or portions so selected for redemption.

If the Bonds are registered in book-entry only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds of a maturity are called for prior redemption, the particular Bonds or portions thereof to be redeemed shall be selected in accordance with DTC's (or such successor securities depository's) procedures.

Upon any partial redemption of any Bond, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same Maturity and in authorized form for the unredeemed portion of principal. Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

Any redemption shall be made upon at least 20 days' notice in the manner and upon the terms and conditions provided in the Indenture. If any such notice of optional redemption of Bonds states that such redemption is contingent upon the satisfaction of conditions specified in such notice and such conditions are not satisfied, such Bonds shall not be redeemed but shall instead be returned to the Holders and remain Outstanding under the Indenture.

If an "Indenture Default," as defined in the Indenture, shall occur, the principal of all Bonds then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits the amendment of the Bond Documents and waivers of past defaults under such instruments and the consequences of such defaults, in certain circumstances without consent of Bondholders and in other circumstances with the consent of all Bondholders or a specified percentage of Bondholders. Any such consent or waiver by the Holder of this bond shall be conclusive and binding upon such Holder and upon all future Holders of this bond and of any bond issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this bond.

The Holder of this bond shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this bond is transferable on the Bond Register maintained at the Office of the Trustee upon surrender of this bond for transfer at such office, together with all necessary endorsements for transfer, and thereupon one or more new Bonds of the same Maturity, in any Authorized Denominations and for a like aggregate principal amount will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, the Bonds are exchangeable for other Bonds of the same Maturity, in any Authorized Denominations and of a like aggregate principal amount, as requested by the Holder surrendering the same.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The Issuer and the Trustee may treat the person in whose name this bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this bond is overdue, and neither the Issuer nor the Trustee shall be affected by notice to the contrary.

No covenant or agreement contained in this bond or the Indenture shall be deemed to be a covenant or agreement of any officer, agent or employee of the Issuer, and neither any member of the governing body of the Issuer nor any officer executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the execution and delivery of the Indenture and the issuance of this bond do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this bond shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Issuer has caused this bond to be duly executed as of the date hereof.

Dated: _____, 2022

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By:_____
Chairman

(SEAL)
Attest:

_____
Assistant Secretary

Certificate of Authentication

This is one of the Bonds referred to in the within-mentioned Indenture.

Date of authentication:_____

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By:_____
Authorized Signatory

[**Statement of Insurance**

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the Bonds, to U.S. Bank National Association, Jacksonville, Florida, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.]

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this bond on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within bond in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

_____
(Bank or Trust Company)

By:_____
(Authorized Officer)

**Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).*

EXHIBIT 6.5(b)(1)

Requisition

To: U.S. Bank Trust Company, National Association, as trustee under the Indenture referred to below

No. _____

Re: $_____,000 St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 issued by the St. Johns County Industrial Development Authority pursuant to a Trust Indenture dated as of April 1, 2022 (the "Indenture")

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Payment

The Borrower hereby requests payment from

[ ] the Project Fund or
[ ] Capitalized Interest Account or
[ ] the Costs of Issuance Fund

of $_____

to:

Name of payee: _____

Address of payee: _____

Payment Instructions*: [ ] Check [ ] Wire

Such payment will be made for the following purpose(s):

_____

_____

_____

(Describe purpose in reasonable detail.)

The Borrower hereby certifies that: (a) such payment is for (in the case of payments from the Project Fund) Project Costs or (in the case of payments from the Costs of Issuance Fund) Costs

* Provide mailing or wiring instructions.

of Issuance, and has not been the basis for a previous requisition; (b) if the payee named above is the Borrower, the Borrower is reimbursing itself for the payment of Costs of Issuance/Project Costs previously made by the Borrower, and the Borrower has not previously been reimbursed for such Costs of Issuance/Project Costs; (c) the labor, services and/or materials covered hereby have been performed or furnished (in the case of payments from the Costs of Issuance Fund) in connection with the issuance of the Bonds or (in the case of payments from the Project Fund) in connection with the acquisition, renovation, construction, equipping and installation of the Project; (d) after payment of this requisition, the funds remaining in the Project Fund, together with all other funds available to the Borrower for the payment of Project Costs, will be sufficient to complete the Project; (e) no changes or amendments have been made in the description of the Project set forth in Exhibit A to the Loan Agreement, except as permitted by the terms of the Loan Agreement; and (f) no Loan Default exists and no event has occurred and is continuing which, with notice or the lapse of time, or both, would constitute a Loan Default.

All amounts requested to be paid out of the Capitalized Interest Account shall be deposited by the Trustee to the Debt Service Fund.

Dated: _____.

FLAGLER HOSPITAL, INC.

By:_____
Authorized Borrower Representative

EXHIBIT 6.5(b)(2)

Amounts to be Transferred from
Capitalized Interest Account to Debt Service Fund

Date	Amount
October 1, 2022	$
April 1, 2023	
October 1, 2023	
April 1, 2024	
October 1, 2024	

EXHIBIT 16.1(a)

Notices

Issuer

St. Johns County Industrial Development Authority
4020 Lewis Speedway
St. Augustine, FL 32084
Attention: Chairman
Telephone: (904) 823-2457
Facsimile: (904) 823-2515

Borrower

Flagler Hospital, Inc.
400 Health Park Boulevard
St. Augustine, Florida 32086
Attention: President
Telephone: (904) 825-4400
Facsimile: (904) 825-4472

Trustee

U.S. Bank Trust Company, National Association
225 Water Street, Suite 700
Jacksonville, Florida 32202
Attention: Global Corporate Trust
Telephone: (904) 358-5363
Facsimile: (904) 358-5374

[**Insurer**

Assured Guaranty Municipal Corp.
1633 Broadway
New York, New York 10019
Attention: Managing Director-Surveillance
Email: eschreiber@agltd.com]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2022

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS[†]
S&P: ["___" (AGM Insured)]
"___" (Underlying)

In the opinion of Rogers Towers, P.A., Bond Counsel to the Obligated Group (as defined herein), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. See "TAX MATTERS" herein.

$PAR[*]
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS (FLAGLER HEALTH), SERIES 2022

The Authority. The St. Johns County Industrial Development Authority (the "Authority") is issuing its Revenue Bonds (Flagler Health), Series 2022 (the "Bonds").

Purpose of the Financing. The Bonds are being issued for the benefit of Flagler Hospital, Inc. (the "Borrower"). Proceeds from the sale of the Bonds will be loaned by the Authority to the Borrower pursuant to a Loan Agreement dated as of April 1, 2022 (the "Loan Agreement"), between the Authority and the Borrower. The Borrower will use the proceeds of the Bonds, together with other available funds, to (i) finance, reimburse or refinance all or a portion of the costs of the 2022 Project (as defined herein), including capitalized interest on the Bonds, (ii) refund all of the Prior Debt (as defined herein) and (iii) pay costs associated with the issuance of the Bonds. See "PLAN OF FINANCING" herein

Authorizing Document. The Bonds are being issued pursuant to a Trust Indenture dated as April 1, 2022 (the "Bond Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as bond trustee.

Source of Payment. The Bonds are special and limited obligations of the Authority payable solely out of (i) payments to be made by the Borrower pursuant to the Loan Agreement, (ii) payments to be made on a promissory note (the "Series 2022 Master Note") issued by the Borrower under the Second Amended and Restated Master Trust Indenture dated as of September 1, 2020, as supplemented (the "Master Indenture") by and among the Obligated Group (as defined herein) and U.S. Bank Trust Company, National Association, as successor master trustee (the "Master Trustee"), and (iii) any other property that constitutes a part of the trust estate established under the Bond Indenture.

NEITHER THE AUTHORITY, ST. JOHNS COUNTY, FLORIDA (THE "COUNTY") NOR THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR MAKE ANY OTHER PAYMENTS WITH RESPECT THERETO EXCEPT FROM THE TRUST ESTATE IN THE MANNER PROVIDED IN THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, THE INTEREST ON, OR OTHER COSTS INCIDENT TO, THE BONDS. THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OR A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, EXCEPT THE TRUST ESTATE IN THE MANNER SET FORTH IN THE BOND INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

[The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP**.]

[Assured Logo]

Book-Entry Only Form and Authorized Denominations. The Bonds are issuable only in fully registered form and, when issued, will be issued in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Purchases will be made in book-entry form through DTC Participants (as hereinafter defined) in the denomination of $5,000 or any integral multiple thereof, and no physical delivery of the Bonds will be made to Beneficial Owners (as hereinafter defined) thereof. As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to Bondholders and to holders, registered owners or owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See "THE DTC BOOK-ENTRY ONLY SYSTEM" in APPENDIX G.

Date of Delivery. The Bonds are expected to be delivered on or about April __, 2022. The Bonds will be dated as of the date of their initial delivery.

Maturity Dates, Principal Amounts, Interest Rates, Prices and CUSIP Information. As shown on the page following the inside cover page of this Official Statement.

Interest Payment Dates. October 1 and April 1 of each year, commencing October 1, 2022.

Redemption. See the caption "THE BONDS ─ Redemption Provisions" herein.

Risk Factors. For a description of certain risk factors involved in an investment in the Bonds, see "RISK FACTORS" herein.

Legal Opinions. Rogers Towers, P.A., Jacksonville, Florida, has served as Bond Counsel to the Obligated Group and will deliver its opinion with respect to the Bonds in substantially the form attached as APPENDIX F. In connection with the issuance of the Bonds, Geoffrey B. Dobson, Esq., St. Augustine, Florida has served as counsel to the Authority; Foley & Lardner LLP, Jacksonville, Florida, has served as counsel to the Obligated Group; and Hawkins Delafield & Wood LLP has served as counsel to the Underwriter.

J.P. Morgan

The date of this Official Statement is April __, 2022.

[†] See "RATINGS" herein.
[*] Preliminary, subject to change.

[IMAGES OF PROJECT TO BE INSERTED; DEPENDING ON HOW MANY IMAGES MAY BE MORE THAN ONE PAGE]

$PAR[*]
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS (FLAGLER HEALTH), SERIES 2022

MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND CUSIP[‡] INFORMATION

Maturity Date (October 1)	Principal Amount	Interest Rate	Price	CUSIP[‡]

$_____ ____% Term Bond due _____ __, 20__ – Priced at ____%; CUSIP[‡] _____
$_____ ____% Term Bond due _____ __, 20__ – Priced at ____%; CUSIP[‡] _____

[*] Preliminary, subject to change.

[‡] Copyright 2022, American Bankers Association. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided to the CUSIP Service Bureau, managed on behalf of the American Bankers Association by S&P Global. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the Underwriter or the Obligated Group and are included solely for the convenience of the registered owners and beneficial owners of the applicable Bonds. None of the Authority, the Underwriter or the Obligated Group is responsible for the selection or uses of those CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, as a result of a refunding in whole or in part or the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Bonds.

USE OF THIS OFFICIAL STATEMENT

This Official Statement is not to be construed as a contract or agreement between the Authority and the Underwriter or the purchasers or holders of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Authority or the Obligated Group to give any information or to make any representation other than as contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by them.

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 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws, and neither the Securities and Exchange Commission nor any state regulatory agency will pass upon the accuracy, completeness or adequacy of this Official Statement. Neither the Bond Indenture nor the Master Indenture has been qualified under the Trust Indenture Act of 1939, as amended.

The information in this Official Statement is provided as of the date of this Official Statement. Nothing contained in this Official Statement shall under any circumstances create an implication that there has been no change in such information after the date of this Official Statement.

The information set forth in this Official Statement has been obtained from the sources which are believed to be reliable but is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement. *The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.*

[Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under "BOND INSURANCE" and in APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION HAS NOT EVALUATED THE RISKS OR PROPRIETY OF ANY INVESTMENT IN THE BONDS, AND U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION MAKES NO REPRESENTATION AS TO THE SUITABILITY OR INVESTMENT QUALITY OF THE BONDS FOR ANY INVESTOR, THE TECHNICAL OR FINANCIAL FEASIBILITY OR PERFORMANCE OF THE BORROWER'S BUSINESS, OR COMPLIANCE WITH ANY SECURITIES, TAX OR OTHER LAWS OR REGULATIONS, ABOUT ALL OF WHICH U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION EXPRESSES NO OPINION AND EXPRESSLY DISCLAIMS THE EXPERTISE TO EVALUATE.

All estimates and assumptions contained herein are believed to be reliable, but no representation is made that such estimates or assumptions are correct or will be realized.

Certain statements contained in this Official Statement reflect forecasts and forward-looking statements, rather than historical facts. In this respect, the words "estimate," "project," "anticipate," "expect," "intend," "believe," and similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, among others, certain of the information in APPENDIX A and "RISK FACTORS" in the forepart of this Official Statement. All such forward-looking statements are expressly qualified by the cautionary statements set forth in this Official Statement.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained herein are not incorporated into, and are not part of, this Official Statement.

In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect the price of the Bonds. Such transactions may include purchases of the Bonds for the purpose of maintaining the price of the Bonds. Such transactions, if commenced, may be discontinued at any time.

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OFFICIAL STATEMENT

Regarding

**$PAR*
ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS (FLAGLER HEALTH), SERIES 2022**

The descriptions and forms of the various documents set forth herein (including in APPENDICES C, D and E) do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of such documents. All statements herein regarding such documents are qualified in their entirety by reference to such documents. See APPENDICES C and D hereto for the definitions of certain terms used herein which are not otherwise defined.

INTRODUCTION

General. This Official Statement provides certain information for use in connection with the offering by the St. Johns County Industrial Development Authority (the "Authority") of its $PAR* St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 (the "Bonds") for the benefit of Flagler Hospital, Inc. (the "Borrower"), a Florida not for profit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Bonds will be issued pursuant to Chapter 159, Parts II and III, Florida Statutes, as amended (the "Act"), and pursuant to a Trust Indenture dated as of April 1, 2022 (the "Bond Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the "Bond Trustee").

Plan of Financing. The Authority will loan the proceeds from the sale of the Bonds to the Borrower pursuant to a Loan Agreement dated as of April 1, 2022 (the "Loan Agreement"), between the Authority and the Borrower. The proceeds of the Bonds will be used by the Borrower, together with other available funds, to (i) finance, reimburse or refinance all or a portion of the costs of acquiring, constructing and installing health care facilities of the Borrower, as further described under "PLAN OF FINANCE" herein and under "FLAGLER HEALTH+ DURBIN PARK CAMPUS" in APPENDIX A hereto, including capitalized interest on the Bonds, [break out cap interest as a separate use?] (ii) refund all of the Authority's Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B, currently outstanding in the principal amount of _____ (the "Prior Debt") and (iii) pay costs associated with the issuance of the Bonds. See "PLAN OF FINANCING."

The Borrower. [The Borrower is headquartered in St. Augustine, St. Johns County, Florida. The Borrower is the direct or indirect sole corporate member (or the equivalent) of Flagler Health Care Foundation, Inc. (the "Foundation") and ___ other corporate affiliates (collectively, the "Subsidiary Companies"). The Subsidiary Companies include: Flagler Health Network, LLC; Flagler Home Care, LLC; Flagler Health Enterprises, LLC; Flagler Professional Health Services, Inc.; Flagler Health Services, Inc.; CF Management Administrative Company, LLC; and Health Park Owners' Association, Inc. The Borrower, the Foundation and the Subsidiary Companies are referred to collectively as "Flagler Health+". Flagler Health+ operates a total health care enterprise aimed at advancing the physical, social and economic health of St. Johns County (the "County") and surrounding northeast Florida communities. Flagler Health+ is anchored by Flagler Hospital (the "Hospital"), a 335 licensed bed acute care facility operated by the Borrower and located on a 73-acre health park (the "Hospital Campus") outside downtown St. Augustine. See APPENDIX A to this Official Statement for additional information concerning the Borrower and other entities that comprise Flagler Health+. Also see APPENDIX B to this Official Statement for the audited consolidated financial statements of Flagler Hospital, Inc. and Subsidiaries as of and for the fiscal year ended September 30, 2021. For the fiscal year ended September 30, 2021, the Obligated Group (as described below) comprised __% and __ % of Flagler Health+'s operating revenues and assets, respectively.] [To be updated to match Appendix A]

* Preliminary, subject to change.

The Master Indenture and Obligated Group. The Borrower and the Foundation are members of an obligated group established pursuant to the Second Amended and Restated Master Trust Indenture dated as of September 1, 2020 (the "Second Amended and Restated Master Indenture"), among the Borrower, the Foundation and U.S. Bank Trust Company, National Association, as successor trustee (the "Master Trustee"). The Borrower serves as Obligated Group Agent. On the date of issuance of the Bonds, the Borrower will issue and deliver to the Bond Trustee, as assignee of the Authority, its Master Note, Series 2022, in a principal amount equal to the aggregate principal amount of the Bonds (the "Series 2022 Master Note"), as security for the payment of the principal or redemption price of, and interest on, the Bonds. The Series 2022 Master Note will be issued pursuant to the Master Indenture and the Supplemental Indenture for Master Note, Series 2022 dated as of April 1, 2022 (the "Supplemental Indenture" and together with the Second Amended and Restated Master Indenture, the "Master Indenture"), between the Obligated Group and the Master Trustee. The Series 2022 Master Note will be a joint and several obligation of the Members of the Obligated Group and will be secured on parity with all Master Notes issued or to be issued under the Master Indenture. As of the date of issuance of the Bonds, the Borrower and the Foundation will be the only Members of the Obligated Group created under the Master Indenture. See APPENDIX D ─ "FORMS OF THE SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE AND SUPPLEMENTAL INDENTURE" for a description of the provisions of the Master Indenture.

Pursuant to the provisions of the Bond Indenture, the Borrower may direct the Bond Trustee to exchange the Series 2022 Master Note for a master note issued by a different obligated group or credit group that may include among its members the Members of the Obligated Group upon satisfaction of the Substitution Transaction Test (as defined below) without the consent of any of the holders of the Bonds, for an obligation of a different obligated group or credit group. This could also lead to the substitution of different security in the form of a master note backed by an obligated group or credit group that is financially and operationally different from the then existing Obligated Group. That new obligated group or credit group could have substantial debt outstanding that would rank on a parity basis with the master note substituted for the Series 2022 Master Note. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2022 BONDS – Master Indenture – Amendments to Master Indenture and Replacement of Master Indenture."

Security for the Bonds. The Bonds are special and limited obligations of the Authority, secured by and payable solely from the trust estate established under the Bond Indenture, which consists primarily of the Authority's rights to receive payments to be made by the Borrower under the Loan Agreement with respect to debt service on the Bonds, payments to be made on the Series 2022 Master Note and certain money and investments from time to time on deposit in the funds (other than the Rebate Fund) established under the Bond Indenture. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein.

The obligations of the Members of the Obligated Group under the Master Indenture are secured by the following: (i) a security interest granted by the Members of the Obligated Group in their Gross Revenues (as hereinafter defined); and (ii) a mortgage granted by the Borrower on the Mortgaged Property pursuant to (and as defined in) the Mortgage and Security Agreement dated as of December 1, 2003, as supplemented and amended from time to time, particularly as supplemented and amended by the Notice Future Advance and Mortgage Spreader Agreement Relating to Mortgage and Security Agreement, dated September 28, 2017, and as supplemented by the Notice of Future Advance Relating to Mortgage and Security Agreement dated the date of issuance of the Bonds (collectively, the "Mortgage"), from the Borrower to the Master Trustee (collectively, the "Security"). The real property secured by the Mortgage consists of a portion of the Hospital Campus, consisting of the Hospital, two surrounding parking lots and a 15,000 square foot building currently used by the Borrower as an imaging center (the "Mortgaged Property"). The Series 2022 Master Note and any Master Notes issued or to be issued under the Master Indenture after the date hereof will all be secured on a parity basis by the Security. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" herein.

The Bond Indenture, the Loan Agreement, the Master Indenture, the Series 2022 Master Note and the Mortgage are referred to herein as the "Financing Documents."

[Bond Insurance. The scheduled payment of principal of and interest on the Bonds maturing when due will be guaranteed under a Municipal Bond Insurance Policy (the "Policy") to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp (the "Insurer"). See "BOND INSURANCE" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY."]

Risk Factors. Investment in the Bonds involves a certain degree of risk. See "RISK FACTORS" for a description of certain of those risks.

Continuing Disclosure. On the date of issuance of the Bonds, the Borrower, as Obligated Group Agent, will enter into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of the Beneficial Owners of the Bonds pursuant to Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. See "CONTINUING DISCLOSURE." See also APPENDIX E – "FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Forms of Documents. The forms of the Loan Agreement, the Bond Indenture, the Second Amended and Restated Master Indenture and the Supplemental Indenture are set forth herein, respectively, as APPENDICES C and D and are in substantially final form.

THE BONDS

General

The Bonds will be dated as of the date of their initial delivery. The Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) at the rates per annum, and will mature on October 1 in the amounts and in the years, set forth on the maturity schedule following the inside cover page of this Official Statement. Interest on the Bonds will be payable on October 1 and April 1 of each year, commencing October 1, 2022, to the holders as of the applicable Regular Record Date. The Bonds will be issued as fully registered bonds in the authorized denomination of $5,000 or any integral multiple thereof ("Authorized Denomination").

The Bonds, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only in the denomination of $5,000 or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their ownership interest in the Bonds. As long as Cede & Co. is the Registered Owner, the Bond Trustee will pay the principal of, premium, if any, and interest on the Bonds to DTC in accordance with DTC's rules, regulations and procedures, and DTC will remit such payments to the Beneficial Owners (as hereinafter defined) of the Bonds. For a description of the method of payment of the principal, premium, if any, and interest on the Bonds to the Beneficial Owners thereof and matters pertaining to transfers and exchanges of the Bonds while they are held in DTC's book-entry only system, see APPENDIX G.

If the book-entry only system is discontinued, the Bond Indenture contains alternate provisions for the method of payment and for transfers and exchanges of the Bonds.

Redemption Provisions

Optional Redemption. The Bonds are subject to redemption prior to their stated maturities, in whole or in part, at the option of the Borrower, on or after October 1, ____at a redemption price equal to 100% (expressed as a percentage of principal amount redeemed) plus accrued interest to the redemption date.

Optional Redemption of the Bonds From Property Insurance Proceeds, Title Insurance Proceeds and Condemnation Awards. The Bonds may be redeemed in whole or in part at the option of the Borrower, on any date at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date, from property insurance proceeds, title insurance proceeds or condemnation awards received with respect to any Property of a Member of the Obligated Group and applied to the prepayment of the Series 2022 Master Note in accordance Section 503(b) of the Master Indenture. See APPENDIX D ─ "FORM OF THE SECOND AMENDED AND RESTATED MASTER INDENTURE – Section 503."

Mandatory Redemption. The Bonds maturing on October 1, 20__ (the "Term Bonds") will be redeemed, at the redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on October 1 in the years and in the principal amounts (after credit as provided below) as follows:

Redemption Date October 1	Principal Amount to be Redeemed
	$

_____
† Maturity

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date with respect to the Term Bonds, the Bond Trustee will proceed to select for redemption as set forth below under "Selection of Bonds for Redemption", the Term Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and will call such Term Bonds or portions thereof for redemption on such scheduled mandatory redemption date. The Authority may, not less than 60 days prior to any such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of the Term Bonds scheduled for redemption on such date: (A) the principal amount of the Term Bonds delivered by the Authority to the Bond Trustee for cancellation and not previously claimed as a credit; (B) the principal amount of the Term Bonds previously redeemed (other than the Term Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit; and (C) the principal amount of the Term Bonds otherwise deemed "Fully Paid" and not previously claimed as a credit.

Purchase in Lieu of Redemption

In lieu of the optional redemption and cancellation of the Bonds, the Bonds may be called for purchase by the Borrower in lieu of optional redemption on the same dates and at the same purchase price as the Bonds which may be called for optional redemption. The Bonds so purchased by the Borrower in lieu of redemption may be either (i) delivered to the Bond Trustee and cancelled or (ii) held by the Borrower and, upon receipt of a Favorable Tax Opinion, subsequently sold by the Borrower. Notice of purchase and selection of the Bonds for purchase will be given or made and will have the same effect as notice and selection of the Bonds for optional redemption; provided, that the notice will be modified as necessary to reflect the purchase of the Bonds in lieu of optional redemption.

Selection of Bonds for Redemption

In the case of any redemption in part of a Maturity of the Bonds, the Bonds to be redeemed as described under "Optional Redemption" and "Optional Redemption of the Bonds From Property Insurance Proceeds, Title Insurance Proceeds and Condemnation Awards" will be selected by the Bond Trustee, subject to any requirements of the Bond Indenture. A redemption of the Bonds will be a redemption of the whole or of any part of a Maturity of the Bonds; provided, that in the event of a partial redemption, the principal amount of each Maturity of the Bond remaining Outstanding will be in an Authorized Denomination. If less than all of a Maturity of the Bonds are called for redemption under any provision of the Bond Indenture permitting such partial redemption, the particular Bonds of a Maturity to be redeemed will be selected by the Bond Trustee by lot; provided, however, (a) that the portion of any Maturity to be redeemed under any provision of the Bond Indenture will be in the principal amount of an Authorized Denomination, (b) that, in selecting Bonds for redemption, the Bond Trustee will treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Maturity by $5,000,

leaving Bonds of a Maturity outstanding in no less than Authorized Denominations. If there are called for redemption less than all of a Maturity, the Authority will execute and deliver and the Bond Trustee will authenticate, upon surrender of such Bond of that Maturity without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Maturity of the Bond so surrendered, and (c) the principal amount of each Bond of that Maturity remaining outstanding will be in an Authorized Denomination.

Notice of Redemption; Effect

Notice of redemption of Bonds or portions thereof is required to be given to DTC not less than 20 days nor more than 60 days prior to the date fixed for redemption in accordance with the Blanket Letter of Representations between the Authority and DTC. All notices of redemption will state (i) the redemption date; (ii) the redemption price; (iii) the place or places where the Bonds to be redeemed are to be surrendered for payment of the redemption price; (iv) the principal amount of Bonds to be redeemed and, if less than all Outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed; (v) that on the redemption date, the redemption price of each of the Bonds to be redeemed will become due and payable and the interest thereon will cease to accrue from and after said date; and (vi) if any optional redemption of the Bonds is contingent upon the satisfaction of conditions specified by the Borrower in its written request to the Authority to call such Bonds for optional redemption, a description of such conditions and a statement to the effect that, if such conditions are not satisfied, such Bonds will not be redeemed but will instead be returned to the holders thereof and remain Outstanding under the Bond Indenture.

Notice of redemption having been given as aforesaid, and any conditions to any such optional redemption specified by the Borrower having been satisfied, the Bonds to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified and from and after such date (unless the Authority default in the payment of the redemption price) such Bonds will no longer bear interest or be entitled to the benefit of the security provided by the Bond Indenture.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Limitation on the Authority's Liability

NEITHER THE AUTHORITY, THE COUNTY NOR THE STATE OF FLORIDA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR MAKE ANY OTHER PAYMENTS WITH RESPECT THERETO EXCEPT FROM THE TRUST ESTATE IN THE MANNER PROVIDED IN THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, THE INTEREST ON, OR OTHER COSTS INCIDENT TO, THE BONDS. THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE, OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OR A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, EXCEPT THE TRUST ESTATE IN THE MANNER SET FORTH IN THE BOND INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

Special and Limited Obligations; Sources of Payment

The Bonds are special and limited obligations of the Authority, payable solely out of the following sources: (i) payments made by the Borrower pursuant to the Loan Agreement, except pursuant to the Authority's rights relating to the payment of expenses, indemnity, attorneys' fees and advances, (ii) payments made by the Obligated Group pursuant to the Series 2022 Master Note and (iii) any other assets that constitute a part of the trust estate established under the Bond Indenture.

Security for Payment

Pursuant to the Bond Indenture, and in order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Authority will pledge and assign to the Bond Trustee all of its rights and interests in the Series 2022 Master Note and the Loan Agreement (except for the rights of the Authority relating to the payment of expenses, indemnity, attorneys' fees and advances) and will grant to the Bond Trustee a lien on and security interest in the trust estate, including all money and investments held by the Bond Trustee in the funds established under the Bond Indenture which constitute the trust estate.

Bond Indenture Funds

The funds established under the Bond Indenture that constitute a part of the trust estate include the following:

Debt Service Fund. The Debt Service Fund will be established to collect Loan Payments made by the Borrower under the Loan Agreement and payments made by the Obligated Group on the Series 2022 Master Note. Payments under the Loan Agreement with respect to debt service on the Bonds will be credited against the amounts due on the Series 2022 Master Note. Amounts in the Debt Service Fund will be used to pay debt service on the Bonds.

Project Fund. The Project Fund will be established to disburse the Bond proceeds for the payment or reimbursement of the costs of the 2022 Project. Money may be withdrawn from the Project Fund upon receipt by the Bond Trustee of a requisition from the Borrower. Within the Project Fund there is created a Capitalized Interest Account. Money in the Capitalized Interest Account will be automatically transferred by the Bond Trustee from the Capitalized Interest Account to the Debt Service Fund on each Interest Payment Date commencing October 1, 2022 through and including October 1, 2024 in the amounts as set forth in the Bond Indenture.

Costs of Issuance Fund. The Costs of Issuance Fund will be established to disburse Bond proceeds for payment of costs of issuance of the Bonds. Money may be withdrawn from the Costs of Issuance Fund upon receipt by the Bond Trustee of a requisition from the Borrower.

The Bonds will not be secured by a debt service reserve fund.

Loan Agreement

Pursuant to the Loan Agreement, the Borrower will agree to make Loan Payments directly to the Bond Trustee, as assignee of the Authority, in an amount sufficient to pay in full all of the principal of, premium, if any, and interest on the Bonds when due.

Master Indenture

The following is a brief description of certain provisions of the Master Indenture. For the form of the Master Indenture, see APPENDIX D.

Security Interest in Gross Revenues. In order to secure their obligations under the Master Indenture and on the Master Notes issued thereunder, the Members of the Obligated Group have granted to the Master Trustee a security interest in their Gross Revenues (to the extent that a security interest may be granted therein by law) pursuant to the Master Indenture, subject to Permitted Liens. See the definitions of "Gross Revenues" and "Permitted Liens" in the Master Indenture in APPENDIX D for a description of certain revenues that are excluded from the term "Gross Revenues" and a description of certain liens and encumbrances that are "Permitted Liens."

The security interest in Gross Revenues may be limited by a number of factors, including: (i) rights of third parties in Gross Revenues converted to cash and not in the possession of the Bond Trustee or the Master Trustee; (ii) statutory liens; (iii) rights arising in favor of the United States or any agency thereof; (iv) present or

future prohibitions against assignment of amounts due under the Medicare or Medicaid programs or any other federal or State health insurance programs; (v) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction; (vi) federal bankruptcy laws or State laws respecting bankruptcy, insolvency or creditors' rights; (vii) claims that might arise if appropriate financing or continuation statements are not filed in accordance with the Uniform Commercial Code of the State; (viii) state fraudulent conveyance laws; (ix) rights of parties with prior perfected security interests, including Permitted Liens; and (x) the inability of the Master Trustee to perfect a security interest in those Gross Revenues that can be perfected only by possession or only by possession and filing or that represent proceeds of prior perfected security interests. See "RISK FACTORS ─ Risks Related to the Bonds and Master Indenture ─ Enforceability of the Lien on Gross Revenues."

Entrance Into and Withdrawal from the Obligated Group. The only Members of the Obligated Group will be the Borrower and the Foundation. The Master Indenture permits other entities to join and withdraw from the Obligated Group. The Borrower and the Foundation have no present intention to include other entities in the Obligated Group in the future. The Borrower has covenanted not to withdraw from the Obligated Group while the Master Notes are outstanding under the Master Indenture.

Rates and Changes; Debt Service Coverage Covenant. Each Member of the Obligated Group agrees in the Master Indenture to set rates, charges, rents and fees for its facilities, services and products such that the Debt Service Coverage Ratio, calculated at the end of each Fiscal Year, will not be less than 1.10; provided, however, that in any case where Long-Term Indebtedness has been incurred to acquire or construct capital improvements, the Debt Service Requirement with respect thereto will not be taken into account in making the foregoing calculation until the first Fiscal Year commencing after the occupation or utilization of such capital improvements unless the Debt Service Requirement with respect thereto is required to be paid from sources other than the proceeds of such Long-Term Indebtedness prior to such Fiscal Year.

If at any time the Debt Service Coverage Ratio as described in the above paragraph, as derived from the most recent Financial Statements for the most recent Fiscal Year, is not met, the Obligated Group Agent will retain a Consultant within 30 days to make recommendations to increase such Debt Service Coverage Ratio in the following Fiscal Year to the level required, or, if in the opinion of the Consultant, the attainment of such level is impracticable, to the highest level attainable. Any Consultant so retained will be required to submit such recommendations within 45 days after being so retained. Each Member of the Obligated Group will, to the extent permitted by law, follow the recommendations of the Consultant. So long as a Consultant has been retained and each Member of the Obligated Group follows such Consultant's recommendations to the extent permitted by law, the Debt Service Coverage Ratio requirement will be deemed to have been satisfied if the Debt Service Coverage Ratio for such Fiscal Year is not less than 1.00:1. In the event that the Debt Service Coverage Ratio is less than 1.00:1 for two consecutive Fiscal Years an Event of Default will be deemed to exist under this Master Indenture unless there is delivered with the Master Trustee at the end of such first Fiscal Year an Officer's Certificate which demonstrates that the Days Cash on Hand as of the last day of such first Fiscal Year was not less than 150. The Obligated Group will not be required to engage a Consultant to make recommendations pursuant to this paragraph more frequently than biennially.

Other Covenants of the Obligated Group. Additionally, the Master Indenture contains covenants relating to the sale, lease or other disposition of property, the incurrence of additional indebtedness, permitted liens, maintenance of insurance and reporting requirements.

Amendments to Master Indenture and Replacement of Master Indenture. Certain amendments to the Master Indenture may be made with the consent of the holders of not less than a majority in aggregate principal amount of all outstanding Master Notes. Such amendments may adversely affect the security of the Bondholders, and such percentage may be composed, in whole or in part, of the holders of Master Notes other than the Series 2022 Master Note. In addition, one or more Members of the Obligated Group may, but only upon receipt by the Master Trustee of an Officer's Certificate of the Obligated Group Agent demonstrating compliance with the Substitution Transaction Test, enter into one or more supplements, amendments or restatements of the Master Indenture in order to supplement, amend, restate, replace or remove any or all of the provisions of the Master Indenture, including, but not limited to, a supplement, amendment or restatement of the Master Indenture that applies to all Outstanding Related Bonds and Master Notes or to only a portion of the Outstanding Related Bonds

and Master Notes, for the purposes of (i) creating a new or modified credit group structure, (ii) providing for the inclusion of one or more Members of the Obligated Group in another obligated group, combined group or other unified credit group, (iii) releasing and discharging all or a portion of the Security, and (iv) supplementing, amending, replacing or removing any or all of the financial and operating covenants and related definitions set forth in this Master Indenture by entering into a new master credit agreement or indenture concurrently with the issuance of such replacement note or notes by the new obligated group, combined group or other unified credit group (any such transaction, a "Substitution Transaction").

The Substitution Transaction Test is satisfied if the Obligated Group Agent delivers to the Master Trustee (i) written confirmation from each Rating Agency that has assigned a long-term rating to any Related Bonds that such long-term rating will not be lowered as a result of the consummation of the Substitution Transaction (which confirmation may be documented by the Rating Agency in any manner which accomplishes the foregoing, including but not limited to a confirmation of existing rating, issuer credit rating, or rating report) and (ii) an Officer's Certificate demonstrating that the new obligated group, combined group or other unified credit group could satisfy the Required Pro Forma Coverage test for the incurrence of $1.00 of additional Long-Term Indebtedness.

See APPENDIX D ─ "FORM OF THE SECOND AMENDED AND RESTATED MASTER INDENTURE – Article VIII – Supplements and Amendments."

Series 2022 Master Note

The Series 2022 Master Note evidences the joint and several obligation of each Member of the Obligated Group to pay to the Bond Trustee amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds. The Bond Trustee, as holder of the Series 2022 Master Note, will be entitled, together with the holders of all other Master Notes, including the Outstanding Master Notes, issued under the Master Indenture, to the equal and proportionate benefit of the Master Indenture.

Other Outstanding Indebtedness and Master Indenture Obligations

On the date of issuance of the Bonds and implementation of the plan of financing described herein, the following Master Notes will be Outstanding and secured on a parity basis under the Master Indenture: (i) $ _____ outstanding principal amount of Flagler Hospital, Inc. Master Note, Series 2020A/B, No. 1 issued by the Obligated Group to secure the St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Taxable Series 2020A and St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Taxable Series 2020B (collectively, the "Series 2020AB Bonds") and (ii) the Series 2022 Master Note. [The Obligated Group Members have outstanding indebtedness and other obligations that are not secured by Master Notes, including capital leases. Cross reference to audit or Appendix A to be added if true]

Mortgage

To secure the payments required by the Master Indenture to be made by the Obligated Group Members on the Master Notes, including the Series 2022 Master Note, and the performance by the Obligated Group Members of their other obligations under the Master Indenture, the Borrower has mortgaged the Mortgaged Property to the Master Trustee pursuant to the Mortgage, subject to Permitted Liens. The Mortgaged Property consists of a portion of the Hospital Campus including the Borrower's main Hospital facility. No other real property owned by any Member of the Obligated Group will be subject to a mortgage in favor of the Master Trustee. There can be no assurance, should the Master Trustee foreclose on the lien of the Mortgage upon an Event of Default under the Master Indenture, that the Master Trustee will receive sufficient funds from the sale of the Mortgaged Property to satisfy all of the Obligated Group's obligations under the Master Indenture. See "RISK FACTORS – Realization of Value on Mortgaged Property."

A title insurance policy with respect to the Mortgaged Property was issued in September 2017 in favor of the Master Trustee in the amount of $35,000,000, which is less than the original aggregate principal amount of the Series 2022 Master Note and the Outstanding Master Notes. [No title insurance policy was obtained in connection with the issuance of the Bonds.]

As described under "THE BONDS – Redemption Provisions – Optional Redemption From Property Insurance Proceeds, Title Insurance Proceeds and Condemnation Awards," under certain circumstances, the Bonds may be optionally redeemed on any date at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date, from the proceeds of property insurance, title insurance proceeds or condemnation awards received with respect to any Property of a Member of the Obligated Group and applied to the prepayment of the Series 2022 Master Note in accordance Section 503(b) of the Master Indenture.

Section 503(b) of the Master Indenture provides as long as no Event of Default has occurred and is continuing under the Master Indenture, property insurance proceeds, title insurance proceeds or as condemnation awards with respect to any Property:

(1) that do not exceed ten percent (10%) of the aggregate net book value of the Capital Assets as of the Most Recent Fiscal Year, will be paid to such Member and may be used for any lawful purpose; or

(2) that do exceed ten percent (10%) of the aggregate net book value of the Capital Assets as of the Most Recent Fiscal Year, will be paid to the Master Trustee and, as specified in an Officer's Certificate of the Obligated Group Agent, will be applied to either:

(i) the repair or replacement of the Property with respect to which such proceeds or award were received; or

(ii) to the purchase, redemption, prepayment or partial prepayment of the principal of Master Notes pro rata based on the then Outstanding principal of amount of Master Notes that are subject to purchase, redemption or prepayment from property insurance proceeds, title insurance proceeds or condemnation awards; provided that the Master Trustee will invest and reinvest such proceeds or awards in Government Obligations at the direction of the Obligated Group Agent pending their application.

If an Event of Default under the Master Indenture has occurred and be continuing, the Master Trustee is required to apply the insurance proceeds, title insurance proceeds or condemnation awards on a pro rata basis among all Master Notes in accordance with Section 604 of the Master Indenture. See Article V and Article VI of APPENDIX D – "FORM OF THE SECOND AMENDED AND RESTATED MASTER INDENTURE." See also "THE BONDS ─ Redemption Provisions ─ Optional Redemption From Property Insurance Proceeds, Title Insurance Proceeds and Condemnation Awards."

Limitations on Remedies

The rights of the Master Trustee, the Bond Trustee and the holders of the Bonds may be limited by bankruptcy, insolvency, fraudulent conveyance, reorganization or other laws affecting the enforcement of creditors' rights. See "RISK FACTORS."

OTHER COVENANTS

[The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Bonds by the Insurer. See "BOND INSURANCE" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY." As a condition to issuing the Policy, the Insurer has requested that the Obligated Group grant the Insurer certain additional rights and comply with certain additional covenants and agreements that may not be available for the benefit of Bondholders and holders of other Master Notes issued under the Master Indenture. See "BOND INSURANCE – Rights of the Bond Insurer". See also the forms of the Bond Indenture and the Loan Agreement in APPENDIX C, and the form of the Supplemental Indenture in APPENDIX D.]

[Bond Insurer covenants to be described here if no bond insurance on the 2022 Bonds. If there is bond insurance a statement will be made about the prior bonds being subject to similar covenants. Also we have removed the bank covenant section for now assuming that the bank held debt will be taken out]

PLAN OF FINANCING

The proceeds of the Bonds will be used by the Borrower, together with other available funds, to (i) finance, reimburse or refinance all or a portion of the costs of acquiring, constructing and installing the 2022 Project, including capitalized interest on the Bonds, (ii) refund all of the Prior Debt and (iii) pay costs associated with the issuance of the Bonds.

The 2022 Project consists generally of the acquisition, construction, equipping and installation of an approximately 77-bed new general acute care hospital facility in the Durbin Park area of the County, including related buildings, improvements, equipment, fixtures and furnishings. See "FLAGLER HEALTH+ DURBIN PARK CAMPUS" in APPENDIX A hereto.

In accordance with the plan of financing, a portion of the proceeds of the Bonds will be used to provide funds for the refunding of the Prior Debt on the [date of delivery on the Bonds.]

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the plan of financing are as follows:

SOURCES OF FUNDS:	
Principal Amount	
Original Issue Discount/Premium	
Total Sources of Funds	
USES OF FUNDS:	
Cost of the 2022 Project[†]	
Refunding of Prior Debt[**]	
Costs of Issuance[‡]	
Total Uses of Funds	

[†] Includes Series 2022 Project reimbursement of approximately $_____ and capitalized interest of $_____.

[‡] Includes underwriter's discount, fees, bond insurance premium, and expenses of the Authority, trustees, accountants, financial advisors, attorneys and rating agencies and other costs of issuance.

[**] Includes breakage fees and accrued interest.

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DEBT SERVICE REQUIREMENTS

The following table presents, on a fiscal year basis, the estimated debt service requirements on the Bonds. The table also includes debt service on indebtedness secured by Outstanding Master Notes. The table assumes that the Prior Debt is refunded with a portion of the proceeds from the sale of the Bonds.

Fiscal Year Ending September 30	Debt Service		Existing Indebtedness Debt Service[1][2]	Total Debt Service
	Principal[3]	Interest		
TOTAL[1]				

[1] Total may vary due to rounding.
[2] To come.
[3] Preliminary, subject to change.

THE AUTHORITY

The Authority is a public body corporate and politic created and existing as a local governmental body and constituted as a public instrumentality for the purposes of facilitating the financing and refinancing of, among other things, health care facilities under the Act.

The Authority has issued, and may issue in the future, other series of bonds for the purpose of financing or refinancing other project for the benefit of third parties unrelated to the Obligated Group. Each such series of bonds is or will be secured by financing documents separate and apart from the Financing Documents and is or will be payable from different sources of revenues.

NEITHER THE AUTHORITY, THE COUNTY, NOR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THE BONDS OR MAKE ANY OTHER PAYMENTS WITH RESPECT THERETO EXCEPT FROM THE TRUST ESTATE IN THE MANNER PROVIDED IN THE BOND INDENTURE, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE OF, THE INTEREST ON, OR OTHER COSTS INCIDENT TO, THE BONDS. THE BONDS SHALL NOT BE OR CONSTITUTE A GENERAL OBLIGATION OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, OR A LIEN UPON ANY PROPERTY OWNED BY OR SITUATED WITHIN THE TERRITORIAL LIMITS OF THE AUTHORITY, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION OR PUBLIC AGENCY THEREOF, EXCEPT THE TRUST ESTATE IN THE MANNER SET FORTH IN THE BOND INDENTURE. THE AUTHORITY HAS NO TAXING POWER.

BOND INSURANCE

[PLACEHOLDER ONLY. TO BE UPDATED IF APPLICABLE]

[The information in this section has been prepared by the Insurer for inclusion in this Official Statement. None of the Authority, the Members of the Obligated Group or the Underwriter has reviewed this information, nor the Authority, the Members of the Obligated Group or the Underwriter make any representation as to the accuracy or completeness thereof. The following is not a complete summary of the Policy and reference is made to the specimen of the Policy attached as APPENDIX H hereto.

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and, as of October 1, 2019, asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 19, 2019, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Capitalization of AGM

At June 30, 2020:

- The policyholders' surplus of AGM was approximately $2,667 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $1,018 million. Such amount includes 100 percent of AGM's contingency reserve and 60.7 percent of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,048 million. Such amount includes (i) 100 percent of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty (Europe) plc ("AGE UK") and Assured Guaranty (Europe) SA ("AGE SA"), and (iii) 60.7 percent of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE UK and AGE SA were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (filed by AGL with the SEC on February 28, 2020);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 (filed by AGL with the SEC on May 8, 2020); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2020 (filed by AGL with the SEC on August 7, 2020).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE".

Rights of the Bond Insurer

So long as the Insurance Policy remains in effect and AGM is not in default of its obligations thereunder, AGM has certain notice, consent and other rights under the Bond Indenture and will have the right to control all remedies as to the Bonds in the event of a default under the Bond Indenture. AGM is not required to obtain consent of the holders of the Bonds with respect to the exercise of remedies. See "FORM OF THE BOND INDENTURE – ARTICLE 15 – Bond Insurance" in APPENDIX C.]

RISK FACTORS

[TO BE UPDATED FOLLOWING DUE DILIGENCE]

The discussion herein of risks to the registered owners of the Bonds is not intended as dispositive, comprehensive or definitive, but rather is to summarize certain matters which could affect payment on the Bonds. Other sections of this Official Statement, as cited herein, should be referred to for a more detailed description of

risks described in this section, which descriptions are qualified by reference to any documents discussed therein. Copies of all such documents are available for inspection at the principal office of the Bond Trustee.

General

The Bonds and the interest payable thereon are special and limited obligations of the Authority and are payable solely from payments to be made under the Series 2022 Master Note on parity with all other obligations outstanding under the Master Indenture, from amounts payable under the Loan Agreement and from certain moneys and investments held by the Bond Trustee under the Bond Indenture. No representation or assurance can be made that sufficient revenues will be generated for the Obligated Group to meet its obligations under the Loan Agreement or the Series 2022 Master Note inasmuch as its ability to meet such obligations could be adversely affected by future events, conditions and circumstances that are not predictable, including, but not limited to, those described below.

The revenues and expenses of health care systems are subject to, among other things, the capabilities of the management, the confidence of physicians in management, the availability of physicians and trained support staff, changes in the population or the economic condition of the service area, the level of and restrictions on federal funding of Medicare and federal and state funding of Medicaid, imposition of government wage and price controls, the demand for services, competition, reduced third-party reimbursement rates or delays in payment, government regulations and licensing requirements, continued federal and state funding, future economic conditions and other conditions which are unpredictable and may not be quantifiable or determinable at this time. No representation or assurance is given or can be made that revenues will be realized by the Obligated Group in amounts sufficient to pay debt service on the Series 2022 Master Note and the Bonds when due and to make payments necessary to meet the other obligations of the Obligated Group.

The health care industry is highly regulated by the federal and state governments. The Members of the Obligated Group are subject to a wide variety of federal and state laws and regulations, and legislative and policy changes by those governmental and private agencies that administer Medicare, Medicaid and other payors. The Members of the Obligated Group are subject to actions by, among others, the Centers for Medicare & Medicaid Services ("CMS") of the U.S. Department of Health and Human Services ("HHS"), The Joint Commission, the National Labor Relations Board and other federal, state and local government agencies.

The future financial condition of the Obligated Group could be adversely affected by, among other things, changes in the method and amount of payments to the members the Obligated Group by governmental and other third-party payors, the financial viability of those payors, increased competition from other health care entities, the costs associated with responding to governmental audits, inquiries and investigations, demand for health care, other forms of care or treatment, changes in the methods by which employers purchase health care for employees, capability of management, changes in the structure of how health care is delivered and paid for (e.g., accountable care organizations and other health care reform payment mechanisms), future changes in the economy, demographic changes, availability of physicians, nurses and other health care professionals, malpractice claims and other litigation, labor and non-labor costs incurred in the delivery of care and the operation of the organization as well as COVID-19 (as defined herein), as described under the subheading "Other Business Risks - COVID-19 Pandemic". These factors and others may adversely affect payment by the Members of the Obligated Group on the Bonds. In addition, the tax-exempt status of any of the Members of the Obligated Group could be adversely affected by, among other things, an adverse determination by a governmental entity with respect to such tax-exempt status or non-compliance with governmental regulations or legislative changes, further described herein, which could adversely affect the tax-exempt bonds issued for the benefit of the Obligated Group.

Patient Service Revenues

A substantial portion of the revenues of the Obligated Group is derived from Medicare, Medicaid and other third-party payors, including private health plans and insurers and health maintenance organizations. Many of these payors make payments to the Members of the Obligated Group in amounts that may not reflect the actual direct and indirect costs of providing services to patients.

Significant changes have been and will continue to be made by certain of these payors, which changes could have an adverse impact on the financial condition of the Members of the Obligated Group. The purpose of

these changes and much of the recent statutory and regulatory activity has been to reduce the rate of increase in health care costs, particularly costs paid under the Medicare and Medicaid programs, and to increase access to health insurance provided or facilitated through government programs.

Medicare

Medicare Reimbursement. Medicare is a federal program available to individuals age 65 or over, and certain other classes of individuals. Medicare reimbursement makes up a significant portion of the Members of the Obligated Group's net patient service revenue. The Medicare program provides, among other things, health care benefits that cover, within prescribed limits, the major costs of physician and hospital care for such individuals, subject to certain deductibles and co-payments. Generally, if a hospital's cost for treating a Medicare beneficiary exceeds the amount reimbursed by Medicare, the hospital will not be entitled to any additional amount.

There is no assurance that Medicare payment rates will keep pace with the increases in the cost of providing hospital services. Federal deficit reduction efforts have slowed the growth of federal Medicare spending and resulted in across-the-board federal program spending reductions. Any further reduction in Medicare spending could have a material adverse effect upon the operations, financial condition and financial performance of the Members of the Obligated Group. In addition, further reductions in Medicare coverage and decreased Medicare reimbursement rates may be required due to the aging United States' population and the availability of funds necessary to meet the increased demands on Medicare.

Additionally, any depletion of the Medicare Trust Fund available for Medicare reimbursement could significantly impact the ability of the Members of the Obligated Group to fund current and expected health care operations.

In recent years, CMS has implemented a number of value-based purchasing initiatives that may adversely affect Medicare payments to the Members of the Obligated Group. It is generally expected that alternative payment models, such as value-based purchasing programs that condition reimbursement on patient outcome measures, will become more common and involve a higher percentage of reimbursement amounts.

Compliance with Conditions of Participation. CMS, in its role of monitoring participating health care providers' compliance with conditions of participation in the Medicare program, may determine that a provider is not in compliance with the conditions of participation. In that event, a notice of termination of participation may be issued to the provider or other sanctions potentially could be imposed. The termination of a hospital's participation in Medicare would have devastating consequences on the hospital's financial condition. None of the Members of the Obligated Group are aware of any such notices pending or contemplated against any Member of the Obligated Group or their facilities.

Capital Reimbursement of Hospitals. Hospital and other health care operations are capital intensive. Regulation, technology, and physician/patient expectations require constant and often significant capital investment. Total capital needs may outstrip capital capacity. Furthermore, capital capacity of hospitals and health systems may be reduced as a result of any future credit market dislocations.

Medicare reimburses hospitals on a fully prospective basis for capital costs (including depreciation and interest) related to the provision of inpatient services to Medicare beneficiaries. There can be no assurance that the prospective payments for capital costs will remain stable or be sufficient to cover the actual capital-related costs of the Members of the Obligated Group allocable to Medicare patient stays.

Reimbursement of Outpatient Hospital Services. Hospitals are generally paid for outpatient services provided to Medicare beneficiaries based on established categories of treatments or conditions known as ambulatory payment classifications ("APC"). The actual cost of care, including capital costs, may be more or less than the reimbursements. There is no guarantee that APC rates, as they change from time to time, will cover actual costs of providing services to Medicare patients.

Recent federal legislation has changed the reimbursement available for off-campus hospital outpatient departments ("HOPDs"), reducing Medicare payments for non-emergency services performed at certain HOPDs. Starting in 2017, Medicare reduced payment for many services provided in HOPDs to approximately 50 percent of the prior year's reimbursement amounts. These reductions increased by more than 10 percent in 2018 and are expected to continue in the future. These reimbursement changes will likely have a significant impact on the financial performance of many HOPDs, including those operated by Members of the Obligated Group.

Sole Community Hospital Designation. The Hospital is designated as a "sole community hospital" by CMS which affords the Hospital a greater amount of reimbursement for Medicare inpatient payments under the Medicare program through payment of a hospital-specific rate and other payment adjustments. Sole community hospital status is available to providers for which no other hospital is within a 25 mile driving distance and experiences minimal outmigration from its market area, or are otherwise isolated as a result of weather conditions, travel conditions or other geographical factors. A hospital can lose sole community status in the event that another hospital is constructed within the 25 mile driving distance and, in certain circumstances, if a certain number of eligible patients seek care at other facilities. The Borrower has taken steps to build a new inpatient hospital in Durbin Park, Florida. See "CURRENT AND FUTURE CAPITAL EXPENDITURES – Future Capital Expenditures" in APPENDIX A. Additionally, another health care provider has also announced plans to construct a hospital facility in St. Johns County. The Borrower makes no assurance that the Hospital will satisfy the conditions necessary to be classified as such in the future or that such conditions will not change substantially. There is also no assurance that the current benefit of such designation will remain in the future. The Hospital is eligible to receive Medicare and Medicaid DSH payments, but currently opts out of receiving disproportionate share payments in favor receiving sole community hospital reimbursement rates.

The Borrower received incremental net revenue of approximately $12.0 million and $12.6 million in 2019 and 2018, respectively, as a result of the Hospital's sole community hospital status. See also "- Medicaid - Medicaid Modifier" below.

Medicare Advantage. Federal policymakers have been attentive to the cost of the Medicare Advantage program, relative to traditional fee-for-service Medicare, and fluctuations in Medicare Advantage payments by the federal government are common. Reductions in payments by the federal government may result in increased premiums or out-of-pocket costs to Medicare beneficiaries enrolled in Medicare Advantage plans, and it is possible that those beneficiaries may terminate their participation in those plans and opt for the traditional Medicare fee-for-service program. The reduction in payments to Medicare Advantage programs may also lead to decreased payments to providers by managed care companies operating Medicare Advantage programs, depending on the contractual arrangement between the Medicare Advantage program and the provider. All or any of these outcomes could have a disproportionately negative effect upon those providers with relatively high dependence upon Medicare Advantage program revenues.

Medicare Payment for Physician Services. Recent legislation provides for no increases to base Medicare physician reimbursement for 2020 through 2025. Beginning January 1, 2026, and effective January 1 of each subsequent calendar year, physician payments will be increased 0.75 percent for physicians who adequately participate in qualified alternative payment models, but only 0.25 percent for those who do not. This legislation moved Medicare physician reimbursement from a fee-for-service to a pay-for-performance model that will continue to control the growth of physician payments based on clinical outcomes and quality reporting.

Medicaid

Medicaid Reimbursement. Medicaid is the federally assisted, state administered, medical assistance program authorized under Title XIX of the Social Security Act that provides reimbursement for a portion of the cost of caring for indigent persons who are aged, blind or disabled, or members of families who are eligible for Aid To Families with Dependent Children. The Medicaid program provides payments for medical items and services for any person who is determined to be eligible for Medicaid assistance on the date of service. Federal and State funds support the Medicaid program.

The Florida Medicaid Program is administered by the Agency for Health Care Administration ("AHCA") and is funded by federal and state appropriations. The financial condition of and budgetary factors facing Florida,

including pressures caused by the COVID-19 pandemic and the adverse global economic consequences, may adversely affect the level of Medicaid revenues available to the Members of the Obligated Group.

As with the participation in the Medicare program, participating hospitals in the Medicaid program are subject to numerous requirements and regulations under the program. Failure to remain in compliance with any program requirements may subject the Medicaid provider to civil and/or criminal penalties, including fines and suspension or expulsion from the program, preventing the provider from receiving any funds under the Medicaid program. Noncompliance with Medicaid requirements, and suspension or exclusion from the Medicaid program, can also be a basis for mandatory or permissive suspension or exclusion from the Medicare program, any of which would be a material adverse event.

Payments made to health care providers under the Medicaid program are subject to changes as a result of federal or state legislative and administrative actions, including further changes in the methods for calculating payments, the amount of payments that will be made for covered services and the types of services that will be covered under the program. Increasing budgetary pressures may lead to further reimbursement limits, reductions in existing programs or elimination of coverage for certain individuals under the Florida Medicaid Program. Federal legislation could result in a reduction of Medicaid funding or an increase in state discretionary funding through block grants, or a combination thereof. It is possible that any such federal or state changes could have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

Medicaid Modifier. Florida Medicaid regulations provide for a Medicaid modifier for rural hospitals consistent with Medicare sole community hospital status. This regulation became effective July 1, 2017 and augments Medicaid payments at approximately 2.1 times for inpatient services and approximately 1.5 times for outpatient services. While management expects the rural hospital Medicaid modifier to extend indefinitely into the future, such regulation may be changed or eliminated by a future act of the Florida legislature. The Borrower receives incremental Medicaid modifier payments between $6.0- $7.0 million per year as a result of the Hospital's sole community hospital status. There is no assurance that the Hospital's sole community hospital designation will remain in the future.

Florida Medicaid Waivers. Florida's Medicaid Program operates pursuant to a CMS approved 1115 Research and Demonstration Waiver (the "1115 Waiver"), an element of which is the Low Income Pool ("LIP") program. The 1115 Waiver and LIP program provide that Florida Medicaid receive additional federal funding to operate its Medicaid Program. In 2017, CMS approved Florida's request to extend the 1115 Waiver and LIP through June 30, 2022 and increased the funding available for the LIP. The failure of the Florida Medicaid Program to continue to be funded at current levels after the 1115 Waiver expires in 2022 could have a negative impact on the amount of Medicaid reimbursement received by Florida healthcare providers including the Members of the Obligated Group.

Children's Health Insurance Program. The Children's Health Insurance Program ("CHIP") is a federally funded insurance program for families that are financially ineligible for Medicaid but cannot afford commercial health insurance. Currently, CHIP funding/authorization has been extended through fiscal year 2027. Spending bills extending CHIP, however, include a phase-out of increased funding for CHIP, with the increased reimbursement to be eliminated entirely in fiscal year 2021. When such increased funding expires, there can be no assurances that funding for an increase will be reestablished at either the federal or state level, or that professional and/or facility reimbursement rates will not subsequently be reduced in an effort to manage costs. The revenues of the Members of the Obligated Group could be adversely affected if CHIP is not extended or if it is extended with reduced funding.

Debt Limit Increase. The federal government is subject to a debt "ceiling" established by Congress (i.e., a limit on the amount of debt that may be issued by the United States Treasury). In the past several years, political disputes concerning the authorization of an increase in the federal debt ceiling have led to shutdowns of substantial portions of the federal government. Any failure to increase the debt ceiling, or any delays in federal budget authorization in connection therewith, that results in a full or partial shutdown of the federal government, may have an impact on the federal government's ability to meet its obligations in a timely manner, including Medicare and Medicaid reimbursements, which could be reduced or paid late.

On August 2, 2019, the Bipartisan Budget Act of 2019 was signed into law and suspended the debt ceiling to July 31, 2021. Any future failure by Congress to increase the federal debt ceiling, federal budget authorization delays, or any federal government shutdown or partial federal government shutdown may cause Medicare and Medicaid reimbursements to be further reduced or paid late, which could have a material adverse effect on the operations, financial condition and financial performance of the health care industry and the Members of the Obligated Group. In addition, the market price or marketability of the Bonds in the secondary market could be materially adversely affected by any failure to increase the federal debt limit.

Clinically Integrated Delivery Systems. It is generally expected that alternative payment models, such as value-based purchasing programs that condition reimbursement on patient outcome measures, will become more common and involve a higher percentage of reimbursement amounts. This rapid shift from volume to value-based reimbursement could present financial challenges for the Members of the Obligated Group and the employed or contracted clinicians with whom the Members of the Obligated Group partner to deliver care; particularly to the extent they are unable to meet targeted measures.

To keep pace with these industry trends, many hospitals and health systems are pursuing clinical integration strategies with physician groups in order to offer an integrated package of health care services to patients and third-party payors. These integration strategies may take many forms, including accountable care organizations, or "ACOs" or the acquisition of physician groups by health care systems. Generally, the sponsoring health care facility or health care system is the primary capital and funding source for such alliances and may have an ongoing financial commitment to provide growth capital and support operating deficits. As separate operating units, integrated physician practices and medical foundations sometimes operate at a loss and require subsidy from the related hospital or health system.

Several hospitals and physician groups in Florida have formed ACOs that have been approved to participate in the Medicare shared savings program ("MSSP"). The Borrower participates in an MSSP through a joint venture with physicians (First Coast Health Alliance).

Although payment trends may stimulate the growth of integrated delivery systems, these systems carry the potential for legal or regulatory risks. Many of the risks discussed under the heading "Regulatory Environment" below may be heightened in an integrated delivery system. The various laws discussed under the heading "Regulatory Environment" below limit the ability to coordinate action among hospitals, physicians and other health care providers to set standards, reduce costs and share savings, among other things. Tax-exempt hospitals also face the risk in affiliating with for-profit entities that the Internal Revenue Service ("IRS") will determine that compensation practices or business arrangements impermissibly result in private benefit or private use or generate unrelated business income for the hospitals.

In addition, integrated delivery systems present other business challenges and risks. The inability to attract or retain participating physicians may negatively affect managed care, contracting and utilization. The technological and administrative infrastructure necessary both to develop and operate integrated delivery systems and to implement new payment arrangements in response to changes in Medicare and other payor reimbursement is costly. Hospitals, including the Members of the Obligated Group may not achieve savings sufficient to offset the substantial costs of creating and maintaining this infrastructure.

Physician Contracting and Relations. The Obligated Group's managed care network consists primarily of independent primary care and specialty physicians. As of the date hereof, the Obligated Group employs 17 total care physicians. The success of the Members of the Obligated Group is partially dependent upon their ability to attract and employ physicians and attract and retain independent physician practices and assure that the physicians perform their obligations and deliver high quality patient care in a cost-effective manner. There can be no assurance that the Members of the Obligated Group will be able to attract and retain the requisite number of physicians, or that such physicians will deliver high quality health care services. Without attracting a sufficient number and type of providers to the Obligated Group's network, the Members of the Obligated Group could fail to be competitive, fail to keep or enter into new payor contracts, or be prohibited from operating until its physician panel provides adequate access to patients. Such occurrences could have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

Dependence Upon Third-Party Payors. The ability of the Members of the Obligated Group to develop and expand their services and, therefore, their profitability, is dependent, in part, upon their ability to enter into contracts with health maintenance organizations ("HMOs"), preferred provider organizations ("PPOs"), and other third-party payors at competitive rates. There can be no assurance that the Members of the Obligated Group will be able to attract third-party payors, and when they do, no assurance that they will be able to contract with such payors on advantageous terms. The inability of the Members of the Obligated Group to contract with a sufficient number of such payors on advantageous terms could have a material adverse effect on the operations, results of operations and financial condition of the Members of the Obligated Group.

There also can be no assurance that revenues received under such contracts will be sufficient to cover all costs of services provided. Failure of the revenues received under such contracts to cover all costs of services provided could have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

Private insurance companies and other third-party payors are permitted to contract selectively with hospitals either on an "exclusive" or a "preferred" provider basis. Subscribers to a preferred provider plan are given a financial incentive to use those hospitals that have contracted with the plan. Under an exclusive provider plan, private payors limit policy coverage to services provided by selected providers. Thus, with this contracting authority, private payors could insist upon paying selected hospitals at a rate lower than prevailing rates or could direct patients away from certain hospitals. Often, such contracts are for a stated term, regardless of provider losses. Further, certain contracts may contain the requirement that the hospital care for the insurance plan's enrollees for a certain period of time regardless of whether the plan has funds to make payments to the hospital.

Depending on market conditions, failure to retain or obtain such contracts could adversely affect the financial condition of the Members of the Obligated Group. Conversely, participation with third-party payors may maintain or increase a hospital's patient base, but, if the payment arrangements under such third-party contracts result in payment at less than actual cost, such participation could adversely affect the future financial condition of the Members of the Obligated Group.

Furthermore, in part to reduce costs, payors are increasingly implementing tiered provider networks, which involve classification of a plan's network providers into different tiers based on care quality and cost. With tiered benefit designs, plan enrollees are generally encouraged, through incentives or reductions in copayments or deductibles, to seek care from providers in the top tier. Classification of a provider in a non-preferred or lower tier by a significant payor could result in a material loss of volume. The new demands of dominant health plans and other shifts in the managed care industry may also reduce patient volumes and revenue and could adversely impact the Obligated Group. The effect of further implementation of such structures upon the Members of the Obligated Group cannot be determined, but to the extent that any member of the Obligated Group is designed as a non-preferred or lower tiered provider, that member of the Obligated Group could experience a loss in patient volume.

Third-party payors are increasingly offering health care plans under which enrollees receive limited plan benefits with annual maximum enrollee costs for health care services received under these plans. To the extent a patient covered by one of these plans is treated at the facilities of an Obligated Group member, there usually is a large cost-sharing obligation for which the patient is responsible. Often, the patient is unable to pay the cost-sharing amount, which increases bad debt exposure. If the number of patients of the Members of the Obligated Group covered by these plans continues to increase, the increase in bad debts could have a material adverse effect on the operations or financial condition of the Obligated Group.

Negative Rankings Based on Clinical Outcomes, Cost Quality, Patient Satisfaction and Other Performance Measures. Health plans, Medicare, Medicaid, employers, trade groups and other purchasers of health services, private standard-setting organizations and accrediting agencies increasingly are using statistical and other measures in efforts to characterize, publicize, compare, rank and change the quality, safety and cost of health care services provided by hospitals and other health care providers. Published rankings such as "score cards," "pay for performance" and other financial and non-financial incentive programs are being introduced to affect the reputation and revenue of hospitals, the members of their medical staffs and other providers and to influence the behavior of consumers and providers such as the Members of the Obligated Group. Measures of quality based on clinical outcomes of patient care, reduction in costs, patient satisfaction and investment in health information technology are

prevalent. Measures of performance set by others that characterize a hospital or other health care provider negatively could adversely affect its reputation and financial condition.

Uncompensated Care. Hospital providers across the country have continued to see a rise in uncompensated care. Moreover, general economic conditions, other governmental policies that result in coverage exclusions under Medicare and Medicaid, and future governmental policies that require tax-exempt hospitals to maintain minimum levels of indigent care as a condition for qualifying for or retaining federal income tax exemption or state income or property tax exemption may increase the frequency and severity of uncompensated care. To the extent that uncompensated care continues to be an issue, increases in reimbursement rates from payors of insured claims may not be sufficient to fully offset the increased cost of uncompensated care.

Regulatory Environment

Health care "fraud and abuse" laws have been enacted at the federal and state levels to regulate broadly the provision of services to government program beneficiaries and the methods and requirements for submitting claims for services rendered to the beneficiaries. These laws are intended to prevent over-utilization based on economic inducements, overcharging and other forms of "fraud" in the Medicare and Medicaid programs, as well as other federally funded and state health care programs.

Under these laws, hospitals and others can be penalized for a wide variety of conduct, including submitting claims for services that are not provided, billing in a manner that does not comply with government requirements or including inaccurate billing information, billing for services deemed medically unnecessary, or billing accompanied by certain proscribed inducements to utilize or refrain from utilizing a service or product. Violations and alleged violations may be deliberate, but also frequently occur in circumstances in which management is unaware of the conduct in question, as a result of mistake, or where the individual participants do not know that their conduct is in violation of law.

Federal and state governments have a broad range of criminal, civil and administrative sanctions available to penalize and remediate health care fraud, including the exclusion of a provider from participation in the Medicare and Medicaid programs, civil monetary penalties, and suspension of Medicare and Medicaid payments. Any hospital exclusion would be a materially adverse event. In addition, exclusion of hospital employees may be another source of potential liability for hospitals and health systems. Fraud and abuse cases may be prosecuted by one or more government entities and/or private individuals, and more than one of the available sanctions may be, and often are, imposed for each violation.

Governmental agencies and/or private "whistleblowers" often pursue aggressive investigative and enforcement actions. Multi-million-dollar fines and settlements for alleged intentional misconduct, fraud or false claims are not uncommon in the health care industry. These risks are generally uninsured. Government enforcement and private whistleblower suits may increase in the hospital and health care sector, and many large hospitals, health systems and other providers are likely to be adversely affected.

The Members of the Obligated Group are subject to these regulatory actions and these highly technical laws and regulations. These actions and laws and regulations include the following, among others:

Investigations of Billing Practices. The United States Department of Justice ("DOJ"), the Federal Bureau of Investigation and the Office of the Inspector General of HHS ("OIG") routinely conduct investigations and audits of the billing practices of many health care providers. The Members of the Obligated Group are, from time to time, required to undergo such investigations and audits by these agencies and may be required to make payments to resolve any such investigations or audits. Such investigations and audits could, however, result in payments that may be substantial and could have a material adverse effect on the operations, results of operations, or financial condition of the Obligated Group.

Medicare Audits. Medicare participating hospitals and nursing homes are subject to audits and retroactive audit adjustments for Medicare payments. From time to time, the Members of the Obligated Group may be subject to these audits. The Members of the Obligated Group are not currently subject to any Medicare payment audits,

except for routine audits of claims and Medicare cost reports. The scope of future audits cannot be predicted, and future audits may result in allegations of overpayments that could have a negative effect on the Members of the Obligated Group.

New demonstration projects involving audits are ongoing. Any additional audits or audit adjustments based on existing or future projects could be in excess of any reserves maintained by the Members of the Obligated Group, and such excesses could be substantial.

Medicare Overpayments. From time to time management identifies overpayments, underpayments and other billing errors. When overpayments, underpayments and other billing errors are discovered, it is general practice to contact the appropriate intermediary or carrier to repay the amount of any overpayment or to seek any underpayment. In some cases, overpayments may be significant and can result in additional audits or adjustments by the intermediary or carrier, and/or claims or investigations by DOJ, OIG or others. Overpayments could also result in claims under the federal Civil False Claims Act (the "FCA") brought by an Attorney General or as a qui tam action brought by a private individual in the name of the government. Identified overpayments must be reported and repaid within sixty days to the applicable governmental contractor, intermediary or carrier. The recent expansion of the FCA exposes hospitals and other health care providers, including the Members of the Obligated Group, to liability under the FCA for a considerably broader range of claims than in the past.

Similarly, as a result of an overpayment by one payor, it is possible that claims may be asserted by other payors, or other payors may from time to time seek recoupment of overpayments. Further, a third-party payor might seek other fines, penalties or damages with respect to the claims resulting in the overpayments, including civil or criminal sanctions under the FCA or other federal or state statutes.

Federal Civil Monetary Penalty Law. The federal civil monetary penalty law ("CMPL") provides for administrative sanctions and civil monetary penalties against health care providers for a broad range of billing and other abuses. 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 a provider excluded from Medicare or Medicaid participation, or (iv) otherwise false. Health care providers may be found liable under the CMPL even when they did not have actual knowledge of the impropriety of the claim. It is sufficient that the provider "should have known" that the claim was false, and ignorance of the Medicare regulations is no defense.

Stark Self-Referral and Payment Prohibitions. The federal physician self-referral and payment prohibitions (codified in 42 U.S.C. 1395nn, Section 1877 of the Social Security Act and commonly referred to as the "Stark Law") generally forbid, absent qualifying for one of the exceptions, a physician from making referrals for the furnishing of any "designated health services" for which payment may be made under the Medicare or Medicaid programs, to any entity with which the physician (or an immediate family member) has a "financial relationship." It also prohibits a hospital furnishing the designated services from billing Medicare, or any other payor or individual for services performed pursuant to a prohibited referral. Most providers of designated health services with physician relationships have exposure to liability under the Stark Law. This is because if certain requirements of an exception are not totally satisfied, many ordinary business practices and economically desirable arrangements between hospitals and physicians trigger the prohibition on referrals and billing.

Penalties for violating the Stark Law include denial or refund of payment for any services rendered by an entity in violation of the prohibition, civil monetary penalties for each offense, and exclusion from the Medicare and Medicaid programs. Penalties may be assessed against either the referring physician or the hospital that receives a prohibited referral, or both.

The Members of the Obligated Group have entered into a number of arrangements pursuant to which they either employ or contract with primary care and specialty physicians. Given the breadth and complexity of the Stark Law and its regulations, there can be no assurance that the Members of the Obligated Group will not be found to have violated the Stark Law. If there are any such violations, the financial and other consequences (including any denial or refund of payments for services rendered or civil monetary penalties) could be significant and have a material adverse effect upon the operations, results of operations, or financial condition of the Obligated Group.

Anti-Kickback Law. The federal "Anti-Kickback Law" is a criminal statute that prohibits anyone from soliciting, receiving, offering or paying any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for a referral (or to induce a referral) for any item or service that is paid by any federal or state health care program. The Anti-Kickback Law applies to many common health care transactions between persons and entities with which a hospital does business, including hospital-physician joint ventures, medical director agreements, physician recruitment agreements, physician office leases and other transactions.

Violation or alleged violation of the Anti-Kickback Law most often results in settlements that require multi-million-dollar payments and mandatory compliance agreements that typically include costly audit requirements. The Anti-Kickback Law can be prosecuted either criminally or civilly. A violation of the Anit-Kickback Law is a felony, subject to a fine for each act (which may be each item, or each bill sent to a federal program), imprisonment and exclusion from the Medicare and Medicaid programs. The IRS has taken the position that hospitals that are in violation of the Anti-Kickback Law may also by subject to revocation of their tax-exempt status.

The Members of the Obligated Group have in place policies and a corporate compliance program that management believes should effectively reduce their exposure for Anti-Kickback Law violations.

Florida Patient Self-Referral Act. Florida also enacted a Patient Self-Referral Act. This law contains provisions that are similar to those of the federal Anti-Kickback Law and the Stark Law described above. Although management believes that the Members of the Obligated Group are in compliance with these laws and regulations, there can be no assurance that federal or state regulatory authorities will not challenge past, current or future activities under these laws, and there can be no assurance that the Members of the Obligated Group will not be found to have violated these laws. Any enforcement activity in this regard could have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

HIPAA, Related Patient Privacy Regulatory Requirements and HITECH. The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") addresses the privacy and security of individuals' health information. Disclosure of certain broadly defined "protected health information" ("PHI") is prohibited unless expressly permitted under HIPAA and its regulations, or as otherwise authorized by the patient. HIPAA mandates the adoption of federal privacy and security standards to protect the confidentiality of PHI, including enhanced physical security of facilities, software security measures, and data transmission protection (e.g., encryption). Penalties for HIPAA violations can be substantial.

Certain compliance costs have been and will continue to be incurred by the Members of the Obligated Group in connection with HIPAA compliance. Future regulations may require significant changes in operations and the Members of the Obligated Group may need to make significant capital expenditures to comply with the operational and technical requirements of HIPAA. The cost of the capital expenditures and the possible disruption in reimbursement could have a material adverse effect on the operations, results of operations, or financial condition of the Obligated Group.

State agencies in Florida are also increasingly focused on the importance of protecting the confidentiality of individuals' personal information, including patient health information. State consumer protection laws may also provide a basis for legal action for privacy and security breaches and frequently, unlike HIPAA, authorize a private right of action. In particular, the public nature of security incidents exposes health care organizations to increased risk of individual or class action lawsuits from patients or other affected persons, in addition to government enforcement. Failure to comply with restrictions on patient privacy or to maintain robust information security safeguards could consequently damage a health care provider's reputation, materially adversely affect business operations, and expose the provider to liability under state law.

The Health Information Technology for Economic and Clinical Health Act (the "HITECH Act") significantly changed the landscape of federal privacy and security law with regard to PHI. Specifically, among other things, the HITECH Act: (i) increased the maximum civil monetary penalties for violations of HIPAA, (ii) imposed a breach notification requirement on HIPAA covered entities, such as health care providers, (iii) granted certain HIPAA enforcement authorities to state attorneys general, and (iv) further limited certain uses and disclosures of PHI. The HITECH Act's mandatory breach notification requirements increase the risk of

government enforcement as well as class action lawsuits, especially if large numbers of individuals are affected by a breach. See "Cyber Attacks."

Regulatory and State Attorney General Action. The Members of the Obligated Group are subject to potential regulatory actions and policy changes by those governmental and private agencies that administer the Medicare and Medicaid and other programs and actions by, among others, applicable professional review organizations, and other federal, state and local governmental agencies, including the Attorney General of Florida. Future actions could have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

Licensing, Surveys, Investigations, and Audits. Health facilities, including those of the Members of the Obligated Group, are subject to numerous legal, regulatory, professional and private licensing, certification and accreditation requirements. These include, but are not limited to, Medicare conditions of participation, requirements for participation in Medicaid, state licensing laws, and accreditation standards of the Joint Commission. Renewal and continuance of certain of these licenses, certifications and accreditations are based on inspections, surveys, audits, investigations or other reviews. An adverse determination could result in costs incurred to correct and again become in compliance, or suffer a loss or reduction in the scope of licensure, certification or accreditation, or a reduction in payments received or require repayment of amounts previously remitted or could result in the payment of fines or penalties.

Management currently anticipates no difficulty renewing currently held licenses, certifications or accreditations; nor does it anticipate a reduction in third-party payments from such events, which could materially adversely affect the operations, results of operations, or financial condition of the Members of the Obligated Group. Nevertheless, actions in any of these areas could result in the loss of utilization or revenues, or the ability of the Members of the Obligated Group to operate all or a portion of their facilities.

Certificate of Need. In the 2019 Florida legislative session, a bill was passed effective July 1, 2019, that:

1. Eliminates the requirement to obtain a Certificate of Need ("CON") prior to establishing a general acute care or long-term acute care hospital; and

2. Eliminates the requirement that a hospital must obtain a CON prior to offering a new tertiary service.

Florida's CON program historically required, among other things, AHCA's review of proposed establishment of, additions to, conversions of, or substantial changes in certain health services by or on behalf of certain Members of the Obligated Group under certain conditions, and depending upon the type of health care facility, the new construction or establishment of additional facilities, and the replacement of existing facilities to be located on different sites. Certain health-care-related projects are subject to expedited review, and certain other health-care-related projects are exempt from review.

Tertiary services include: pediatric cardiac catheterization; pediatric open-heart surgery; organ transplantation; neonatal intensive care units; comprehensive rehabilitation; medical or surgical services which are experimental or developmental in nature to the extent that the provision of such services is not yet contemplated within the commonly accepted course of diagnosis or treatment for the condition addressed by a given service; heart, kidney, liver, bone marrow, lung transplantation, pancreas and islet cells, and heart/lung transplantation; adult open heart surgery; and neonatal and pediatric cardiac and vascular surgery.

The bill specifies that AHCA may continue to use the CON rules for the regulation of a tertiary service until such time as AHCA adopts licensure rules for such services.

Effective July 1, 2021, the bill eliminates the requirement to obtain a CON prior to establishing a new class II, III, or IV hospital. Class II hospitals include children's and women's hospitals; Class III hospitals include specialty medical, rehabilitation, and psychiatric, and substance abuse hospitals; and Class IV hospitals are specialty hospitals restricted to offering Intensive Residential Treatment Facility Services for Children.

The changes imposed by the bill could lead to increased competition in the Obligated Group's service area and have an adverse effect on the operations and finances of the Obligated Group.

Hospital Annual Financial Reports to AHCA. AHCA has been designated as the sole agency in the State to consolidate and manage health care financing, data collection and regulatory functions. The data collection and analysis activities of AHCA are financed in part by an annual assessment on hospitals in an amount not to exceed four basis points (.04 percent) of the gross operating expenses of the hospital for its last fiscal year. Each fiscal year, health care facilities must file comprehensive financial information with AHCA. Health care facilities that fail to comply with AHCA's reporting requirements are subject to fines not exceeding $1,000 per day for each day the facility is in violation. In addition, hospitals are required to enter into a rate agreement with each health insurer, which represents 10 percent or more of the hospital's private pay patients to establish a prospective payment arrangement. The Members of the Obligated Group have filed all annual reports thus far required. The Borrower has entered into a rate agreement with Florida Blue, the only health insurer which represents 10 percent or more of its private pay patients.

Florida Indigent Assistance; Public Medical Assistance Trust Fund. The State provides a mechanism for funding the provision of health care services to indigent persons. Currently in Florida, there is established a Public Medical Assistance Trust Fund that imposes assessments upon most hospitals operating in Florida, including the members of the Obligated Group. Each hospital is assessed 1.5 percent of its annual net operating revenue for inpatient services and 1.0 percent of its annual net operating revenue for outpatient services, with the exception of outpatient radiation therapy services, based on the hospital's actual experience as reported to AHCA. Each hospital must certify the amount of the assessment within six months after the end of each hospital fiscal year. The assessment is payable to and collected by AHCA, in equal quarterly amounts, on or before the first day of each calendar quarter beginning with the first full calendar quarter that occurs after AHCA certifies the amount of assessment for each hospital. Moneys collected by AHCA are deposited into Florida's Public Medical Assistance Trust Fund. AHCA may impose administrative fines for the failure of any hospital to timely pay its quarterly assessment. Purchasers, successors or assignees of a facility subject to AHCA's jurisdiction are liable for any assessments, fines or penalties incurred by such facility or its employees. The Obligated Group is up-to-date on the payment of all required assessments.

340B Drug Pricing Program. Many hospitals, including certain facilities of the Obligated Group, participate in the prescription drug discount program established under Section 340B of the federal Public Health Service Act (the "340B Program"). Participating entities are able to purchase certain outpatient drugs for patients at a reduced cost. Manufacturers must offer 340B Program drug discounts to covered entities to have their drugs covered under Medicaid. Effective January 1, 2018, CMS imposed large cuts on such discounts. Such cuts are currently being challenged in federal court, but the result of such lawsuit cannot be predicted. Congress and Federal administrative agencies also have been considering legislation or guidance (as applicable) which would tighten 340B Program eligibility requirements. Future legislative or administrative changes to the 340B Program which results in a loss of 340B Program eligibility, or further decreases in 340B Program drug discounts, could have a material adverse effect on the Obligated Group.

Emergency Medical Treatment and Active Labor Act ("EMTALA"). This law imposes certain requirements on hospitals prior to discharging an emergency patient or transferring such a patient to another facility. Failure to comply with the law can result in exclusion from the Medicare and/or Medicaid programs as well as civil and criminal monetary penalties. From time to time Members of the Obligated Group have been cited for potential violations of the EMTALA statute and the Florida statute, which parallels the federal EMTALA statute. To date, the Members of the Obligated Group have not been subject to any sanctions of a material nature with respect to violations of the EMTALA statute or the Florida statute. EMTALA and its implementing regulations are complex, and compliance is dependent, in part, upon the willingness of medical staff members to provide coverage for emergencies. Accordingly, there can be no assurance that violations of EMTALA or the comparable Florida statute will not be found or, if found, that any sanction imposed would not have a material adverse effect on the operations, results of operations, or financial condition of the Members of the Obligated Group.

Nonprofit Health Care Environment

General. As nonprofit tax-exempt organizations described in Section 501(c)(3) of the Code, the Members of the Obligated Group are subject to federal, state and local laws, regulations, rulings and court decisions relating to their organization and operation, including their operation for charitable purposes.

Compliance with current and future regulations and rulings of the IRS could adversely affect the ability of the Members of the Obligated Group to charge and collect revenues, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment for the Series 2020A Bonds. Although each of the Members of the Obligated Group has covenanted to maintain its status as a tax-exempt organization, loss of tax-exempt status would likely have a significant adverse effect on such Member and its operations. Further, loss of tax-exempt status by a Member of the Obligated Group could result in a default of other debt under certain debt documents or an increased cost of debt initially issued as tax-exempt debt that becomes taxable.

The tax-exempt status of nonprofit corporations, and the exclusion of income earned by them from taxation, has been the subject of review by various federal, state and local legislative, regulatory and judicial bodies. This review has included proposals to broaden and strengthen existing federal tax law with respect to unrelated business income of nonprofit corporations, and any such legislation could have the effect of subjecting a portion of the income and assets of the Members of the Obligated Group to federal or state taxes.

It is not possible to predict the scope or effect of any future challenges and examinations and any resulting legislative or regulatory actions with respect to taxation of nonprofit corporations. Since such actions have been made, they have been vigorously challenged and contested.

These challenges or examinations include the following, among others:

Loss of Tax-Exempt Status. The maintenance by the Members of the Obligated Group of their status as organizations described in Section 501(c)(3) of the Code is contingent upon continued compliance with general rules promulgated in the Code and related regulations regarding the organization and operation of tax-exempt entities, including their operation for charitable and educational purposes and their avoidance of transactions that may cause their assets to inure to the benefit of private individuals. Failure to comply with such legal requirements may cause such organizations to lose their Section 501(c)(3) tax-exempt status. Loss of that status could cause interest on tax-exempt bonds issued for the benefit of the Members of the Obligated Group to become subject to federal income taxation, potentially retroactive to the date of issuance of such tax-exempt bond if the loss of exemption is retroactive.

In lieu of revocation of exempt status, the IRS may impose penalty excise taxes on certain "excess benefit transactions" involving 501(c)(3) organizations and "disqualified persons." Such excise taxes may be imposed on the disqualified person and any "organization manager" who knowingly participates in an excess benefit transaction. These intermediate sanction rules do not penalize the exempt organization itself, so there would be no direct impact on the Members of the Obligated Group or the tax status of the tax-exempt bonds issued for the benefit of the Members of the Obligated Group if an excess benefit transaction were subject to IRS enforcement, although any imposition of such excise tax could subject a hospital's tax exempt status to particular scrutiny by the IRS.

Scrutiny of Transactions by IRS. In recent years, the IRS has devoted more resources to auditing federally tax-exempt organizations, primarily large tax-exempt health care systems. Further, the IRS has announced that it intends to closely scrutinize transactions between non-profit corporations and for-profit entities, and in particular has issued audit guidelines for tax-exempt hospitals. Because the Members of the Obligated Group conduct many operations involving physicians and other private parties, there can be no assurances that certain of their transactions would not be challenged by the IRS.

Further, there can be no assurance that the Members of the Obligated Group will not be the subject of an IRS audit. Managements believes that each of the Members of the Obligated Group has properly complied with the tax laws. These types of audits ultimately could affect the tax-exempt status of the Members of the Obligated

Group, as well as the exclusion from gross income for federal income tax purposes of the interest payable on tax-exempt debt of the Members of the Obligated Group.

Violations of Fraud and Abuse Laws. The IRS has taken the position that hospitals that are in violation of the fraud and abuse laws described above may also be subject to revocation of their tax-exempt status, perhaps retroactively to the date the conduct that is the subject of the violation occurred. Management believes that the activities of the Members of the Obligated Group are in compliance with presently applicable standards for qualification as a tax-exempt organization. No assurance can be given, however, that they will remain in compliance with all applicable standards, to the extent such standards are modified and especially if such standards are made more restrictive in the future.

The Affordable Care Act. The Affordable Care Act ("ACA") also contains new requirements for tax-exempt hospitals. Under the ACA, each tax-exempt hospital facility is required to (i) conduct a community health needs assessment at least every three years and adopt an implementation strategy to meet the identified community needs, (ii) adopt, implement and widely publicize a written financial assistance policy and a policy to provide emergency medical treatment without discrimination, (iii) limit charges to individuals who qualify for financial assistance under such tax-exempt hospital's financial assistance policy to no more than the amounts generally billed to individuals who have insurance covering such care and refrain from using "gross charges" when billing such individuals, and (iv) refrain from taking extraordinary collection actions without first making reasonable efforts to determine whether the individual is eligible for assistance under such tax-exempt hospital's financial assistance policy. Failure to satisfy all of these conditions may result in the imposition of fines and could threaten the tax-exempt status of such hospitals.

Real Estate Tax Exemption for Nonprofit Hospitals. Various state and local governmental bodies have challenged the tax-exempt status of nonprofit institutions and have sought to remove the exemption from real estate taxes of part or all of the property of various nonprofit institutions on the grounds that a portion of such property was not being used to further the charitable purposes of the institution or that the institution did not provide sufficient care to indigent persons to warrant exemption from taxation as a charitable institution. Several of these disputes have been determined in favor of the taxing authorities or have resulted in settlements.

While the Members of the Obligated Group are not aware of any current challenge to the tax exemption afforded to any material real property of the Members of the Obligated Group, there can be no assurance that these types of challenges will not occur in the future. Further, there can be no assurance that future changes in the laws and regulations of federal, state or local governments or their interpretation of existing laws and regulations will not materially and adversely affect the operations, results of operations, and revenues of the Members of the Obligated Group by requiring them to pay income or real estate taxes or other state and local taxes.

Health Care Reform

Since its implementation beginning in 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010 (collectively, the laws are referred to as the "ACA"), has significantly changed, and continues to change, how health care services are covered, delivered and financed in the United States. The primary goal of the ACA, extending commercial and Medicaid insurance coverage to previously uninsured individuals, has taken place through a combination of private sector health insurance reforms and expansion of the Medicaid program. Florida, where the Members of the Obligated Group operate, has not elected the ACA option to expand Medicaid coverage. Such decision reduces the amount of reimbursement that might otherwise be available to the Members of the Obligated Group and the net-positive effect of ACA reforms in the State.

The ACA also includes numerous initiatives aimed at Medicare and Medicaid spending reductions and quality enhancements, such as provider reporting and accountability, alternative payments models aimed at reducing health care costs while maintaining or improving quality of care, and fraud and abuse enforcement enhancements. To the extent that these initiatives lead to reduced reimbursement for Medicare and Medicaid services, they could have a negative impact on the operations, results of operations, and financial condition of the Members of the Obligated Group.

Implementation of the various ACA initiatives is on-going and will require extensive time and expense. The future of the ACA and its implementation, however, is uncertain as the ACA has continuously been the subject of legal and political challenges and national debate. Whether or not the ACA remains in effect, it is expected that the federal and state governments will continue to consider various reform proposals in the health care industry. Any future health care reform initiatives may subject health care providers to increased compliance requirements, reduced reimbursement for services, increased costs, or a combination of such results.

Some of the specific provisions of the ACA that have affected or may affect the hospital operations of the Members of the Obligated Group, their financial performance or their financial condition are summarized below. This listing is not intended to be, nor should it be considered to be comprehensive.

Elimination of Individual Mandate. Under the ACA as originally enacted, uninsured Americans were required to maintain minimum essential health insurance coverage, either through the health care exchanges or other venues, or pay a financial penalty. However, this key provision of the ACA, known as the "Individual Mandate" tax penalty, has effectively been repealed. The Members of the Obligated Group cannot predict the effect of the elimination of the Individual Mandate tax penalty, or other changes to the ACA, though such effects could materially impact the operations, financial condition and financial performance of the Members of the Obligated Group.

Lack of Florida Medicaid Expansion. Under the current Florida Medicaid program, hospitals that provide relatively high levels of Medicaid services and uncompensated care to indigent patients receive disproportionate share payments (so-called "DSH payments") that are funded in part by the federal government. Medicare also provides additional payment for hospitals that serve a disproportionate share of certain low-income patients. Under the ACA, Medicare and Medicaid DSH payments were substantially reduced based on the ACA's assumption that the expansion of the Medicaid program will significantly reduce or eliminate uncompensated care as uninsured individuals will be able to obtain coverage through the expanded Medicaid Program. Florida opted not to participate in the expanded Medicaid program, which could have a material adverse effect on certain hospitals. The Borrower is eligible to receive Medicare and Medicaid DSH payments, but opts out of receiving DSH payments in favor receiving sole community hospital reimbursement rates.

Medicare and Medicaid DSH Payments. The federal Medicare and Medicaid programs each provide additional payment for hospitals that serve a disproportionate share of certain low-income patients. There can be no assurance that any of the Members of the Obligated Group that currently qualify for disproportionate share status will do so in the future. As discussed above, the ACA substantially reduced Medicare and Medicaid DSH payments to disproportionate share hospitals. There can be no assurance that DSH payments will not be further decreased or eliminated in the future.

Medicare Payment Reductions. Generally, Medicare payment rates to hospitals are adjusted annually based on a "market basket" of estimated cost increases. The ACA's cost-cutting provisions to the Medicare program include reduction in Medicare market basket updates to hospital reimbursement rates, additional reductions to or elimination of Medicare reimbursement for certain patient readmissions and hospital-acquired conditions, as well as anticipated reductions in rates paid to Medicare managed care plans that may ultimately be passed on to providers. Government cost reduction actions have been and may continue to be followed by third-party payors. Because a significant portion of the Members of the Obligated Group's net patient service revenue is attributable to Medicare reimbursement, the reductions could have a material adverse effect on the operations, financial condition and financial performance of the Members of the Obligated Group and could offset any positive effects of the ACA.

Health Insurance Exchanges. The ACA created state health insurance exchanges through which individuals and employers can purchase health insurance for themselves and their families or their employees and dependents. Florida opted not to set up a health insurance exchange. Accordingly, the federal government has established one for Florida's citizens. The health insurance exchanges may have a positive impact for hospitals by increasing the availability of health insurance to individuals who previously were uninsured. Conversely, employers or individuals may shift their purchase of health insurance to new plans offered through the exchanges, which may or may not reimburse providers at rates equivalent to rates providers, including the Members of the Obligated Group, have received historically. Further, the exchanges could alter the health insurance markets in ways that

cannot be predicted, and exchanges might, directly or indirectly, take on a rate-setting function that could negatively impact providers.

Medicare Value-Based Purchasing Program. Medicare inpatient payments to hospitals are determined, in part, based on a program under which value-based incentive payments are made in a fiscal year to hospitals that meet certain performance standards during that fiscal year (the Hospital Value-Based Purchase Program or "HVBPP"). The HVBPP is funded through the reduction of hospital inpatient care payments. Hospitals that perform poorly under the HVBPP will not recoup those funds. This reduction may be offset by incentive payments for hospitals that meet or exceed certain quality standards.

Readmission Rate Penalty. The Hospital Readmissions Reduction Program ("HRRP") evaluates hospital performance relative to other hospitals with similar proportions of patients that are dually eligible for Medicare and full-benefit Medicaid. The HRRP calculates hospitals' excess readmission ratio for six conditions/procedures (i.e., acute myocardial infarction, heart failure, pneumonia, chronic obstructive pulmonary disease, coronary artery bypass graft, and total hip arthroplasty/total knee arthroplasty) to determine payment adjustment factors. Hospital performance is assessed separately for each measure. Payment reductions are applied to all Medicare fee-for-service base operating diagnosis-related group payments. The payment reduction is capped at 3 percent. It is expected that CMS will continue to expand and refine the patient conditions that can lead to readmission payment adjustments.

Mandate to Reduce Fraud and Abuse. With varying effective dates, the ACA mandates a reduction of waste, fraud and abuse in public programs by including provisions for provider enrollment screening, an enhanced oversight period for new providers and suppliers, and provider enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, and by requiring all Medicare and Medicaid program providers and suppliers to establish compliance programs. There are increased penalties for fraud and abuse violations, significant amendments to existing criminal, civil and administrative anti-fraud and abuse statutes, the imposition of many program integrity provisions that will compel updates and enhancements to business operations and compliance policies, and increased funding for anti-fraud activities. Enforcement actions could greatly increase the potential legal exposure of providers, including the Members of the Obligated Group.

Accountable Care Organizations. Other ACA provisions authorize and encourage the creation of new health care delivery projects and programs, which are designed in part to move Medicare away from a fee-for-service payment system. For example, the ACA established the Medicare Shared Savings Program for accountable care organizations in which a group of doctors, hospitals and/or other health care providers is held jointly responsible for improving the quality and lowering increased cost of health care of a certain population of Medicare beneficiaries, with the opportunity to share in a portion of the resulting amounts saved by the Medicare program. Through a joint venture, the Borrower participates in the MSSP.

Project Risks

The 2020 Projects are subject to the risks associated with all construction projects, including, but not limited to, delays in the issuance of required building permits or other necessary approvals or permits, strikes, terrorism, vandalism, shortages of materials, adverse weather conditions, including hurricanes and tornadoes and the COVID-19 Pandemic. Such events could result in delaying completion and occupancy of the 2020 Projects potentially increasing the level of expenditures of the Obligated Group and delaying or reducing anticipated revenues therefrom. It is anticipated that the proceeds from the sale of the Bonds, together with investment earnings thereon, will be sufficient to complete the 2020 Projects. No assurance can be given that the 2020 Projects will be completed on time.

Antitrust

Antitrust liability may arise in a wide variety of circumstances, including medical staff privilege disputes, third-party payor contracting, physician relations, joint ventures, mergers, acquisitions, affiliations, and certain pricing or salary setting activities. From time to time, Members of the Obligated Group are or may be involved in all of these types of activities. While Members of the Obligated Group intend to fully comply at all times with the antitrust laws, finders of fact in litigation can make errors, and it is not always possible to predict all the

ramifications of a particular action. Moreover, even if an antitrust case ultimately exonerates a Member of the Obligated Group, the expenses of defending an antitrust case can be quite substantial.

The application of the federal and state antitrust laws to health care is still evolving, and enforcement activity appears to be increasing. Recent court decisions have also established private causes of action against hospitals. Violation of the antitrust laws could result in criminal and/or civil enforcement proceedings by federal and state agencies, as well as actions by private litigants. In certain actions, private litigants may be entitled to treble damages, and in others, governmental entities may be able to assess substantial monetary fines. At various times, any Member of the Obligated Group may be subject to an investigation by a governmental agency charged with enforcement of the antitrust laws, or may be subject to administrative or judicial action by a federal or state agency or a private party. Such investigations and administrative proceedings can also be very expensive to defend even if resolved favorably.

Other Business Risks

General Economic Factors and Credit Market Disruptions. The United States economy is unpredictable. Previous disruptions of the credit and financial markets have led to volatility in the securities markets, significant losses in investment portfolios, increased business failures and consumer and business bankruptcies and economic recession. Economic downturns and other unfavorable economic conditions have previously impacted the health care industry, stressing state budgets and generally resulting in reductions in Medicaid payment rates or Medicaid eligibility standards and delays in payment of amounts due under Medicaid and other state or local payment programs. High unemployment rates experienced during the Great Recession led to increases in self-pay admissions, increased levels of bad debt and uncompensated care, reduced demand for elective procedures, and reduced availability and affordability of health insurance. Any similar economic recession in the future could have similar or worse effects.

The global spread of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) resulting in the coronavirus disease ("COVID-19") has resulted in volatility in the U.S. and global financial markets, increased unemployment, strained state and local government budgets that may result in reduced or delayed Medicare and Medicaid reimbursement, and significant realized and unrealized losses in investment portfolios. Collective national efforts to mitigate the COVID-19 pandemic have caused a deep contraction in vast areas of the economy, with many hospitals facing potentially sharp declines in revenue and, in some cases, increased unbudgeted costs. Financial results, generally, and liquidity, in particular, may be materially diminished. In addition, many businesses, and, in some cases, entire industries, have been adversely impacted by disruptions in operations, supply chain delays or cessation, and redeployment of personnel resources, among other challenges, which may lead to business failures and bankruptcies. Such impacts have disrupted and may continue to disrupt supply chains for equipment and supplies necessary of the operation of hospitals across the country. In addition, governmental response measures are uncertain and evolving.

The effect of the COVID-19 outbreak has resulted in the temporary cancellation of elective procedures at hospitals generally, and the Obligated Group in particular. Federal, state, and local government responses to the COVID-19 outbreak may include unexpected and severe restrictions on business operations or new requirements for businesses, such as mandating paid sick leave, that affect the entire U.S. economy. These measures may also include federal relief packages for specific industries, including targeted benefits to the health care industry due to the nature of the outbreak. Access to capital markets may be hindered and increased costs of borrowing may occur as a result. Given the uncertainty regarding the COVID-19 outbreak, the full range of its consequences cannot be predicted at this time. See APPENDIX A hereto under the caption "COVID-19 AND FLAGLER HEALTH+ – COVID-19 Impact."

COVID-19 Pandemic. COVID-19 is a respiratory disease caused by a new coronavirus which has spread around the world. In February 2020, the United States Centers for Disease Control and Prevention confirmed the spread of the disease to the United States and on March 13, 2020, the Trump Administration declared a national emergency. On March 9, 2020, the Governor of Florida (the "Governor") issued Executive Order 20-52 declaring a state of emergency related to the COVID-19 outbreak, followed by, among other administrative and executive orders, Executive Order 20-72 issued on March 20, 2020 which cancelled all non-essential elective medical and surgical procedures. Additionally, the State, various local governments in the State, including the City of St.

Augustine and County of St. Johns, have imposed certain health and public safety restrictions in response to COVID-19, including restrictions that directed businesses to temporarily suspend certain in-person operations that are not necessary to sustain life and directed individuals to stay in their homes, with limited exceptions. On April 29, 2020, the Governor issued Executive Order 20-112, the "Safe. Smart. Step-by-Step. Plan for Florida's Recovery," which is based on a phased approach to relaxing restrictions on businesses, commercial activity, individuals and travel imposed pursuant to a prior executive order. Health care providers and facilities were allowed to resume non-essential elective procedures on May 4, 2020 in connection with phase one of the State's reopening. Presently, the State is in phase two of its reopening, except for Miami-Dade, Broward and Palm Beach counties.

Additional executive orders addressing the spread of COVID-19 may be issued in the future. Such executive orders may, among other things, add additional restrictions on in-person operations or activities, extend existing restrictions or continue the process of easing restrictions.

The spread of COVID-19 (the "COVID-19 Pandemic") has already materially adversely affected the State and national economies and, accordingly, is likely to have a negative impact on the Obligated Group's operations, revenues and finances, the magnitude of which cannot be quantified with any precision at this time. Decreases in volumes, elimination of elective surgeries and disruption in health care delivery generally are expected to have a significant adverse effect on revenues. In addition, disruption in supply chain, increased costs, including for pharmaceuticals and personal protective equipment of all kinds, and disruptions in staffing patterns are also expected to impact operations. Regulatory matters including impact on reimbursement cannot be determined at this time.

In addition, there has been significant volatility in the stock markets and credit markets in the U.S. and abroad attributed to concerns about the COVID-19 Pandemic. This volatility is expected to have an adverse effect on the Obligated Group's investment portfolio. With respect to other economic indicators, unemployment claims have risen to an all-time high and continue to increase. Notwithstanding federal legislation enacted to address the effects of the COVID-19 Pandemic on the economy, many economists and other experts question the impact of these measures and continue to make negative economic forecasts. In addition, the COVID-19 Pandemic has affected, and is expected to continue to affect, travel, commerce and all forms of social interaction in the United States and globally, and is generally expected to arrest worldwide economic growth for an undetermined period of time.

The COVID-19 Pandemic has led to legislation and regulatory changes specifically impacting the healthcare industry. In March and April of 2020, in response to the disruption caused by the COVID-19 Pandemic, CMS announced a number of temporary regulatory waivers and new rules applicable to the health care industry. CMS published two interim final rules with comment periods, clarifying rules for hospitals to furnish inpatient services under-arrangement with other providers and when hospitals can furnish outpatient services in the patient's home or other expansion site, establishing processes for hospital outpatient departments to seek exceptions from lower payments when temporarily relocating due to the COVID-19 public health emergency, expanding physician supervision flexibilities for inpatient/outpatient hospital services, expanding services that may be furnished through telehealth and the types of practitioners eligible to furnish services through telehealth, and expanding coverage of ambulance transport to additional sites. CMS also issued national "blanket" Section 1135 waivers for certain hospital conditions of participation, provider-based rules, and the physician self-referral law. These waivers enable, among other outcomes, the rapid expansion of hospital services provided in on and off campus clinical and nonclinical space, including through partnerships with other entities; other facility types, such as ambulatory surgical centers, to become hospitals governed by more flexible conditions of participation and streamlined enrollment and cost reporting requirements; and hospitals and other providers to provide items such as free meals, child care and laundry services to healthcare workers. It is too soon to tell how these and other waivers and rule changes in response to the COVID-19 Pandemic will affect the operations and revenue of the Obligated Group, and it is impossible to predict their short term and long term effects on the Obligated Group.

Congress passed the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") on March 27, 2020. The Act provided for an over $2 trillion economic relief package impacting all sectors of the economy, including the health care industry. Shortly after passing the CARES Act, Congress bolstered it with an additional $484 billion in funding to programs established under the CARES Act through the Paycheck Protection Program and Healthcare Enhancement Act ("PPPHEA"). Of the relief funding authorized by the CARES Act, $175

billion in funding is allocated to health care providers to support expenses or revenue loss attributable to the COVID-19 crisis. HHS has established terms and conditions related to the use of these funds. Distributions will not require repayment so long as funds are used for stipulated purposes. To keep funds already received, providers must agree not to seek collection of out-of-pocket payments from a COVID-19 patient and certify to a list of detailed terms and conditions, including that the provider billed Medicare in 2019, provides or provided diagnoses, testing or care for individuals with possible or actual cases of COVID-19, is not currently terminated from participation in Medicare, is not currently excluded from participation in Medicare, Medicaid, and other Federal health care programs, and does not currently have Medicare privileges revoked. The terms and conditions further include a certification that the funds "will only be used to prevent, prepare for, and respond to coronavirus" and that the funding will reimburse the recipient "only for health care related to expenses or lost revenues that are attributable to coronavirus." Other relief provided for acute care hospitals in the CARES Act includes the elimination of the 2 percent reduction to Medicare Payments through sequestration for a temporary period, a 20 percent increase to the inpatient Prospective Payment System DRG weight for patients diagnosed with COVID-19 during the public health emergency, and an expansion of the CMS accelerated payment program. It is too soon to tell how relief legislation passed by Congress in response to the COVID-19 Pandemic will affect the operations and revenue of the Obligated Group, and it is impossible to predict any short term and long term effects on the Obligated Group. The receipt of relief funding by the Obligated Group will require increased compliance efforts by the Obligated Group to ensure requirements for the relief are met and any statements or certifications made in applications for relief are accurate.

Management is taking steps to address the impact of the COVID-19 Pandemic, but there can be no assurance that such steps will be able to be fully implemented as planned or that they will ultimately be successful. See APPENDIX A hereto under the caption "COVID-19 AND FLAGLER HEALTH+."

Increased Competition. The Obligated Group may likely face increased competition in the future. Increased competition could be caused by: (i) the development by organizations unrelated to the Obligated Group of alternative health care delivery systems (e.g., HMOs, PPOs, ACOs, CINs and patient-centered medical homes) in the service areas of the Obligated Group; (ii) competition with other hospitals to provide health care services; (iii) competition for patients with delivery systems of HMOs, PPOs and physician groups providing services at their own or other facilities; (iv) competition for enrollees between traditional insurers, whose patients generally have a free choice of hospitals, and HMOs and PPOs, which may own their own hospitals or substantially restrict the hospitals and physicians from which their enrollees may receive services or provide more favorable in-network status to certain hospital and physicians; (v) competition for patients between physicians, who generally refer patients to hospitals, and non-physician practitioners such as nurse-midwives, advance practice nurses, chiropractors, physical and occupational therapists and others, who may not generally refer patients to hospitals; (vi) competition from nursing homes, home health agencies, hospice programs, ambulatory care facilities, ambulatory surgical centers, rehabilitation and therapy centers, physician group practices, urgent care centers, and other non-hospital providers that provide services for which patients currently rely on hospitals as health care moves from inpatient to outpatient and becomes less hospital-centric; (vii) competition with other hospitals and licensed health facilities for qualified nursing and para-professional personnel; and (viii) competition with other hospitals, physician groups and HMOs, all of which are seeking different forms of alignment transactions with physicians in the communities serviced by the Obligated Group. Furthermore, the previously discussed 2019 CON law could lead to increased competition in the Obligated Group's service area and have an adverse effect on the operations and finances of the Obligated Group.

Cyber-Attacks. Despite the implementation of network security measures by the Obligated Group Members, their information technology systems may be vulnerable to breaches, hacker attacks, computer viruses, physical or electronic break-ins and other similar events or issues. The Federal Bureau of Investigation has expressed concern that health care systems are a prime target for such cyber-attacks due to the mandatory transition from paper records to electronic health records and a higher financial payout for records in the black market. Health care systems have recently been subject to such attacks. Such events or issues could lead to the inadvertent disclosure of protected health information or other confidential information, ransom attacks holding critical information hostage, or could have an adverse effect on the ability of the Obligated Group Members to provide health care services. Any breach or cyber-attack that comprises patient data could result in negative press and substantial fines or penalties for violation of HIPAA or similar state privacy laws.

Affiliation, Merger, Acquisition and Divestiture. The health care industry continues to experience significant consolidation among health care systems, in part, in response to the costs and changes imposed by health care reform. This consolidation includes increased numbers of affiliations, mergers, acquisitions and divestitures. As part of its ongoing planning and property management functions, management reviews the use, compatibility and financial viability of many of its operations, and from time to time, may pursue changes in the use, or disposition, of its facilities. Likewise, the Members of the Obligated may receive offers from, or conduct discussions with, third parties about the potential acquisition of operations or properties that may become part of the Obligated Group in the future or about the potential sale of some of the operations and properties of Obligated Group. Discussions with respect to affiliation, merger, acquisition, disposition or change of use, including those that may affect the Members of the Obligated Group, are held on an intermittent and confidential basis. As a result, it is possible that the assets currently owned by the Members of the Obligated Group may change, subject to the provisions in the Master Indenture that apply to merger, sale, disposition or purchase of assets.

Environmental Laws and Regulations. Health care systems are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations. Among the types of regulatory requirements faced by health care systems and hospitals are air and water quality control requirements applicable to asbestos, polychlorinated biphenyls, and radioactive substances; requirements for providing notice to employees and members of the public about hazardous materials handled by or located at a health care facility; and requirements for training employees in the proper handling and management of hazardous materials and wastes.

In their role as owners and/or operators of properties or facilities, hospitals may be subject to liability for investigating and remedying any hazardous substances located on the property, including any such substances that migrate off the property. Typical health care system operations include, without limitation, the handling, use, storage, transportation, disposal and/or discharge of medical and/or other hazardous materials, wastes, pollutants or contaminants. As a result, health care system operations are particularly susceptible to the risks associated with compliance with such laws and regulations. Failure to comply may result in damage to individuals, property or the environment; may interrupt operations and/or increase their cost; may result in legal liability, damages, injunctions or fines; and may result in investigations, administrative proceedings, penalties or other government agency actions. At the present time, the Members of the Obligated Group are not aware of any pending or threatened environmental claim, investigation or enforcement action which, if determined adversely, would have material adverse consequences on any Member of the Obligated Group.

Severe Weather, Natural Disasters, Climate Change and Terrorism. The Obligated Group's operations are limited to northeast Florida and a substantial amount of its revenue is realized from facilities in close proximity to the Atlantic Ocean. This concentration makes the Obligated Group particularly sensitive to tropical storms, hurricanes and flooding, all of which the Obligated Group has experienced in the past. The occurrence of tropical storms, hurricanes, floods or other natural disasters could damage the facilities of the Obligated Group, interrupt utility service to such facilities, result in an abnormally high demand for health care services or otherwise impair operations and the generation of revenues.

The Obligated Group's service area may also be subject to the effects of long-term climate change. Severe weather and climate change could adversely affect, among other things, the water supply, agricultural production, infrastructure, transportation and the health of residents in the Borrower's service area. See the U.S. Environmental Protection Agency's August 2016 statement on climate change in Florida (the "EPA Statement") at http://www.epa.gov/sites/production/files/2016-08/documents/climate-change-fl.pdf. The EPA Statement is not incorporated in this Official Statement. The Obligated Group has no responsibility for the accuracy or completeness of the information in the EPA Statement. There can be no assurance that climate change will not materially impair the operations of the Obligated Group.

Tourism is one of the major economic drivers in the State and in the Obligated Group's service area. Acts of terrorism may have a material impact on the economy and the tourism industry, including the residents of the Obligated Group's service area, resulting in an impairment of the operations or revenues of the Obligated Group.

The Obligated Group maintains business interruption insurance which management considers to be sufficient to cover expenses in the event that revenues cannot be generated due to closure of the Obligated Group's facilities or curtailment of services provided therein. Future increases in insurance premiums or future limitations

on the availability of certain types of insurance coverage could have an adverse impact on the Obligated Group's financial condition and operations. See the subheading "Insurance Coverage Limits" below.

Insurance Coverage Limits. The Master Indenture requires the Obligated Group to maintain prescribed levels of professional liability and property hazard insurance and the Obligated Group is currently complying with such requirements. Management believes that the present insurance coverage limits, including self-insurance reserves, are sufficient to cover any reasonably anticipated malpractice or property hazard exposures. No assurance can be given, however, that the Obligated Group will always be able to procure or maintain such levels of insurance in the future.

The Members of the Obligated Group are occasionally named as defendant in malpractice actions and there remains a risk that individual or aggregate judgments or settlements will exceed a Member of the Obligated Group's coverage limits, or that some allegations or damages will not be covered by such Member's existing insurance coverages. To the extent that the professional liability insurance coverage maintained by the Obligated Group is inadequate to cover settlements or judgments against it, claims may have to be discharged by payments from current funds and such payments could have a material adverse impact on the Obligated Group.

Medical Professional Liability Insurance Market. Health care providers have experienced substantial premium increases, reductions in coverage and coverage availability, more stringently enforced policy terms, and increases in required deductibles or self-insured retentions. Several regional medical professional liability insurance carriers have taken substantial charges to their surplus capital, have had their financial ratings reduced, and/or have been subject to state insurance department takeover for rehabilitation or liquidation. The effect of these developments has been to significantly increase the operating costs of hospitals. In addition, the dramatic increase in the cost of professional liability insurance in the State may have the effect of causing established physicians to leave the market and of preventing new physicians from establishing their practices in the area. There can be no assurance that the reduction in coverage availability and the rising cost of professional liability coverage will not adversely affect the operations or financial condition of the Obligated Group.

Physician and Registered Nurse Recruitment. Hospitals and health systems are experiencing significant challenges to the recruitment and retention of qualified health care providers, particularly primary care providers. The health care industry is facing a nationwide shortage of nursing professionals, including registered nurses. At the same time, enrollment in nursing programs has declined, and the skill level of those who are enrolling in nursing programs is declining as more individuals opt to enroll in non-baccalaureate programs. Additionally, the average age of the existing workforce has risen substantially over the last two decades. As a result of these factors, the health care industry is facing a severe nursing shortage. A shortage of nursing staff could result in escalating labor costs, delays in providing care, and patient care management issues, among other adverse effects. Likewise, the ability of the Obligated Group to generate revenues could be adversely affected should it be unable to attract and retain a sufficient number of qualified physicians or other health care professionals for specialties or sub-specialties needed to deliver services for which demand exists.

Pandemics, Epidemics or Outbreaks of an Infectious Disease. Risks specific to the current outbreak of COVID-19 are discussed in this Official Statement under the subheading "Impact of COVID-19." Those same risks could apply if a future pandemic, epidemic, outbreak of an infectious disease, or other public health crisis were to occur in an area in which the Members of the Obligated Group operate. In addition, a pandemic, epidemic or outbreak could also diminish the public trust in healthcare facilities, especially facilities with patients affected by infectious diseases. If any of the facilities of the Members of the Obligated Group were involved, or perceived as being involved, in treating such patients, other patients might fail to seek care at such facilities, and the reputation of the Members of the Obligated Group may be negatively affected.

Further, a pandemic, epidemic or outbreak might adversely impact the Members of the Obligated Group's business by causing a temporary shutdown or diversion of patients, by disrupting or delaying production and delivery of pharmaceuticals and other medical supplies or by causing staffing shortages in the facilities of the Members of the Obligated Group. Although management has disaster plans in place and operate pursuant to infectious disease protocols, the potential impact of a pandemic, epidemic or outbreak of an infectious disease with respect to the Members of the Obligated Group's markets or facilities is difficult to predict and could adversely impact their business, financial condition or results of operations.

Risks Related to the Bonds and Master Indenture

Secondary Market. There can be no assurance that there will be a secondary market for the purchase or sale of the Bonds. From time to time there may be no market for them depending upon prevailing market conditions, including the financial condition or market position of firms who may make the secondary market, the evaluation of the Obligated Group's capabilities and the financial condition and results of operations of the Members of the Obligated Group.

Bond Ratings. In response to the COVID-19 Pandemic and the recent market conditions along with future events, including potential defaults by other institutions on their indebtedness, changes in unemployment and in the general economy, the rating agencies may adjust the credit ratings of individual institutions or institutions in certain industries. There is no assurance that the ratings assigned to the Bonds will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Bonds. Furthermore, such adverse ratings changes may increase the interest expense of some of the Obligated Group debt (and may increase the cost of refinancing outstanding indebtedness) and, if the rating is withdrawn or materially downgraded, cause an event of default under certain directly purchased debt and liquidity arrangements.

Potential Effects of Bankruptcy. If a Member of the Obligated Group were to file a petition for relief under the federal Bankruptcy Code, the filing would act as an automatic stay against the commencement or continuation of judicial or other proceedings against the petitioner and its property.

Any petitioner for relief may file a plan for the adjustment of its debts in a proceeding under the federal Bankruptcy Code which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by the court, would bind all creditors who had notice or knowledge of the plan and discharge all claims against the petitioner provided for in the plan. No plan may be confirmed unless certain conditions are met, including that 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 will be deemed to have 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.

Enforceability of Obligations Under the United States Bankruptcy Code and Under Fraudulent Conveyance Laws. The rights and remedies of Bondholders are subject to various provisions of the Federal Bankruptcy Code. A filing under the United States Bankruptcy Code would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Members of the Obligated Group, and their property, and as an automatic stay of any act or proceeding to enforce a lien upon their property.

The Members of the Obligated Group may file a plan for the adjustment of its debts in any such proceeding which could include provisions modifying or altering the rights of creditors generally, or any class of them, secured or unsecured. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan. No plan may be confirmed unless certain conditions are met, among which are that 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.

The Members of the Obligated Group are liable for all obligations issued pursuant to the Master Indenture. The enforcement of such liability may be limited to the extent that any payment or transfer by the Members of the Obligated Group would render them insolvent or would conflict with, not be permitted by, or be subject to recovery for the benefit of other creditors, under applicable state or federal laws.

Certain Matters Relating to the Enforceability of the Master Indenture. The accounts of the Members of the Obligated Group will continue to 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 issuance of additional Indebtedness) are met. This is the case notwithstanding uncertainties as to the enforceability of the joint and several obligations of the Members of the Obligated Group to make payments on the obligations issued under the Master Indenture which uncertainties bear on the availability of the assets of the Members of the Obligated Group for such payments.

Counsel to the Obligated Group will give an opinion or opinions concurrently with the delivery of the Bonds that the Loan Agreement and the obligations of the Borrower thereunder are enforceable against the Borrower in accordance with its terms, and that the Master Indenture and the Series 2022 Master Note are enforceable against the Obligated Group in accordance with their terms. Such opinion will be qualified as to the enforceability of the provisions of the Loan Agreement, the Master Indenture and the Series 2022 Master Note by limitations imposed by state and federal laws, rulings and decisions relating to equitable remedies regardless of whether enforceability is sought in a proceeding at law or in equity, fraudulent conveyances, the ability of one charitable corporation to pledge its assets to secure the debt of another, and bankruptcy, reorganization, insolvency, receivership or other similar laws affecting the rights of creditors generally.

A future Member of the Obligated Group may not be required to make a payment or use its assets to make a payment in order to provide for the payment under the Loan Agreement or the Series 2022 Master Note, or a portion thereof, the proceeds of which were not lent or otherwise disbursed to such Member, to the extent that such payment or use would render the Member insolvent or which would conflict with, not be permitted by or which is subject to recovery for the benefit of other creditors of such Member under applicable law. There is no clear precedent in the law as to whether such payments or use of assets by such a Member of the Obligated Group may be voided by a trustee in bankruptcy in the event of a bankruptcy of such Member or by third party creditors in an action brought pursuant to state fraudulent conveyances statutes. Under the United States Bankruptcy Code a trustee in bankruptcy and, under state fraudulent conveyances statutes, a creditor of a related guarantor, may avoid any obligation incurred by a related guarantor if, among other bases therefor, (i) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (ii) the guaranty renders the guarantor insolvent, as defined in the United States Bankruptcy Code or state fraudulent conveyances 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 future Member of the Obligated Group to make a payment under the Loan Agreement or on the Series 2022 Master Note for which it was not a direct beneficiary, a court might not enforce such a payment in the event it is determined that the Member of the Obligated Group against which payment is sought is analogous to a guarantor of the debt of the Member of the Obligated Group who benefited from the borrowing and that sufficient consideration for the Member's obligation was not received or that the incurrence of such obligation has rendered or will render the Member insolvent.

In addition, there exists common law authority and authority under state statutes for the ability of the state courts to terminate the existence of a nonprofit corporation or undertake supervision of its affairs on various grounds, including a finding that such corporation has insufficient assets to carry out its stated charitable purposes or has taken some action which renders it unable to carry out such purposes. Such court action may arise on the court's own motion or pursuant to a petition of the state attorney general or such other persons who have interests different from those of the general public, pursuant to the common law and statutory power to enforce charitable trusts and to see to the application of their funds to their intended charitable uses.

Enforceability of Lien on Gross Revenues. The Series 2020A Master Note provides that the Members of the Obligated Group shall make payments to the Authority sufficient to pay the Bonds and the interest thereon as the same become due. The obligation of the Obligated Group to make such payments will be secured in part by a lien granted to the Master Trustee by the Obligated Group on its Gross Revenues. Such lien will be on a parity with the lien on Gross Revenues securing all other Obligations. The account or accounts into which Gross Revenues will be deposited will not be subject to a deposit account control agreement with the depository bank for the benefit of the Master Trustee.

To the extent that Gross Revenues are derived from payments by the federal government under the Medicare or Medicaid program, any right to receive such payments directly may be unenforceable. The Social

Security Act and state regulations prohibit anyone other than the individual receiving care of the Obligated Group providing service from collecting Medicare and Medicaid payments directly from the federal or state government. In addition, Medicare and Medicaid receivables may be subject to provisions of the Assignment of Claims Act of 1940, which restricts the ability of a secured party to collect accounts directly from government agencies. With respect to receivables and revenues not subject to the lien, or where such lien was unenforceable, the Master Trustee would occupy the position of an unsecured creditor. Counsel to the Obligated Group has not provided an opinion with regard to the enforceability of the lien on Gross Revenues of the Obligated Group, where such Gross Revenues are derived from the Medicare and Medicaid programs.

In the event of the bankruptcy of any Member of the Obligated Group, transfers of property made by such Member at a time that it was insolvent in payment of or to secure an antecedent debt, including the payment of debt or the transfer of any collateral, including receivables and Gross Revenues on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of the case under the Bankruptcy Code may be subject to avoidance as preferential transfers. Under certain circumstances, a court may have the power to direct the use of Gross Revenues to meet expenses of such Member before paying debt service on the Bonds.

The value of the security interest in the Gross Revenues could be diluted by the incurrence of Indebtedness secured equally and ratably with (or in certain cases senior or subordinate to) the Bonds as to the security interest in the Gross Revenues. See "Permitted Indebtedness" defined and described in APPENDIX D – "FORM OF THE SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE" hereto.

Investments. The Members of the Obligated Group have significant holdings in a broad range of investments. Market fluctuations may affect the value of those investments and their liquidity and those fluctuations historically have been at times material.

Derivative Products. The Members of the Obligated Group may use interest rate hedging arrangements. Such arrangements may be used to manage exposure to interest rate volatility, but may expose the Members of the Obligated Group to additional risks, including the risk that a counterparty may fail to honor its obligation.

Swap agreements are subject to periodic "mark-to-market" valuations. A swap agreement may, at any time, have a positive or negative value to the Members of the Obligated Group, such value, if negative could result in the Obligated Group posting collateral related to such mark-to-market valuations. If the Members of the Obligated Group were to choose to terminate a swap agreement or if a swap agreement were terminated pursuant to an event of default or a termination event as described in the swap agreement, the Members of the Obligated Group could be required to pay a termination payment to the swap provider, and such payment could adversely affect the Obligated Group's financial condition.

Realization of Value on Mortgaged Property. The Mortgaged Property is not comprised of general purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it would be difficult to find a buyer or lessee for the Mortgaged Property if it were necessary to foreclose on the Mortgaged Property and use it for a function other than a hospital facility. Thus, upon any default, it may not be possible to realize the outstanding interest on and principal on all outstanding indebtedness including the Bonds from a sale or lease of the Mortgaged Property. In addition, in order to operate the Mortgaged Property as health care facilities, a purchaser of the Mortgaged Property at a foreclosure sale would under present law have to obtain licenses for the facilities.

In addition, under applicable environmental law, in the event of any past or future releases of pollutants or contaminants on or near the Mortgaged Property, a lien superior to the lien of the Mortgage could attach to the Mortgaged Property to secure the costs of removing or otherwise treating such pollutants or contaminants. Such a lien could adversely affect the ability to realize sufficient amounts to pay all outstanding indebtedness including the Bonds in full.

Risks Related to Credit-Enhanced Variable Rate Indebtedness. The Members of the Obligated Group, like many tax-exempt health care entities, has historically incurred variable rate indebtedness. Generally, the interest cost of variable rate indebtedness, when incurred, is lower than for fixed rate debt of a comparable maturity. The interest cost of variable rate indebtedness could, over time, increase beyond the fixed rate that would have been

available when the variable rate indebtedness was incurred. In order for variable rate indebtedness to have the desired result of lower borrowing costs, the variable rate indebtedness often requires credit enhancement such as bond insurance or a bank letter of credit. Any such indebtedness therefore will bear interest at rates that are directly related to the ratings accorded to, and to investor perceptions of, the financial strength of the applicable provider of credit enhancement.

Providers of credit enhancement are often the beneficiaries of covenants or default remedies in addition to those set forth in the Master Indenture. If a Member of the Obligated Group were to enter into an agreement with a credit enhancement provider containing covenants in addition to those set forth in the Master Indenture, those additional covenants could restrict the ability of the Members of the Obligated Group to enter into certain transactions, and a violation of such covenants could result in an event of default under the Master Indenture if such agreement were secured by a Master Note.

Risks Related to Directly Purchased Bonds and Direct Loans. In addition, the Members of the Obligated Group, like many tax-exempt health care entities, has historically incurred indebtedness in the form of bonds purchased by direct purchasers and loans extended by lenders in non-public transactions. This type of debt instrument sometimes bears interest at a fixed initial rate, but is subject to mandatory tender or maturity at the end of its initial interest rate period whereupon, if the term of such debt instrument were to be extended, the initial interest rate will change to a new fixed rate or will be converted to a variable rate. Refusal by a direct purchaser or lender to extend the term together with the inability of the Obligated Group to refinance the debt instrument could result in a significant "balloon" payment.

Sometimes, such debt instruments will bear interest at variable rates and represent Variable Rate Indebtedness under the Master Indenture. Generally, the interest cost of a variable rate debt instrument, when incurred, is lower than that for fixed rate debt instruments of a comparable maturity. The interest cost of variable rate debt instrument could, over time, increase beyond the fixed rate that would have been available when the variable rate debt instrument was incurred.

Direct purchasers of bonds and lenders are often the beneficiaries of covenants or default remedies in addition to those set forth in the Master Indenture. If a Member of the Obligated Group were to enter into an agreement with a direct purchaser or lender containing covenants in addition to those set forth in the Master Indenture, those additional covenants could restrict the ability of the Members of the Obligated Group to enter into certain transactions, and a violation of such covenants could result in an event of default under the Master Indenture if such agreement were secured by a Master Note.

General Factors Affecting the Obligated Group's Revenues. The following factors, among others, may unfavorably affect the operations of health care facilities, including those of the Obligated Group, to an extent and in a manner that cannot be determined at this time:

1. Employee strikes and other adverse actions that could result in a substantial reduction in revenues with corresponding increases in costs. Hospitals and their employees fall within the scope of, and are subject to, the National Labor Relations Act. Accordingly, labor relationships with hospital employees are regulated by the federal government. Employees may bargain collectively and strike.

2. Reduced need for hospitalization or other services arising from future medical and scientific advances.

3. Reduced demand for the services that might result from advances in technology and future regulatory reforms, which could lead to the increased use of telemedicine.

4. Technological advances in recent years have accelerated the trend toward the use of sophisticated diagnostic and treatment equipment in hospitals. The availability of certain equipment may be a significant factor in hospital utilization, but purchase of such equipment may be subject to health planning agency approval and to the ability of the Obligated Group to finance such purchases.

5. Reduced demand for the services that might result from decreases in population of the market area of the Obligated Group.

6. Increased unemployment or other adverse economic conditions in the market area of the Obligated Group which could increase the proportion of patients who are unable to pay fully for the cost of their care, whether such increased unemployment is caused by the COVID-19 Pandemic, future pandemics or other events with the ability to cause substantial unemployment in Florida or the United States at large. In addition, increased unemployment caused by a general downturn in the economy of the Obligated Group's service area or the State or by the closing of one or more major employers in such market area may result in a loss of health insurance benefits for a portion of the Members of the Obligated Group's patients.

7. Cost, availability and sufficiency of any insurance such as medical professional liability, directors' and officers' liability, property, automobile liability, and commercial general liability coverages that health care facilities of a similar size and type generally carry.

8. Adoption of legislation which would establish a national health care program.

9. Cost and availability of energy.

10. Potential depletion of the Medicare trust fund.

11. Any increase in the quantity of indigent care provided which is mandated by law or required due to increased need of the community in order to maintain the charitable status of the Members of the Obligated Group.

12. Factors such as: (i) the cost and availability of insurance, such as workers' compensation, fire and general comprehensive liability; (ii) uninsured acts of God; and (iii) increased costs and possible liability exposure arising out of potential environmental hazards.

13. Imposition of wage and price controls for the health care industry or an increase in the minimum wage.

14. Developments adversely affecting the federal or state tax-exemption of municipal bonds.

15. Potential negative interest rate economic environments, which could have an impact on hospitals with large cash and investment balances, such as the Obligated Group.

16. Changes in accounting rules which could result in the reclassification of assets and transactions which are subject to the terms of the Master Indenture.

Changes in the governmental requirements concerning how patients are treated. These regulations are embodied in patients' bills of rights and similar programs being promulgated with greater frequency, and changes in licensure requirements. All of these programs can increase the cost of doing business and consequently adversely affect the financial condition of the Obligated Group.

CONTINUING DISCLOSURE

The Authority

Inasmuch as the Bonds are special and limited obligations of the Authority, the Authority has determined that no financial or operating data concerning the Authority is material to any decision to purchase, hold or sell the Bonds, and the Authority will not provide any such information.

The Obligated Group

The Borrower, as Obligated Group Agent, will enter into the Disclosure Undertaking for the benefit of the holders of the Bonds pursuant to which the Borrower will file certain information on a quarterly and annual basis and notice of certain events as they occur on Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board in accordance with Section (b)(5) of the Rule. See the form of Continuing Disclosure Undertaking attached as APPENDIX E for a description of the information to be provided on a quarterly and an annual basis, the events which will be noticed on an occurrence basis and the other provisions of the Continuing Disclosure Undertaking.

The Borrower covenanted in an undertaking relating to prior bonds to provide certain annual and quarterly reporting information. With respect to the quarterly information, the Borrower timely filed such quarterly reports, however, certain comparative information was not included with each such filing. Upon discovering that certain quarterly information was incomplete, the Borrower either noted that such comparative information was either available on EMMA for prior periods or, if not otherwise available on EMMA, the Borrower promptly filed such information. With respect to the quarter ended December 31, 2018, the Borrower failed to file a statement of cash flows, but promptly filed a cash flow statement upon discovering its failure to do so. For the annual report for fiscal year ended September 30, 2019, the Borrower timely filed its annual report which included an incomplete management's discussion. A comprehensive discussion by management of the results of operations and financial condition of the Borrower was subsequently included in the official statement relating to the Series 2020AB Bonds which is available on EMMA. The Borrower has since implemented internal procedures to ensure its filings are made on a complete and timely basis.

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 for the 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 Bonds.

The Obligated Group has not defaulted in any payment of principal or interest on its obligations after December 31, 1975.

TAX MATTERS

In the opinion of Bond Counsel to the Obligated Group, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX F hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the

difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

The Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Authority and the Obligated Group will make representations and will covenant to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

In addition, Bond Counsel has relied, among other things, on the opinion of Foley & Lardner LLP, counsel to the Obligated Group, regarding the current qualification of each Obligated Group Member as an organization described in Section 501(c)(3) of the Code. Such opinion is subject to a number of qualifications and limitations. Bond Counsel has also relied upon representations of the Obligated Group concerning the Obligated Group's "unrelated trade or business" activities as defined in Section 513(a) of the Code. Neither Bond Counsel nor counsel to the Obligated Group has given any opinion or assurance concerning Section 513(a) of the Code, and neither Bond Counsel nor counsel to the Obligated Group can give or has given any opinion or assurance about the future activities of the Obligated Group or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the resulting changes in enforcement thereof by the IRS. Failure of the Obligated Group to be organized and operated in accordance with the IRS's requirements for the maintenance of its status as an organization described in Section 501(c)(3) of the Code, or to operate the facilities financed or refinanced by the Bonds in a manner that is substantially related to the Obligated Group's charitable purpose under Section 513(a) of the Code, may result in interest payable with respect to the Bonds being included in federal gross income, possibly from the date of the original issuance of the Bonds.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect (perhaps significantly) the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, and regarding the impact of future legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Authority or the Obligated Group or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and the Obligated Group will covenant, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the Obligated Group or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the Obligated Group and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the Obligated Group legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the Authority, the Obligated Group or the Beneficial Owners to incur significant expense.

FINANCIAL ADVISOR

Ponder & Co. ("Ponder") is acting as financial advisor to the Borrower in connection with the issuance of the Bonds. Ponder is not obligated to undertake, and has not undertaken, an independent verification, nor is it obligated to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. Ponder is an independent advisory firm and is not engaged in the business of underwriting or distributing municipal securities or other public securities.

LEGAL COUNSEL

Rogers Towers, P.A., Jacksonville, Florida, has served as Bond Counsel to the Obligated Group with respect to the issuance of the Bonds. Bond Counsel will render an opinion with respect to the Bonds in substantially the form attached as APPENDIX F. The opinion of Bond Counsel should be read in its entirety for a complete understanding of the scope of the opinion and the conclusions expressed therein. Delivery of the Bonds is contingent upon the delivery of the opinion of Bond Counsel.

Bond Counsel has not been engaged nor undertaken to review the accuracy, completeness or sufficiency of this Official Statement or any other offering material related to the Bonds, except as provided in a letter from Bond Counsel to the Underwriter, upon which only they may rely, relating only to certain information contained in the front part of this Official Statement regarding (i) the terms of the Bonds and the Financing Documents, to the extent such information purports to summarize the terms of the Bonds and the Financing Documents, and (ii) the security and source of payment for the Bonds.

In connection with the issuance of the Bonds, Geoffrey B. Dobson, Esq., has served as counsel to the Authority; Foley & Larder LLP, Jacksonville, Florida, has served as counsel to the Obligated Group; and Hawkins Delafield & Wood LLP has served as counsel to the Underwriter.

INDEPENDENT AUDITORS

The consolidated financial statements of Flagler Hospital, Inc. and Subsidiaries as of and for the fiscal year ended September 30, 2021, included in APPENDIX B to this Official Statement, have been audited by Plante & Moran, PLLC, independent auditors, as stated in their report appearing therein.

LITIGATION

The Authority

There is not now pending or, to the Authority's knowledge, threatened any litigation or other proceeding restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings of Authority under which they are to be issued. Neither the creation, organization or existence of the Authority nor the title of any of the present officials of the Authority to their respective offices is being contested. There is no litigation or other proceeding pending or, to the Authority's knowledge, threatened which in any manner questions the right of the Authority to enter into the Financing Documents to which it is a party or to secure the Bonds in accordance with the Bond Indenture.

The Obligated Group

For a description of litigation pending against the Obligated Group, see "OTHER INFORMATION − Litigation" in APPENDIX A.

RATINGS

[S&P Global Ratings ("S&P") has assigned the Bonds the rating of "__", with a _____ outlook, based upon the delivery of the Policy by the Insurer at the time of the issuance of the Bonds.]

S&P has assigned an underlying rating of "___", with a _____ outlook to the Bonds. A rating reflects only the view of the rating agency assigning such rating. The Obligated Group has furnished to the rating agencies certain information and material, some of which has not been included in this Official Statement. Generally, a rating agency bases its rating on such information and material and on investigations, studies and assumptions furnished to and obtained and made by such rating agency. There is no assurance that either rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency assigning such rating if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of either rating may have an adverse effect on the market price or the marketability of the Bonds.

UNDERWRITING

J.P. Morgan Securities LLC, as the underwriter named on the front cover page of this Official Statement (the "Underwriter"), has entered into a bond purchase agreement (the "Bond Purchase Agreement") with the Authority and the Borrower, as Obligated Group Agent, in which the Underwriter has agreed to purchase the Bonds, subject to certain conditions precedent, at a purchase price of $_____ (representing the par amount of the Bonds plus/less an original issue discount/premium of $_____, less an Underwriter's discount of $_____). The Bond Purchase Agreement provides that the Underwriter will purchase all of the Bonds, if any are purchased, and contains the Obligated Group's agreement to indemnify the Underwriter and the Authority against certain liabilities, to the extent permitted by law.

The Underwriter has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings, including the Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any of the Bonds that such firm sells.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

MISCELLANEOUS

The descriptions and summary of provisions of the Bonds and the Financing Documents contained herein do not purport to be complete, and reference is made to the Financing Documents and the form of the Bonds set forth in the Bond Indenture for a complete statement of their provisions. Copies of the Financing Documents may be obtained upon request to the Bond Trustee at the corporate trust offices of the Bond Trustee located at 225 Water Street, Suite 700, Jacksonville, Florida 32202.

The agreement of the Authority and the Obligated Group with the holders of the Bonds is fully set forth in the Bonds and the Financing Documents, and neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers or the Beneficial Owners of the Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The attached Appendices are integral parts of this Official Statement and must be read together with all of the foregoing statements.

APPENDIX A contains certain information regarding the Borrower, the Obligated Group and Flagler Health+. The execution and delivery of this Official Statement have been duly authorized and approved by the Obligated Group.

Flagler Hospital, Inc., as Obligated Group Agent

By:_____
Name: Brenda Baker
Title: Executive Vice President and Chief Financial Officer

APPENDIX A

INFORMATION CONCERNING FLAGLER HEALTH+

APPENDIX B

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF FLAGLER HOSPITAL, INC. AND SUBSIDIARIES AS OF AND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

APPENDIX C

FORMS OF THE BOND INDENTURE
AND THE LOAN AGREEMENT

APPENDIX D

FORMS OF THE SECOND AMENDED AND RESTATED MASTER TRUST INDENTURE AND SUPPLEMENTAL INDENTURE

APPENDIX E

FORM OF CONTINUING DISCLOSURE UNDERTAKING

APPENDIX F

FORM OF APPROVING OPINION OF BOND COUNSEL

APPENDIX G

THE DTC BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (the "Securities"). The Securities 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 Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and 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"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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.

5. 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.

6. Redemption notices shall be sent to DTC. If less than all of the Securities of a single 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.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities 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 Authority or Bond Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect 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 registered in "street name," and will be the responsibility of such Direct or Indirect Participant and not of DTC, DTC's nominee, the Authority, or the Bond Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest and any premium to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority and 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.

9. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Authority or Bond Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

10. The Authority may decide to discontinue use of Flagler Health+ of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the Borrower believe to be reliable, but neither the Authority nor the Borrower takes responsibility for the accuracy thereof.

In the event that the book-entry only system for the Bonds is discontinued, the provisions set forth in Article 4 of the Bond Indenture relating to transfers and exchanges of the Bonds would apply.

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

$PAR
St. Johns County Industrial Development Authority
Revenue Bonds (Flagler Health), Series 2022

April XX, 2022

Bond Purchase Agreement

Flagler Hospital, Inc.
400 Health Park Boulevard
St. Augustine, FL 32086
Attention: Executive Vice President and Chief Financial Officer

St. Johns County Industrial Development Authority
4020 Lewis Speedway
St. Augustine, FL 32084
Attention: Chair

Ladies and Gentlemen:

The undersigned, J.P. Morgan Securities LLC, as underwriter (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement with Flagler Hospital, Inc. (the "Corporation") and St. Johns County Industrial Development Authority (the "Authority") for the purchase by the Underwriter and sale by the Authority of its $PAR St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 Bonds (the "Bonds"), specified below. This offer is made subject to acceptance by the Authority and the Corporation prior to 11:59 p.m., New York time, on the date hereof, and upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the Corporation and the Underwriter. If this offer is not so accepted, it is subject to withdrawal by the Underwriter upon written notice delivered to the Authority and the Corporation at any time prior to such acceptance, but no acceptance shall be valid after 11:59 p.m., New York time, on the date hereof.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Preliminary Official Statement (as defined below).

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriter, all (but not less than all) of the Bonds at an aggregate purchase price of $_____ (par, plus/less a [net] original issue discount/premium of $_____, less an Underwriter's discount of $_____, which includes expenses of the Underwriter of $_____). Interest on the Bonds will be payable from the date of issuance of the Bonds on April 1 and October 1 in each year, commencing October 1, 2022, and the Bonds will mature in the years and in the respective aggregate principal amounts, and bear interest from the date of issuance at the respective annual interest rates set forth in Schedule I.

The Bonds shall be subject to optional, extraordinary and mandatory redemption as described in the Official Statement and in Schedule I.

The Bonds shall be as described in the Official Statement, and shall be issued and secured under and pursuant to a Trust Indenture, dated as of April 1, 2022 (the "Trust Indenture"), between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the "Bond Trustee"). The Authority will lend the proceeds of the Bonds to the Corporation pursuant to the Loan Agreement, dated as of April 1, 2022, between the Corporation and the Authority (the "Loan Agreement"). The Bonds are being issued for the purpose of (i) financing, reimbursing or refinancing all or a portion of the costs of the 2022 Project, including capitalized interest on the Bonds, (ii) refunding the Authority's Hospital Revenue and Refunding Bond (Flagler Hospital, Inc. Project), Series 2017B (the "Prior Debt") and (iii) paying costs associated with the issuance of the Bonds. The Corporation will issue its Master Note, Series 2022 (the "Series 2022 Master Note") to secure its obligations under the Loan Agreement to make payments sufficient to pay the principal of, premium, if any, and interest on the Bonds. The Series 2022 Master Note will be issued pursuant to the Supplemental Indenture for Master Note, Series 2022, dated as of April 1, 2022 (the "Supplemental Indenture"), which supplements the Second Amended and Restated Master Trust Indenture dated as of September 1, 2020 (the "Master Indenture") each between the Obligated Group and U.S. Bank Trust Company, National Association, as successor master trustee (the "Master Trustee").

The obligations of the Members of the Obligated Group under the Master Indenture are secured by the following: (i) a security interest granted by the Members of the Obligated Group in their Gross Revenues; (ii) a mortgage granted by the Corporation on the Mortgaged Property pursuant to (and as defined in) the Mortgage and Security Agreement dated as of December 1, 2003, as supplemented and amended from time to time, particularly as supplemented and amended by the Notice of Future Advance and Relating to Mortgage and Security Agreement, dated September 28, 2017, and as supplemented by the Notice of Future Advance and Mortgage Spreader Agreement Relating to Mortgage and Security Agreement, dated September 1, 2020 (as so supplemented and amended, being further referred to herein as the "Mortgage") from the Corporation to the Master Trustee and (iii) such other security as described in the Preliminary Official Statement and the Official Statement.

The Corporation will, for itself and as Obligated Group Agent on behalf of the Obligated Group, enter into a Continuing Disclosure Undertaking, dated the Date of Closing (as defined below) (the "Disclosure Undertaking"), to provide annual and quarterly reports and notices of certain events described therein. A form of the Disclosure Undertaking is set forth in the Preliminary Official Statement and the Official Statement.

The Underwriter intends to make an initial bona fide public offering of the Bonds at a price or prices not in excess of the public offering price or prices set forth in the Official Statement and may subsequently change such offering price or prices. The Underwriter agrees to notify the Authority and the Corporation of such changes, if such changes occur prior to the Closing, but failure so to notify shall not invalidate such changes. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering price or prices set forth in the Official Statement.

2. Promptly after acceptance hereof, the Authority and the Corporation shall deliver, or cause to be delivered, to the Underwriter two executed copies of the Official Statement, dated the date hereof, relating to the Bonds, substantially in the form of the Preliminary Official Statement, dated March __, 2022 (the "Preliminary Official Statement"), with only such changes therein as shall have been accepted by the Underwriter, signed on behalf of the Authority by the Chair or Vice Chair of the Authority and on behalf of the Corporation by the Executive Vice President and Chief Financial Officer or such other representative of the Authority and the Corporation, respectively, as shall be acceptable to the Underwriter. The Official Statement, including the cover page and all appendices thereto and any information incorporated therein by reference, is hereinafter referred to as the "Official Statement," except that if the Official Statement has been amended or supplemented between the date thereof and the date upon which the Bonds are delivered to us, the term, "Official Statement" shall refer to the Official Statement as so amended or supplemented. By acceptance of this Bond Purchase Agreement, the Authority and the Corporation hereby approve the Official Statement and agree to deliver, or cause to be delivered to the Underwriter, by no later than the earlier of one day prior to the Date of Closing (as defined below) or seven business days from the date hereof, copies of the final Official Statement in "designated electronic format" (as defined in MSRB Rule G-32) in sufficient quantity to permit the Underwriter to comply with the requirements of Rule 15c2-12 ("Rule 15c2-12") of the U.S. Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and other applicable rules of the SEC and the Municipal Securities Rulemaking Board (the "MSRB"), including the requirements of Rule G-32 of the MSRB. The Authority and the Corporation further authorize the use by the Underwriter of copies of the Official Statement, the Trust Indenture, the Loan Agreement and the Master Indenture in connection with the public offering and sale of the Bonds. The Authority and the Corporation acknowledge and ratify the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the Bonds. The Authority (only insofar as such information pertains to the Authority) and the Corporation each represent and warrant that the Preliminary Official Statement was "deemed final" as of its date, except for the omission of information permitted to be excluded by Rule 15c2-12. The Authority hereby authorizes the Underwriter to file the Official Statement with the MSRB's Electronic Municipal Market Access ("EMMA") system. The Underwriter represents to the Authority and the Corporation that they have complied in all material respects with the applicable rules of the MSRB in connection with the offering and sale of the Bonds.

3. The Underwriter's obligations under this Bond Purchase Agreement to purchase the Bonds are also subject to the receipt from Plante & Moran, PLLC (the "Auditor"), prior to or simultaneously with the execution of this Bond Purchase Agreement of (1) a letter, dated the date hereof, addressed to the Corporation and the Underwriter with respect to certain accounting procedures undertaken by such accounting firm in form and substance satisfactory to the Underwriter, (2) a letter, dated the date of the Preliminary Official Statement, addressed to the Corporation and the Underwriter consenting to the use of its report on the consolidated financial statements of the Corporation, included in Appendix B to the Preliminary Official Statement and to the references in the Preliminary Official Statement to such firm under the heading "INDEPENDENT AUDITORS" and (3) a letter, dated the date hereof, addressed to the Corporation and the Underwriter consenting to the use of its report on the consolidated financial statements of the Corporation, included in Appendix B to the Official Statement and to the

references in the Official Statement to such firm under the heading "INDEPENDENT AUDITORS."

4. At 10:00 a.m., New York time, on April __, 2022, or at such other time or on such earlier or later date upon which the Underwriter and the Authority mutually agree in writing, the Authority will deliver or cause to be delivered to The Depository Trust Company ("DTC"), or to DTC's agent, the Bonds, duly executed and authenticated, and shall deliver, at the office of Rogers Towers, P.A. in Jacksonville, Florida or at such other place upon which the Underwriter, the Corporation, and the Authority may mutually agree, the other documents hereinafter described. Upon acceptance of such delivery and release of the Bonds by the Bond Trustee, the Underwriter will pay the purchase price of the Bonds specified in Paragraph 1 hereof in immediately available funds payable to the order of the Authority or the Bond Trustee. This delivery and payment is herein called the "Closing," and the date of such delivery and payment is herein called the "Date of Closing."

5. The Authority represents that:

(a) The Authority is a public body corporate and politic, created and existing as a local governmental body and constituted as a public instrumentality of the State of Florida (the "State"), having full power and authority to issue the Bonds and loan the proceeds to the Corporation for the purposes of (i) financing, reimbursing or refinancing the Corporation for all or a portion of the costs of the 2022 Project, including capitalized interest on the Bonds, (ii) refunding all of the Prior Debt and (iii) paying costs associated with the issuance of the Bonds and as further described in the Preliminary Official Statement and the Official Statement, and to secure the Bonds as provided in this Bond Purchase Agreement and in the Trust Indenture;

(b) by all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for (i) the adoption of the Resolution and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Authority of the obligations on its part, contained in the Resolution, the Trust Indenture, the Loan Agreement, and this Bond Purchase Agreement (collectively, the "Authority Documents") and the Bonds, (iii) the approval, distribution and use of the Preliminary Official Statement and the Official Statement for use by the Underwriter in connection with the public offering of the Bonds and (iv) the consummation by it of all other transactions described in the Preliminary Official Statement, the Official Statement, the Authority Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Preliminary Official Statement and the Official Statement;

(c) this Bond Purchase Agreement has been duly authorized, executed and delivered, and constitutes a legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(d) the other Authority Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(e) (i) the Bonds, when issued, delivered and paid for, in accordance with the Resolution and this Bond Purchase Agreement, will have been duly authorized, executed, issued and delivered by the Authority and will constitute the valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; and (ii) the Trust Indenture will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Trust Indenture;

(f) the Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing;

(g) the execution and delivery of the Bonds and the Authority Documents and the adoption of the Resolution and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party; nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the Trust Estate to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Trust Indenture;

(h) all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Authority Documents, the issuance of the Bonds or the due performance by the Authority of its obligations under the Authority Documents, and the Bonds, have been duly obtained;

(i) the Authority's resolution approving and authorizing the Preliminary Official Statement and the Official Statement and approving and authorizing the

execution and delivery of the Authority Documents and the Bonds (the "Resolution") was adopted at a duly convened meeting of the Authority, with respect to which all legally required notices were duly given to all members of the Authority, and at which meeting a quorum was at all times present and acting throughout;

(j) there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority: (i) affecting the existence of the Authority or the titles of its officers to their respective offices, (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Authority Documents, (iv) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (v) contesting the powers of the Authority or any authority for the issuance of the Bonds, the adoption of the Resolution or the execution and delivery of the Authority Documents, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Authority Documents;

(k) the Preliminary Official Statement, as of its date and as of the date of this Bond Purchase Agreement, did not and does not contain any untrue statement of a material fact or omit 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; provided that this representation shall apply only to the information set forth in the Preliminary Official Statement that relates specifically to the Authority under the captions "THE AUTHORITY," "CONTINUING DISCLOSURE – The Authority," and "LITIGATION – The Authority" (collectively, the "Authority Information");

(l) at the time of the Authority's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 9 of this Bond Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any 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; provided, that this representation shall apply only to the information set forth in the Official Statement that relates specifically to the Authority Information;

(m) if the Official Statement is supplemented or amended pursuant to Section 9 of this Bond Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12), the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any 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; provided, that this representation shall apply only to the information set forth in the Official Statement that relates specifically to the Authority Information;

(n) the Authority has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Resolution, including for payment or reimbursement of Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required by Section 10;

(o) the Authority covenants that between the date hereof and the Date of Closing it will take no actions which will cause the representations and warranties made in this Section 5 to be untrue as of the Date of Closing;

(p) the Authority will not, prior to the Closing, offer or issue any bonds (other than as described in the Preliminary Official Statement and the Official Statement), notes or other obligations for borrowed money for the benefit of the Corporation, without the prior approval of the Underwriter;

(q) the Authority will furnish such information and execute such instruments and take such action in cooperation with the Underwriter, at the expense of the Authority, as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and

(r) any certificate, signed by any official of the Authority authorized to do so in connection with the transactions described in this Bond Purchase Agreement, shall be deemed a representation and warranty by the Authority to the Underwriter and the Corporation as to the statements made therein.

6. The Corporation represents for itself and as Obligated Group Agent on behalf of the Obligated Group, that:

(a) the Members of the Obligated Group are not for profit corporations duly incorporated and validly existing under the laws of the State and organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and have all necessary licenses and permits required to carry on and operate all of their properties to the date of this Bond Purchase Agreement and will hereafter seek to obtain in a timely

fashion any and all additional such licenses and permits, and, to the knowledge of the Corporation, are not in violation of and have not received any notice of an alleged violation of any zoning, land use or other similar laws applicable to their properties. The Corporation and the Foundation, as applicable, has the full right, power and authority to approve the Preliminary Official Statement, the Official Statement and the Trust Indenture, to execute and deliver the Official Statement and to approve, execute and deliver, and perform its obligations under the Loan Agreement, the Master Indenture, the Supplemental Indenture, the Series 2022 Master Note, the Disclosure Undertaking and the Mortgage (collectively, the "Obligated Group Documents"), and to perform other acts and things as provided for in each of the foregoing;

(b) the execution and delivery by the Members of the Obligated Group Documents to which they are a party and the other documents contemplated herein and therein to which they are a party, the compliance with the provisions of any and all of the foregoing documents, and the application by the Corporation of the proceeds of the Bonds, together with certain other moneys, for the purposes described in the Preliminary Official Statement and the Official Statement, do not and will not conflict with or result in the breach of any of the terms, conditions or provisions of, or constitute a default under, the articles of incorporation, as amended, or the bylaws, as amended, of the Members or any agreement, indenture, mortgage, lease or instrument by which a Member or any of its Property is or may be bound or any existing law or court or administrative regulation, decree or order which is applicable a to Member or any of its Property;

(c) no default, event of default or event which, with notice or lapse of time or both, would constitute a default or an event of default under the Master Indenture, the Mortgage or any other material agreement or material instrument to which a Member is a party or by which a Member is or may be bound or to which any Property of a Member is or may be subject, has occurred and is continuing;

(d) the Corporation has duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds by the Authority upon the terms and conditions set forth herein, in the Preliminary Official Statement and the Official Statement and in the Trust Indenture, (ii) the approval of the Bonds and the Indenture, (iii) the approval of the Preliminary Official Statement, the approval and execution of the Official Statement, and (iv) the approval of any and all such other agreements and documents as may be required to be executed, delivered or received by the Corporation in order to carry out, effectuate and consummate the transactions contemplated herein and therein. The Members have duly authorized all necessary action to be taken by them for the execution, delivery and performance of the Obligated Group Documents to which they are a party;

(e) this Bond Purchase Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of the Corporation, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(f) the other Obligated Group Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Members of the Obligated Group, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights;

(g) the Corporation has complied with all applicable and material requirements of the United States and the State, and of their respective agencies and instrumentalities, to operate its facilities substantially as they are being operated and is fully qualified by all necessary and material permits, licenses, certifications, accreditations and qualifications;

(h) at the Closing, no liens, encumbrances, covenants, conditions and restrictions, if any, will be then existing except Permitted Liens (as defined in the Master Indenture) which Permitted Liens will not interfere with or impair in any material respect with the operation or materially adversely affect the value, of the Property (as defined in the Master Indenture), given the purposes for which such Property is being used;

(i) since the respective dates as of which information is given in the Preliminary Official Statement and the Official Statement, except as otherwise stated therein, there has been no material adverse change in the financial position or results of operations of the Obligated Group, nor has the Obligated Group incurred any material liabilities except as set forth in or contemplated by the Preliminary Official Statement and the Official Statement;

(j) the Preliminary Official Statement did not, as of its date and as of the date hereof, and the Official Statement does not, as of its date, and will not as of the date of the Closing, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading; provided, however, that the Corporation makes no representation or warranty as to the Authority Information [or the information under the caption "BOND INSURANCE" and in APPENDIX G – "Book-Entry Only System" and APPENDIX H – "SPECIMEN MUNICIPAL BOND INSURANCE POLICY"] (collectively, the "Corporation Excluded Information") contained in the Preliminary Official Statement or the Official Statement, except to the extent that information was based upon information supplied by, or solely within the knowledge of, the Corporation;

(k) except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, agency, public board or body pending or, to the knowledge of the Corporation, threatened against or affecting the Obligated Group or the Property of the Obligated Group (and, to the knowledge of the Corporation, there is no meritorious basis therefor), (A) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the financial condition of a Member or the operation by a Member of its Property and the transactions contemplated by the Obligated Group Documents, (ii) the tax-exempt status of the Members, (iii) the corporate existence of a

Member or the titles of its officers to their respective offices, (iv) the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, (v) the exclusion from gross income of interest on the Bonds for federal income tax purposes, or (vi) the validity or enforceability of the Obligated Group Documents or any other material agreement or instrument by which a Member is or may be bound, or would in any way contest the corporate existence or powers of a Member or would in any way adversely affect the federal tax-exempt status of the amounts to be received by the Authority pursuant to the Loan Agreement, the Mortgage or the Series 2022 Master Note, or (B) for which the estimated probable ultimate recoveries and costs and expenses of defense would not be entirely within applicable commercial policy limits (subject to applicable deductibles) or would be in excess of the total available reserves held under applicable self-insurance programs, and the amount of such estimates or excess over the limits or reserves would have a material adverse effect on the financial condition of the Obligated Group;

(l) if the Official Statement is supplemented or amended pursuant to Section 9 of this Bond Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such Section) at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12), the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading; provided, however, that the Corporation makes no representation or warranty as to the Corporation Excluded Information contained in the Official Statement, except to the extent that information was based upon information supplied by, or solely within the knowledge of, the Corporation;

(m) the proceeds received from the sale of the Bonds shall be used in accordance with the Preliminary Official Statement, the Official Statement and the Trust Indenture;

(n) the Corporation will furnish such information and execute such instruments and take such action in cooperation with the Underwriter, as the Underwriter may reasonably request (A) to (y) qualify the Bonds for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Corporation shall not he required to qualify as a foreign corporation, shall not be required to qualify to do business in any jurisdiction where it is not now so qualified and shall not be required to file any general or special consents to service of process under the laws of any jurisdiction where it is not now so subject) and will advise the Underwriter immediately of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose. The Corporation ratifies and consents to the use of the Preliminary Official Statement and drafts of the Official

Statement prior to the availability of the Official Statement by the Underwriter in obtaining such qualification. The Corporation shall pay all reasonable expenses and costs (including reasonable legal fees) incurred in connection with such qualification. The Corporation will advise the Underwriter immediately of receipt by the Corporation of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(o) the financial statements of, and other financial information regarding, the Corporation and its subsidiaries in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Corporation and its subsidiaries as of the dates and for the periods therein set forth. Such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Corporation's audited consolidated financial statements included in the Preliminary Official Statement and in the Official Statement;

(p) prior to the Closing, the Obligated Group will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Obligated Group;

(q) the Corporation will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent (other than as described in the Preliminary Official Statement and the Official Statement), except in the ordinary course of business, without the prior approval of the Underwriter;

(r) any certificate, signed by any officer of a Member authorized to do so in connection with the transactions described in this Bond Purchase Agreement, shall be deemed a representation and warranty by the Member to the Authority and the Underwriter as to the statements made therein;

(s) other than as disclosed in the Preliminary Official Statement and the Official Statement, during the previous five years the Corporation has complied, in all material respects, with any prior undertakings subject to Rule 15c2-12;

(t) the Obligated Group is not and never has been in default as to the payment of principal or interest with respect to any indebtedness, including obligations of the Authority;

(u) no event has occurred that would constitute a material default (including, but not limited to, any event that would permit acceleration), on the part of a Member under any agreement relating to long-term debt of a Member, if any, or that would cause the Member to believe it will default in any material way with respect to its obligations under any such agreement, if any; and

(v) the Obligated Group is in compliance with the insurance coverage required by the Master Indenture.

7. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations and agreements of the Authority and the Corporation herein and the performance by the Authority and the Corporation of their obligations hereunder, both as of the date hereof and as of the Date of Closing. The Underwriter's obligations under this Bond Purchase Agreement are and shall be subject to the following further conditions:

(a) at the time of Closing,

(i) the Resolution, the Trust Indenture, the Loan Agreement, the Master Indenture, the Series 2022 Master Note, the Bonds, the Mortgage, the Disclosure Undertaking, and this Bond Purchase Agreement shall be in full force and effect and shall not be amended, modified or supplemented in any material respect after the date hereof except as may have been agreed to in writing by the Underwriter,

(ii) the proceeds of the sale of the Bonds shall be paid to the Bond Trustee for deposit and used as described in the Official Statement or otherwise applied and as required by the Trust Indenture,

(iii) the Authority shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion Rogers Towers, P.A. ("Bond Counsel"), shall be necessary in connection with the transactions contemplated by the Authority Documents,

(iv) each of the representations and warranties of the Authority and the Corporation contained herein shall be true, correct and complete as if made on the Date of Closing, and

(v) each of the Authority and the Corporation shall perform or shall have performed or caused to be performed all obligations required under or specified in this Bond Purchase Agreement to be performed at or prior to the Closing;

(b) the Underwriter shall have the right to terminate this Bond Purchase Agreement and cancel the Underwriter's obligation to purchase the Bonds by notifying the Authority of its election to do so (and stating the reason for such termination) if at any time after the date hereof and prior to the Closing:

(i) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling,

regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(ii) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or that the Trust Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(iii) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter);

(iv) a general banking moratorium declared by federal, State of New York, or State officials;

(v) any event or circumstance occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading, in the light of the circumstances under which they were made, and in either such event, the Authority and the Corporation refuse to permit the Preliminary Official Statement or Official Statement to be supplemented to supply such statement or information, or the effect of the Preliminary Official Statement or the Official Statement as so

supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(vi) there shall have occurred since the date of this Bond Purchase Agreement any materially adverse change in the affairs or financial condition of the Corporation, except for changes which the Preliminary Official Statement and the Official Statement discloses are expected to occur;

(vii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or any outbreak or occurrence of any new or escalation of any existing national emergency, calamity or crisis, or act of terrorism relating to the effective operation of the government of or the financial markets in the United States that, in the judgment of the Underwriter, makes it impractical for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds;

(viii) there shall have occurred any downgrading or published negative credit watch or similar published information (without regard to credit enhancement) from a rating agency that at the date of this Bond Purchase Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Corporation's debt obligations, which action reflects a change or possible change, in the ratings accorded any such obligations of the Corporation (including any rating to be accorded the Bonds) or the issuer of a bond insurance policy on the Bonds, is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency;

(ix) a material disruption in commercial banking or securities settlement, payment or clearance services shall have occurred;

(x) any state blue sky or securities commissions shall have withheld registration, exemption, or clearance of the offering of the Bonds because of the failure of the Corporation or the Authority to provide information or other documentation requested by such commission (other than consent to jurisdiction in the courts of such state) within a reasonable period of time following such request, and in the judgment of the Underwriter, the market for the Bonds is materially affected thereby; or

(xi) any litigation not disclosed in the Preliminary Official Statement or the Official Statement shall be instituted or be pending at the Closing to restrain or enjoin the execution, sale or delivery of the Bonds, or in any way contesting or adversely affecting any authority for or the validity of the Authority Documents, the Obligated Group Documents or the existence or powers of the Authority or the Members.

(c) at or prior to the Closing, in addition to the requirements of other parties, the Underwriter shall receive the following in form and substance satisfactory to the Underwriter:

(i) the approving opinion of Bond Counsel addressed to the Authority and to the Underwriter (which may be in the form of a reliance letter acceptable to the Underwriter), dated the Date of Closing, with respect to the validity of and security for, the Bonds, in substantially the form set forth as Appendix F to the Preliminary Official Statement and the Official Statement with only such changes therein as shall be acceptable to the Underwriter;

(ii) the supplemental letter from Bond Counsel, addressed to the Underwriter and the Bond Trustee and dated the Date of Closing, in substantially the form attached hereto as Exhibit I;

(iii) the opinion of Geoffrey B. Dobson, Esq., counsel to the Authority, addressed to the Underwriter, the Authority and Bond Counsel and dated the Date of Closing, in substantially the form attached hereto as Exhibit E;

(iv) the opinion of Hawkins Delafield & Wood LLP for the Underwriter ("Underwriter's Counsel"), dated the Date of Closing and addressed to the Underwriter, in substantially the form attached hereto as Exhibit F;

(v) the opinion of Foley & Lardner LLP, counsel to the Corporation and the Obligated Group, dated the Date of Closing, and addressed to Bond Counsel, the Authority and the Underwriter, in substantially the form attached hereto as Exhibit G;

(vi) the certificate of the Authority, dated the Date of Closing, signed by an authorized representative of the Authority, in substantially the form of Exhibit A;

(vii) the certificate of the Corporation, dated the Date of Closing, signed by an authorized representative of the Corporation, in substantially the form of Exhibit B;

(viii) the certificate of the Foundation, dated the Date of Closing, signed by an authorized representative of the Foundation, in substantially the form of Exhibit C;

(ix) the certificate of the Obligated Group, dated the Date of Closing, signed by the Obligated Group Agent, in substantially the form of Exhibit D;

(x) copies of the Loan Agreement, the Supplemental Indenture, the Master Indenture, the Trust Indenture and the Disclosure Undertaking, duly executed by the parties thereto;

(xi) copy of the Mortgage;

(xii) copies of the Resolution, certified by the Secretary or other officer of the Authority authorizing the execution and delivery of the Authority Documents and authorizing all transactions contemplated by the Preliminary Official Statement, the Official Statement and this Bond Purchase Agreement;

(xiii) evidence to the effect that the insurance required by the Master Indenture is in effect;

(xiv) evidence that the Bonds have been rated "___"/["___"] by S&P Global Ratings ("S&P");

(xv) [a copy of the municipal bond insurance policy of Assured Guaranty Municipal Corp. ("AGM") relating to the Bonds;

(xvi) the certificate of AGM as to the descriptions of AGM and the insurance policy set forth in the Preliminary Official Statement and the Official Statement, in form and substance satisfactory to the Underwriter;]

(xvii) specimen copies of the executed and authenticated Bonds and the Series 2022 Master Note;

(xviii) certified copies of the bylaws for the Corporation and the Foundation;

(xix) certificates of active status from the State for the Corporation and the Foundation;

(xx) Section 501(c)(3) determination letters for the Corporation and the Foundation;

(xxi) a supplemental agreed upon procedures letter of the Auditor, dated the Date of Closing, to the effect that such accountants reaffirm, as of the Date of Closing and as though made at the Date of Closing, the statements made in the letters furnished by such accountants pursuant to Section 3 hereof, except that the specified procedures referenced to in such letter will be to a date not more than five days prior to the Date of Closing;

(xxii) a Disclosure and Truth-in-Bonding Statement from the Underwriter in substantially the form attached here to as Exhibit H; and

(xxiii) copy of the payoff letter relating to the Series 2017B Bond; and

(xxiv) such additional legal opinions, certificates, proceedings, instruments and other documents as Underwriter's Counsel or Bond Counsel may reasonably request.

If the Authority and the Corporation shall be unable to satisfy the conditions to the Underwriter's obligations under this Bond Purchase Agreement, including, without limitation,

the inability or failure of the Authority to issue and sell the Bonds to the Underwriter, or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Authority shall have any further obligation hereunder except that Section 8 shall survive and the Authority and the Underwriter shall pay their respective expenses as set forth in Section 10.

8. The parties hereto agree to the following indemnification provisions:

(a) To the extent permitted by law, the Corporation agrees to indemnify and hold harmless the Authority and its officials, directors, members, officers, employees and agents and the Underwriter, the directors, officers, employees and agents of the Underwriter and each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Official Statement (or in any supplement or amendment thereto), or arise out of or are based upon the omission or alleged omission to state therein 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, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Corporation will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the Official Statement, or in any amendment thereof or supplement thereto, in reliance upon and in conformity with written information furnished to the Corporation by or on behalf of the Underwriter specifically for inclusion therein. This indemnity agreement will be in addition to any liability that the Corporation may otherwise have. The Authority and the Corporation acknowledge that the statements under the caption "UNDERWRITING" in the Preliminary Official Statement or the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Preliminary Official Statement or the Official Statement.

(b) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses; and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in

any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (w) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest; (x) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it or other indemnified parties that are different from or additional to those available to the indemnifying party; (y) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action; or (z) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(c) In the event that the indemnity provided in paragraph (a) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Corporation and the Underwriter agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Corporation and the Underwriter may be subject in such proportions that the Underwriter is responsible for that portion represented by the percentage that the Underwriter's discount on the sale of the Bonds bears to the initial public offering price appearing on the inside cover page of the Official Statement and the Corporation is responsible for the balance; provided, however, no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the Authority within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the Authority shall have the same rights to contribution as the Corporation, subject in each case to the applicable terms and conditions of this paragraph (c). For avoidance of doubt, the liability of the Underwriter is capped at the amount of the Underwriter's discount or commission applicable to the Bonds purchased by the Underwriter hereunder.

9. After the date of this Bond Purchase Agreement (a) the Authority and the Corporation will not adopt any amendment of or supplement to the Official Statement that, after having been furnished with a copy, shall be reasonably disapproved by Underwriter's Counsel, and (b) if any event relating to or affecting the Authority, the Corporation or its affiliates or the Bonds shall occur at all times subsequent thereto up to and including that date that is 25 days from the "end of the underwriting period" (as defined in Rule 15c2-12), as a result of which it is necessary, in the opinion of Underwriter's Counsel, to amend or supplement the Official Statement to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Corporation and the Authority will forthwith authorize the distribution of and furnish to the Underwriter, at the expense of the Corporation, a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to Underwriter's Counsel) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or is necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The Corporation and the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request prior to the end of the underwriting period.

10. All expenses and costs of the Authority and the Corporation incident to the performance of its obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriter, shall be paid by the Corporation, including: (a) the cost of printing of the Bonds, and related documents, this Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement in reasonable quantities, (b) the fees of consultants and rating agencies, (c) the initial fee of the Master Trustee and the Bond Trustee in connection with the issuance of the Bonds, (d) any accountants' fees and the fees and expenses of Bond Counsel, Authority's counsel, the financial advisor, counsel for the Master Trustee and Bond Trustee, and Underwriter's Counsel, (e) the expenses, including printing costs associated with preparation of the blue sky memorandum and qualifying the Bonds for sale in any jurisdiction approved by the Authority and the Corporation where such qualifying fees are required, and (f) transportation, lodging and meals incurred by or on behalf of the Authority and the Corporation and its representatives in connection with the negotiation, marketing, issuance and delivery of the Bonds. In the event that the Authority or the Underwriter incur or advance the cost of any expense for which the Corporation is responsible hereunder, the Corporation shall reimburse the Authority or the Underwriter, as applicable, at or prior to the Closing; if at the Closing, reimbursement of the Underwriter may be included in the expense component of the Underwriter's discount

11. (a) The Underwriter agrees to assist the Authority and the Corporation in establishing the issue price of the Bonds and shall execute and deliver to the Authority at the Closing an "issue price" or similar certificate, substantially in the form attached hereto as Exhibit J, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority, the Corporation and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) [Except as otherwise set forth in Schedule I to Exhibit J attached hereto, the] [The] Authority (at the direction of the Corporation) and Corporation will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority and the Corporation the price or prices at which it has sold to the public each maturity of the Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority and the Corporation the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Date of the Closing has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity; provided, that the Underwriter's reporting obligation after the Date of Closing may be at reasonable periodic intervals or otherwise upon request of the Authority, the Corporation or Bond Counsel.]

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

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

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

The Underwriter will advise the Authority and the Corporation promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer

who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Date of the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of the Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Date of the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity; provided, that the reporting obligation after the Date of Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority (at the direction of the Corporation) and the Corporation each acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its

agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Corporation and the Authority each further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority and the Corporation (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

12. Any notice or other communication to be given to the Authority and the Corporation under this Bond Purchase Agreement may be given by delivering the same in writing to the Authority and the Corporation at the addresses set forth above to the attention of the Chair of the Authority and Executive Vice President and Chief Financial Officer of the Corporation and any such notice or other communication to be given to the Underwriter may be

given by delivering the same in writing to J.P. Morgan Securities LLC, 383 Madison Avenue, Floor 3, New York, New York 10179, Attention: David Stephan, Executive Director.

13. The Authority and the Corporation agree and acknowledge that: (i) with respect to the engagement of the Underwriter by the Authority and the Corporation, including in connection with the purchase, sale and offering of the Bonds, and the discussions, conferences, negotiations and undertakings in connection therewith, the Underwriter (a) is and has been acting as a principal and not an agent, municipal advisor, financial advisor or fiduciary of the Authority or the Corporation and (b) has not assumed any advisory or fiduciary responsibility in favor of the Authority or the Corporation (irrespective of whether the Underwriter has provided other services or are currently providing other services to the Authority or the Corporation on other matters); (ii) the Authority and the Corporation have each consulted their own legal, accounting, tax, financial and other advisors to the extent they have deemed appropriate; and (iii) this Bond Purchase Agreement expresses the entire relationship between the parties hereto with respect to the Bonds

14. This Bond Purchase Agreement is made solely for the benefit of the Authority, the Corporation and the Underwriter (including the successors or assigns of the Underwriter) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All agreements of the Authority and the Corporation in this Bond Purchase Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

15. This Bond Purchase Agreement will be governed by and construed in accordance with the laws of the State.

16. This Bond Purchase Agreement may be executed in counterparts, each of which shall constitute an original but all of which shall constitute but one and the same instrument.

The approval of the Underwriter when required hereunder or the determination of its satisfaction with any document referred to herein shall be in writing signed by J.P. Morgan Securities LLC and delivered to the Authority and the Corporation. This Bond Purchase Agreement shall become legally effective upon its acceptance by the Authority and the Corporation, as evidenced by the signatures of the Authority and the Corporation in the spaces provided therefor below.

J.P. MORGAN SECURITIES LLC

By: _____
Name: David Stephan
Title: Executive Director

ACCEPTED this XXth day of April, 2022

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By: _____
Name: Melissa Churchwell
Title: Chair

FLAGLER HOSPITAL, INC.

By: _____
Name: Brenda Baker
Title: Executive Vice President and Chief Financial Officer

[Bond Purchase Agreement Signature Page]

Schedule I

Capitalized terms used in this Schedule I and not otherwise defined in the Bond Purchase Agreement have the meanings assigned to such terms in the Preliminary Official Statement dated April __, 2022 (the "Preliminary Official Statement), relating to the Bonds.

$PAR
St. Johns County Industrial Development Authority
Revenue Bonds (Flagler Health), Series 2022

Pricing Terms and Redemption Provisions

Maturity (October 1)	Principal Amount	Interest Rate	Price	Yield

Optional Redemption – The Bonds are subject to optional redemption prior to their stated maturities, in whole or in part at the option of the Authority, at the written request of the Borrower, on or after October 1, 20___ at a redemption price of 100% (expressed as a percentage of principal amount redeemed) plus accrued interest to the redemption date.

Mandatory Redemption – The Bonds shall be redeemed, at the redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on October 1 in the years and in the principal amounts (after credit as provided below) as follows:

Redemption Date October 1	**Principal Amount to be Redeemed**

†

_____

† Maturity

Exhibit A

CLOSING CERTIFICATE OF THE AUTHORITY

The undersigned hereby certifies, on this ___ day of April 2022, on behalf of the St. Johns County Industrial Development Authority (the "Authority"), as follows:

1. The representations of the Authority in the Bond Purchase Agreement, dated April XX, 2022 (the "Bond Purchase Agreement"), among the Authority, Flagler Hospital, Inc. (the "Corporation") and J.P. Morgan Securities LLC, are true and correct in all material respects as if made on and as of the date hereof. Capitalized terms used herein, but not defined herein, have the meanings set forth in the Bond Purchase Agreement.

2. The Authority has duly authorized, by all necessary action, the execution, delivery and due performance of the Bonds, the Authority Documents, the Official Statement and all other documents to be executed by it in connection therewith.

3. The Authority Documents and the Bonds have been duly executed and delivered on behalf of the Authority by the Chair and by the Secretary, and assuming the due execution and delivery of the Authority Documents by the other parties thereto, constitute valid, binding and enforceable obligations of the Authority in accordance with their respective terms, except to the extent that enforceability may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally, or by the application of general principles of equity.

4. The execution and delivery of the Authority Documents and the Bonds, and the assumption of the obligations represented thereby, will not conflict with or constitute a breach of or default under the Act (as defined in the Trust Indenture), the Authority's bylaws, rules or other governing documents, or any commitment, indenture, agreement or instrument to which the Authority is a party or by which it is bound.

5. To the knowledge of the Authority, there is no litigation, administrative proceeding or investigation pending (nor, to the knowledge of the undersigned, is any action threatened) which in any way affects, contests, questions or seeks (i) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection and application of revenues pledged under the Authority Documents or the Bonds, (ii) to contest or affect any authority for the issuance of the Bonds or the validity of any of the Authority Documents or the assignment by the Authority of all its right, title and interest (except the unassigned rights) in and to the Authority Documents to the Bond Trustee, or (iii) to contest the existence or powers of the Authority with regard to the Bonds or to any agreement, document, duty or covenant of the Authority pertaining thereto, wherein an unfavorable decision, ruling or finding would otherwise materially and adversely affect the transactions contemplated by any of the Authority Documents or the assignment by the Authority of all of its right, title and interest (except for the unassigned rights) in and to the Authority Documents to the Bond Trustee.

6. The proceedings of the Authority with respect to the authorization of the issuance and sale of the Bonds were held, and notice thereof was given, in accordance with the laws of the State of Florida.

7. None of the proceedings or authority for the issuance and sale by the Authority of the Bonds and the execution, delivery and performance by the Authority of the Authority Documents or the Bonds have been modified, amended or repealed.

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

By:_____

Exhibit B

CLOSING CERTIFICATE OF THE CORPORATION

The undersigned hereby certifies, on this ___ day of April, 2022, on behalf of Flagler Hospital, Inc. (the "Corporation") as follows:

1. The representations of the Corporation in the Bond Purchase Agreement, dated April XX, 2022 (the "Bond Purchase Agreement"), among the St. Johns County Industrial Development Authority (the "Authority"), the Corporation and J.P. Morgan Securities LLC, are true and correct in all material respects as if made on and as of the date hereof. Capitalized terms used herein, but not defined herein, have the meanings set forth in the Bond Purchase Agreement.

2. The Corporation has not incurred or become subject to any liabilities since September 30, 2021, other than disclosed in the Official Statement or in the ordinary course of business, that are presently existing and that could materially adversely affect the financial position or results of operations of the Obligated Group on a combined basis.

3. No event has occurred that would constitute a material default (including but not limited to, an event that would permit acceleration) on the part of the Corporation in any agreement relating to any material debt of the Corporation or that would cause the Corporation to believe that the Corporation will default in any material way with respect to its obligations under any such agreement.

4. No action, suit, proceeding, inquiry or investigation, at law or in equity or by or before any court or public board or body, is pending against the Corporation or, to the knowledge of the signers of this certificate, pending against any other party or is threatened against the Corporation or any other party (i) in any way contesting or affecting the authority for the issuance or execution and delivery of the Obligated Group Documents or the Bonds, (ii) in any way contesting the corporate existence or status of the Members of the Obligated Group as organizations described in Section 501(c)(3) of the Code or the powers of the Corporation, (iii) which is likely to result in a material and adverse change in the financial position or results of operations of the Obligated Group on a combined basis or (iv) wherein an unfavorable decision, ruling or finding would adversely affect (A) the exemption of the Members of the Obligated Group from taxation under Section 501(a) of the Code or (B) the exemption in all material respects of the facilities of the Members of the Obligated Group from taxation imposed by the State of Florida or any political subdivision thereof with respect to such facilities located in such state or political subdivision.

5. To the knowledge of the signers of this certificate, the Corporation has all necessary permits, licenses, accreditations and certifications, including without limitation, licenses and certifications of the health facilities owned or operated by the Corporation, to conduct its business as it is presently being conducted, subject to such minor exceptions and deficiencies as are not material and do not materially affect the conduct of its business.

6. The representations and warranties of the Obligated Group in the Obligated Group Documents are true and correct in all material respects as of the date hereof.

6. No event of default or event which with notice or lapse of time would constitute an event of default under the Obligated Group Documents has occurred and is continuing.

7. Since September 30, 2021 there have been no changes in the long term debt of the Obligated Group, other than as a result of regularly scheduled principal repayments on outstanding indebtedness or as may otherwise be permitted pursuant to optional or mandatory redemption provisions, and there have been no decreases in the net assets of the Obligated Group, or in the net patient service revenues of the Corporation, or in the excess of operating revenues over operating expenses, or in the excess of revenues over expenses.

8. The Members of the Obligated Group have duly authorized, by all necessary action, the execution, delivery and due performance of the Obligated Group Documents and all other documents to be executed by them in connection therewith.

9. The resolutions of the Members of the Obligated Group approving the execution of the Obligated Group Documents have not been modified, amended or rescinded as of the date hereof.

10. The Obligated Group Documents and any and all other agreements and documents required to be executed and delivered by the Obligated Group in order to carry out, give effect to and consummate the transactions contemplated by the Obligated Group Documents have each been duly authorized, executed and delivered by the Members of the Obligated Group party thereto, and as of the date hereof, each is in full force and effect and each constitutes a valid, binding and enforceable obligation of the Members party thereto.

11. The Obligated Group is in compliance with all terms, covenants and conditions of the Obligated Group Documents on the date hereof.

FLAGLER HOSPITAL, INC.

By:_____

Exhibit C

CLOSING CERTIFICATE OF THE FOUNDATION

The undersigned hereby certifies, on this ___ day of April, 2022, on behalf of Flagler Health Care Foundation, Inc. (the "Foundation") as follows:

1. The Foundation has not incurred or become subject to any liabilities since September 30, 2022, that are presently existing other than in the ordinary course of business that would materially adversely affect the financial position or results of operations of the Obligated Group on a combined basis.

2. No event has occurred that would constitute a material default (including but not limited to, an event that would permit acceleration) on the part of the Foundation in any agreement relating to any material debt of the Foundation or that would cause the Foundation to believe that the Foundation will default in any material way with respect to its obligations under any such agreement.

3. No action, suit, proceeding, inquiry or investigation, at law or in equity by or before any court or public board or body is pending against the Foundation, or, to the knowledge of the signers of this certificate, pending against any other party or threatened against the Foundation or any other party (i) in any way contesting or affecting the authority for the issuance or execution and delivery of the Obligated Group Documents or the Bonds, (ii) in any way contesting the corporate existence or status as an organization described in Section 501(c)(3) of the Code or the powers of the Foundation, (iii) which is likely to result in a material and adverse change in the financial position or results of operations of the Obligated Group on a combined basis, or (iv) wherein an unfavorable decision, ruling or finding would adversely affect (1) the exemption of the Foundation from taxation under the Code, or (2) the exemption in all material respects of the facilities of the Foundation from taxation imposed by the State of Florida or any political subdivision thereof with respect to health facilities located in such state or political subdivision.

4. To the knowledge of the signers of this certificate, the Foundation has all necessary permits, licenses, accreditations and certifications, including without limitation, licensing and certification of its health facilities to the extent the Foundation owns or operates health facilities, to conduct its business as it is presently being conducted, subject to such minor exceptions and deficiencies which are not material and that do not materially affect the conduct of its business.

5. The representations and warranties of the Foundation in the Obligated Group Documents are true and correct in all material respects as of the date hereof.

6. No event of default or event which with notice or lapse of time would constitute an event of default under the Obligated Group Documents has occurred and is continuing.

7. Since September 30, 2021, there have been no changes in the long term debt of the Foundation other than as a result of regularly scheduled principal repayments on outstanding indebtedness or as may otherwise be permitted pursuant to optional or mandatory redemption

provisions, and there have been no decreases in net assets of the Foundation or decreases in net patient service revenues, or in the excess of operating revenues over operating expenses or in the excess of revenues over expenses.

8. The Foundation has duly authorized, by all necessary action, the execution, delivery and due performance of the Obligated Group Documents and all other documents to be executed by it in connection therewith.

9. The executed copies of each of the Obligated Group Documents and the corporate resolutions approving the execution of the Obligated Group Documents are true, correct and complete copies of such documents and such documents have not been modified, amended or rescinded as of the date hereof.

10. The Obligated Group Documents and any and all other agreements and documents required to be executed and delivered by the Foundation in order to carry out, give effect to and consummate the transactions contemplated by the Obligated Group Documents have each been duly authorized, executed and delivered by the Foundation and as of the date hereof, each is in full force and effect and each constitutes a valid, binding and enforceable obligation of the Foundation.

FLAGLER HEALTH CARE FOUNDATION, INC.

By:_____

Exhibit D

CLOSING CERTIFICATE OF THE OBLIGATED GROUP

This certificate is being delivered to U.S. Bank Trust Company, National Association, as successor master trustee ("Master Trustee"), pursuant to Section 208 of that certain Second Amended and Restated Master Trust Indenture dated as of September 1, 2020 (the "Master Indenture"), among Flagler Hospital, Inc. (the "Obligated Group Agent"), Flagler Health Care Foundation, Inc., and the Master Trustee. The undersigned certify as follows with respect to the Master Note, Series 2022 (the "Master Note") issued under the Master Indenture:

1. Each Obligated Group Member is in full compliance with covenants and agreements set forth in the Master Indenture.

2. No Event of Default or event which, with the passage of time or the giving of notice, or both, would become an Event of Default has occurred and is continuing under this Master Indenture or will occur upon issuance of the Master Note.

3. All of the requirements and conditions, if any, for the issuance of such Master Note set forth herein, including Section 505 hereof, and in the Related Supplement have been satisfied; and

4. The Required Pro Forma Coverage for the two Most Recent Fiscal Years, taking into account outstanding and proposed Long-Term Indebtedness (but excluding any Long-Term Indebtedness to be refunded, refunded, redeemed or defeased with proceeds of the Long-Term Indebtedness), equals at least 1.20, as provided in Exhibit A, attached hereto.

Capitalized terms used herein, but not defined herein, shall have the meanings assigned to such terms in the Master Indenture.

April ___, 2022

FLAGLER HOSPITAL, INC., for itself and as Obligated Group Agent on behalf of the Obligated Group

By:_____

Exhibit E

April ___, 2022

Rogers Towers, P.A.
Jacksonville, FL

J.P. Morgan Securities LLC
New York, NY

Flagler Hospital, Inc.
St. Augustine, FL

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

[Assured Guaranty Municipal Corp.
New York, NY]

Re: St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 (the "Bonds")

Ladies and Gentlemen:

We have acted as counsel for the St. Johns County Industrial Development Authority (the "Authority") and have advised the Authority in connection with: the Trust Indenture dated as of April 1, 2022 (the "Trust Indenture") by and between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the "Trustee"); the Loan Agreement dated as of April 1, 2022 (the "Loan Agreement") between the Authority and Flagler Hospital, Inc. (the "Corporation"); the Bond Purchase Agreement dated April XX, 2022 (the "Bond Purchase Agreement") among the Authority, the Corporation and J.P. Morgan Securities LLC; the Preliminary Official Statement relating to the Bonds dated April __, 2022 (the "Preliminary Official Statement"); the Official Statement relating to the Bonds dated April XX, 2022 (the "Official Statement") and the Resolution authorizing the Bonds adopted by the Authority on February __, 2022 (the "Resolution") and such other documents and instruments as are deemed relevant and necessary. The Resolution, the Trust Indenture, the Loan Agreement and the Bond Purchase Agreement are collectively referred to as the "Authority Documents".

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Bond Purchase Agreement.

Based upon our familiarity with the affairs of the Authority, its proceedings and related matters of law with respect to the foregoing, we are of the opinion that:

1. The Authority is a public body politic and corporate and a public instrumentality duly created and existing under and by virtue of the laws of the State of Florida with the powers and authority, among others, set forth in the Act, including the full power and authority to conduct its business as described in the Preliminary Official Statement and the Official Statement.

2. The Authority is authorized under the Constitution and the laws of the State of Florida, including particularly the Act, to (i) issue the Bonds for the purposes for which they are to be issued; (ii) lend the proceeds of the Bonds to the Corporation; (iii) enter into and perform each of the provisions of the Authority Documents; and (iv) assign all of its right, title and

interest (except for the unassigned rights) in and to the Loan Agreement and the Series 2022 Master Note to the Bond Trustee as security for the payment of the principal of, premium, if any, and interest on the Bonds.

3. The Authority has the full right, power and authority to (i) adopt the Resolution authorizing the Bonds and the execution and delivery of the Bonds, the Loan Agreement, the Trust Indenture and the Official Statement; (ii) approve the form of the Authority Documents, and the use and distribution of the Preliminary Official Statement and the Official Statement by the Underwriter, all to the extent set forth in the Resolution; (iii) execute, deliver and perform its obligations under the Authority Documents; (iv) execute and distribute the Official Statement and (v) consummate the transactions contemplated by such documents.

4. The Authority has duly authorized by all necessary action to be taken by it for (i) the issuance and sale of the Bonds upon the terms set forth in the Authority Documents, (ii) the loan of the proceeds of the Bonds to the Corporation pursuant to the Loan Agreement; and (iii) the execution and delivery of the Bonds, the Trust Indenture, the Loan Agreement and the Official Statement and any and all such other agreements and documents as may be required to be executed, delivered and received by the Authority in order to carry out, give effect to, and consummate the transactions contemplated by the Authority Documents.

5. The Resolution has been duly adopted, is in full force and effect and has not been modified, amended or repealed, and no further action of the Authority is required for its continued validity.

6. The Authority has duly approved and executed the Official Statement, has acknowledged and ratified the distribution of the Preliminary Official Statement and authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bonds.

7. To the best of our knowledge after diligent investigation, the information in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and in the Official Statement, as of its date and as of the date hereof, concerning the Authority, and the information and statements in the Official Statement under the headings "THE AUTHORITY," "CONTINUING DISCLOSURE – The Authority," and "LITIGATION – The Authority" (collectively, the "Authority Information") are true and correct and do not omit any statements that, in our opinion, should be included or referred to therein.

8. The Authority Documents (assuming due authorization, execution and delivery thereof by the parties thereto) have been duly authorized, executed and delivered by the Authority and constitute binding and enforceable obligations of the Authority, except to the extent that enforceability of such obligations may be limited by bankruptcy, insolvency, fraudulent conveyances or other laws affecting the enforcement of creditors' rights in effect from time to time or by equitable principles and except, with respect to the Bond Purchase Agreement, to the extent of any limitations by reason of public policy considerations on the enforceability under certain circumstances of the indemnity provisions thereof.

9. No approval or other action is required by any governmental authority or agency in connection with the adoption of the Resolution, the issuance of Bonds or the execution by the Authority of the Authority Documents that has not already been obtained or taken, except that the offer and sale of the Bonds in certain jurisdictions may be subject to the provisions of the securities or blue sky laws of such jurisdictions, as to which no provisions no opinion is expressed.

10. The adoption of the Resolution and the execution and delivery of the Official Statement and the other Authority Documents and the issuance of the Bonds, and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with the by-laws of the Authority and do not and will not in any material respect constitute on the part of the Authority a breach of or default under any indenture, deed of trust, mortgage, agreement, or other instrument to which the Authority is a party and do not materially conflict with, violate, or result in a breach of any existing law, public administrative rule or regulation, judgment, court order or consent decree to which the Authority is subject.

11. There is no action, suit, proceeding, or governmental investigation at law or in equity before or by any court, public board or body, pending or, to counsel's knowledge, threatened against any member of the Authority (l) challenging the issuance of the Bonds or the validity of the Authority Documents or the transactions described thereby, (2) challenging the collection or application of revenues pledged or other security under the Trust Indenture, or (3) challenging the accuracy or completeness of the Authority Information in the Preliminary Official Statement and the Official Statement, wherein an unfavorable decision, rule or finding would have a materially adverse effect on the results of operations of the Authority.

12. Without having undertaken to determine independently the accuracy or completeness or to verify the information furnished with respect to matters described in the Preliminary Official Statement and the Official Statement, except as provided in paragraph 7 above, but on the basis of our assistance in the preparation of the Preliminary Official Statement and the Official Statement and our representation of the Authority, nothing has come to our attention that would lead us to believe that the Preliminary Official Statement, as of its date and as of the date of pricing, or the Official Statement, as of its date and as of the date hereof, contained or 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; provided that this paragraph only applies to the Authority Information.

Very truly yours,

Exhibit F

April __, 2022

J.P. Morgan Securities LLC
New York, New York

Re: St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022

Ladies and Gentlemen:

We have acted as counsel to you, J.P. Morgan Securities LLC (the "Underwriter"), in connection with the sale by the St. Johns County Industrial Development Authority (the "Authority") of its $PAR Revenue Bonds (Flagler Health), Series 2022 (the "Bonds") pursuant to the Bond Purchase Agreement, dated April XX, 2022 (the "Bond Purchase Agreement"), by and among the Authority, J.P. Morgan Securities LLC and Flagler Hospital, Inc. (the "Corporation"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Purchase Agreement.

We have examined and relied upon originals, or certified copies or copies otherwise identified to our satisfaction, of the following:

(a) the Trust Indenture, dated as of April 1, 2022 (the "Trust Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as bond trustee (the "Trustee");

(b) the Loan Agreement, dated as of April 1, 2022 (the "Loan Agreement"), by and between the Authority and the Corporation;

(c) the Second Amended and Restated Master Trust Indenture, dated as of September 1, 2020, among the Corporation, Flagler Health Care Foundation, Inc., and U.S. Bank Trust Company, National Association, as successor master trustee, as amended and supplemented from time to time and as further supplemented by a Supplemental Indenture for Master Note, Series 2022 dated as of April 1, 2022 (collectively, the "Master Indenture");

(d) the Preliminary Official Statement, dated March __, 2022 (the "Preliminary Official Statement") and the Official Statement, dated April XX, 2022 each with respect to the Bonds (the "Official Statement");

(e) the Bond Purchase Agreement; and

(f) the opinions of counsel, certificates, letters and others documents required by the Bond Purchase Agreement.

In addition, we have examined and relied upon originals or certified copies or copies otherwise identified to our satisfaction, of all such other agreements, certificates, records of proceedings, instruments and documents of the Authority and of the Corporation and its affiliates, public officials and other persons as we have deemed appropriate as a basis for the opinions hereinafter expressed. In rendering the opinions hereinafter expressed, we have assumed, but have not independently verified, that the signatures on all opinions, certificates, agreements, instruments and other documents that we have examined are genuine.

In connection with the sale of the Bonds, at your request we participated and assisted as your counsel in the preparation of the Preliminary Official Statement and the Official Statement and have reviewed the information and representations contained therein. Rendering such assistance involved, among other things, discussions and inquiries concerning various subjects, and reviews of certain documents and proceedings. We also participated in conferences with representatives of the Underwriter, with officers, agents, and employees of the Authority and the Corporation, with Rogers Towers, P.A., Bond Counsel and Geoffrey Dobson, Esq. counsel to the Authority, with Foley & Lardner LLP, counsel to the Corporation, Ponder & Co., financial advisor to the Corporation, and with Plante & Moran, PLLC, independent accountants to the Corporation; at which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed and reviewed.

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

1. the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended;

2. the Trust Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended; and

3. assuming the Continuing Disclosure Undertaking, dated April __, 2022 (the "Undertaking"), of the Corporation constitutes a legal, valid and binding obligation of the Corporation, the Undertaking provides a suitable basis for the Underwriter to make a reasonable determination as required by paragraph (b)(5) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule") with respect to the provision of information thereunder, and the Undertaking complies as to form in all material respects with the applicable requirements of the Rule.

Based on our role as counsel to the Underwriter and our participation in certain meetings held in connection with the preparation of the Preliminary Official Statement and the Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement as of its date and as of the date of the Bond Purchase Agreement or in the Official Statement as of its date and as of the date hereof, no facts have come to our attention which would lead us to believe that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, or that the Official Statement, as of its date and as of the date hereof (except for [the information under the caption "BOND INSURANCE"] and Appendices B, C, D, F, G and [H] thereto and any financial, statistical, demographic or economic data or forecasts, numbers, tables, estimates, projections, or expressions of opinion, as to all of which no view is expressed), in

either case contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

As counsel to the Underwriter, we are furnishing this letter to you as the Underwriter, solely for your benefit.

Very truly yours,

Exhibit G

Flagler Hospital, Inc.
St. Augustine, Florida

Rogers Towers, P.A.,
as Bond Counsel
Jacksonville, Florida

U.S. Bank Trust Company, National Association,
as Master Trustee and Bond Trustee
Jacksonville, Florida

J.P. Morgan Securities LLC
New York, New York

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

[Assured Guaranty Municipal Corp.
New York, New York]

Re: St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022

Ladies and Gentlemen:

We have acted as counsel to Flagler Hospital, Inc., a Florida not for profit corporation (the "Corporation") and Flagler Health Care Foundation, Inc., a Florida not for profit corporation (the "Foundation") in connection with the issuance of the above-referenced bonds (the "Bonds")

All capitalized terms not otherwise defined herein shall have the meanings given to them in the Purchase Agreement defined below and, if not defined therein, shall have the meanings given to them in the Master Indenture defined below. The Uniform Commercial Code as currently in effect in the State of Florida is referred to herein as the "Florida UCC".

The Bonds are authorized to be issued pursuant to a Trust Indenture dated as of April 1, 2022 (the "Trust Indenture"), between the St. Johns County Industrial Development Authority (the "Authority") and U.S. Bank Trust Company, National Association, as bond trustee (the "Bond Trustee"). The proceeds of the Bonds are being loaned by the Authority to the Corporation pursuant to a Loan Agreement dated as of April 1, 2022 (the "Loan Agreement").

The Corporation, on its behalf and as agent on behalf of the Obligated Group (the "Obligated Group Agent") created and defined under the Second Amended and Restated Master Trust Indenture dated as of September 1, 2020 (as supplemented and amended from time to time, the "Master Indenture"), between the Obligated Group and U.S. Bank Trust Company, National Association, as successor master trustee (the "Master Trustee"), and the Supplemental Indenture for Master Note, Series 2022 dated as of April 1, 2022 (the "Supplemental Indenture"), between the Corporation, on behalf of itself and as Obligated Group Agent, and the Master Trustee, under which the Corporation has issued its Master Note, Series 2022 (the "Series 2022 Master Note").

The obligations of the Members of the Obligated Group under the Master Indenture will be, secured by the following: (i) a security interest granted by the Members of the Obligated Group in their Gross Revenues; (ii) a mortgage granted by the Corporation on the Mortgaged Property pursuant to (and as defined in) the Mortgage and Security Agreement dated as of December 1, 2003, as supplemented and amended from time to time, particularly as supplemented and amended by the Notice of Future Advance and Mortgage Spreader Agreement Relating to Mortgage and Security Agreement dated September 28, 2017, and as supplemented by the Notice of Future Advance Relating to Mortgage and Security Agreement dated September 1, 2020 (the "2020 Future Advance"; said Mortgage and Security Agreement, as so supplemented and amended, being referred to herein as the "Mortgage"), from the Corporation to the Master Trustee; and (iii) such other security as shall be described in the Official Statement (as defined below). The Mortgaged Property consists of a portion of the Corporation's main campus.

The Bonds were sold pursuant to a Bond Purchase Agreement, dated April XX, 2022 (the "Purchase Agreement") among the Authority, J.P. Morgan Securities LLC and the Corporation.

A Preliminary Official Statement dated April __, 2022 (the "Preliminary Official Statement") and an Official Statement dated April XX, 2022 (the "Official Statement") have been prepared to furnish information with respect to the sale and delivery of the Bonds. The Corporation will undertake pursuant to the Loan Agreement and a Continuing Disclosure Undertaking dated April __, 2022 (the "Disclosure Undertaking") to provide certain information regarding the Corporation.

In rendering the opinions given below, we have examined executed originals or copies of the following documents:

1. the Trust Indenture;

2. the Disclosure Undertaking;

3. the Loan Agreement;

4. the Master Indenture;

5. the Purchase Agreement;

6. the Supplemental Indenture;

7. the Series 2022 Master Note;

8. the Mortgage (collectively, items (2) through (8) hereof are referred to as the "Obligated Group Documents");

9. Good Standing Certificates of the Florida Secretary of State for the Corporation and the Foundation, copies of which will be included in the closing transcript for the Bonds;

10. Acknowledgment copies of financing statement amendments naming each of the Corporation and the Foundation, as debtor, and the Master Trustee as secured party, which have been filed in the Office of the Florida Secretary of State;

11. Certificates of an authorized officer of the Corporation and the Foundation dated as of the date hereof and the exhibits or addenda thereto (including copies of the authorizing resolutions of the Boards of Trustees of the Corporation and the Foundation authorizing the execution of the Obligated Group Documents and the Official Statement and the consummation of the transactions contemplated therein and in the Official Statement (the "Transactions")), certifying such resolutions to be true and correct and to be in full force and effect as of the date hereof;

12. the Preliminary Official Statement; and

13. the Official Statement.

As to questions of fact relevant to this opinion, we have been furnished with and relied solely upon the Good Standing Certificates referred to above, other certificates of public officials, and certificates of and questionnaires completed by certain of the officers of the Corporation and the Foundation and documents submitted to us in response to our information requests to the Corporation and the Foundation, in each case, as we have deemed necessary or appropriate as a basis for the opinions expressed below. We have relied upon, but have not verified the accuracy of the facts stated in any certificate, questionnaire or the documents provided to us in response to our requests as described above. Whenever our opinion herein with respect to the existence or absence of facts is stated to be to our knowledge or described as known to us, such statement is intended to signify that, without any independent investigation of any kind whatsoever and solely during the course of the representation of the Corporation and the Foundation by the attorneys currently with our firm in connection with the issuance of the Bonds, we have not obtained knowledge of facts contrary to the existence or absence of the facts indicated. Except as otherwise set forth herein, we have not, for purposes of the opinions in this letter, undertaken any further inquiry other than as stated in this letter.

Based on the foregoing and the qualifications and limitations hereinafter set forth, it is our opinion that:

1. The Corporation and the Foundation are not for profit corporations, duly organized, validly existing and in good standing under the laws of the State of Florida. Each of the Corporation and the Foundation (a) has been recognized by the Internal Revenue Service as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"); (b) to the best of our knowledge, information and belief, after due inquiry, has not received notification from the Internal Revenue Service to the effect that it is not an organization described under said Section 501(c)(3) and not exempt from federal income taxes under Section 501(a) of the Code; (c) is exempt from federal income taxes under Section 501(a) of the Code and, to the best of our information, knowledge and belief, after due inquiry, is in compliance with the provisions of the Code and any applicable regulations thereunder necessary to maintain such status; (d) is not a private foundation described in Section 509(a) of the Code; (e) is organized and, to the best of our knowledge, information and

belief, operated for health care charitable purposes; (f) is not organized nor, to the best of our knowledge, information and belief, operated for pecuniary profit; and (g) is organized and, to the best of our knowledge, information and belief, after due inquiry, is operated such that no part of the net earnings will inure to the benefit of any person, private stockholder or individual, and we are not aware of any actions taken by the Obligated Group in the course of our representation which would jeopardize such exemption or status. To the best of our knowledge, after due inquiry, the facilities owned by each Member of the Obligated Group have not been and are not now being used in or for any trade or business the conduct of which is not substantially related to the exercise or performance of the purposes or functions constituting the basis for each Member's exemption under Section 501(c)(3) of the Code.

2. Each of the Corporation and the Foundation has all necessary corporate power and authority to enter into the Obligated Group Documents to which it is a party and to perform the duties and covenants contained in the Obligated Group Documents to which it is a party or by which it is bound. The execution, delivery and performance of the Obligated Group Documents by the Corporation and the Foundation, as applicable, have been duly authorized by all necessary action on the part of the Corporation and the Foundation.

3. The Corporation, for itself and as Obligated Group Agent, has duly authorized, executed and delivered the Official Statement.

4. The Obligated Group Documents have been duly executed and delivered by the Corporation and the Foundation, as applicable, and the Obligated Group Documents constitute the legal, valid and binding agreements of the Corporation and the Foundation, as applicable, enforceable against the Corporation and the Foundation, as applicable, in accordance with their respective terms, except as such enforceability may be limited by (i) the exercise of judicial discretion in accordance with general principles of equity, including judicial limitations on rights to specific performance, or (ii) bankruptcy, reorganization, insolvency, moratorium, laws relating to fraudulent obligations, transfers, or conveyances or other laws from time to time in effect relating to or affecting creditors' rights generally and remedies. Enforceability of the indemnification provisions contained in the Purchase Agreement may also be limited by applicable securities laws and public policy.

5. The execution, delivery and performance by the Corporation and the Foundation, as applicable, of the Obligated Group Documents do not (a) constitute a breach or violation of the Articles of Incorporation, as amended, or the bylaws, as amended, of the Corporation or the Foundation or any resolutions in effect on the date hereof adopted by their respective governing bodies; (b) result in a violation of any applicable law, statute or regulation of the United States or State of Florida known to us to be applicable to the Corporation and the Foundation, (c) result in any violation of any court or administrative order or consent decree of which we have knowledge to which the Corporation or the Foundation is subject or by which its property is bound; (d) constitute an event of default under or result in a breach or violation of any material agreement or other instrument to which the Corporation or the Foundation is a party and of which we have knowledge (i) which affects or purports to affect the right of the Corporation or the Foundation to borrow money or grant a security interest in its assets, or (ii) a violation of which could have a material adverse effect on the property of the Obligated Group, taken as a whole; or (e) result in the creation of any lien, charge or encumbrance upon any property or

assets of the Corporation or the Foundation, except as contemplated by the Obligated Group Documents.

6. No approval or consent of, permission, authorization, order or license from, or filing or registration with, the State of Florida or any U.S. federal governmental authority or regulatory body (except as may be required under any state or federal blue sky or securities laws as to which we express no opinion), is necessary in connection with the execution and delivery by the Corporation or the Foundation, as applicable, of the Obligated Group Documents or the approval by the Corporation or the Foundation of the Official Statement or the performance by it of its obligations under the Obligated Group Documents, or the consummation by the Corporation or the Foundation of the Transactions, except (a) as have been obtained or made and (b) such filings or other actions as may be required to perfect any lien or security interest which any such agreement purports to create.

7. To our knowledge, after due inquiry, each of the Corporation and the Foundation (i) has all material licenses and is authorized in all material respects to own, operate and maintain its properties and to conduct its business as currently being conducted and (ii) has received no notice of an alleged violation of, and are not in violation of, any zoning, land use, environmental or other similar law or regulation applicable to any of its property which would materially adversely affect the property, operations or financial condition of the Corporation or the Foundation.

8. Except as may be described in the Preliminary Official Statement and/or the Official Statement, to our knowledge after due inquiry, neither the Corporation nor the Foundation is a party to any litigation or administrative proceeding affecting it, and to our knowledge there is no basis therefor, wherein (a) an unfavorable decision, ruling or finding (i) would adversely affect the issuance, delivery, validity or enforcement of the Obligated Group Documents, or in any way contest the corporate existence or the powers of the Corporation or the Foundation, (ii) might reasonably be expected to result in any material adverse change in the business or condition (financial or otherwise) of the Obligated Group, taken as a whole, or (iii) would otherwise adversely and materially affect the ability of the Corporation or the Foundation to comply with its obligations under the Obligated Group Documents to which it is a party or by which it is bound, or adversely and materially affect the transactions contemplated thereby, or (b) in the case of malpractice claims, the ultimate liability of the Corporation under the current claims for damages in said proceedings would exceed the Corporation's professional liability insurance.

9. The Corporation and the Foundation have each granted to U.S. Bank National Association as Master Trustee, a valid and enforceable security interest in their respective Gross Revenues (as defined in the Master Indenture). To the extent that the Corporation and the Foundation have rights in the personal property constituting their respective Gross Revenues and to the extent that a security interest therein may be perfected upon the filing of the financing statements in the office of the Florida Secured Transaction Registry, such security interest shall be perfected in that portion of the Gross Revenues in which a security interest may be perfected by filing under Article 9 of the Uniform Commercial Code as in effect in the State of Florida, Chapter 679, Florida Statutes (the "UCC"), subject to the following exceptions:

(a) Section 552 of the United States Bankruptcy Code (11 U.S.C. §§ 101 to 1333) limits the extent to which property acquired by a debtor after the commencement of a proceeding may be subject to a security interest arising from a security agreement entered into by such debtor before the commencement of such proceeding;

(a) in the case of proceeds, as such term is defined in the UCC, continuation of the perfection of the security interest therein is limited to the degree set forth in § 679.306 of the UCC;

(b) continuation statements relating to the financing statements must be filed within six (6) months prior to the expiration of five (5) years from the date of initial filing and each succeeding fifth anniversary thereof;

(c) additional filings may be necessary if the Corporation or the Foundation changes its name, identity or corporate structure or the jurisdiction in which its places of business are located, or in the event the Corporation or the Foundation changes the location of its chief executive office; and

(d) it may not be possible to create or perfect any security interest in any of the Gross Revenues, or the proceeds thereof, that are subject to an agreement that is or purports to be nonassignable or that may not be assigned under applicable law or that arise under Medicare, 42 U.S.C. §1395 (1988), Medicaid, 42 U.S.C. §1396 (1988), or similar government payment program, or, failing compliance with certain specified procedures (such as the Assignment of Claims Act of 1940, as amended, 31 U.S.C. §3727, 41 U.S.C. §15 (1988)), on which the account debtor is a governmental body, agency or instrumentality, or as to which the UCC has been preempted by any applicable federal law.

10. The Mortgage creates a valid and effective mortgage lien and security interest in the Mortgaged Property (as defined in the Mortgage), subject only to the liens listed on the mortgage title insurance policy and the title search dated _____ ("Title Search"), which liens constitute Permitted Liens, and the Mortgage secures all advances made by the Master Trustee to the Corporation thereunder, including the additional advances made to the Corporation on the date hereof. In rendering the opinions expressed in this paragraph concerning existing liens we have relied solely on the contents of the mortgage title policy and results of the Title Search which results we have not independently undertaken to verify.

11. There are no liens on the Property, other than Permitted Liens. In rendering the opinions expressed in this paragraph concerning the type of liens we have relied solely on the results of the Title Search and UCC Search which results we have not independently undertaken to verify and representations made in an officer's certificate.

12. The Master Indenture and Supplemental Indenture are each exempt from qualification under the Trust Indenture Act of 1939, as amended, and Series 2022 Master Note is exempt from registration under the Securities Act of 1933, as amended.

Because the primary purpose of our professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Preliminary Official Statement and the Official Statement, we are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently certified the accuracy, completeness or fairness of any such statements. However, in our capacity as counsel to the Obligated Group during the course of preparation of the Preliminary Official Statement and the Official Statement, we met in conferences or had discussions with your representatives, your counsel, representatives of the Obligated Group, auditors for the Obligated Group, bond counsel, the Bond Trustee, the financial advisor and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based upon the information made available to us in the course of our participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, nothing has come to our attention that would lead us to believe that the statements and information contained in the Preliminary Official Statement or the Official Statement, (other than (i) any financial information (including pro forma information) or statistical, economic, engineering or demographic data or forecasts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement; (ii) any statements and information relating to the Authority, [Assured Guaranty Municipal Corp.,] The Depository Trust Company and its nominee and book-entry system; and (iii) Appendices B, F, G [and H] as to which we express no opinion), as of the date of the Preliminary Official Statement through and including the sale date of the Bonds and as of the date of the Official Statement through and including the date hereof, contained or contain any untrue statement of a material fact or omitted or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

The opinions set forth herein are based solely upon our examination of and our reliance upon the documents referred to above and upon the assumptions set forth herein. We express no opinion as to the law of any jurisdiction other than the State of Florida and the United States of America.

Further, our opinion is subject to and limited by: (a) bankruptcy, insolvency, reorganization, moratorium or similar laws, in each case relating to or affecting the enforcement of creditor's rights generally; (b) applicable laws or equitable principles that may affect remedies or injunctive or other equitable relief; and (c) judicial discretion which may be exercised in applicable cases to adversely affect the enforcement of certain rights and remedies.

The opinions expressed herein are based on the law and the facts and circumstances known to us on the date hereof, and we assume no obligation to supplement this opinion, regardless of whether the law should change or additional facts come to light.

This opinion is furnished to you by us as counsel to the Corporation and the Obligated Group to meet the requirements of the Purchase Agreement, is solely for the benefit of the Underwriter, the Bond Trustee, the Master Trustee, the Authority, Bond Counsel and the

Members of the Obligated Group, and is rendered solely in connection with the transactions to which this opinion relates. This opinion may be relied upon only in connection with this transaction and may not be relied upon by any other persons (other than the owners of the Bonds), quoted in whole or in part or otherwise referred to in any document or furnished to any other person without our prior written consent, except that a copy of this opinion may be included in the closing transcript for the Bonds.

Very truly yours,

Exhibit H

DISCLOSURE STATEMENT AND TRUTH IN BONDING STATEMENT

April XX, 2022

Flagler Hospital, Inc.
400 Health Park Boulevard
St. Augustine, FL 32086
Attention: President

St. Johns County Industrial Development Authority
4020 Lewis Speedway
St. Augustine, FL 32084
Attention: Chairman

Re: St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 Bonds

Ladies and Gentlemen:

In connection with the proposed issuance by the St. Johns County Industrial Development Authority (the "Authority"), of the above-referenced bonds (the "Bonds"), J.P. Morgan Securities LLC (the "Underwriter") has agreed to purchase the Bonds upon the terms and conditions set forth in that certain Bond Purchase Agreement dated April XX, 2022 (the "Agreement"), among the Authority, the Underwriter, and Flagler Hospital, Inc. (the "Borrower").

The purpose of this letter is to furnish to the Authority and the Borrower certain information in connection with the offer and sale of the Bonds, pursuant to the provisions of Section 218.385, Florida Statutes, as amended. Pursuant to Section 218.385, Florida Statutes, as amended, the Underwriter provide the following information:

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

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

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

4. As part of the underwriting spread, the Underwriter has charged a management fee of [$-0-] per $1,000.

5. No fee, bonus or other compensation will be paid by the Underwriter in connection with the issuance of the Bonds to any person not regularly employed or retained by the Underwriter (including any "finder," as defined in Section 218.386(1)(a), Florida Statutes, as amended), except as disclosed as expenses to be incurred by the Underwriter, as set forth in paragraph 1 above.

6. The name and address of the Underwriter are:

J.P. Morgan Securities LLC
383 Madison Avenue, 3rd Floor
New York, NY 10179

7. The Authority is proposing to issue the Bonds for the purpose of providing funds, sufficient together with other available moneys, to (i) finance, refinance or reimburse the Borrower for all or a portion of the Project, as defined in the Trust Indenture by and between the Authority and U.S. Bank Trust Company, National Association, as bond trustee, dated as of April 1, 2022 (the "Indenture"), (ii) refund the Prior Debt (as defined in the Indenture) and (iii) pay costs associated with the issuance of the Bonds.

8. The Bonds are expected to be repaid over a period of approximately 35 years. The Bonds will bear interest (computed on the basis of a 360-day year of twelve 30-day months) at ____% per annum, and will mature on October 1, 205__. Interest on the Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2022.

9. The source of repayment or security for the Bonds consists of loan payments to be made by the Borrower and certain other security derived by the Authority pursuant to the terms of the Indenture. [The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Municipal Corp.] Authorization of the Bonds will not result in any moneys being unavailable to the Authority to finance other services of the Authority.

The foregoing statements are provided for information purposes only and shall not affect or control the actual terms and conditions of the Bonds.

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

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: _____

Schedule 1

Underwriter's Expenses

Expense Item	**Total Amount**	**Per Bond ($1,000)**
Dalcomp Fees		
Interest on Day Loan		
DTC Eligibility Fees		
CUSIP Fees		
IPREO Issuer Order Monitor		
MuniBond Roadshow (ImageMaster)		
Closing and Out of Pocket Expenses		
TOTAL*		**$___/bond**

*Totals may not sum due to rounding.

[THE ABOVE IS A PLACEHOLDER ONLY]

Exhibit I

April ___, 2022

J.P. Morgan Securities LLC
New York, New York

Re: St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022

Ladies and Gentlemen:

We have acted as bond counsel, and have delivered our approving legal opinion of even date herewith, in connection with the issuance on the date hereof by the St. Johns County Industrial Development Authority (the "Authority") of the above-referenced bonds (the "Bonds").

This letter is being delivered to you in accordance with Section 7(c)(ii) of the Bond Purchase Agreement dated April XX, 2022 (the "Bond Purchase Agreement"), among the Authority, J.P. Morgan Securities LLC and Flagler Hospital, Inc., a Florida not-for-profit corporation. Capitalized terms used herein, but not defined herein, shall have the meanings given to them in the Bond Purchase Agreement and the Official Statement dated April XX, 2020, relating to the Bonds (the "Official Statement"). In connection with the offering of the Bonds, a Preliminary Official Statement dated March __, 2022 relating to the Bonds (the "Preliminary Official Statement"), was also prepared.

We have not been engaged, nor have we undertaken, to review or verify the accuracy, completeness or sufficiency of the Preliminary Official Statement, the Official Statement or other offering material relating to the Bonds, except that, in our capacity as bond counsel in connection with the issuance of the Bonds, we have reviewed the information (a) contained in the Preliminary Official Statement and the Official Statement under the captions (i) "INTRODUCTION," (ii) "THE BONDS" (excluding any information relating to The Depository Trust Company ("DTC") and its book-entry only system) and (iii) "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS," insofar as such information relates to the Bonds, the Bond Indenture, the Loan Agreement, the Master Indenture and the Series 2022 Master Note, and (b) contained in Appendices C and D to the Preliminary Official Statement and the Official Statement (excluding any information contained therein relating to DTC and its book-entry only system) solely to determine whether such information conforms to the, the Bond Indenture, the Loan Agreement, the Master Indenture and the Series 2022 Master Note. The purpose of our professional engagement was not to establish or confirm factual matters in the Preliminary Official Statement and the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth under such captions or in such appendices. Subject to the foregoing, the information in the Preliminary Official Statement under such captions and in such appendices, as of the date of the Preliminary Official Statement, and in the Official Statement under such captions and in such appendices, as of the date of the Official Statement and as of the date hereof, insofar as such information relates to the Bonds, the

Bond Indenture, the Loan Agreement, the Master Indenture and the Series 2022 Master Note (apart from any information relating to [Assured Guaranty Municipal Corp., the bond insurance policy,] DTC and its book-entry only system), is accurate in all material respects (other than with respect to the omission of certain information in the Preliminary Official Statement permitted to be excluded therefrom pursuant to Rule 15c2−12 prescribed under the Securities Exchange Act of 1934, as amended). In addition, the information in the Preliminary Official Statement and in the Official Statement under the caption "TAX MATTERS," describing or summarizing our opinion with respect to certain federal tax matters relating to the Bonds, is accurate in all material respects.

Except as specifically described above, we make no statement with respect to, and have not undertaken to determine independently, the accuracy, fairness or completeness of any statements contained or incorporated by reference in the Preliminary Official Statement or the Official Statement.

This letter is furnished by us as bond counsel. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of our delivering this letter. This letter is not intended to be relied upon by the owners of the Bonds or any other party to whom it is not specifically addressed.

Respectfully submitted,

Exhibit J

ST. JOHNS COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY
REVENUE BONDS (FLAGLER HEALTH), SERIES 2022

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of J.P. Morgan Securities LLC ("JPMS") hereby certifies as set forth below with respect to the sale and issuance of the $PAR St. Johns County Industrial Development Authority Revenue Bonds (Flagler Health), Series 2022 (the "Bonds").

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

2. Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].

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

(b) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement dated April XX, 2022, among, JPMS, the Issuer, and Flagler Hospital, Inc. (the "Borrower"), for itself and as Obligated Group Agent on behalf of the Obligated Group, JPMS has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as

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

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

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

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

defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period. [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, dated April __, 2022, among, JPMS, the Issuer, and Flagler Health, Inc. (the "Borrower"), for itself and as Obligated Group Agent on behalf of the Obligated Group, JPMS has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

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

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

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

(d) *Issuer* means the St. Johns County Industrial Development Authority.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate

in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents JPMS's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and the Borrower with respect to certain of the representations set forth in the Tax Agreement and with respect to compliance with the federal income tax rules affecting the Bonds, and by Rogers Towers, P.A., bond counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Issuer and the Borrower from time to time relating to the Bonds.

J.P. Morgan Securities LLC

By:_____

Name:_____

Dated: April __, 2022

SCHEDULE I TO EXHIBIT J

SALE PRICES OF THE GENERAL RULE MATURITIES

Maturity	Principal Amount	Coupon	Sale Date	Sale Price (_____1)

SALE PRICES OF THE HOLD THE OFFERING PRICE MATURITIES

Maturity	Principal Amount	Coupon	Sale Date	Sale Price (_____1)

MINUTES OF MEETING
INDUSTRIAL DEVELOPMENT AUTHORITY
OF ST. JOHNS COUNTY
January 10, 2022 3 p.m.
at
500 San Sebastian View, St. Augustine FL

Members Present: Melissa Churchwell, Chet Frith and Geoffrey Litchney

Members on Phone: Vivian Helwig and Kevin Kennedy

Members Absent: None.

Guests Present: See attached sign-in sheet.

Ms. Churchwell brings the meeting to order at 3:01 p.m.

Ms. Churchwell notes that all members are present or on the phone.

Ms. Churchwell asks for public comment.

No public comment.

Ms. Churchwell asks for additions and deletions to today's agenda.

No additions or deletions to the agenda.

Ms. Churchwell welcomes Commissioner Whitehurst as the new Board of County Commissioners liaison for the IDA.

Ms. Churchwell moves the meeting to approval of the minutes of the November 8, 2021 meeting.

Motion Mr. Litchney, second Mr. Frith to approve the minutes of the November 8, 2021 meeting as presented.

Vote unanimous.

Ms. Churchwell moves the meeting to the Treasurer's report.

Mr. O'Connell was not present at the meeting, but the payment for TPC tickets was discussed. Mr. McCabe said that the tickets started being issued within the last week, and the payment for the tickets will need to be made. Mr. McCabe said the IDA has an agreement for The Deck for 12 tickets each day for $10,200.

Motion Mr. Frith, second Mr. Litchney to approve the financials.

Vote unanimous.

Ms. Churchwell moves the meeting to the PR/communications strategy agenda item.

Ms. Butler with the St. Johns County Department of Public Affairs called in to talk about the item. She said that the Public Affairs Office has not worked on marketing bond issuances in the past, so this would be something new that would involve some education by the Public Affairs Department. She provided a

background of the resources that the county has available, including social media (Facebook, Twitter, Instagram and Next Door), commissioner newsletters distributed on a quarterly basis, and press releases to media partners in the St. Augustine and Jacksonville area, including news stations, print and radio. It was recommended to use a third-party agency due to the department's current commitments. The Public Affairs Department relies on the other departments/organizations to be the agency expert to provide the information for press releases. From there, the Public Affairs Department would make edits to the information to tailor the information for the different channels for distribution.

Discussion.

Ms. Churchwell moves the meeting to the branding update agenda item.

Ms. Meeks said nine people from North Star visited and were here in St. Johns County collectively for four days. There were a total of five focus group meetings, each meeting had approximately 12 to 20 participants. The focus groups were with residents, tourism-related businesses (two groups), non-tourism-related businesses, and County department directors. North Star also conducted 23 one-on-one meetings. They had a site tour at Northrop Grumman and The PGA TOUR as well. There will be additional one-on-one meetings by phone, and they are also putting together a community survey. North Star will be providing three different brand options around the April/May timeframe.

Discussion.

Ms. Churchwell moves the meeting to the 2022 meeting schedule agenda item.

Ms. Zuberer asked the IDA members if they still wanted to meet every month or if they would like to change the meeting schedule for this year.

Discussion.

It was determined to leave the meetings monthly, and if there is no business then the meetings can be cancelled. Ms. Churchwell will use the discretion on a monthly basis to determine if there will be a meeting.

Ms. Churchwell moves the meeting to IDA member reports.

Ms. Churchwell – none.

Mr. Litchney – none.

Mr. Frith – none.

Mr. Helwig – none.

Mr. Kennedy – none.

Mr. Maynard provided an update for the St. Johns County Chamber of Commerce. He talked about recent economic development projects he's been working on. He said the biggest challenge is finding product – space and land. He said there are a lot of opportunities and the next challenge is finding the workforce to fill the positions.

Motion Ms. Churchwell, second Mr. Litchney to adjourn the meeting at 3:42 p.m.

Vote unanimous.

Industrial Development Authority
Balance Sheet
As of January 31, 2022

	Jan 31, 22
ASSETS	
Current Assets	
Checking/Savings	
1002 · Ameris Bank	119,296.93
1004 · Ameris CD 2	521,860.95
Total Checking/Savings	641,157.88
Total Current Assets	641,157.88
TOTAL ASSETS	**641,157.88**
LIABILITIES & EQUITY	
Equity	
2810 · Fund Balance - Unreserved Des	132,016.26
32000 · Retained Earnings	520,918.94
Net Income	(11,777.32)
Total Equity	641,157.88
TOTAL LIABILITIES & EQUITY	**641,157.88**

Industrial Development Authority
Profit & Loss
October 2021 through January 2022

	Oct '21 - Jan 22
Income	
3013 · Prosperity Bank Interest Income	21.68
Total Income	21.68
Expense	
5010 · Accounting	1,424.00
5016 · Contractual Services	10,200.00
5710 · DCA Special Fees	175.00
Total Expense	11,799.00
Net Income	**(11,777.32)**